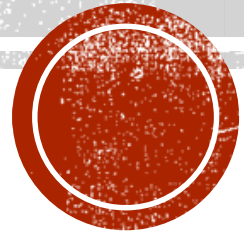
SHOW ME THE MONEY

DEBT REIMBURSEMENT (MOSTLY)

. . .because you need a pithy title to keep people awake



SCHOOLS

- Alaska Constitution, Art 7, Section 1. Public Education
- The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

SCHOOLS

- Alaska Constitution, Art 7
  - Section 2. State University
  - Section 3. Board of Regents
  - Section 4. Public Health
  - Section 5. Public Welfare

- Roads, railroads, ferries, troopers, prisons, parks, etc.

SCHOOLS

- AS 29.35.160. Education:
- (a) Each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis as provided in AS 14.14.060. . .

SCHOOL BUILDINGS

- AS 14.14.060. Relationship between borough school district and borough; finances and buildings:
- (f) The borough school board shall provide custodial services and routine maintenance for school buildings and shall appoint, compensate, and otherwise control personnel for these purposes. **The borough assembly through the borough administrator, shall provide for all major rehabilitation, all construction and major repair of school buildings.** The recommendations of the school board shall be considered in carrying out the provisions of this section.

SCHOOL BUILDINGS

- AS 14.11.100. State aid for costs of school construction debt. (7.5 pages and almost 400 lines of text in the statute book)
- AS 14.11.102. Allocation requests.
- The commissioner may not approve a request or allocate funds for indebtedness authorized by voters after Jan 1, 2015 but before July 1, 2020.

SCHOOL BUILDINGS

- AS 14.11.100. State aid for costs of school construction debt. (7.5 pages and almost 400 lines of text in the statute book)
- (c) The school construction account is established. Funds to carry out the provisions of this section shall be included within the appropriation bill authorizing capital expenditures submitted to the legislature under AS 37.07.020(a)(3) *and* ***may*** *be appropriated annually by the legislature to the account.* If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible municipalities, except that the legislature may direct that additional debt service on refunding bonds that exceeds the total debt service on the refunded bonds be disregarded in whole or in part.

Alaska Department of Education & Early Development
AS 14.11.100 State aid for costs of school construction debt
October 15 Allocation request in accordance with AS 14.11.102(a) and 4 AAC 31.060(e)

School District Name: Matanuska-Susitna Borough
For fiscal year of: 2020

Approved Bonds Currently Reimbursed by the State

	Date of Election/Voter Approval	Bond Issue	Bond Sale Date	Scheduled Interest Payment Amount	Scheduled Principle Payment Amount	% Eligible for Reimbursement	Total Annual Allocation Request	DEED Project #s	Bond Payment Schedule Included
	Oct-2009	*2010 One*	*2/14/10*	*275,500*	*750,000*	*99.7589% @ 70%*	*$ 716,119.26*	*DR-10-102*	*Yes*
1	Refunding	2007 Series A	3/1/2007	$900,750.00	$3,820,000.00	64.0076%	3,021,638.78	* see attached	Yes
2	10/7/2008	2009 Series A	5/27/2009	$17,400.00	$870,000.00	70.0000%	621,180.00	*	Yes
3	10/5/2010	2011 Series A	2/23/2011	$110,262.50	$1,495,000.00	70.0000%	1,123,683.75	*	Yes
4	10/4/2011	2012 Series A	3/15/2012	$2,870,793.76	$4,080,000.00	70.0000%	4,865,555.63	*	Yes
6	10/4/2011	2012 Series B	3/15/2012	$73,200.00	$0.00	63.3500%	46,372.20	*	Yes
7	10/4/2011	2013 Series A	3/5/2013	$495,050.00	$545,000.00	70.0000%	728,035.00	*	Yes
8	10/4/2011	2014 Series B	3/20/2014	$1,208,275.00	$1,035,000.00	70.0000%	1,570,292.50	*	Yes
9	Refunding	2015 Series A	2/11/2015	$707,350.00	$2,880,000.00	66.5629%	2,387,844.19	*	Yes
10	10/4/2011	2015 Series B	3/18/2015	$2,273,275.00	$2,055,000.00	70.0000%	3,029,792.50	*	Yes
11	Refunding	2016 Series A	10/5/2016	$1,368,200.00	$0.00	70.0000%	957,740.00	*	Yes
							18,352,134.55		

4 AAC 31.060(e)(5)

	Date of Election/Voter Approval	Bond Issue	Anticipated Bond Sale Date	Anticipated Interest Payment Amount	Anticipated Principle Payment Amount	% Eligible for Reimbursement	Total Annual Allocation Request	DEED Project #s	Bond Payment Schedule/Estimate Included
1									
2									

Total Allocation Request **$18,352,134.55**

Per SB64, school debt authorized by voters on or after January 1, 2015, but before July 1, 2020 does not qualify for reimbursement by the state.

Signature of borough official certifying accuracy: _____ Date: 9/17/18

Name of borough offici Cheyenne Heindel, Director of Finance

Instructions: School facilities debt reimbursement under AS 14.11 requires districts to submit on a form provided by the department an annual request for debt reimbursement allocation each year.
Submit your information no later than October 15 to Meridith Boman, School Finance Specialist II. Early submittal is greatly appreciated. For questions call 907-465-8683.

FORM #05-15-018
Alaska Department of Education and Early Development

SB 20 – DECEMBER 14, 2018

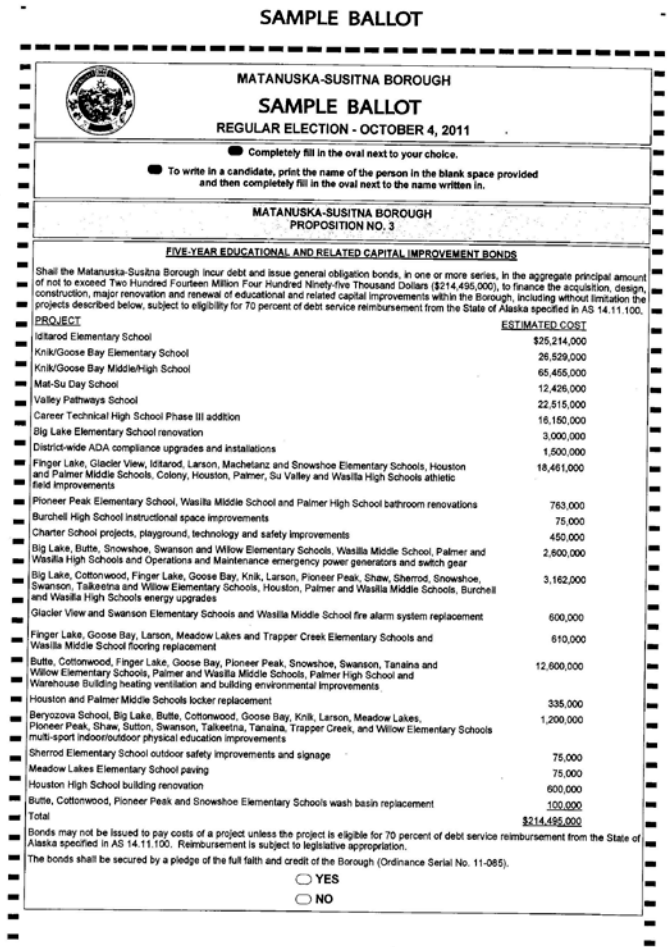
- (m) The amount necessary for state aid for costs of school construction under AS 14.11.100, estimated to be $99,820,500, is appropriated to the Department of Education and Early Development for the fiscal year ending June 30, 2020, from the following sources:
  - (1) $16,500,000 from the School Fund (AS 43.50.140);
  - (2) the amount necessary, after the appropriations made in (1) of this subsection, estimated to be $83,320,500, from the general fund.

SSSB 20 – FEBRUARY 2, 2019

- Language simply does not appear in the bill
- =No appropriation
- =No money to fund the program
- =No payments to Matanuska-Susitna Borough

MSB SCHOOL BONDS

- Example is from October 4, 2011 - $214,495,000



SAMPLE BALLOT

MATANUSKA-SUSITNA BOROUGH

SAMPLE BALLOT

REGULAR ELECTION - OCTOBER 4, 2011

● Completely fill in the oval next to your choice.

● To write in a candidate, print the name of the person in the blank space provided and then completely fill in the oval next to the name written in.

MATANUSKA-SUSITNA BOROUGH
PROPOSITION NO. 3

FIVE-YEAR EDUCATIONAL AND RELATED CAPITAL IMPROVEMENT BONDS

Shall the Matanuska-Susitna Borough incur debt and issue general obligation bonds, in one or more series, in the aggregate principal amount of not to exceed Two Hundred Fourteen Million Four Hundred Ninety-five Thousand Dollars ($214,495,000), to finance the acquisition, design, construction, major renovation and renewal of educational and related capital improvements within the Borough, including without limitation the projects described below, subject to eligibility for 70 percent of debt service reimbursement from the State of Alaska specified in AS 14.11.100.

PROJECT	ESTIMATED COST
Iditarod Elementary School	$25,214,000
Knik/Goose Bay Elementary School	26,529,000
Knik/Goose Bay Middle/High School	65,455,000
Mat-Su Day School	12,426,000
Valley Pathways School	22,515,000
Career Technical High School Phase III addition	16,150,000
Big Lake Elementary School renovation	3,000,000
District-wide ADA compliance upgrades and installations	1,500,000
Finger Lake, Glacier View, Iditarod, Larson, Machetanz and Snowshoe Elementary Schools, Houston and Palmer Middle Schools, Colony, Houston, Palmer, Su Valley and Wasilla High Schools athletic field improvements	18,461,000
Pioneer Peak Elementary School, Wasilla Middle School and Palmer High School bathroom renovations	763,000
Burchell High School instructional space improvements	75,000
Charter School projects, playground, technology and safety improvements	450,000
Big Lake, Butte, Snowshoe, Swanson and Willow Elementary Schools, Wasilla Middle School, Palmer and Wasilla High Schools and Operations and Maintenance emergency power generators and switch gear	2,600,000
Big Lake, Cottonwood, Finger Lake, Goose Bay, Knik, Larson, Pioneer Peak, Shaw, Sherrod, Snowshoe, Swanson, Talkeetna and Willow Elementary Schools, Houston, Palmer and Wasilla Middle Schools, Burchell and Wasilla High Schools energy upgrades	3,162,000
Glacier View and Swanson Elementary Schools and Wasilla Middle School fire alarm system replacement	600,000
Finger Lake, Goose Bay, Larson, Meadow Lakes and Trapper Creek Elementary Schools and Wasilla Middle School flooring replacement	610,000
Butte, Cottonwood, Finger Lake, Goose Bay, Pioneer Peak, Snowshoe, Swanson, Tanaina and Willow Elementary Schools, Palmer and Wasilla Middle Schools, Palmer High School and Warehouse Building heating ventilation and building environmental improvements	12,600,000
Houston and Palmer Middle Schools locker replacement	335,000
Beryozova School, Big Lake, Butte, Cottonwood, Goose Bay, Knik, Larson, Meadow Lakes, Pioneer Peak, Shaw, Sutton, Swanson, Talkeetna, Tanaina, Trapper Creek, and Willow Elementary Schools multi-sport indoor/outdoor physical education improvements	1,200,000
Sherrod Elementary School outdoor safety improvements and signage	75,000
Meadow Lakes Elementary School paving	75,000
Houston High School building renovation	600,000
Butte, Cottonwood, Pioneer Peak and Snowshoe Elementary Schools wash basin replacement	100,000
Total	$214,495,000

Bonds may not be issued to pay costs of a project unless the project is eligible for 70 percent of debt service reimbursement from the State of Alaska specified in AS 14.11.100. Reimbursement is subject to legislative appropriation.

The bonds shall be secured by a pledge of the full faith and credit of the Borough (Ordinance Serial No. 11-065).

○ YES

○ NO

MSB SCHOOL BONDS

Total $214,495,000

Bonds may not be issued to pay costs of a project unless the project is eligible for 70 percent of debt service reimbursement from the State of Alaska specified in AS 14.11.100. Reimbursement is subject to legislative appropriation.

The bonds shall be secured by a pledge of the full faith and credit of the Borough (Ordinance Serial No. 11-085).

◯ YES

◯ NO

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- Ketchikan sued over the 2.65mil mandate in AS 14.17.410(b)(2)
- Alaska Constitution Art 9, Section 7. Dedicated Funds
- The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- Direct quotes of the facts at issue form the Alaska Supreme Court opinion
- Article VII, section 1 of the Alaska Constitution requires the state legislature to "establish and maintain a system of public schools" open to all children in the state.
- To fulfill this constitutional mandate, the legislature has defined three types of school districts according to where the district is located: city school districts, borough school districts, and regional education attendance areas.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- "[E]ach organized borough is a borough school district"; a borough must "establish[ ], maintain [ ], and operate[ ] a system of public schools on an areawide basis." Local school boards manage and control these school districts under authority delegated by AS 14.12.020. This statute requires local borough and city governments to raise money "from local sources to maintain and operate" their local schools.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- FYI
- AS 14.12.020. Support, management, and control in general; military reservation schools:
- (c) The legislature shall provide the state money necessary to maintain and operate the regional educational attendance areas. **The borough assembly for a borough school district**, and the city council for a city school district, **shall provide the money that must be raised from local sources to maintain and operate the district.**

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- Section headings from the Alaska Supreme Court opinion
- A. The School Funding Formula Does Not Violate The Dedicated Funds Clause.
  - 1. Under the Alaska Compiled Laws of 1949, the Territory and local communities shared responsibility for funding local schools.
  - 2. The framers drafted the constitution to allow such state-local cooperative programs to continue after statehood.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- 3. Early legislation built upon the pre-statehood laws that required the Territory and local communities to share responsibility for local schools.
- 4. Subsequent legislation did not alter the basic framework of state-local cooperation in providing local public schools.
- 5. We have yet to consider the dedicated funds clause in light of state-local cooperative programs.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- B. The School Funding Formula Does Not Violate The Appropriations Or Governor's Veto Clauses.
- C. The Borough Is Not Entitled To A Refund Of Its Protested Payment.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- *Justice Winfree concurring opinion quotes Macauley v. Hildebrand, 491 P.2d 120 (Alaska 1971)
- "This constitutional mandate for pervasive state authority in the field of education could not be more clear. First, the language is mandatory, not permissive. Second, the section not only requires that the legislature 'establish' a school system, but also gives to that body the continuing obligation to 'maintain' the system. Finally, the provision is unqualified; no other unit of government shares responsibility or authority."

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- I am left with the following conclusions. If the public schools clause requires that the statewide schools system be funded to a constitutionally acceptable minimum by the State, then the RLC likely is an unconstitutional dedicated tax. If the public schools clause allows the legislature to require local funding for the statewide unified schools system, then, depending on its parameters for requiring local funding, the RLC may or may not be an unconstitutional dedicated tax. But, deliberately, the interpretation of the public schools clause was not litigated in the superior court and, therefore, was not meaningfully briefed in this appeal. Although I have considerable doubt that the RLC is constitutional, on this record and briefing I must resolve that doubt in favor of the presumption that it is constitutional.

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- Chief Justice Stowers jumps on the bandwagon too:
- I join in the court's opinion. But like Justice Winfree, I am concerned that the court was not given the opportunity to decide the dedicated funds question controlled by article IX, section 7 of the Alaska Constitution as presented by this appeal in the fuller context of the public schools clause of article VII, section 1 of the Alaska Constitution. . . . . In my view, therefore, the question whether the State's required local contribution is constitutional under the public schools clause remains an undecided question

STATE V. KETCHIKAN

366 P.3D 86 (2016)

- "If the public schools clause requires that the statewide schools system be funded to a constitutionally acceptable minimum by the State, then the RLC likely is an unconstitutional dedicated tax."
- What is the 'constitutionally acceptable minimum'?

MSB PORT BONDS

- AS 29.60.700. Reimbursement for the costs of municipal capital projects.
- (a) Subject to appropriations for the purpose, during each fiscal year, the Department of Transportation and Public Facilities shall allocate to each municipality an amount to reimburse the costs paid by the municipality during the immediately preceding fiscal year for the principal and interest on outstanding debt for projects listed in (b) of this section.

MSB PORT BONDS

- AS 29.60.700. Reimbursement for the costs of municipal capital projects.
- (b) . . . . Matanuska-Susitna Borough (deep water port and road upgrade) $10,000,000

SB 20 – DECEMBER 14, 2018

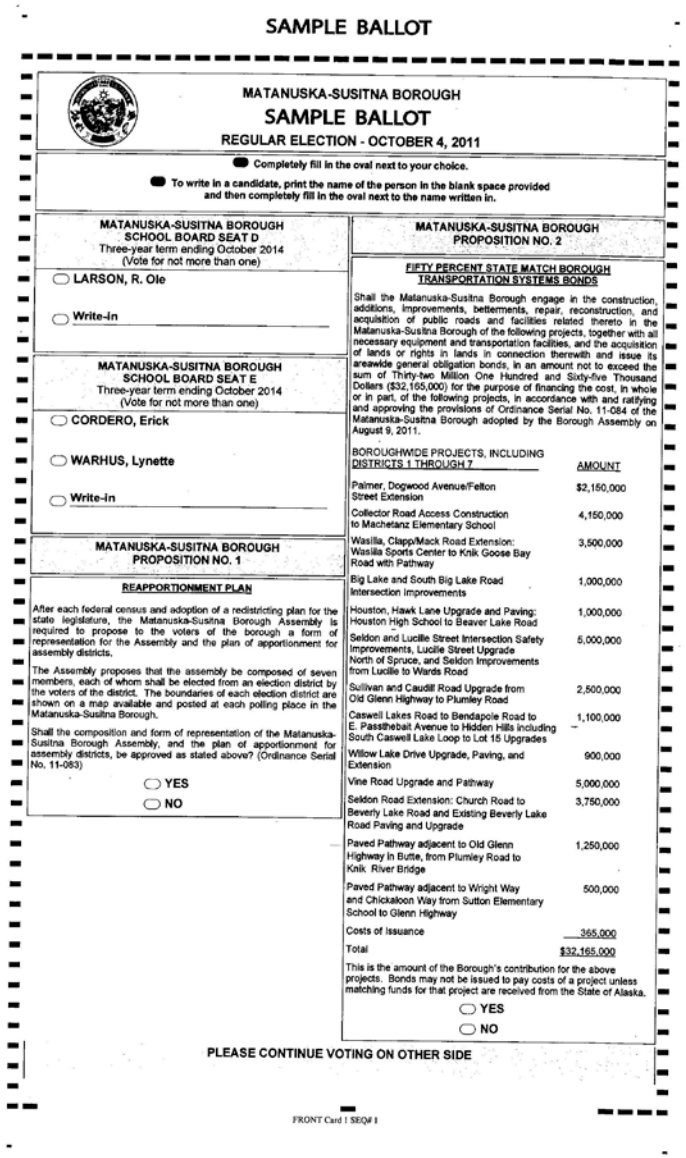
- (e) appropriation to agencies for debt on projects
- (2)(a) Matanuska-Susitna Borough (deep water port and road upgrade) $712,513

SSSB 20 – FEBRUARY 2, 2019

- Language simply does not appear in the bill
- =No appropriation
- =No money to fund the program
- =No payments to Matanuska-Susitna Borough

ROAD BONDS

- Example is the 2011 road bonds



SAMPLE BALLOT

MATANUSKA-SUSITNA BOROUGH
SAMPLE BALLOT
REGULAR ELECTION - OCTOBER 4, 2011

● Completely fill in the oval next to your choice.
● To write in a candidate, print the name of the person in the blank space provided and then completely fill in the oval next to the name written in.

MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD SEAT D
Three-year term ending October 2014
(Vote for not more than one)

- ○ LARSON, R. Ole
- ○ Write-in

MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD SEAT E
Three-year term ending October 2014
(Vote for not more than one)

- ○ CORDERO, Erick
- ○ WARHUS, Lynette
- ○ Write-in

MATANUSKA-SUSITNA BOROUGH PROPOSITION NO. 1

REAPPORTIONMENT PLAN

After each federal census and adoption of a redistricting plan for the state legislature, the Matanuska-Susitna Borough Assembly is required to propose to the voters of the borough a form of representation for the Assembly and the plan of apportionment for assembly districts.

The Assembly proposes that the assembly be composed of seven members, each of whom shall be elected from an election district by the voters of the district. The boundaries of each election district are shown on a map available and posted at each polling place in the Matanuska-Susitna Borough.

Shall the composition and form of representation of the Matanuska-Susitna Borough Assembly, and the plan of apportionment for assembly districts, be approved as stated above? (Ordinance Serial No. 11-083)

- ○ YES
- ○ NO

MATANUSKA-SUSITNA BOROUGH PROPOSITION NO. 2

FIFTY PERCENT STATE MATCH BOROUGH TRANSPORTATION SYSTEMS BONDS

Shall the Matanuska-Susitna Borough engage in the construction, additions, improvements, betterments, repair, reconstruction, and acquisition of public roads and facilities related thereto in the Matanuska-Susitna Borough of the following projects, together with all necessary equipment and transportation facilities, and the acquisition of lands or rights in lands in connection therewith and issue its areawide general obligation bonds, in an amount not to exceed the sum of Thirty-two Million One Hundred and Sixty-five Thousand Dollars ($32,165,000) for the purpose of financing the cost, in whole or in part, of the following projects, in accordance with and ratifying and approving the provisions of Ordinance Serial No. 11-084 of the Matanuska-Susitna Borough adopted by the Borough Assembly on August 9, 2011.

BOROUGHWIDE PROJECTS, INCLUDING DISTRICTS 1 THROUGH 7	AMOUNT
Palmer, Dogwood Avenue/Felton Street Extension	$2,150,000
Collector Road Access Construction to Machetanz Elementary School	4,150,000
Wasilla, Clapp/Mack Road Extension: Wasilla Sports Center to Knik Goose Bay Road with Pathway	3,500,000
Big Lake and South Big Lake Road Intersection Improvements	1,000,000
Houston, Hawk Lane Upgrade and Paving: Houston High School to Beaver Lake Road	1,000,000
Seldon and Lucille Street Intersection Safety Improvements, Lucille Street Upgrade North of Spruce, and Seldon Improvements from Lucille to Wards Road	5,000,000
Sullivan and Caudill Road Upgrade from Old Glenn Highway to Plumley Road	2,500,000
Caswell Lakes Road to Bendapole Road to E. Passthebait Avenue to Hidden Hills including South Caswell Lake Loop to Lot 15 Upgrades	1,100,000
Willow Lake Drive Upgrade, Paving, and Extension	900,000
Vine Road Upgrade and Pathway	5,000,000
Seldon Road Extension: Church Road to Beverly Lake Road and Existing Beverly Lake Road Paving and Upgrade	3,750,000
Paved Pathway adjacent to Old Glenn Highway in Butte, from Plumley Road to Knik River Bridge	1,250,000
Paved Pathway adjacent to Wright Way and Chickaloon Way from Sutton Elementary School to Glenn Highway	500,000
Costs of Issuance	365,000
Total	$32,165,000

This is the amount of the Borough's contribution for the above projects. Bonds may not be issued to pay costs of a project unless matching funds for that project are received from the State of Alaska.

- ○ YES
- ○ NO

PLEASE CONTINUE VOTING ON OTHER SIDE

FRONT Card 1 SEQ# 1

ROAD BONDS

Total $32,165,000

This is the amount of the Borough's contribution for the above projects. Bonds may not be issued to pay costs of a project unless matching funds for that project are received from the State of Alaska.

◯ YES

◯ NO

ROAD BONDS

- October 4, 2011 - voters approve 50/50 road bonds
- Legislative session Jan-May 2012 - Legislature Approves Match
- October 31, 2012 - MSB signs grant agreement for match ($32.2m)
- December 13, 2012 - Bond Closing ($11.175m)
- January 16, 2014 – Bond Closing ($17.84m)

ROAD BONDS

- No continuing funding from the State of Alaska
- Match was "lump sum"
- Debt service reductions at the State level do not affect the road bonds

SADDER AND WISER

. . .quote from Samuel Taylor Coleridge, made better by Steven Percy Harris