

**MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 20-103**

JOINT RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AND THE MUNICIPALITY OF ANCHORAGE ASSEMBLY IN FAVOR OF THE STATE OF ALASKA FULLY FUNDING SCHOOL BOND DEBT REIMBURSEMENT.

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WHEREAS, the state of Alaska has a constitutional responsibility to "maintain a system of public schools" under Article VII, 1 of the Alaska State Constitution; and

WHEREAS, since 1970 the state of Alaska has encouraged municipalities to bond for school major maintenance projects by reimbursing municipalities with bonding authority for principal and interest payments; and

WHEREAS, between 2006 and 2015, the Legislature determined that school projects which passed the Alaska State Department of Education and Early Development's criteria and were approved by local voters would receive 70 percent debt reimbursement, and those that did not meet the department's criteria would receive 60 percent reimbursement; and

WHEREAS, relying on the state's commitment to fund its moral and constitutional obligations, the Matanuska-Susitna Borough and the Municipality of Anchorage have maintained schools for the education of our state's most precious resource, our children; and

WHEREAS, the Matanuska-Susitna Borough and the Municipality of Anchorage issued bonds relying in good faith on the state to live up to its financial commitments to education; and

WHEREAS, in 2015 the Legislature responded to a difficult fiscal situation by placing a five-year moratorium on any new projects being eligible for school bond debt reimbursement, thus giving municipalities and voters across the state notice that bonds sold within the five-year period would be the sole responsibility of local taxpayers; and

WHEREAS, in 2016 the Legislature recognized the state's responsibility to honor past project funding and appropriated funds to the municipalities for school debt reimbursement; and

WHEREAS, in 2016 then Governor Bill Walker, in trying to address the budget deficit, cut 25 percent of the funding for both municipal and rural schools from appropriation bills using his line-item reduction power; and

WHEREAS, these reductions saved the state of Alaska \$40,703,819 out of an estimated \$3,000,000,000 deficit, or 1.2 percent, by shifting costs to local municipalities and by leaving badly needed rural projects unfunded; and

WHEREAS, the Matanuska-Susitna Borough lost \$5,692,185 as a result of the line-item reduction; and

WHEREAS, the Municipality of Anchorage lost approximately \$11 Million as a result of the line-item reduction; and

WHEREAS, in 2020 the Matanuska-Susitna Borough lost approximately \$16 Million in state revenues, largely the school bond debt reimbursement funds, which equate to 20 percent of our current area-wide property tax in a single year, and

WHEREAS, in 2020 the Municipality of Anchorage lost approximately \$20.5 Million in state revenues; and

WHEREAS, Alaska municipalities do not have the fiscal resources to close the state's revenue gap; and


WHEREAS, state should not reach a long-term solution to its revenue problems by ignoring its constitutional obligation to public education.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough Assembly and the Municipality of Anchorage Assembly:

- hereby support full funding from the state of Alaska for the school bond debt reimbursement; and
- call on Governor Mike Dunleavy to fully fund the fiscal year 2022 budget and future state of Alaska moral and constitutional obligation to public schools through school bond debt reimbursement in his budget submittal to the Legislature; and
- call on the Alaska Legislature to continue its practice of fully funding these moral and constitutional obligations to public schools; and

- call on Governor Mike Dunleavy and the Alaska Legislature to adopt a Fiscal Year 2022 budget that reinstates full funding for this year's school debt reimbursement payments.

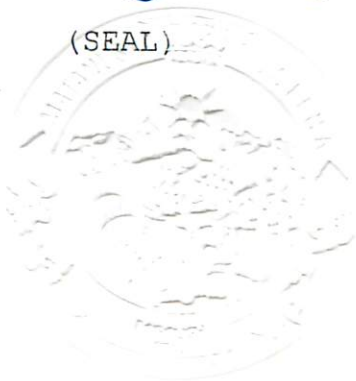
ADOPTED by the Matanuska-Susitna Borough Assembly this 17 day  
of November, 2020.

  
VERN HALTER, Mayor  
Matanuska-Susitna Borough

ATTEST:

  
LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)



PASSED UNANIMOUSLY: Hale, Nowers, McKee, Leonard, Mayfield,  
Sumner, and Boeve