

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. 2298

A Resolution of the Assembly of the Ketchikan Gateway Borough Urging the Twenty-Seventh Alaska State Legislature to Amend Local-Share Requirements for School Construction Grants and Funding for School Major Maintenance Projects

WHEREAS, the State of Alaska has a duty under Article VI, Section 1 of the Constitution of the State of Alaska to “establish and maintain a system of public schools open to all children of the State;” and

WHEREAS, the State of Alaska shifts its duty for education within the boundaries of organized boroughs, home-rule cities in the unorganized borough, and first-class cities in the unorganized borough to those local governments; and

WHEREAS, AS 14.11.008 sets out requirements for local funding for State school construction grants and State major maintenance grants for school facilities; and

WHEREAS, the required local share for Alaska’s 34 *municipal* school districts is based on that district’s “full value per average daily membership (ADM),” as follows:

<u>Full Value Per ADM</u>	<u>District Participating Share</u>
\$1 - \$150,000	5 percent
\$150,001 - \$275,000	10 percent
\$275,001 - \$500,000	20 percent
\$500,001 - \$800,000	30 percent
over \$800,000	35 percent

WHEREAS, the required local share for Alaska’s 19 regional educational attendance areas (REAs) is set at a flat rate of two percent -- 2/5ths of the lowest municipal rate and 2/35ths of the highest municipal rate -- regardless of fiscal capacity; and

WHEREAS, it is presumed by many that REAs are poor, remote areas of Alaska that cannot afford to operate municipal school districts and that the 18 organized boroughs and 16 city governments that operate municipal school districts are all relatively prosperous; in fact some REAs are quite prosperous while many municipal school districts encompass economically “distressed” communities (as defined by the Alaska Department of Labor and Workforce Development); and

WHEREAS, the formula set out in AS 14.11.008 is arbitrary and onerous in that a mere \$1 increase in the full value per ADM (\$/ADM) can have a huge fiscal impact on the local funding required of municipal governments that operate school districts as reflected in the table below:

Effect of a \$1 Increase in the Value of a Municipal School District:

<u>Current Value</u>	<u>Increase in Local Share if \$/ADM Increases by \$1</u>
\$150,000	100%
\$275,000	100%
\$500,000	50%
\$800,000	17%

WHEREAS, AS 14.11.008 is inequitable in that municipal governments that operate school districts are required to pay on the basis of perceived fiscal capacity to pay, yet the required contribution for regional educational attendance areas is set at a flat figure of 2 percent irrespective of their fiscal resources; and

WHEREAS, the formula set out in AS 14.11.008 is not a true reflection on the capacity to pay; a school district's \$/ADM will increase through a drop in student enrollment -- increasing a district's required local contribution in the face of a drop in enrollment only compounds the fiscal challenges facing those districts; and

WHEREAS, AS 14.11.008 is a disincentive to form boroughs; setting a flat figure for local contributions from REAAs, irrespective of their capacity to pay, while the lowest rate for a municipal school district is 2.5 times that figure (and the highest rate is 17.5 times the rate) is a significant disincentive to borough formation.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA as follows:

Section 1. The Assembly of the Ketchikan Gateway Borough urges the Twenty-Seventh Alaska State Legislature to eliminate the local-share requirements for school construction grants and funding for school major maintenance projects or, alternatively, adopt a single rate that applies to all 53 school districts in Alaska.

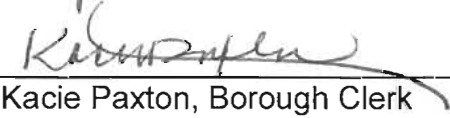
Section 2. The Borough Clerk is directed to send a copy of this resolution to Senator Bert Stedman, Representative Kyle Johansen, and the Alaska Municipal League.

Section 3. This resolution is effective upon adoption.

ADOPTED this 17th day of January, 2011.



Dave Kiffer, Borough Mayor



Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:



Scott A. Brandt-Erichsen, Borough Attorney

EFFECTIVE DATE:		JANUARY 17, 2011		
ROLL CALL	YES	NO	ABSENT	
Bailey	√			
Harrington	√			
Moran	√			
Phillips	√			
Rotecki	√			
Salazar	√			
Shoemaker	√			
Mayor (tie votes only)				
4 AFFIRMATIVE VOTES REQUIRED FOR PASSAGE				