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AML Expresses its Disappointment and Concern in Reaction to Governor's FY20 Budget Vetoes

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Vetoes don't strengthen Alaska, but working with community leaders does. The Governor has identified a number of priorities that are more successful when negotiated between partners. AML recognizes that these are issues that will continue to require effective governance and equitable decision-making, which local governments are prepared to work toward in cooperation with the State.

A 50% reduction to school bond debt reimbursement is disappointing; roughly speaking it means that local governments will pick up the majority of school construction costs in support of the State's Constitutional obligation. Similarly, vetoing the debt reimbursement for municipal capital projects that improved ports and harbors across Alaska will negatively impact those communities. Some local governments will be better able to manage this than others, but breaking these promises will be directly felt by local taxpayers.

AML is concerned that the Governor chose to veto capitalizing the Community Assistance Fund, which essentially reduces Community Assistance in FY21 by a third. The long-term viability of many smaller local governments will be at risk. Nils Andreassen, Executive Director, notes that, "vetoes of this scope and scale very definitely have the potential to disrupt the lives and livelihoods of community residents, the business decisions of investors, and the capacity of our local governments to support those organizational partners who depend on State funding."

University campuses across the state are often the center of the community, and the veto of 40% of State aid threatens quality of life, workforce development, and the opportunity to pursue career pathways. Alaska's University system reflects its communities' interests and priorities, is responsive to economic development, and is one of the basic investments necessary in today's globally competitive environment.

We're struck by the intersection of so many of these vetoes with Article 7 of the Constitution – public education, the university, public health, and public welfare. These are Constitutional obligations of the State that provide the fundamental building blocks of a resilient society and a successful economy.

It will take us some time to digest the full impact of the reductions to the FY20 operating budget. Clearly, as the State retreats from its roles and responsibilities, local governments are being asked to do more. AML President Tim Navarre is committed to working on solutions: "We anticipate working with legislative leaders and State officials to ensure that this challenge is met with the least possible negative impacts to our most vulnerable communities and residents."