



Resolution 23-31

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH IN SUPPORTING THE SUSTAINABILITY OF COMMUNITY ASSISTANCE

WHEREAS, Community Assistance (know formerly as Community Revenue Sharing) represents a decades-long partnership between local governments and the State of Alaska; and

WHEREAS, that partnership is a recognition of the State's retention of royalty and production rights on resource development, that local tax bases would not be able otherwise to ensure operations, and the need to deliver essential public services outside of State government; and

WHEREAS, Community Assistance has seen continued degradation over the years, including in 2015 a reduction of 50%, and if measured from FY 1985 through FY 2020 and adjusting for inflation, the value of Community Assistance should be 984% greater than it currently is;

WHEREAS, Community Assistance represents a meaningful portion of the Aleutians East Borough's budget, as well, as the Borough communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point; and

WHEREAS, the formula of the Community Assistance Fund determines the annual payment to communities, with a payout of a third of available funds; and

WHEREAS, the availability of funds designated in statute to recapitalize Community Assistance is based on the waterfall of earnings from the PCE Endowment; and

WHEREAS, when earnings are less than needed, it has been the policy choice of the current administration to fund less than what is needed for full recapitalization, which has resulted in payments to communities that are increasingly inadequate; and

WHEREAS, when this intergovernmental transfer or resource sharing does not occur it requires local governments to consider other revenue mechanisms, such as taxes, or diminishes their ability to provide services; and

WHEREAS, at the same time, inflation has negatively impacted the purchasing power of this annual transfer, thereby negating some of the benefits that local governments might otherwise expect; and

WHEREAS, it would require legislation to address the fact that the Community Assistance Fund does not retain its earnings and payments aren't inflation adjusted; and

WHEREAS, the sustainability of the Fund and payments is in doubt without legislative changes; and

WHEREAS, the Aleutians East Borough believes that community revenue sharing is a critical way in which the State can contribute to local governments' ability to deliver on obligations of education, public safety, infrastructure, and economic development.

NOW, THEREFORE, BE IT RESOLVED THAT the Aleutians East Borough requests the Legislature enact statutory changes that ensure the capitalization of the Community Assistance Fund and enable it to grow through earnings; and

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT Legislature include in legislation the ability to increase payment to local governments that account for inflation and include additional transfers to compensate local governments for their provision on behalf of the state of basic obligations, (police, jails, etc.), reimbursements (bond debt) or unfunded mandates (mandatory exemptions).

PASSED AND APPROVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH on this 12th day of January, 2023.

IN WITNESS THERETO:


Alvin D. Osterback, Mayor

ATTEST:


Beverly Rosete, Borough Clerk