

RESOLUTION #2020-07

Supporting full payment of currently obligated school bond debt reimbursement; a reinstatement of the school bond debt reimbursement program; and a careful and deliberate reform of State support of school construction and maintenance.

WHEREAS, 34 local governments have education powers and corresponding funding responsibilities; and

WHEREAS, the majority of these own and maintain school buildings and have participated in the school bond debt reimbursement program over its history; and

WHEREAS, the school bond debt reimbursement program provides a useful way in which municipal school districts can avoid competing with REAA school districts for limited State funding; and

WHEREAS, while in the issuance of the bond by a local government the State maintains the option to reimburse only upon appropriation, the history of the program has provided no indication to local governments that the State would not appropriate its share; and

WHEREAS, failure to reimburse has and will directly result in higher property taxes, spending down of reserves, and additional cost-cutting at the local level; and

WHEREAS, there remains nearly \$800 million in bond debt remaining, with that debt to be retired over between one and nineteen years; and

WHEREAS, it is unacceptable to pass those State debts back to local governments and to additionally burden local residents with the costs of the State's obligation; and

WHEREAS, even as past school bond debt must be reimbursed, a moratorium on the program is increasingly pushing the costs of school construction to future years; and

WHEREAS, local governments have few options but to try and bond for projects where they can, or to apply to the State's school construction grant program, where they may displace the needs of REAAs; and

WHEREAS, the State's six year plan accounts for \$1.6 billion in maintenance needs, does not account for new school construction costs, and local governments will need to be part of the structural changes necessary in how the State fulfills its Constitutional obligation to maintain a system of public education, including how to fund school construction and maintenance.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League supports full payment of currently obligated school bond debt reimbursement; an extension to the school bond debt reimbursement program; and supports a careful and deliberate reform of State support of school construction and maintenance.