

RESOLUTION #2020-08

Encouraging the State of Alaska to develop a plan to transfer authority to accept federal funds from the State directly to local governments or their designee.

WHEREAS, approximately \$60 million is transferred annually from the Federal government to the State for distribution to local governments; and

WHEREAS, the State collects about \$80 million annually in taxes on local economic activity that have revenue sharing statutes attached to them; and

WHEREAS, the nearly \$150 million in funds held by the State for distribution to local governments accrues interest earnings that are not added to the amounts available for distribution; and

WHEREAS, PILT funding of nearly \$30 million and Secure Rural Schools funding (within the Unorganized Borough) represents examples of federal funding for local governments that unnecessarily goes to the State for distribution; and

WHEREAS, the Community Assistance funding is formula-driven, similar to calculations made for PCE distribution; and

WHEREAS, Shared Fish Taxes, Aviation Motor Fuels Tax, and the Commercial Vessel Passenger Tax all represent examples of taxes collected by the State but with Statutes that direct some portion to be shared with local governments; and

WHEREAS, depending on which funds you include, a total of \$642 million of funding that will ultimately be distributed to local governments rests with the State for anywhere between three and six months; and

WHEREAS, in an environment of fiscal austerity, fund and grant management should be considered an area where the State can reduce its footprint; and

WHEREAS, local governments have the capacity, individually or collectively, to effectively manage these funds and their reporting; and

WHEREAS, reducing the State's role as middleman is one way in which to right size state government even as the State strengthens local governments.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League encourages the State of Alaska to develop a plan to transfer authority to accept federal funds from the State directly to local governments or their designee.