

An ordinance of the Haines Borough reimbursing funds withdrawn to pay FY20 and FY21 school bond debt underfunded by the State of Alaska.

WHEREAS, in the FY20 fiscal year, the Haines Borough experienced a loss of \$464,053 of school debt reimbursement funding from the State of Alaska when the governor vetoed 50% of budgeted funding to municipalities from the State of Alaska; and

WHEREAS, in the FY21 fiscal year, the Haines Borough also experienced a loss of 70% school debt reimbursement from the State of Alaska which amounted to \$896,298; and

WHEREAS, the Haines Borough diverted Capital Improvement Funds (50) to offset \$324,075 of the loss of debt reimbursement from the State; and

WHEREAS, the Haines Borough voters authorized a distribution of \$450,000 from the permanent fund (97) to offset some of the loss of debt reimbursement from the State; and

WHEREAS, the State of Alaska has reimbursed the Haines Borough for the losses of school bond debt reimbursement sustained in FY17, FY20 and FY21 and the Borough has received \$1,548,663 for the repayment; and

WHEREAS, the State of Alaska has authorized additional reimbursement to the Haines Borough for the FY22 loss in school bond debt reimbursement in the additional amount of \$523,941; and

WHEREAS, the Legislative Finance's overview of Governor Dunleavy's 10-year plan states that "beginning in FY24, School Debt Reimbursement is funded at 50%" which will result in an approximate \$448,717 loss to the Haines Borough; and

WHEREAS, the Haines Borough would like to plan for the State's projected underfunding of its school bond obligation in FY24; and

WHEREAS, Haines Borough Code allows the Assembly to deposit funds into the Permanent Fund if it does so by ordinance per HBC 3.24.030(D),

NOW, THEREFORE, BE IT ENACTED BY THE HAINES BOROUGH ASSEMBLY:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held to be invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall become effective immediately upon adoption.

Section 4. Appropriation. This appropriation is hereby authorized as part of a budget for the fiscal year July 1, 2022 through June 30, 2023.

Section 3. Purpose. It is hereby determined to be for a public purpose and in the public interest of the Haines Borough to:

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- (1) Redeposit the amount of \$450,000 into the Permanent Fund (Fund 97) per HBC 3.24.030(D) which was withdrawn by the voters on October 6, 2020
- (2) Increase the FY23 Capital Improvement Project Account (Fund 50) in the amount of \$324,075 which was used from CIP fund balance in FY21.
- (3) To designate the amount of \$448,717 of the Areawide General Fund (Fund 01) to pay the State of Alaska's anticipated FY24 school bond debt reimbursement shortfall.

ADOPTED BY A DULY CONSTITUTED QUORUM OF THE HAINES BOROUGH ASSEMBLY THIS 11th DAY OF OCTOBER, 2022.

Attest:


Alekka Fullerton, CMC, Borough Clerk


Douglas Olerud, Mayor



Date of Introduction: 09/13/22
Date of First Hearing: 09/27/22
Date of Second Hearing: 10/11/22