



March 24, 2026

Dear Finance Committee Members,

I am writing on behalf of the City of Dillingham to urge your support for three critical state investments that directly affect communities across Alaska: Community Assistance, School Bond Debt Reimbursement, and Community Jails.

These programs are not optional extras for local governments. They are core state-local partnerships that help communities provide basic public services, maintain essential school and public infrastructure, and meet public safety needs.

Community Assistance provides flexible support that we rely on for essential services such as public safety, roads, utilities, emergency response, and other local government operations. For many municipalities, these funds help fill the gap between rising costs and limited local revenue options. The recapitalization of Community Assistance to \$90 million will help stabilize local budgets and reduce pressure on taxpayers. There's \$60 million in the fund right now, so the 1/3 distribution in July will be \$20 million. To fully ensure the \$30 million distribution in July, we'd ask you to add \$10 million to the FY27 budget to top off the July 2026 distribution, to allow municipalities like ours to meet the needs of our community. At the same time, fully capitalizing the Fund for FY27 ensures this isn't a question next year.

School Bond Debt Reimbursement is vital. Local governments have stepped up to finance school construction and major maintenance projects – during a period of time when State funding has been met about 15% of need – with the understanding that the state would remain a reliable partner in reimbursing eligible costs. Honoring that commitment helps communities maintain safe and functional schools, protects local taxpayers, and gives municipalities confidence to address infrastructure needs responsibly. Full funding of School Bond Debt Reimbursement at \$41 million (currently budgeted at \$31 million) is essential. The current budget anticipates 75% funding, which will severely impact local government budgets, often resulting in higher taxes, reduced services, or delayed maintenance, including of school facilities. It exacerbates the pressure on the school construction and major maintenance program. The State's commitment to reimburse existing school bond debt is essential for the fiscal stability of local governments and the well-being of Alaska's communities.

Finally, Community Jails are another essential component of Alaska's public safety system. In many parts of the state, community jails provide critical capacity and local support that help State law enforcement, State courts, and communities function effectively. Without adequate funding, these jails are in danger of closing. This would decrease Alaska's public safety, not because local governments or police departments aren't committed to doing what they can, but

there are simply limitations to who they can hold, where, and for how long, without releasing a detainee in a State-driven system. Without adequate state support, municipalities are left to absorb costs for a system that serves broader state public safety responsibilities. Please fund community jails to the full amount: \$14.5 million.

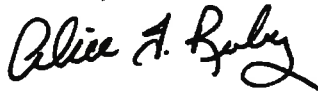
In conclusion, we respectfully ask that you support funding and policy decisions that:

- Strengthen Community Assistance
- Honor commitments to School Bond Debt Reimbursement
- Provide sustainable support for Community Jails

These investments help communities remain viable, protect local taxpayers, and strengthen public safety and public infrastructure statewide.

Thank you for your service and for your attention to these important issues. I would welcome the opportunity to discuss how these programs affect Dillingham specifically.

Sincerely,



*Alice Ruby
Mayor*