

Presented by: AFC
Presented: 02/23/2024
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2024-01(b)(A)

An Ordinance Providing up to \$1,650,405 to the Juneau School District for Non-instructional Costs for FY25.

WHEREAS, although the Legislature has the duty to maintain a public school system, the City and Borough of Juneau (CBJ) and the Juneau School District (JSD) currently have a responsibility to provide public education to the children of Juneau (*Compare* Article VII, §1, Alaska Const. *with* AS 29.35.160 and CBJ Charter §13); and

WHEREAS, the CBJ Assembly has a long history of funding instructional services at the Juneau School District to the maximum local contribution cap allowed by law, AS 14.17.410(c); and

WHEREAS, in FY24, the CBJ Assembly appropriated over \$30 million dollars for instructional services subject to the AS 14.17.410(c) local contribution cap and an additional \$2.3 million dollars of funding for non-instructional services representing over 5 mills of property tax revenue; and

WHEREAS, in early January 2024, the JSD discovered that it faced a significant growing structural deficit (~\$9.5M for FY23 and FY24, and an additional ~\$9.7M for FY25) requiring immediate and long-term reductions in spending; and

WHEREAS, on January 16, 2024, the Board of Education directed the JSD staff to implement immediate cost saving measures and pursue long-term solutions; and

WHEREAS, the JSD took immediate action with a series of cost-saving measures and initiated community discussions for structural changes to educational delivery, school consolidation, building closure(s), and staff reductions to respond to the continued lack of adequate funding from the State as well as the declining student population in Juneau; and

WHEREAS, on January 30, 2024, the Board of Education and the CBJ Assembly met to discuss the deficit and a path forward with both expressing a strong commitment to work together to establish a sustainable budget; and

WHEREAS, the CBJ Assembly expressed an interest to support the JSD with a one-time loan, maintenance of facilities, and one-time fiscal support for non-instructional expenses involving, insurance, utilities, and custodial services; and

WHEREAS, the JSD incurs significant non-instructional expenses in its operating fund for providing space and services in school facilities and on school grounds like after-school childcare, community activities, and sporting activities; and

WHEREAS, in addition to changes to educational delivery, school consolidation, building closure(s), and staff reductions, this one-time non-instructional fiscal support is reasonable and necessary to balance the FY25 JSD budget consistent with AS 14.17.900(a), and because otherwise cuts of ~\$9.7M would harm students, families, staff, and the economy; and

WHEREAS, 4 AAC 09.990(b) currently exempts this ordinance from the definition of local contribution in AS 14.17.990 because these funds are only to be used for non-instructional purposes and the JSD is still required to pay for the fair market value of insurance, utilities, and maintenance of facilities related to free public education from the operating fund; and

WHEREAS, the intent of this appropriation is to help offset the JSD's FY25 non-instructional expenses involving maintenance of facilities, insurance, utilities, and custodial services that would be absorbed by the JSD's operating fund and which should be provided by special revenue funds; and

WHEREAS, the amount appropriated by the CBJ Assembly in this ordinance, if any, should not be construed or interpreted as being determinative of the maximum amount the JSD could request or expend for non-instructional purposes consistent with 4 AAC 09.990(b).

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Juneau School District the sum of \$1,650,405 for non-instructional operations costs for FY25.

Section 3. Source of Funds. Unrestricted general fund.

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2024.

Attest:

Beth A. Weldon, Mayor

Elizabeth J. McEwen, Municipal Clerk