KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 210, Ketchikan, Alaska 99901
● Telephone: (907) 228-6625 ● Fax (907) 228-6684
Office of the Borough Manager

Written Testimony before the Alaska State House Education Committee in Support of House Bill No. 245, an Act Repealing the Required Local Contribution to School Funding

by Dan Bockhorst, Borough Manager
February 5, 2014

The Ketchikan Gateway Borough (KGB) supports House Bill 245, repealing the Required Local Contribution ("RLC") to school funding and commends Representative Tammie Wilson for introducing the bill.

There are numerous grounds for the KGB's support of HB 245. Below is a list of six of the more compelling reasons[1]:

1. The RLC breaches the provision in State law explicitly declaring the Legislature's intent that boroughs shall not be deprived of State services, revenues, or assistance; and that boroughs shall not be otherwise penalized because of incorporation;
2. Through the RLC, the State of Alaska sidesteps its constitutional duty to maintain a system of public schools when it comes to municipal school districts;
3. The RLC diminishes the ability of municipal governments to provide supplemental funding for schools;
4. The RLC denies equal treatment to students, parents of students, taxpayers, and others in municipal school districts;
5. The RLC, more than any other aspect of State-local relations, renders borough government appealing on paper alone; and
6. The RLC violates the following provisions of Alaska's Constitution: Anti-Dedication Clause in Article IX, § 7; the appropriation requirement of Article IX, § 13; and the Governor's veto requirement of Article II, § 15.

Details concerning each of these reasons follow.

[1] Additional reasons and further specifics regarding the reasons listed above are provided in extensive materials posted on the Borough's website at: http://www.kgbak.us/

1. The RLC breaches the provision in State law explicitly declaring the Legislature's intent that boroughs shall not be deprived of State services, revenues, or assistance; and that boroughs shall not be otherwise penalized because of incorporation.

Chapter 52, SLA 1963 (the "1963 Mandatory Borough Act") forced the incorporation of organized boroughs in Ketchikan, Fairbanks, Anchorage, Kenai Peninsula, Mat-Su, Sitka, Kodiak, and Juneau.

The 1963 Mandatory Borough Act, passed by the Legislature and signed into law by then-Governor William Egan, declared that the State intended that boroughs would not suffer reduced State funding and that they would not otherwise be penalized. Specifically, Section 1 of the 1963 Act states as follows (emphasis added):

> **Declaration of Intent**. It is the intention of the legislature to provide for maximum local self-government with a minimum number of local government units and tax-levying jurisdictions, and to provide for the orderly transition of special service districts into constitutional forms of government. The incorporation of organized boroughs by this Act does not necessarily relieve the state of present service burdens. <u>No area incorporated as an organized borough shall be deprived of state services, revenues, or assistance or be otherwise penalized because of incorporation</u>. With the exception of planning and zoning, education, and tax collection and assessment, all powers granted the first-class boroughs are exercised at the option of the borough assemblies.

It is undeniable that the RLC has deprived boroughs of State aid for education (AS 14.17.400). State aid for education paid to each borough school district is reduced by an RLC.[2] In contrast, State aid for education paid to each regional educational attendance area (REAA) is not reduced by an RLC. Thus, compared to REAAs, boroughs are clearly deprived of State services, revenues, or assistance or are otherwise penalized because of incorporation.

The KGB was the first borough formed under the 1963 Mandatory Borough Act. Residents of Ketchikan and the other seven regions in Alaska incorporated under the 1963 Act had every right and every reason to expect that the State would fulfill its intent that boroughs would not be penalized because of incorporation.

[2] State education aid for home-rule and first-class cities in the unorganized borough is also reduced by an RLC.

Fifty-one years following its enactment, Chapter 52, SLA 1963 remains an uncodified law of the State of Alaska. Today, there are 19 organized boroughs. Residents of those 19 boroughs, including those in the 8 boroughs formed under the Mandatory Borough Act, continue to have full rights and expectations that the State will fulfill its declared intent more than a half-century ago that regions incorporated as boroughs will not be penalized.

2. Through the RLC, the State of Alaska sidesteps its constitutional duty to maintain a system of public schools when it comes to municipal school districts.

This position is based on the following progression of facts:

(a) The State of Alaska has the constitutional duty to "maintain a system of public schools."[3]

(b) The State's duty to maintain a system of public schools is exclusive; the Alaska Supreme Court has repeatedly held that "no other unit of government shares responsibility."[4]

(c) The State's duty to maintain a system of schools includes an obligation to adequately fund schools.[5]

(d) Adequate funding of schools is represented by "Basic Need" determined under AS 14.17.410.[6]

---

[3] Art. VII, § 1, Alaska Constitution.

[4] The Alaska Supreme Court has expressed that conclusion in four cases over the span of 30 years. *Macauley v. Hildebrand*, 491 P.2d 120, Alaska, November 30, 1971 (NO. 1550); *Hootch v. Alaska State-Operated School System*, 536 P.2d 793, Alaska, May 23, 1975 (NO. 2157); *Matanuska-Susitna Borough School Dist. v. State*, 931 P.2d 391, 116 Ed. Law Rep. 401, Alaska, January 31, 1997 (NO. S-5513); and *Municipality of Anchorage v. Repasky*, 34 P.3d 302, 158 Ed. Law Rep. 822, Alaska, October 26, 2001 (NO. S-8985).

The paramount authority of the State regarding education does not preclude the delegation of certain educational functions to local school boards in order that Alaska schools might be adapted to meet the varying conditions of different localities. Removal of the required local contribution does nothing to diminish local control. In some cases, the school boards of the 19 REAAs that make no local contribution have stronger local control than municipal school boards.

[5] Superior Court Judge Sharon Gleason ruled that the State's constitutional obligation to maintain a system of schools includes the duty to adequately fund schools. *Moore, et al. v. State of Alaska*, 3AN-04-9756 CI, (June 2007), p. 174.

[6] The Alaska Department of Education and Early Development (DEED) states that Basic Need "provides all districts with needed resources based on the various formula adjustments" and that Basic Need is a measure at which "all districts are considered equal." *Alaska's Public School Funding Formula: A Report to the Alaska State Legislature*, DEED, p. 8, January 15, 2001, Tab 2- Comparison of Old to New Funding Formula, p. 8.

(e) The State of Alaska deducts from education funding paid to municipal districts an RLC equal to, on average, nearly 20% of Basic Need.[7.]

Given (a), (b), (c), (d), and (e) above, it follows that the State does not provide adequate funding for municipal schools; but instead provides, on average, only about 80% of adequate funding (Basic Need).

3. The RLC diminishes the ability of municipal governments to provide supplemental funding for schools.

Municipal governments that operate school districts are allowed, within limits, to supplement Basic Need funding.[8] However, because of competing demands for scarce funds, many municipal governments that operate schools have difficulty funding "to the cap."

The University of Alaska, Institute of Social and Economic Research, states that "Basic educational need is essentially the dollar amount which the state determines is sufficient to provide the Alaska schoolchild with acceptable educational services wherever he or she lives." *Public School Finance Programs for the United States and Canada: 1998-99,* page 8 (February 2001).

Alaska State Senator Mike Dunleavy, who can reasonably be characterized as an expert in education in Alaska, succinctly characterized Basic Need as "the revenue needed by districts to provide a basic education." *Funding Alaska Public Schools – A Brief Explanation of the Foundation Formula,* page 7 (August 20, 2013). Senator Dunleavy holds a Master's Degree in Education from the University of Alaska Fairbanks. He began a teaching career in 1984 in the Bering Strait School District, later moving to the Northwest Arctic Borough School District where he was ultimately appointed as the Superintendent. He later served as President of the Matanuska-Susitna Borough School Board. He was elected to the Alaska State Senate in 2013. He currently serves as the Chair of the Senate Finance subcommittees for Education & Early Development. He also serves as Vice Chair for the Senate Education Committee. He was appointed to the Alaska Commission on Postsecondary Education by the Senate President in February 2013.

In her June 21, 2007 decision in *Moore, et al. v. State of Alaska*, 3AN-04-9756 Cl, Judge Sharon Gleason described the State foundation funding formula used to determine Basic Need and then concluded that Basic Need satisfied the requirement for adequate funding (unlike the arguments here, the *Moore* case did not distinguish the RLC from among the components of Basic Need funding). Specifically, Judge Gleason stated that "[t]he Legislature currently allocates operational funding to districts though a formula that contains 'adjustments' based on legislatively-selected factors, including school size, district cost factors, special needs, intensive instruction, and correspondence instruction. The evidence presented indicated that the current formula was carefully considered and represents a rational approach to educational funding." (p. 182). Judge Gleason then concluded that the "constitutional obligation to adequately fund education" was met (p. 186).

[7] AS 14.17.410(b)(2)

[8] Under AS 14.17.410(c), the supplemental funding may not exceed the greater of: (1) the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110; or (2) 23 percent of the district's basic need.

These competing needs include requirements for funding other aspects of schools beyond operational costs that are imposed on local governments. For example, in the current year the KGB has budgeted $1,809,403 as the mandatory local share for school related debt service, capital projects, and major maintenance. That figure is the equivalent of $818.73 per student in the KGB School District.[9]

Additionally, funding for school operations, debt service, capital projects, and major maintenance must compete with other local needs. For example, in addition to local schools, the KGB operates the following services and facilities:

1. Ketchikan International Airport
2. Fire Protection
3. Road Maintenance
4. Libraries
5. Wastewater
6. Planning
7. Land Use Regulation
8. Parks and Recreation
9. Economic Development
10. Ferry System
11. Emergency Medical Services
12. Docks
13. Bus System
14. Solid Waste
15. Platting
16. Tax Assessment and Collection
17. Public Works
18. Regulation of Alcohol

In the fiscal year just completed, the KGB levied and collected $17,608,528 in areawide taxes and payments in lieu of taxes.[10] That figure represents a local areawide tax effort on the part of the KGB equivalent to 13.9 mills based on the FY 2013 areawide assessed value of $1,269,523,500. Additionally, the KGB levied nonareawide property taxes (0.7 mills) and service area property taxes ranging as high as 4.8 mills. Thus, the FY 2013 KGB tax effort was the equivalent of 19.4 mills in some areas of the KGB outside the boundaries of cities.

Borough citizens are subject to other municipal taxes as well. In particular, an estimated 86.6 percent of all taxable sales in within the boundaries of the KGB occur within the corporate boundaries of the City of Ketchikan.

The City of Ketchikan levies a sales tax that is separate from – and 40 percent greater than – the sales tax levied by the KGB. The City estimates that its sales tax generated $10,307,500 in 2013.[11]

---

[9] Based on 2,210 students (rounded from the October 2013 formal student-count figure of 2,209.51).

[10] *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013,* KGB, page 18 (December 24, 2013).

[11] *City of Ketchikan, Alaska 2014 General Government Budget*, page B-22.

Given the virtual de facto areawide nature of the City's sales tax, it can be reasonably stated that the City's estimated 2013 sales tax proceeds added an areawide tax burden of 8.12 mills to the citizens of the KGB. Thus, residents in some areas of the KGB outside the boundaries of the City of Ketchikan bear an effective tax burden equivalent to 27.52 mills (19.4 mills + 8.12 mills).

The City of Ketchikan also levies property taxes. The City estimates that is received $17,310,628 in local taxes and payments in lieu of taxes in 2013.[12] That is an equivalent burden from City taxes equivalent to 21.7 mills based on the $797,660,600 assessed value of table property in the City of Ketchikan on January 1, 2013. Thus, residents of the City of Ketchikan bear a burden equivalent to 21.7 mills in City taxes, 5.0 mills in areawide Borough property taxes, and the equivalent of 6.84 mills in KGB sales taxes.[13]

It is noted that the Ketchikan City Council is presently considering – and widely expected to enact – an ordinance that would increase the City's sales tax levy by 14.3 percent on April 1 of this year.

Moreover, in terms of funding for schools, municipal districts are first obligated to pay RLCs for schools – $221,558,397 this year alone. Further, many municipal governments cannot afford to contribute the maximum supplemental funding allowed by law.

The KGB is allowed to provide $6,029,088 in supplemental funding this year. However, after balancing the needs to fund other essential services and considering the fiscal capacity of local taxpayers, the Assembly appropriated $3,851,273 in supplemental funding for its district this year. That figure represents 63.88% of the maximum funding allowed by law.[14]

---

[12] *Id.,* page B-20.

[13] The KGB collected $8,682,819 in KGB sales taxes in FY 2013 (*Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013,* KGB, page 18. Based on the FY 2013 assessed value of $1,269,523,500, the sales tax revenue is equivalent to a 6.84 mill tax.

[14] The KGB has budgeted a total of $9,859,403 in local funds for its School District in the current fiscal year. That figure is comprised of the RLC of $4,198,727, a supplemental contribution for operations amounting to $3,851,273, and $1,809,403 for school related debt service, capital costs, and major maintenance.

Some have argued against elimination of the RLC on the basis that local communities should have "skin in the game" with regard to education. As reflected in the paragraph above, the KGB would continue to have a great deal of skin in the game if the RLC were eliminated. Elimination of the RLC would not preclude the payment of supplemental funding for schools under AS 14.17.410(c) by municipal governments. Based on the current budget, the KGB would continue to pay $5,660,676 for its schools ($9,859,403 less the RLC of $4,198,727). Elimination of the RLC would provide the KGB with greater fiscal capacity to provide supplemental funding. Presently, the KGB has the legal capacity to provide an additional $2,177,815 in supplemental funding for its School District, but not the wherewithal to do so given other fiscal pressures, community needs and commitments.

4. The RLC denies equal treatment to students, parents of students, taxpayers, and others in municipal school districts.

The framers of Alaska's Constitution placed at the fore, among 206 sections, the guarantee that, "that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and to the State."

A plain reading of that guarantee has been eroded over time with weak and vulnerable precedents.[15]

A plain reading of Article I, § 1 of Alaska's Constitution leads to the conclusion that if students and parents of students in Alaska's 34 municipal school districts receive, on average, only about 80¢ of every $1 of Basic Need (adequate funding for schools) from the State, while students in Alaska's 19 REAAs receive full funding of Basic Need from the State, the students of municipal districts are deprived of equal rights, opportunities, and protection.

A plain reading of Article I, § 1 of Alaska's Constitution leads to the conclusion that if taxpayers in Alaska's 34 municipal school districts must pay, on average, about only 20¢ of every $1 of Basic Need (adequate funding for schools), while those in Alaska's 19 REAAs pay nothing toward full funding of Basic Need, the taxpayers of municipal districts are deprived of equal rights, opportunities, and protection; *and* that all persons do not have corresponding obligations to the people and to the State.

Since 1992 alone, students, parents of students, and taxpayers in the KGB have been deprived of more than $100,000,000 through the State's underfunding of Basic Need.

At the same time, students, parents of students, and "taxpayers" in Alaska's 19 REAAs have suffered no deprivation.

It is also noteworthy that those who advance the argument for "skin in the game" have been silent on that point for the past 4 decades with respect to the 19 districts that escape any required local contribution.

[15] See, *Local Contributions to Public Education In Alaska: A Report to the Ketchikan Gateway Borough Assembly – Volume Ii: Analyses of the Legal Issues*, Chapters 2 and 3, by Robert Eldridge Hicks (June 2013) available online at http://www.kgbak.us/documents/AnalysesofLegalIssuesbyBobHicks-ApprovedforPublicRelease10-21-2013.pdf.

There is no rational basis for the disparate treatment between municipal governments that are subject to the RLC and REAAs that are not. Consider the following comparison:

Description	Subject to the RLC	Exempt from the RLC
District	City of St. Mary's School District	Delta-Greely REAA
Population (2012)	544	4,870
Number of students (2014)	168	832
Per capita income (2012)	$18,176 (margin of error: +/- $4,545)	$32,177 (margin of error: +/- $3,282)
Per capita full value of taxable property (2006)	$8,911 per capita full value of taxable property[16]	$170,342 estimated per capita full value of taxable property[17]
Location	Located along the Andreafsky River, 5 miles from its confluence with the Yukon River; 450 air miles west-northwest of Anchorage	Bordered by the Fairbanks North Star Borough, Denali Borough, and Matanuska-Susitna Borough. The Alaska Highway and Richardson Highway traverse the REAA.

5. The RLC, more than any other aspect of State-local relations, renders borough government appealing on paper alone.

The Alaska Supreme Court has opined that Alaska's constitution encourages the creation of organized boroughs.[18]

The framers of Alaska's Constitution intended that the Alaska legislature and governor would create inducements for the formation of organized boroughs.[19]

---

[16] *Alaska Taxable 2006,* page 45, Alaska Department of Commerce, Community, and Economic Development (January 2007).

[17] *Local Boundary Commission's Memorandum in Opposition to Appellant's Supplemental Motion For Preliminary Injunction to Stay the Election of the Deltana Borough*, page 9, Office of the Attorney General, State of Alaska (July 26, 2007).

[18] *Mobil Oil Corp. v. Local Boundary Commission*, 518 P.2d 92 (Alaska 1974).

[19] *Alaska's Constitutional Convention*, Victor Fischer, p. 120 (1975).

However, rather than encouragement and inducements, the State has offered disincentives to borough formation. Former Governor Jay Hammond observed candidly:

> Attractive enough on paper, in practice, the organized borough concept had little appeal to most communities. After all, why should they tax themselves for services received from the state, *gratis*?[20]

The greatest disincentive to borough formation is the RLC.[21] Instead of reciting the vision of those who wrote Alaska's Constitution, some officials today speak of the "misery of boroughs."

The RLC violates the following provisions of Alaska's Constitution: Anti-Dedication Clause in Article IX, § 7; the appropriation requirement of Article IX, § 13; and the Governor's veto requirement of Article II, § 15.

On January 13, 2014, the KGB filed suit against the State of Alaska complaining that the RLC violates:

(1) the Anti-Dedication Clause in Article IX, § 7 of the Alaska Constitution;[22]
(2) the appropriation requirement of Article IX, § 13 of the Alaska Constitution;[23] and
(3) the Governor's veto requirement of Article II, § 15 of the Alaska Constitution.[24]

---

[20] *Tales of Alaska's Bush Rat Governor*, Jay Hammond, page 149 (1996).

[21] *The Need to Reform State Laws Concerning Borough Incorporation and Annexation,* Local Boundary Commission (2001). See also, draft Resolution # 2013-01 online at: http://www.commerce.alaska.gov/dnn/Portals/4/pub/DRAFT%20Proposed%20Resolution%20Urging%20Full%20State%20Funding%20of%20Basic%20Need%20for%20All%20School%20Districts.pdf

[22] The Anti-Dedication Clause states as follows:

> The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

[23] The appropriation requirement of Article IX, § 13 states:

> No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

[24] The Governor's veto requirement of Article II, § 15 provides:

> The governor may veto bills passed by the legislature. He may, by veto, strike or reduce items in appropriation bills. He shall return any vetoed bill, with a statement of his objections, to the house of origin.

In brief, the KGB takes the position that The RLC is an unfunded State mandate imposed on the KGB and its taxpayers. The RLC is a mandatory State tax or other State revenue source, or a dedicated fund, which is dedicated to a special purpose and is not subject to appropriation by the Legislature or veto by the Governor. For those reasons, the RLC violates Article IX, § 7; Article IX, § 13 and Article II, § 15 of the Alaska Constitution.

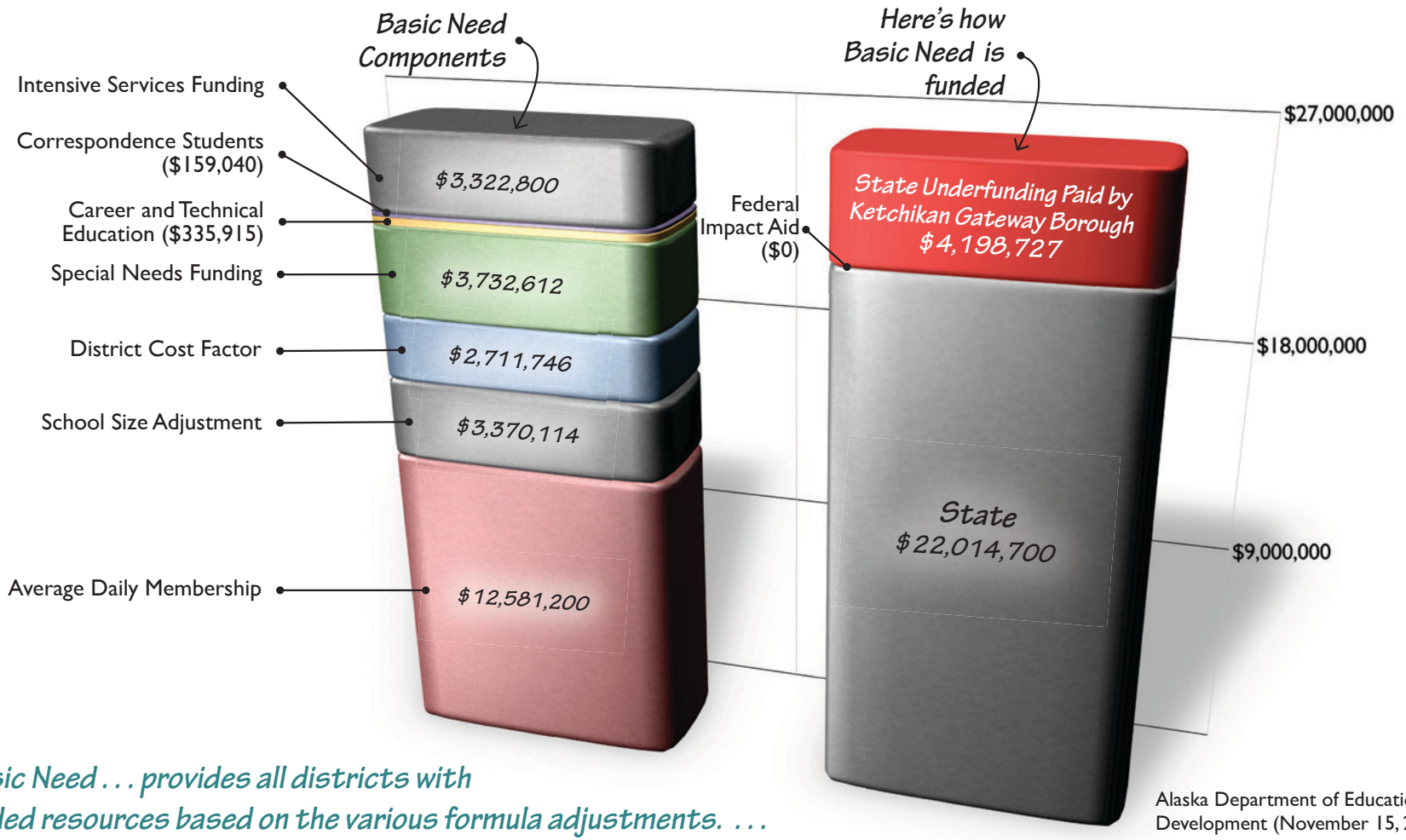
A copy of the KGB's complaint is available online at:
http://borough.ketchikan.ak.us/documents/KGBLitigation-01-13-2014SummonsandComplaint.pdf

FY 2014 Local Funding of Schools
Required Contribution and Supplemental Funding

Column A	Column B	Column C	Column D	Column E	Column F	Column G
School District	Total Budgeted Local Funding (Column C plus Column D)	Required Local Contribution - AS 14.17.410(b(2)	Budgeted Supplemental Funding - AS 14.17.410(c)	Projected Supplemental Funding Allowed by Law	Additional Supplental Funding Capacity (Column E minus Column D)	Budgeted Supplemental Funding as a Percentage of Maximum Allowed Supplemental Funding (Column D ÷ Column E)
Alaska Gateway REAA	$0	$0	$0			
Aleutian Region REAA	$0	$0	$0			
Aleutians East Borough	$1,585,000	$615,516	$969,484	$1,366,481	$396,997	70.95%
Anchorage, Municipality of	$192,645,942	$94,828,797	$97,817,145	$98,267,774	$450,629	99.54%
Annette Island REAA	$0	$0	$0			
Bering Strait REAA	$0	$0	$0			
Bristol Bay Borough	$1,215,631	$715,872	$499,759	$561,347	$61,588	89.03%
Chatham REAA	$0	$0	$0			
Chugach REAA	$0	$0	$0			
Copper River REAA	$0	$0	$0			
Cordova, City of	$1,654,764	$709,139	$945,625	$977,475	$31,850	96.74%
Craig, City of	$642,949	$338,704	$304,245	$1,226,631	$922,386	24.80%
Delta/Greely REAA	$0	$0	$0			
Denali Borough	$2,252,834	$658,294	$1,594,540	$1,594,540	$0	100.00%
Dillingham, City of	$1,300,000	$526,870	$773,130	$1,596,591	$823,461	48.42%
Fairbanks North Star Borough	$48,360,000	$26,940,883	$21,419,117	$34,838,448	$13,419,331	61.48%
Galena, City of	$1,330,885	$80,489	$1,250,396	$4,467,169	$3,216,773	27.99%
Haines Borough	$1,556,866	$907,376	$649,490	$924,801	$275,311	70.23%
Hoonah, City of	$405,334	$195,429	$209,905	$495,870	$285,965	42.33%
Hydaburg, City of	$104,849	$40,849	$64,000	$263,788	$199,788	24.26%
Iditarod Area REAA	$0	$0	$0			
Juneau, City and Borough of	$24,134,400	$12,464,402	$11,669,998	$11,743,099	$73,101	99.38%
Kake, City of	$130,780	$75,414	$55,366	$480,964	$425,598	11.51%
Kashunamiut REAA	$0	$0	$0			
Kenai Peninsula Borough	$43,500,000	$22,690,959	$20,809,041	$22,526,386	$1,717,345	92.38%
Ketchikan Gateway Borough	$8,050,000	$4,198,727	$3,851,273	$6,029,088	$2,177,815	63.88%
Klawock, City of	$200,000	$147,806	$52,194	$516,773	$464,579	10.10%
Kodiak Island Borough	$10,649,720	$3,806,666	$6,843,054	$6,859,018	$15,964	99.77%
Kuspuk REAA	$0	$0	$0			
Lake and Peninsula Borough	$735,594	$391,926	$343,668	$2,173,000	$1,829,332	15.82%
Lower Kuskokwim REAA	$0	$0	$0			
Lower Yukon REAA	$0	$0	$0			
Matanuska-Susitna Borough	$51,291,720	$25,355,209	$25,936,511	$37,040,947	$11,104,436	70.02%
Nenana, City of	$75,994	$75,994	$0	$1,496,207	$1,496,207	0.00%
Nome, City of	$1,873,120	$834,289	$1,038,831	$2,120,627	$1,081,796	48.99%
North Slope Borough	$35,375,626	$12,573,041	$22,802,585	$35,734,496	$12,931,911	63.81%
Northwest Arctic Borough	$4,342,021	$2,216,005	$2,126,016	$8,560,852	$6,434,836	24.83%
Pelican, City of	$51,847	$39,553	$12,294	$93,068	$80,774	13.21%
Petersburg Borough	$1,800,000	$901,121	$898,879	$1,531,650	$632,771	58.69%
Pribilof REAA	$0	$0	$0			
Saint Mary's, City of	$75,000	$36,034	$38,966	$725,117	$686,151	5.37%
Sitka, City and Borough of	$5,093,762	$3,051,149	$2,042,613	$3,780,343	$1,737,730	54.03%
Skagway, Municipality of	$1,113,689	$425,600	$688,089	$688,089	$0	100.00%
Southeast Island REAA	$0	$0	$0			
Southwest Region REAA	$0	$0	$0			
Tanana, City of	$24,863	$24,863	$0	$272,985	$272,985	0.00%
Unalaska, City of	$2,803,342	$1,462,492	$1,340,850	$1,365,266	$24,416	98.21%
Valdez, City of	$7,922,673	$3,576,713	$4,345,960	$4,538,784	$192,824	95.75%
Wrangell, City and Borough o	$696,799	$470,852	$225,947	$1,022,088	$796,141	22.11%
Yakutat, City and Borough of	$298,750	$181,364	$117,386	$376,047	$258,661	31.22%
Yukon Flats REAA	$0	$0	$0			
Yukon/Koyukuk REAA	$0	$0	$0			
Yupiit REAA	$0	$0	$0			
Totals	$453,294,754	$221,558,397	$231,736,357	$296,255,809	$64,519,452	78.22%

Prepared by Dan Bockhorst, Ketchikan Gateway Borough Manager, on February 1, 2014, using most current available data. Updated data is anticipated to be available in mid-February 2014.

FY 2014 Basic Need Funding for the Ketchikan Gateway Borough School District ($ 26,213,427)



Alaska Department of Education and Early Development (November 15, 2012)

"Basic Need . . . provides all districts with needed resources based on the various formula adjustments. . . . all districts are considered equal at basic need."

– Alaska Department and Education and Early Development

"Basic Need is the revenue needed by districts to provide a basic education."

– Alaska State Senator Mike Dunleavy

"Basic educational need is essentially the dollar amount which the state determines is sufficient to provide the Alaska schoolchild with acceptable educational services wherever he or she lives."

– Institute of Social and Economic Research, University of Alaska