

**KETCHIKAN GATEWAY BOROUGH  
CITY OF KETCHIKAN  
CITY OF SAXMAN  
KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT**

**BOROUGH RESOLUTION NO. 2804;  
CITY OF KETCHIKAN RESOLUTION NO. 19-2727;  
CITY OF SAXMAN RESOLUTION NO. 3-2019-41  
KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT RESOLUTION NO. 19-03**

**A Joint Resolution of the Assembly of the Ketchikan Gateway Borough, Council of the City of Ketchikan, Council of the City of Saxman, and Board of Education of the Ketchikan Gateway Borough School District, Opposing Governor Dunleavy's FY 2020 Budget Proposal which Would Irreparably Harm Ketchikan's Economy and Shift State Expenses onto Local Taxpayers**

**RECITALS**

- A. WHEREAS**, on February 13, 2019, Governor Dunleavy released his FY 2020 draft State budget which proposed \$1.6 billion in State funding cuts while appropriating nearly \$2 billion for Alaska Permanent Fund dividends; and
- B. WHEREAS**, while it is recognized that the State of Alaska must align its spending and revenue, the governing bodies of the Ketchikan Gateway Borough, City of Ketchikan, City of Saxman, and Ketchikan Gateway Borough School District oppose Governor Dunleavy's budget proposal which would irreparably harm Ketchikan's economy and shift State expenses onto local taxpayers; and
- C. WHEREAS**, Governor Dunleavy proposed more than \$300 million in cuts to K-12 education, which would effectively result in a loss of approximately \$6.4 million in State funding for the Ketchikan Gateway Borough School District. To absorb these reductions, the Ketchikan Gateway Borough School District would need to eliminate approximately 70 teaching positions or the equivalent of 138 support staff positions. Even if the entire support staff of the District was eliminated, the District would still need to make an additional \$2.4 million in cuts; and
- D. WHEREAS**, the Ketchikan Gateway Borough School District estimates that if the Governor's budget proposal is adopted, the average elementary classroom size in Ketchikan would increase by 10 to 12 students. The District would also be looking at eliminating vocational education classes, music and physical education programs, and school counselors; and

- E. WHEREAS**, Governor Dunleavy’s draft budget eliminates all funding for the School Bond Debt Reimbursement Program. The Ketchikan Gateway Borough received approximately \$2.6 million from the State of Alaska through this program in FY 2019 and was anticipating to receive another approximately \$2 million in FY 2020 for projects planned and commenced years ago. The elimination of this program disrupts the district’s long-term financing of important capital projects and further shifts the cost of education to local taxpayers; and
- F. WHEREAS**, the Governor proposed elimination of 75 percent of State funding for the Alaska Marine Highway System. As a result, the Marine Highway is no longer taking reservations past October, 2019. A total of 253 AMHS workers and their families reside in Ketchikan. The Marine Highway System has provided essential transportation services in Alaska since 1963. The system serves 33 Alaska communities, only five of which are connected to the Alaska road system; and
- G. WHEREAS**, the Marine Highway accounts for approximately 80 percent of the workload at the Ketchikan Shipyard. There are currently 133 workers employed by Vigor Alaska LLC – one of the largest private employers in the First City. The proposed cuts to the AMHS would have extremely negative impacts on business operations of the Ketchikan Shipyard; and
- H. WHEREAS**, Governor Dunleavy is proposing to eliminate a \$250,000 State subsidy for the Inter-Island Ferry Authority. It is currently unclear to IFA administration whether the ferry system could continue to operate without the \$250,000 subsidy. The ferry system provides daily roundtrip service between Prince of Wales Island and Ketchikan, carrying 50,000 passengers and 12,000 vehicles annually. According to an economic impact study prepared by Rain Coast Data in 2016, the IFA generates \$21.6 million of economic activity in Ketchikan annually; and
- I. WHEREAS**, the Governor’s draft budget reduces State funding for the University of Alaska system by approximately 41 percent. The University of Alaska President has publicly stated that some university campuses would be closed if the 41 percent reduction were adopted. It is unclear whether the UAS Ketchikan Campus – which employs 40 full-time and 15 part-time workers and provides classes to approximately 600 students per semester – would remain open. Further, the UAS Ketchikan Campus trains over 300 maritime and welding students each year and a cut of this magnitude would significantly impact the Ketchikan Campus’ ability to continue training Ketchikan residents for maritime and marine fabrication jobs in Ketchikan; and
- J. WHEREAS**, Governor Dunleavy’s budget proposal would divert raw fish taxes from local communities to the State of Alaska. The City of Ketchikan and Ketchikan

Gateway Borough received more than \$4 million in raw fish taxes over the past five years. Historically, half of the revenue is shared with the city and/or borough where the fish are processed; and

- K. WHEREAS**, the Governor's proposed budget reduces funding to healthcare statewide by 25.6 percent or \$714 million. This could significantly impact the PeaceHealth Ketchikan Medical Center's ability to provide the current breadth of medical care and service to our community; and
- L. WHEREAS**, the Dunleavy Administration is proposing to dramatically increase rates at State-operated Pioneer Homes by between 40 and 140 percent. The State operates six Pioneer Homes in Alaska, including a facility in Ketchikan which has a 45-resident capacity; and
- M. WHEREAS**, Governor Dunleavy has also proposed eliminating all funding for the arts and public broadcasting. The proposal would shutter KRBD FM, which has operated in Ketchikan since 1976. The public radio station employs four people, provides volunteer opportunities for 55-60 residents, and is a significant local news media outlet and the primary emergency alert provider in Ketchikan.

**NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, COUNCIL OF THE CITY OF KETCHIKAN, COUNCIL OF THE CITY OF SAXMAN, AND BOARD OF EDUCATION OF THE KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT** as follows:

**Section 1.** The Ketchikan Gateway Borough, City of Ketchikan, City of Saxman, and Ketchikan Gateway Borough School Board, oppose Governor Dunleavy's budget proposal in favor of an incremental approach to balancing the State of Alaska budget.

**Section 2.** The Borough Clerk shall transmit a copy of this resolution to Governor Dunleavy, Senator Bert Stedman, Senate President Cathy Giessel, Senate Majority Leader Mia Costello, Senate Minority Leader Tom Begich, Representative Dan Ortiz, Speaker of the House Bryce Edgmon, House Majority Leader Steve Thompson, and House Minority Leader Lance Pruitt.

**Section 3.** Effective Date. This resolution shall be effective upon adoption by the Ketchikan Gateway Borough Assembly, Ketchikan City Council, Saxman City Council, and Ketchikan Gateway Borough School Board.

ADOPTED by the Borough Assembly this \_\_\_ day of \_\_\_\_, 2019.

ADOPTED by the Ketchikan City Council this \_\_\_ day of \_\_\_\_, 2019.

ADOPTED by the Saxman City Council this \_\_\_ day of \_\_\_\_, 2019.

ADOPTED by the Ketchikan Gateway Borough School Board this \_\_\_ day of \_\_\_\_, 2019.

**Ketchikan Gateway Borough Signatures:**

**City of Ketchikan Signatures:**

\_\_\_\_\_  
David Landis, Borough Mayor

\_\_\_\_\_  
Bob Sivertsen, City Mayor

*ATTEST:*

*ATTEST:*

\_\_\_\_\_  
Kacie Paxton, Borough Clerk

\_\_\_\_\_  
Kim Stanker, City Clerk

*APPROVED AS TO FORM:*

\_\_\_\_\_  
Glenn Brown, Borough Attorney

**School District Signatures:**

**City of Saxman Signatures:**

\_\_\_\_\_  
Matt Eisenhower, Board President

\_\_\_\_\_  
Frank Seludo, City Mayor

*ATTEST:*

\_\_\_\_\_  
Diane Gubatayao, Treasurer

\_\_\_\_\_  
Lori Richmond, City Clerk