



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Education
& Early Development**

FINANCE & SUPPORT SERVICES
School Finance Section

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June 29, 2023

Dr. Bridget Weiss, Superintendent
Juneau School District
10014 Crazy Horse Drive
Juneau, AK 99801

Dear Dr. Weiss:

This letter is in response to the City and Borough of Juneau ordinance 2022-06(b)(AR) passed on April 17, 2023, appropriating \$2.3 million for “outside the funding cap to resolve current and prior year deficits...”. The named “funding cap” is the local contribution calculation set out in AS 14.17.410, which is a combination of the required minimum local contribution (AS 14.17.410(b)(2)) and an optional additional local contribution (AS 14.17.410(c)).

The U.S. Department of Education has certified that Alaska meets the requirements of section 7009(b) of the Elementary and Secondary Education Act (ESEA). As a result, Alaska has an equalized funding formula and is eligible to consider a portion of Impact Aid payments as local resources in determining State Aid entitlements to district. Providing additional local funding outside of the established funding cap creates inequity amongst Alaska school districts and has major repercussions on the above-mentioned certification from the U.S. Department of Education. Labeling funds as “outside the funding cap” and identifying the allocation to a special revenue fund does not make it compliant. It is not acceptable for a municipal school district to circumnavigate the local contribution funding calculation set out in AS 14.17.410. The Department of Education & Early Development (DEED) requests that the Juneau School District and the City and Borough of Juneau revisit this ordinance and make the appropriate correction in compliance with AS 14.17.410.

A review of the district’s prior years’ financial statements confirms this is a continuing issue and must be addressed. While DEED is not exercising its authority to require the district reimburse previous fiscal year ordinances’ “outside the funding cap” appropriations at this time, this issue must be corrected with the above-referenced ordinance and going forward, starting with the FY2024 budget process.

If there are any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Lori Weed".

Lori Weed
School Finance Manager

Attachment – Ordinance 2022-06(b)(AR)

cc: Cassie Olin, Juneau School District Administrative Services Director
Deedie Sorensen, Juneau School District Board President
Rorie Watt, City and Borough of Juneau City Manager
Lacey Sanders, DEED Deputy Commissioner

Presented by: The Manager
Introduced: March 20, 2023
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-06(b)(AR)(am)

An Ordinance Appropriating up to \$2,340,737 to the Manager for Juneau School District Special Revenue Fund Deficits and Current Year Student Activities; Funding Provided by General Funds.

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

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

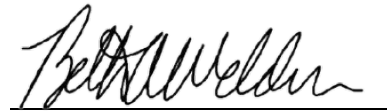
Section 2. Appropriation. There is appropriated to the Manager the sum of \$2,320,737 for Juneau School District special revenue fund deficits and current year student activities.

Section 3. Source of Funds

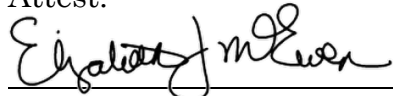
General Funds \$2,320,737

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

Adopted this 17th day of April, 2023.


Beth A. Weldon, Mayor

Attest:



Elizabeth J. McEwen, Municipal Clerk