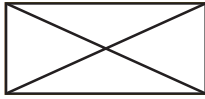


## Capitol Undercurrents



*This is a special, one topic, edition of Undercurrents. After all, how can we ignore all the angst surfacing in the wake of the thumping the legislature and the governor got at the ballot box September 14?*

**Missions that shoulda been scrubbed?**—If we're not careful, Alaska's elections will become the political equivalent of the Mir space station. Last year it was John Lindauer who wobbled in orbit after his name made the ballot. This year, the legislature suffered a major power failure with its budget plan and voters now wonder if their elected officials are lost in space.

**Money can't buy you love**—Back of the envelope calculations show the "Vote Yes" proponents spent more than \$20 for each of the 'yea' votes while several rag-tag "Vote No" groups spent about 83 cents for each of the 'nay' votes. The oil patch ponied up well over 40 percent of the more than half a million dollars spent on the 'yes' side. They're used to dry holes, I guess. But I've got to wonder how Alaska Visitors Association members feel about their officers sinking \$50,000 into an effort that can't get more than 17 percent of the vote. My guess is the members would have preferred to use that money for trade shows or magazine ads.

**Hey, hey, what'd I say**—Election post undercurrents, cont. page 2

## Bush schools start to roar

*Court decision says funding unfair*

Some issues land with a thud on Alaska's political landscape and others arrive like a whisper. When ignored, whispers can turn to roars. The BP-Arco merger is of the 'thud' variety. The fiscal gap and subsistence began with whispers then turned to roars.

There's another whisper out there. Count on it quickly becoming a roar. An Anchorage superior court judge ruled September 1 the legislature is ignoring its constitutional responsibility to "provide and maintain a system of public schools open to all children of the state."

Judge John Reese found school facilities are an integral part of a "system of public schools" and rural schools don't have equal access to state dollars used to build and maintain schools.

The state school facility funding schemes that caused the court's constitutional heartburn include two statutory systems. The first is a capital appropriation program where rural and urban schools submit grant applications to the state and the applications are ranked by the Department of Education. Funding is supposed to be given according to the priority set by the department.

The second system of paying for school construction and maintenance is through a debt reimbursement program for boroughs and municipalities. Local governments bond for projects and the state reimburses 70 percent of the costs. Schools in unincorporated areas can't participate. Even if many of these rural areas did form local governments, the tax base is insufficient for bonding.

Rural Alaska students get short-sheeted in their schools because the legislature doesn't appropriate enough money to even make a dent in the priority list (and for years has skipped over the #1 priority—the Chevak school for \$22.6 million) but does have a propensity to fund the debt reimbursement program that's only available to local governments with a tax base sufficient to take on bond debt. (bush schools, cont. p. 2)



(bush schools, cont'd from p. 1)

The result? Rural schools are falling apart, Judge Reese ruled. Some rural schools, he noted, have roofs caving in, sewage backing up, no drinkable water, and enrollment up to 187 percent of capacity.

The judge is right. I visited Bush schools when I served on the legislature's deferred maintenance task force. I've been to a school in Kiana that is slumping down a hill. I've been to classes in Buckland where heating systems fail and kids are packed into classrooms that reminded me, in their sparseness, of the enlisted mens' hootches in Vietnam (the difference, of course, is that in Vietnam it never got to 50-below). Unfortunately, these are not isolated problems in Bush Alaska.

In the final part of his ruling, Judge Reese found this school funding inequity is not just a rural/urban issue but also an issue of race discrimination. Federal law prohibits discrimination by race or national origination, the state receives money from the federal government for education, and the school "facilities funding scheme has a disparate impact on racial minorities."

The judge said schools receiving the most funding, schools in Anchorage and Fairbanks, have only a 10 percent Alaska Native population while some rural schools have up to 99 percent Alaska Native student enrollment. He ruled that Alaska school districts with predominantly Native enrollment get less facility funding than others and the state failed to show any justification for the disparity.

In court, the state presented various arguments against any finding the state was violating the constitution or federal law. The state said the education clause in the state constitution doesn't require providing buildings for schools. The state argued the court couldn't tell the legislature how to appropriate money. The state argued it is reasonable to fund the bonded debt program to create an incentive for rural areas to incorporate. The state suggests the legislature doesn't have to solve all school facility problems at once and can solve them one at a time, starting in urban Alaska. The state argued the plaintiffs had no legal or historic basis to support an assertion that the right to an education is a fundamental right. The state argued it is only granting a benefit to urban schools and that by doing so it is not denying rural schools a benefit by denying it to another.

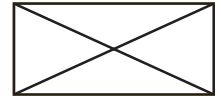
The judge determined the state's arguments were all hawk and no spit. Three things can now happen: the state can appeal, giving the legislature an excuse to wait; the legislature can freeze on this issue in the same way we remain frozen on the subsistence issue; or the legislature can adjust funding mechanisms to begin taking a bite out of deferred rural facility construction and maintenance.

The third option is the right option. It's also the most expensive option since it will take hundreds of millions of dollars.

The senate president named me as one of three senators who will work with the House and administration on how we find more dollars for schools. This task force was called before the judge's decision.

Our jobs just became much more difficult.

(cont'd)



mortems focus on what Alaskans really said when they gang tackled the legislature's plan to close the fiscal gap. Some say rural residents yelled "no!" because they didn't want to give up part of their dividend to pay for programs prioritized by urban legislators who think the highway between Anchorage and Wasilla parallels the state's brain stem. Others say conservatives believe there's still a lot of fat in government programs. Optimists, like me, believe Alaskans didn't like being presented with just one, very regressive, way of raising money.

**It's a topsy turvy world**—It is ironic the legislature puts a fiscal plan on a special election ballot that garners only a 17 percent voter approval rating but won't put a subsistence solution on the ballot that polls show is supported by more than 70 percent of all Alaskans.

**Petroleum patch paranoia**—A couple of sources report some players in the oil patch are talking tough to a few legislators—telling the legislators they have long memories and won't forget it if phrases like "oil taxes" enter the legislative lexicon. This is unfortunate, if true, but not totally unexpected, I guess, given the turbulence following voter rejection of paying for government by limiting PFDs as-well-as unanswered questions about the pending BP-Arco super merger.

Ph: 465-4947 FAX: 465-2108

Senator\_Kim\_Elton@legis.state.ak.us

Dianne\_Lindback@legis.state.ak.us

Angie\_Schmitz@legis.state.ak.us