

# **Bond Case Briefs**

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## **SCHOOL FINANCE - ALASKA**

### **State v. Ketchikan Gateway Borough**

**Supreme Court of Alaska - January 8, 2016 - P.3d - 2016 WL 106156**

After making its contribution to fund local school district, borough brought suit against state asking the superior court to declare the required local contribution unconstitutional, to enjoin the state from requiring the borough to comply with the statute, and, to direct the state to refund its protested \$4.2 million payment. Both parties moved for summary judgment. The Superior Court partially granted borough's motion. State appealed and borough cross-appealed.

The Supreme Court of Alaska held that:

- As a matter of first impression, local school funding formula was not a state tax or license within meaning of state constitutional prohibition against dedicated taxes, and
- Required local contribution did not violate the appropriations clause or the governor's veto clause of the Alaska Constitution.

State's local school funding formula, requiring that a local government make a contribution to fund its local school district, was not a "state tax" or "license" within meaning of state constitutional prohibition against dedicated taxes. Minutes of the constitutional convention and the historical context of those proceedings suggested that the delegates intended that local communities and the State would share responsibility for their local schools.

State's local school funding formula, requiring that a local government make a contribution to fund its local school district, did not violate the appropriations clause or the governor's veto clause of the Alaska Constitution; plain language of both the appropriations and governor's veto clauses indicated that the clauses restrict the State's power after money enters the state treasury, not before.