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## Alaska Cities and School Districts Scramble to Close Budget Gaps after State Cuts Bond Debt Payments.

The City of Dillingham and the Lake and Peninsula Borough government are two of 17 Alaska municipalities and school districts that are trying to close budget shortfalls after the state cut its payments for school construction and renovation projects by roughly 25-30% this year.

The payments are part of the state's School Bond Debt Reimbursement Program, which started in the 1970s. Local governments borrowed money to pay for new or improved school facilities, and the state committed to help repay the debt over time.

The proposed reduction to the bond reimbursement program originated in the Senate Finance Committee last session. Bristol Bay Representative and House Speaker Bryce Edgmon says the Legislature had to cut costs for several projects to balance the budget and avoid dipping into the state's savings account, the Constitutional Budget Reserve.

Continue reading.

**KDLG 670AM | By Margaret Sutherland**

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