



Official Business

# Alaska State Legislature

## Senate Finance Committee

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### Sponsor Statement

#### Senate Bill 146

#### **REAA Fund: Mt. Edgecumbe, Teacher Housing**

Senate Bill 146 makes two changes; to equalize construction and maintenance funding opportunities for Mt. Edgecumbe High School (MEHS); and allow major maintenance grants for rural teacher housing. SB 146 expands the eligibility list for grants from the Regional Education Attendance Area and Small Municipal School District (REAA) School Fund to add MEHS projects and rural teacher housing.

The REAA fund was created in 2010, in response to an Alaska Court ruling (*Kasayulie v. State of Alaska*, 2001) which held the state's school construction funding process was unconstitutional. While urban districts enjoyed reimbursement of school construction bonds, resources for rural schools were found to be "arbitrary, inadequate and racially discriminatory."

Mt. Edgecumbe High School (MEHS) is a state-owned residential school located in Sitka, Alaska. Over 400 students from more than 100 communities across Alaska attend MEHS. MEHS school officials cannot submit requests to be placed on the major maintenance list as all other school districts can. MEHS relies on the Executive Branch to put forward any such request. It is the intent of SB 146 to place MEHS on an equal footing with the other schools in Alaska.

Rural school districts have been challenged in attracting and retaining educators. Many rural communities have small populations with limited housing options. In 2004, with governor and legislative approval, the Alaska Housing Finance Corporation (AHFC) allocated some of its annual earnings towards a new rural housing program. In partnership with the Denali Commission, AHFC offered rural government entities an incentive to lower the cost of building quality rental housing for key public service providers, such as teachers. While AHFC's program assists in construction, it does not offer assistance for major maintenance. This proposed legislation will enable rural school districts to apply for major maintenance grant funding for teacher housing from the REAA fund.