

City of Dillingham Rose Loera PO Box 889 Dillingham, AK 99576

September 19, 2016

Dear Ms. Loera,

The purpose of this letter is to address the Annexation of the Bristol Bay as concerning the operation of the school district.

The Dillingham City School District is dependent on the funding that the City provides. The 1.3 million dollars provided by the City is generously a ½ million over the minimum but 800,000 under the maximum. The City's generosity allows the district to claim more of the Federal Governments Impact aid moneys. The department of education deducts the difference from impact aid that the City does not provide to the maximum. Therefore, the more the City is able to provide the more impact aid money the school district keeps. The Annexation will allow the City to maintain the funding. However, the state reduction in revenue to the city has unintended consequence: If the City is forced to reduce the funding to the school district because the impact aid will also be reduced doubling the impact on the school finances.

Use of the City School buildings is another factor that should be considered. Many of the Bristol Bay corporations use the building for annual meetings. The Southwest Regional School District conducts an annual teacher in-service at the Elementary School. Many state wide organizations such as the Metal Health Trust board have used the school as a meeting place. These services are provided with nominal fees of less than \$50 that do not cover the cost of custodial staff that the school district provides. Without the City's support the school district would charge for these events.

Another consequence may be the library. The City makes the library available to the school district since the middle and high school do not have a library. The school district is able to claim in-kind contributions from the City increasing our claim on impact aid moneys. The annexation will allow the City to offset the state reduction by increasing revenues in taxation.

In conclusion there are three issues: (1) the state is reducing funding to the city, (2) the City is forced to reduce funding to the different services provided to the community, (3) the school will

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lose revenue from the City and then from impact aid. Please support education by giving the City the ability to annex the surrounding fishing area.

Sincerely yours,

Danny Frazier Superintendent, Dillingham City School District

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