



Office of the Borough Mayor

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Charlie Pierce
Borough Mayor

August 11, 2020

John O'Brien, Superintendent
Kenai Peninsula Borough School District
148 N. Binkley Street
Soldotna, AK 99669

Re: Proposed Request to State Legislature to Transfer Kachemak-Selo School Grant Funds to DCCED

Dear Superintendent O'Brien:

As you are aware, in 2016 the Kenai Peninsula Borough was awarded a grant by the State of Alaska through the Department of Education and Early Development (DEED) for the planning, design, construction and equipping of a new K-12 school facility in Kachemak-Selo. The state initially approved the eligible amount of \$16,719,236 including a state share of \$10,867,503 and a required local school district share of \$5,851,733 pursuant to AS 14.11.008.

Since that award the borough has made numerous unsuccessful attempts to reduce the local requirement. Additionally, in 2018 the voters defeated a proposition that would have approved the sale of bonds in the amount of \$5,450,000 to fund the local amount for this project.

Since the initial award, the DEED has approved two borough requests to extend the deadline to obtain the local funds, with the most recent approval dated July 20, 2020, extending the deadline to June 29, 2024.

This letter is to inform you that due to the unique circumstances related to Kachemak-Selo the borough administration proposes to ask the state legislature to transfer the grant funds from the DEED to the Department of Commerce, Community & Economic Development (DCCED). The unique circumstances include the current economic decline

due to the Coronavirus pandemic, making the possibility of generating the required 35 percent match impractical. Additionally, the remote location with no road access results in extraordinarily high construction expenses to build a school meeting DEED standards.

Therefore, the administration proposes to use the appropriated funds to construct a facility that would meet the community needs for a school facility, as well as a community center without being required to provide a local match or to meet the expensive standards for school construction required by the DEED.

We request that the Kenai Peninsula Borough School District Board of Education formally consider this approach and advise the borough as to its position regarding this approach.

Sincerely,



Charlie Pierce
Borough Mayor

cc: Kelly Cooper, Assembly President
KPB Assembly Members
Dave Jones, KPBSD Assistant Superintendent