



**RESOLUTION OF THE CORDOVA SCHOOL DISTRICT
BOARD OF EDUCATION**
Resolution No. 2026: 01

**A RESOLUTION SUPPORTING AN INCREASE TO THE FUND BALANCE LIMITATION AS
IDENTIFIED IN *ALASKA STATUTE 14.7.505 FUND BALANCE IN SCHOOL OPERATING FUND***

WHEREAS, the fund balance represents the accumulation of revenues over expenditures and is a critical tool for ensuring fiscal stability, continuity of operations, and the ability to address unforeseen events; and

WHEREAS, the Government Finance Officers Association (GFOA) recommends public entities maintain a fund balance equivalent to at least two months of operating expenditures, which generally exceeds the current statutory 10% limitation under AS 14.17.505; and

WHEREAS, school districts face unique revenue cycles, delayed reimbursements, and significant timing issues between the academic calendar and state/federal funding streams, requiring prudent cash flow management through fund balances; and

WHEREAS, maintaining adequate fund balances allows school districts to offset revenue shortfalls, address unexpected expenditures such as emergency facility repairs, stabilize educational programs, and avoid disruptions to students and staff; and

WHEREAS, current law (AS 14.17.505) limits unreserved school district fund balances to no more than 10% of expenditures, a cap that has not kept pace with modern financial management best practices, rising costs due to inflation, and the increasing complexity of school district operations; and

WHEREAS, allowing school districts greater flexibility to maintain higher fund balances would enhance long-term planning, reduce reliance on supplemental or emergency funding, improve creditworthiness, and ultimately safeguard educational services for Alaska's students;

NOW, THEREFORE, BE IT RESOLVED, as the governing board responsible for ensuring the education, well-being, and safety of students in its care, the Cordova School District Board of Education strongly supports an increase to the statutory fund balance limitation in AS 14.17.505, aligning Alaska's requirements more closely with national best practices, and urges the Alaska Legislature and the Department of Education and Early Development to amend statute accordingly.

Approved by the Cordova School District Board of Education on SEPTEMBER 10, 2025.

_____, Board President