

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1 - CORRECTED
 Bill Version: SB 109
 (S) Publish Date: 3/19/01

Revision Date/Time (Note if correction): 03/14/2001 12:30p.m. Dept. Affected: DCED
 Title: An Act relating to unincorporated capital BRU: Comm.Asst & Econ.Dev
project matching grant program Component: Community & Business
 Sponsor: Senator Torgerson Development
 Requester: Senate CRA Component Number: 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	54.8	56.5	58.4	60.3	62.1	64.1
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	1,925.0	1,925.0	1,925.0	1,925.0	1,925.0	1,925.0
Miscellaneous						
TOTAL OPERATING	1,979.8	1,981.5	1,983.4	1,985.3	1,987.1	1,989.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	54.8	56.5	58.4	60.3	62.1	64.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other - AIDEA Rev.Fund	1,925.0	1,925.0	1,925.0	1,925.0	1,925.0	1,925.0
TOTAL	1,979.8	1,981.5	1,983.4	1,985.3	1,987.1	1,989.1

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 109 would amend the Capital Matching Grant (CMG) program to include a new category of eligible communities; specifically, unincorporated communities within organized boroughs and unified municipalities. The sponsor of this bill estimates that as many as 77 additional communities may qualify for the CMG program. If this amendment is approved DCED would conduct a separate eligibility determination process for each community. The department has identified 3 potential fiscal scenarios under this amendment. Each scenario would create a different fiscal impact, either on the State, on municipalities participating in the program, or on the unincorporated communities participating in the program. For all scenarios there would be an increase of one grants administrator to administer the additional grants.

Scenario # 1. Program funding is increased to fully cover all eligible communities:

Under this scenario, an additional \$1,925.0 would be added to the existing funding request. If appropriated, this level of funding would assure that all municipalities and unincorporated communities would continue to receive funding at the current level.

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Prepared by: Pat Poland, Director Phone 907-269-4580
 Division: Community & Business Development Date/Time 03/14/2001 12:30p.m.
 Approved by: Commissioner Deborah B. Sedwick Date 3/14/2001
 Agency: Department of Community and Economic Development

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Scenario # 2. No increase in the appropriation level, fully fund unincorporated communities:

Under this scenario, the State would continue to appropriate to the fund at the current level of \$15,000.0. Funds necessary to fully fund unincorporated communities would be deducted from that amount. The remaining funds would be divided among all municipal governments. This would result in some municipalities receiving less funding than they currently receive. The greatest impact would be on the more populated municipalities as the funding level under this element provides for a minimum entitlement of \$25.0 per municipality.

Scenario # 3. No increase in the appropriation level and maintain the existing funding allocation between municipalities and unincorporated communities:

Under this scenario, the program would continue to be funded at the current level of \$15,000.0. The municipal element would continue to receive the current funding level of \$13,000.0. Municipalities would see little or no change to their current allocations. However, under this scenario there would be no increase to the unincorporated element of the program, with the funds being pro-rated among all eligible communities. Under this approach, each eligible unincorporated community would receive \$12.3. Currently, each unincorporated community receives an entitlement of \$25.0.

Administrative Costs: With the inclusion of 77 additional communities, each of the above described scenarios would translate into increased workload to the department for tracking grants and providing community assistance. Because these communities are located inside organized boroughs, there are added responsibilities associated with coordinating applications between two levels of government. Existing staff would not be able to absorb the increased work load. The Department feels these additional duties could only be absorbed by a new grant administration position. Therefore, a Grants Administrator II (range 17) with full-time funding is included in this fiscal note.