

SR

263

SENATE COMMITTEE REPORT

FURTHER:

5/6/87

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE Committee considered SB 263

grant administration; efd.

and recommended:

[] replace with CS FOR _____) [] same title
[] or adopt _____ CS FOR _____) [] new title

[] attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee [] attached or [] adopted fiscal note(s)

[] new [] updated or [] previous
[] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

[] Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/23/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE 5/5/87

Mr. President:

COMMUNITY AND REGIONAL AFFAIRS Committee considered SB 263

grant administration; efd

and recommended:

replace with CS for SB 263 (CIRA) same title

attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

Mike Seymour

OTHER RECOMMENDATIONS

Rick Halford NO REC

Anton Stupelinski Do Pass
Chairman signature and recommendation

Committee Backup Attached

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 263 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to grant administration; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 37.05.315(a) is amended to read:

10 (a) When an amount is appropriated or allocated as a grant to a
11 municipality, the Department of Community and Regional Affairs [ADMIN-
12 ISTRATION] shall promptly notify the municipality of the availability
13 of the grant. When the department [DEPARTMENT OF ADMINISTRATION]
14 receives an agreement executed by the municipality that [WHICH] pro-
15 vides that the municipality (1) will spend the grant for the purposes
16 specified in the appropriation or allocation; (2) will allow, on
17 request, an audit by the state of the uses made of the grant; and (3)
18 assures that, to the extent consistent with the purpose of the appro-
19 priation or allocation, the facilities and services provided with the
20 grant will be available for the use of the general public, the depart-
21 ment [DEPARTMENT OF ADMINISTRATION] shall pay the grant directly to
22 the municipality. The agreement executed by a municipality under this
23 section shall be on a form furnished by the department [DEPARTMENT OF
24 ADMINISTRATION] and shall be executed within 60 days after the effec-
25 tive date of the appropriation or allocation if possible.

26 * Sec. 2. AS 37.05.315(b) is amended to read:

27 (b) An appropriation or allocation for a grant to a municipality
28 for construction of a public facility lapses if substantial, ongoing
29 work on the project has not begun within three [FIVE] years after the
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1 effective date of the appropriation or allocation.

2 * Sec. 3: AS 37.05.316(a) is amended to read:

3 (a) When an amount is appropriated or allocated to a department
4 as a grant for a named recipient that is not a municipality, the
5 department to which the appropriation or allocation is made shall
6 promptly notify the named recipient of the availability of the grant
7 and request the named recipient to submit a proposal to provide the
8 goods or services specified in the appropriation act for which the
9 appropriation or allocation is made. At the same time, the department
10 may issue a request for proposals from other qualified persons to
11 provide the same goods or services in the same area. The department
12 shall award the grant to the named recipient unless the Office of the
13 Governor, with due regard for the local expertise or experience of
14 those making proposals, determines that an award to a different party
15 would better serve the public interest. If the grant is awarded to a
16 party other than that named by the legislature, the basis of that
17 action shall be stated in writing at the time the grant is issued and
18 a copy of the written statement shall be sent to the Legislative
19 Budget and Audit Committee. A grant agreement must be executed within
20 60 days after the effective date of the appropriation or allocation if
21 possible.

22 * Sec. 4. AS 37.05.318 is repealed and reenacted to read:

23 Sec. 37.05.318. REGULATIONS. The commissioner of adminis-
24 tration shall adopt regulations that establish requirements and proce-
25 dures that are necessary to implement, interpret, make specific, or
26 otherwise carry out the provisions of AS 37.05.315 - 37.05.317.

27 * Sec. 5. AS 37.05 is amended by adding new sections to read:

28 Sec. 37.05.331. GRANT REQUIREMENTS. (a) A contract for a grant
29 awarded under AS 37.05.315 - 37.05.317 must require that the recipient

1 spend grant money without discriminating on the basis of race, color,
2 religion, sex, or national origin, and that any facility constructed
3 wholly or in part with grant money be open to the public without
4 discrimination on any of these grounds.

5 (b) A contract for a grant awarded under AS 37.05.315 - 37.05.-
6 317 to a Native traditional or Indian Reorganization Act council, or
7 to any other entity that claims sovereign immunity, must require that
8 the council or entity waive its sovereign immunity, if any, for all
9 purposes connected with the grant, including enforcement of the grant
10 terms and liability arising from activities in connection with the
11 grant. Acceptance of a waiver of sovereign immunity by the state does
12 not imply recognition of the existence of the immunity. The Depart-
13 ment of Law shall provide a suitable form for the waivers.

14 Sec. 37.05.336. PERIODIC REPORTS AND DOCUMENTATION. (a) Each
15 recipient of a grant awarded under AS 37.05.315 - 37.05.317 shall
16 submit to the grantor department progress and financial reports on a
17 periodic basis.

18 (b) Each recipient of grant money shall maintain for a period of
19 three years, or until final resolution of any audit findings, claims,
20 or litigation related to the grant, documentation to support the
21 receipt and disbursement of all money related to the grant. Documen-
22 tation shall be made available, within 30 days after it is requested
23 by the grantor department, to an authorized representative of that de-
24 partment.

25 (c) Grant money, beyond initial advance payments, may not be
26 provided to a recipient unless the recipient has submitted the period-
27 ic progress and financial reports under (a) of this section and has
28 accounted for the use of grant money.

29 Sec. 37.05.341. STATUS REPORT; UNEXPENDED BALANCES. (a) Each

1 recipient of grant money under AS 37.05.315 - 37.05.317 shall submit
2 to the grantor department a status report on each grant within 90 days
3 after the end of the recipient's fiscal year or after completion of
4 the grant project, whichever occurs first. This report must include
5 each grant awarded under AS 37.05.315 - 37.05.317 that has an unex-
6 pended or unobligated balance at the recipient's fiscal year end or at
7 the grant project's completion.

8 (b) An unexpended or unobligated balance identified under (a) of
9 this section that is determined by the head of the grantor department
10 to be no longer needed for the original grant purpose shall be re-
11 turned to the grantor department within 30 days after that determina-
12 tion, for deposit in the state general fund.

13 Sec. 37.05.346. AUTHORITY OF DEPARTMENT HEADS; CRIMINAL PROSE-
14 CUTION. (a) The head of each principal executive department shall
15 determine the allowability of recipient costs incurred under grants
16 awarded by that department under AS 37.05.315 - 37.05.317 and shall
17 require disallowed amounts to be returned to the department.

18 (b) For grants awarded before July 1, 1987, repayment of disal-
19 lowed amounts may be made in a single lump-sum amount or may be made
20 on an installment basis, at the discretion of the department head. If
21 repayment is made on an installment basis, the department head shall
22 require recipients to pay the disallowed amount, in equal payments,
23 over a period not to exceed 10 years, with no interest. If, after
24 five years of payment in conformity with the repayment schedule, the
25 recipient provides an auditor's report that expressly provides satis-
26 factory evidence of adequate internal controls and compliance with
27 grant requirements, the remaining debt is forgiven.

28 (c) In the event of potential or impending default of a recip-
29 ient in the repayments required under (b) of this section, a

1 department head may renegotiate the terms for repayment of the debt
2 and may release the recipient from repayment of disallowed amounts or
3 a portion of them if

4 (1) the recipient has submitted a resolution to the grantor
5 department

6 (A) passed by the governing body, if the recipient is
7 a municipality;

8 (B) passed by the council, if the recipient is a
9 Native traditional or Indian Reorganization Act council;

10 (C) passed by the board of directors, if the recipient
11 is a nonprofit corporation;

12 (2) the recipient provides in the resolution submitted
13 under (1) of this subsection a statement that the relief is needed
14 because the recipient does not have the resources to repay all or part
15 of the disallowed amounts or the repayments would create a significant
16 financial burden for the recipient; and

17 (3) the recipient provides a corrective action plan accept-
18 able to the department head.

19 (d) A department head shall withhold from a grant awarded after
20 July 1, 1987, under AS 37.05.315 - 37.05.317 10 percent of the total
21 amount of the grant. However, this amount may not be withheld if the
22 grant recipient has

23 (1) in the preceding year, submitted an audit report in
24 which no material internal control weakness or instance of noncompli-
25 ance was identified; and

26 (2) complied with AS 37.05.336(a) and (b).

27 (e) If, under (d) of this section, a department head withholds
28 money from a grant, the department head may use the money withheld to
29 offset amounts disallowed under (a) of this section in connection with

1 that grant or for accounting and auditing costs incurred by the
2 grantee in connection with the grant.

3 (f) Amounts disallowed and returned to the grantor department
4 shall be deposited in the state general fund.

5 Sec. 37.05.360. DEFINITIONS. In AS 37.05.315 - 37.05.360,
6 "allocation" and "appropriation" have the meanings given in AS 37.07.-
7 120.

8 * Sec. 6. AS 37.05.315(d) and 37.05.325 are repealed.

9 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).
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Introduced: 4/16/87
Referred: Community and Regional Affairs and
Finance

w01147s

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 263

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to grant administration; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that in
10 the past the level of financial management of and accountability for the
11 use of state money appropriated or allocated for the purpose of awarding
12 grants under AS 37.05.315 -- 37.05.317 has not been sufficient to provide
13 assurance that that money has been spent according to the intent of the
14 legislature. The legislature finds that several conditions have led to
15 this problem. These conditions include the following:

16 (1) inadequate or deficient accounting and financial systems
17 being maintained by the recipients of the grants;

18 (2) grant recipient staff often is not knowledgeable of, nor
19 trained in, proper grant and financial management practices;

20 (3) state granting departments have not been able to provide
21 adequate direction to grant recipients concerning the use of grant money
22 and have not been able to provide adequate oversight of recipient use of
23 grant money; and

24 (4) adequate resources, financial and otherwise, have not been
25 available to resolve these conditions and the problem.

26 (b) The legislature finds that as a result of this problem there have
27 been instances in which substantial amounts of money appropriated or al-
28 located for the purpose of awarding grants under AS 37.05.315 -- 37.05.317
29 have been spent for purposes other than those intended by the legislature.
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1 The legislature further finds that in such instances the recipient commu-
2 nities are left without the needed and vital services or facilities.

3 (c) The legislature finds that, when grants that are awarded under
4 AS 37.05.315 -- 37.05.317 are used for purposes other than those intended,
5 a potential liability is created for those grant recipients for repayment
6 of the amounts to the state. This liability might be beyond the financial
7 resources of the recipients to meet, and those recipients might also be
8 unable to complete the projects intended by the legislature.

9 (d) The legislature finds that state departments administering money
10 appropriated or allocated for the purpose of awarding grants under AS 37.-
11 05.315 -- 37.05.317 have a responsibility to provide to grant recipients
12 direction, assistance, and, if necessary, training in proper financial
13 management and use of grant money. The legislature also finds that state
14 grantor departments have a responsibility for adequately overseeing the
15 handling of grant money and for adopting measures necessary to assure that
16 grant money is spent by a recipient for the purpose intended by the legis-
17 lature.

18 * Sec. 2. PURPOSE AND POLICY. The purposes and policies of this Act
19 are to

20 (1) provide authority to state executive departments to estab-
21 lish procedures for the improvement of the manner in which money appropri-
22 ated or allocated for the purpose of awarding grants under AS 37.05.315 --
23 37.05.317 is administered and spent;

24 (2) provide the statutory framework necessary to assure that
25 fiscal oversight by grantor departments is increased, to assist grant
26 recipients in having audits completed, and to coordinate the training of
27 grant recipients in financial and grant management and accounting; and

28 (3) provide for the fair resolution of past financial problems
29 related to money appropriated or allocated for the purpose of awarding

1 grants under AS 37.05.315 -- 37.05.317.

2 * Sec. 3. AS 37.05.316 is repealed and reenacted to read:

3 Sec. 37.05.318. REGULATIONS. The commissioner of adminis-
4 tration may adopt regulations that establish requirements and proce-
5 dures that the commissioner determines are necessary to implement,
6 interpret, make specific, or otherwise carry out the provisions of
7 AS 37.05.315 -- 37.05.317. The head of each principal executive
8 department may adopt regulations in addition to those adopted by the
9 commissioner of administration, in order to meet the specific needs of
10 the respective departments with regard to grants administered under
11 AS 37.05.315 -- 37.05.317.

12 * Sec. 4. AS 37.05 is amended by adding new sections to read:

13 Sec. 37.05.320. GRANT REQUIREMENTS. (a) A contract for a grant
14 awarded under AS 37.05.315 -- 37.05.317 must require that the recipi-
15 ent spend grant money without discriminating on the basis of race,
16 color, religion, sex, or national origin, and that any facility con-
17 structed wholly or in part with grant money be open to the public
18 without discrimination on any of these grounds.

19 (b) A contract for a grant awarded under AS 37.05.315 -- 37.05.-
20 317 to a Native traditional or Indian Reorganization Act council, or
21 to any other entity that claims sovereign immunity, must require that
22 the council or entity waive its sovereign immunity for all purposes
23 connected with the grant, including enforcement of the grant terms and
24 liability arising from activities in connection with the grant. The
25 Department of Law shall provide a suitable form for such waivers.

26 Sec. 37.05.326. PERIODIC REPORTS AND DOCUMENTATION. (a) Each
27 recipient of a grant awarded under AS 37.05.315 -- 37.05.317 shall
28 submit to the grantor department progress and financial reports on a
29 periodic basis.

1 (b) Each recipient of grant money shall maintain for a period of
2 three years, or until final resolution of any audit findings, claims,
3 or litigation related to the grant, documentation to support the
4 receipt and disbursement of all money related to the grant. Documen-
5 tation must be made available, within 30 days after it is requested by
6 the grantor department, to an authorized representative of that de-
7 partment.

8 (c) Grant money, beyond initial advance payments, may not be
9 provided to a recipient unless the recipient has submitted the period-
10 ic progress and financial reports required by (a) of this section and
11 has accounted for the use of grant money.

12 Sec. 37.05.330. ACCOUNTING AND AUDIT RETAINAGE. (a) A depart-
13 ment to which an appropriation or allocation is made for the purposes
14 of a grant under AS 37.05.315 -- 37.05.317 may retain a percentage of
15 the total amount of the appropriation or allocation to pay for all or
16 a portion of the accounting and auditing costs incurred by the grant
17 recipient. The amount retained may not exceed three percent of an
18 appropriation or allocation of \$500,000 or less, and, for an appro-
19 priation or allocation of greater than \$500,000, may not exceed
20 \$15,000 plus one percent of the amount of the appropriation or allo-
21 cation above \$500,000.

22 (b) A department may not retain the amount specified in (a) of
23 this section if the grant recipient has

24 (1) in the preceding year, submitted an audit report in
25 which no material internal control weakness or instance of noncompl-
26 ance was identified; and

27 (2) complied with AS 37.05.326(a) and (b).

28 Sec. 37.05.335. STATUS REPORT; UNEXPENDED BALANCES. (a) Each
29 recipient of grant money under AS 37.05.315 -- 37.05.317 shall submit

1 to the grantor department a status report on each grant within 60 days
2 after the end of the recipient's fiscal year or after completion of
3 the grant project, whichever occurs first. This report must include
4 each grant awarded under AS 37.05.315 -- 37.05.317 that has an unex-
5 pended or unobligated balance at the recipient's fiscal year end or at
6 the grant project's completion.

7 (b) An unexpended or unobligated balance identified under (a) of
8 this section which is determined by the head of the grantor department
9 to be no longer needed for the original grant purpose must be returned
10 to the grantor department within 30 days after that determination, for
11 deposit in the state general fund.

12 Sec. 37.05.340. AUTHORITY OF DEPARTMENT HEADS; CRIMINAL PROSE-
13 CUTION. (a) The head of each principal executive department shall
14 determine the allowability of recipient costs incurred under grants
15 awarded by that department under AS 37.05.315 -- 37.05.317, and shall
16 require disallowed amounts to be returned to the department. Repay-
17 ment of disallowed amounts may be made in a single lump sum amount or
18 may be made on an installment basis, at the discretion of the depart-
19 ment head. The department head shall require recipients to pay at
20 least one-half of a disallowed amount, in equal payments, over a
21 period not to exceed 10 years, with no interest. If, after five years
22 of payment in conformity with the repayment schedule, the recipient
23 provides an auditor's report that expressly provides satisfactory
24 evidence of adequate internal controls and compliance with grant
25 requirements, the remaining debt must be forgiven.

26 (b) A department head shall withhold, from a grant awarded under
27 AS 37.05.315 -- 37.05.317, 10 percent of the total amount of the
28 grant. However, this amount may not be withheld if the grant recipi-
29 ent has

1 (1) in the preceding year, submitted an audit report in
2 which no material internal control weakness or instance of noncompli-
3 ance was identified; and

4 (2) complied with AS 37.05.326(a) and (b).

5 (c) If, under (b) of this section, a department head withholds
6 money from a grant, the department head may use the money withheld to
7 offset amounts disallowed under (a) of this section in connection with
8 that grant.

9 (d) In the event of potential or impending default of a recip-
10 ient in the repayments required under (a) of this section, a depart-
11 ment head may renegotiate the terms for repayment of the debt or
12 release the recipient from repayment of disallowed amounts, if

13 (1) the recipient has submitted a resolution to the grantor
14 department

15 (A) passed by the governing body, if the recipient is
16 a municipality;

17 (B) passed by the council, if the recipient is a
18 Native traditional or Indian Reorganization Act council;

19 (C) passed by the board of directors, if the recipient
20 is a nonprofit corporation;

21 (2) the recipient provides in the resolution submitted
22 under (1) of this subsection a statement that the relief is needed
23 because the recipient does not have the resources to repay all or part
24 of the disallowed amounts or the repayments would create a significant
25 financial burden for the recipient; and

26 (3) the recipient provides a corrective action plan accept-
27 able to the department head.

28 (e) Amounts disallowed and returned to the grantor department
29 must be deposited in the state general fund.

1 (f) Release from repayment of disallowed costs under this sec-
2 tion does not serve as a defense to criminal prosecution of any indi-
3 vidual alleged to be responsible for a criminal act that contributed
4 to the misuse of state money.

5 (g) This section applies to any amounts disallowed under a grant
6 awarded under AS 37.05.315 -- 37.05.317, including grants awarded
7 before the effective date of this Act.

8 Sec. 37.05.345. ALASKA GRANT TRAINING ADVISORY COMMITTEE. (a)
9 There is created in the Department of Community and Regional Affairs
10 the Alaska grant training advisory committee consisting of (1) the
11 head of each principal executive department of the state or their
12 respective designees, (2) a representative of the cooperative exten-
13 sion service of the University of Alaska, (3) the director of the
14 Alaska Municipal League or his or her designee, and (4) other persons
15 designated by the commissioner of community and regional affairs.

16 (b) The committee shall meet at least once a year to develop a
17 cooperative work plan for the following fiscal year, and may meet at
18 such other times as the members see fit. The committee shall consider
19 and make recommendations to the commissioner of community and regional
20 affairs about

21 (1) financial management training needs of recipients of
22 state grants in Alaska;

23 (2) the objectives of the cooperative effort;

24 (3) the roles and contributions of the participating de-
25 partments and organizations;

26 (4) the cooperative work plan to accomplish the objectives;

27 (5) the regulations to be adopted by the commissioner of
28 administration under AS 37.05.318.

29 (c) The commissioner of community and regional affairs shall

1 make an annual report to the legislature on the actions of the commit-
2 tee under this section.

3 (d) Members of the committee receive no compensation for their
4 services, but are entitled to per diem and travel allowances au-
5 thorized by law for other boards and commissions under AS 39.20.180.

6 Sec. 37.05.350. DEFINITIONS FOR AS 37.05.315 -- 37.05.350. In
7 AS 37.05.315 -- 37.05.350, "allocation" and "appropriation" have the
8 meanings given in AS 37.07.120.

9 * Sec. 5. AS 37.05.325 is repealed.

10 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

326

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

A/B

Bill Version SCSSB 263 (CIPA)
Publish Date : _____

REQUEST: _____

Revision Date: _____
Title : * See below

Agency Affected: Community & Regional Affairs
BRU: Administration and Support

Sponsor: Rules
Requestor: Governor

Components: Administrative Services

*An act relating to grants administration, and providing for an effective date

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	183.2	193.2	203.2	213.2	223.2
TRAVEL	0	42.5	42.5	42.5	42.5	42.5
CONTRACTUAL	0	49.3	49.3	49.3	49.3	49.3
SUPPLIES	0	.5	.5	.5	.5	.5
EQUIPMENT	0	7.2	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	282.7	285.5	295.5	305.5	315.5

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	282.7	285.5	295.5	305.5	315.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	282.7	285.5	295.5	305.5	315.5

POSITIONS:

FULL-TIME	0	4	4	4	4	4
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Ronald Henderson, Director *Ronald Henderson* Phone: 465-4708
Division: Administrative Services Date: May 4, 1987

Approved by Commissioner: David G. Hoffman *David G. Hoffman* Date: May 4, 1987
Agency: Community & Regional Affairs

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

FISCAL NOTE ANALYSIS

A. Assumptions

Enactment of this legislation will require the Department of Community and Regional Affairs to adhere to new regulations that ensure legislative grants appropriated to this Department under AS 37.05.315 to AS 37.05.317 are administered at an increased level of financial accountability. Enactment of the legislation would transfer grants appropriated or allocated under AS 37.05.315 from the Department of Administration to the Department of Community and Regional Affairs. This transfer would substantially increase the number of grants the Department of Community and Regional Affairs had expected to administer in the future.

Additionally, it will be necessary for this Department to assume the lead role in assisting and training recipients of such grants in proper financial management activities ("fiscal accountability"). As a result, the Department will be required to spend a significant amount of time reviewing and evaluating grantee accounting records and systems to ensure that funds are expended in accordance with legislative intent as well as training grant recipients to account for funds at levels which they have not previously been subjected to. It is anticipated that these actions will reduce, if not eliminate, costs questioned by auditors in performing financial and compliance audits of grantees as required by the State Single Audit regulations.

B. Staff Requirements

In order to respond to the mandated level of "fiscal accountability", it will be necessary to establish a new Accountant III position. The Accountant III will take the lead role in training grant recipients in proper financial management activities (i.e. "fiscal accountability"), conducting on-site monitoring of fiscal activities performed by grant recipients and training other Department staff in "fiscal accountability."

In order to respond to the increased number of legislative grants assigned to the Department and to administer these grants at a greater level of accountability, it will be necessary to establish three new Grant Administrator positions. The Grant Administrators will be responsible for negotiating the grant agreements and any amendments, for receiving, reviewing and approving progress and financial reports and other documentation from the grantees, and for resolving any problems which develop during the course of the grant.

Computation of Salary Costs

a)	Accountant III, Range 18-A:	
	Salary	37.4
	Benefits	10.8
b)	Grant Administrators, Range 17-A:	
	Salary 3 @ \$34.7	104.1
	Benefits 3 @ \$10.3	30.9
		183.2

C. Travel

Travel to communities will be necessary to train communities in "fiscal accountability" as well as perform subsequent on-site monitoring of these activities. Additionally, travel costs will be incurred for local government officials to attend regional training seminars on "fiscal accountability."

Computation of Travel Costs

a)	Travel to communities for training and monitoring (100 trips @ \$275.00 a trip)	27.5
b)	Travel for local government officials to attend regional training seminars	10.0
c)	Travel by trainer to perform staff development	5.0
		42.5

D. Contractual

In order to train individuals in "fiscal accountability," training materials will have to be purchased, reproduced and disseminated.

Purchase of Training Materials	25.0
Printing of Training Materials	14.5
Telephone and DP communication costs	9.8
	49.3

E. Other Cost Analysis

Supplies (\$40/mo. X 12 mo.)	.5
Equipment (one time) - Wang terminals, software	<u>7.2</u>
	7.7

TOTAL GENERAL FUND COSTS	<u>282.7</u>
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Position Title Accountant III		No. of Positions 1	Range/Step 18A	Barg. Unit GGU
Time Status FT	Staff Months 12 months	Location Juneau		Election District
Type of Expenditure		Justification		
1	2	3	<p>In order to respond to the mandated level of "fiscal accountability", it will be necessary to establish one new position, an Accountant III. The Accountant III will take the lead role in training grant recipients in proper financial management activities (i.e., "fiscal accountability"), performing on-site monitoring of fiscal activities performed by grant recipients and training other departmental staff in "fiscal accountability."</p> <p>Single Position Costs per year</p> <p>Salary = \$37.4 Benefits = 10.8 Total = \$48.2</p>	
Salary	37.4			
Benefits	10.8			
Premium Pay				
Other				
Total Personal Services		48.2		
Travel		42.5		
Contractual		45.0		
Commodities		.1		
Equipment		1.8		
Other				
Total Cost		137.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	137.6		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Community & Regional Affairs
BRU Administration & Support
Component Administrative Services

Page 5 of 6
Revised Date

FY 88

Position Title Grant Administrator			No. of Positions 3	Range/Step 17-A	Barg. Unit GGU
Time Status FT	Staff Months 12 Months		Location Juneau	Election District	
Type of Expenditure			Justification		
			In order to respond to the mandated level of "fiscal accountability" and to respond to the transfer of municipal grants to the Department of Community and Regional Affairs, it will be necessary to establish 3 new Grant Administrator positions. The Grant Administrators will be responsible for negotiating the grant agreements and any amendments, reviewing and approving reports and documentation from the recipients, and resolving any problems in the grant administration.		
1		2	3		
Salary		104.1			
Benefits		30.9			
Premium Pay					
Other					
Total Personal Services			135.0		
Travel					
Contractual			4.3		
Commodities			.4		
Equipment			5.4		
Other					
Total Cost			145.1		
Funding Source for Total Cost			Cost per Year for Three Positions:		
Federal Receipts 1002			Salary = \$104.1		
G. F. Match 1003			Benefits = 30.9		
General Fund 1004			Total = \$135.0		
I-A Receipts 1006					
CIP Receipts 1061					
Other					

**Request For
New Position**

Agency Department of Community & Regional Affairs
 BRU Administration & Support
 Component Administrative Services

Page 6 of 6
 Revised Date

FY 88

SECTIONAL ANALYSIS - CSSB 263 (C&RA)

Section 1 - Amends AS 37.05.315(a) to take legislative grants from the purview of the Department of Administration (DOA) and places them under the jurisdiction of the Department of Community and Regional Affairs (DCRA). The last sentence of the section makes the deadline for executing contracts more permissive in recognition of the fact that delays are usually the result of unresponsive grantees.

Section 2 - Amends AS 37.05.315(b) to reduce from five to three years the time period in which an appropriation or allocation to a municipality lapses if substantial work has not begun.

Section 3 - Amends AS 37.05.316(a) to make the deadline for extending contracts with named recipients more permissive in recognition of the fact that delays are usually the result of an unresponsive grantee.

Section 4 - Repeals and enacts AS 37.05.318 to allow DOA to adopt regulations to implement and interpret the statutes (AS 37.05.315 - .317) which govern legislative grants to municipalities, named recipients and unincorporated communities.

Section 5 - Adds a new section to AS 37.05 (AS 37.05.331(a)) to insure that grant funds are spent and related services and facilities are provided without discriminating on the basis of race, color, religion, sex or national origin. This new section (AS 37.05.331(b)) also requires that contracts awarded under the legislative grant statutes to Native traditional or Indian Reorganization Act councils, or any other entity claiming sovereign immunity, contain a waiver of this form of immunity for all purposes connected with the grant.

AS 37.05.336 is a new section requiring, for the first time in statute, regular progress and financial reports. The section also requires the retention of grant documentation for three years, or until final resolution of audit findings and litigation. Additionally, this new section gives the grantor the authority to withhold all funds beyond the initial advance payment pending the receipt of periodic progress and financial reports.

AS 37.05.341 is a new section requiring recipients to submit a status report on each grant within 90 days after their fiscal year end or the completion of the project. Subsection (b) requires that unexpended or unobligated grant balances, identified in the status report as unneeded for the original grant purpose, be returned to the grantor department within 30 days after such a determination is made.

As.37.05.346 is a critical section which implements the following policies in six subsections:

Sectional Analysis - CSSB 263 (C&RA)
May 5, 1987
Page Two

Subsection (a) gives the head of each department the authority to determine the allowability of recipient costs under the department's grants and require disallowed amounts to be returned to the department.

(b) provides flexibility in the repayment of disallowed costs for grants made before July 1, 1987. These alternative repayment schedules include a single lump-sum payback or a no interest installment repayment over a period not to exceed 10 years. The subsection also provides for forgiveness if after five years of a payback an auditor reports the development of adequate internal controls and grant compliance.

(c) is designed to prevent potential or impending default of an established debt by a grant recipient. Relief under this section must be requested by resolution of the recipient stating that it does not have the resources to repay all or part of the disallowed amounts or that repayments would create a significant financial burden. The grantee must provide an acceptable corrective action plan to the department head in order to be considered for forgiveness under this subsection.

Subsections (d) and (e) require a grantor department to withhold 10 percent of the grant amount for retainage and/or an audit of the grantee. A retainage may not be withheld if a recent audit demonstrates adequate internal control and compliance with grant conditions, the grantee has submitted the required progress and financial reports on a timely basis, and has accounted for the use of grant money.

(f) states disallowed cost repayments shall be returned to the general fund.

Section 6 - Repeals AS 37.05.315(d) which mandates an automatic 20 percent initial payment regardless of whether the specific project warrants this large of a start-up payment. AS 37.05.325, an unused definitions section, is also repealed.

Section 7 - This simply contains a standard effective date provision.

SB263

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 16, 1987

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the administration of state grants. This bill will improve the administration of and accountability for state grants awarded under AS 37.05.315 -- 37.05.317.

This bill has six major components. The first is the recognition of the serious problems that have arisen under the current statutes on and methods of handling these grants. Sections 1 and 2 of the bill identify the problems and state the commitment to improving the standard of performance of the state and of the recipients. This will help assure conformity with the legislature's intent when it appropriates or allocates money for a grant under AS 37.05.315 -- 37.05.317.

The second major component is the revision of AS 37.05.318, which now prohibits agencies from adopting regulations for grants authorized under AS 37.05.315 -- 37.05.317. The Department of Administration would be authorized to adopt generally applicable regulations for these grants, and all departments would be authorized to adopt supplementary regulations as necessary to deal with specific kinds of grants. This change will go a long way toward helping grant recipients properly handle public money. Section 3 of the bill.

The third major component allows agencies to retain a percentage of grant money awarded under AS 37.05.315 -- 37.05.317 to be used to assure that money is available to grantees for conducting audits under the state single audit regulations. Section 4 of the bill.

The fourth major component requires the recipients to provide a report on an annual basis to grantor agencies concerning the amount of grant money that is unspent at the end of the recipient's fiscal year and to return any amount unneeded for the original grant purpose. Section 4 of the bill.

Hon. Jan Faiks

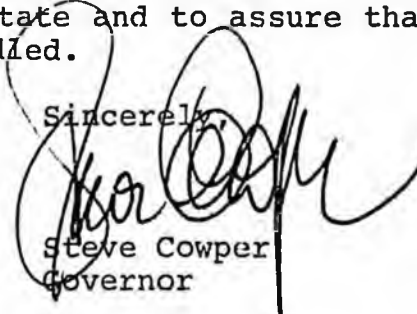
Page 2

The fifth major component of the bill provides a mechanism by which grantor agencies can release recipients from debts arising from disallowed costs associated with the AS 37.05.-315 -- 37.05.317 grants. Section 4 of the bill.

The final major component is the establishment of an Alaska grant training advisory committee to assess the financial management and other training needs of the recipients of grants under AS 37.05.315 -- 37.05.317, to coordinate the provision of such training, and to make appropriate recommendations in connection with these functions. Section 4 of the bill.

At this time of state fiscal crisis, it is especially important to assure that state money is spent for the purposes for which it is appropriated and that there is an adequate system for accounting for this money and for training individuals in the handling of state grants. This bill is a major part of my Administration's efforts to improve the auditing functions of the state and to assure that the public's money is properly handled.

Sincerely,


Steve Cowper
Governor

1/10

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: 5B263
Publish Date: _____

Revision Date: Draft

Agency Affected: Community & Regional Affairs

Title: An act relating to grants admin. and providing for an effective date.

BRU: Administration and Support

Sponsor: Rules Committee

Components: _____

Requestor: Governor
March 27, 1987

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	48.2	50.7	53.2	55.7	58.2
TRAVEL	0	42.5	42.5	42.5	42.5	42.5
CONTRACTUAL	0	45.0	45.0	45.0	45.0	45.0
SUPPLIES	0	0.1	0.1	0.1	0.1	0.1
EQUIPMENT	0	1.8	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	137.6	138.3	140.8	143.3	145.8

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	137.6	138.3	140.8	143.3	145.8
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	137.6	138.3	140.8	143.3	145.8

POSITIONS:

FULL-TIME	0	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Remond Henderson, Director
Division: Administrative Services

Phone: 465-4708

Date: April 2, 1987

Approved by Commissioner: David G. Hoffman
Agency: Community and Regional Affairs

Date: April 2, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

C+RA

FISCAL NOTE ANALYSIS

A. Assumptions

Enactment of this legislation will require the Department of Community and Regional Affairs to adhere to new regulations that ensure legislative grants appropriated to this Department under AS 37.05.316 and AS 37.05.317 are administered at an increased level of financial accountability. Additionally, it will be necessary for this Department to assume the lead role in assisting and training recipients of such grants in proper financial management activities ("fiscal accountability"). As a result, the Department will be required to spend a significant amount of time reviewing and evaluating grantee accounting records and systems to ensure that funds are expended in accordance with legislative intent as well as training grant recipients to account for funds at levels which they have not previously been subjected to. It is anticipated that these actions will reduce, if not eliminate, costs questioned by auditors in performing financial and compliance audits of grantees as required by the State Single Audit regulations.

B. Staff Requirements

In order to respond to the mandated level of "fiscal accountability", it will be necessary to establish one new position, an Accountant III. The Accountant III will take the lead role in training grant recipients in proper financial management activities (i.e. "fiscal accountability"), conducting on-site monitoring of fiscal activities performed by grant recipients and training other Department staff in "fiscal accountability".

Computation of Salary Costs

Accountant III, Range 18 A :	
Salary	37.4
Benefits	<u>1.8</u>
	48.2

C. Travel

Travel to communities will be necessary to train communities in "fiscal accountability" as well as perform subsequent on-site monitoring of these activities. Additionally, travel costs will be incurred for local government officials to attend regional training seminars on "fiscal accountability".

Computation of Travel Costs

a).	Travel to communities for training and monitoring (100 trips @ \$275.00 a trip)	27.5
b).	Travel for local government officials to attend regional training seminars	10.0
c).	Travel by trainer to perform staff development	<u>5.0</u>
		42.5

D. Contractual

In order to train individuals in "fiscal accountability," training materials will have to be purchased, reproduced and disseminated.

Purchase of Training Materials	25.0
Printing of Training Materials	14.5
Telephone and DP communication costs	<u>5.5</u>
	45.0

E. Other Cost Analysis

Supplies (\$10/mo. X 12 mo.)	.1
Equipment (one time) - Wang terminal, software	<u>1.8</u>
	1.9

TOTAL GENERAL FUND COSTS	<u>137.6</u>
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Position Title Accountant III			No. of Positions 1	Range/Step 1BA	Barg. Unit GGU
Time Status FT	Staff Months 12 months		Location Juneau		Election District
			Justification		
Type of Expenditure			Amount		
1	2	3	<p>In order to respond to the mandated level of "fiscal accountability", it will be necessary to establish one new position, an Accountant III. The Accountant III will take the lead role in training grant recipients in proper financial management activities (i.e., "fiscal accountability"), performing on-site monitoring of fiscal activities performed by grant recipients and training other departmental staff in "fiscal accountability."</p> <p>Single Position Costs per year</p> <p>Salary = \$37,356 Benefits = 10,847 Total \$48,203</p>		
Salary	37.4				
Benefits	10.8				
Premium Pay					
Other					
Total Personal Services		48.2			
Travel		42.5			
Contractual		45.0			
Commodities		.1			
Equipment		1.8			
Other					
Total Cost		137.6			
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004	137.6			
I-A Receipts	1006				
CIP Receipts	1061				
Other					

**Request For
New Position**

Agency Department of Community & Regional Affairs
BRU Administration & Support
Component Administrative Services

Page 4 of 4
Revised Date

FY 88

58263

A/B

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 263
Publish Date: _____

REQUEST _____

Revision Date: Draft
Title: An act relating to grants
administration, and providing for an
effective date.
Sponsor: Rules Committee
Requestor: Governor
March 27, 1987

Agency Affected: Administration
BRU: Administrative Services
Components: Municipal Grants

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	6.4	76.7	79.0	81.4	83.8	86.3
TRAVEL	5.4	64.5	66.4	68.4	70.5	72.6
CONTRACTUAL	.4	4.4	4.5	4.6	4.7	4.8
SUPPLIES	.1	.3	.3	.3	.3	.4
EQUIPMENT	0	1.9	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	12.3	147.8	150.2	154.7	159.3	164.1
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	12.3	147.8	150.2	154.7	159.3	164.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	12.3	147.8	150.2	154.7	159.3	164.1

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

See Attached

Prepared By: Gary Bader, Director *Gary M. Bader* Phone: 465-2277
Division: Administrative Services Date: March 25, 1987
Approved by Commissioner: Garrey Peska *[Signature]* Date: 3/25/87
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

ADMIN
Page 1 of 6

FISCAL NOTE ANALYSIS

ANALYSIS:A. Assumptions

1. Enactment of this legislation would require regulations relating to municipal grants (AS 37.05.315). In addition to current procedures, new regulations would require additional tasks to be performed. The estimates which follow are based on tasks likely to be required in anticipated regulations. These tasks have been differentiated by frequency of performance, i.e., annual or monthly maintenance.

2. Listing of Activities	<u>Hr/Yr</u>	<u>Hr/Mo</u>
Grant budget submitted by grantee and reviewed	1.0	
Approval of Line Item Transfer		.2
Grant close-out requirements		.2
Approval of training, transportation, lodging, travel		.1
Miscellaneous approvals		.1
Approval of indirect cost rate	.5	
	<u>1.5</u>	<u>.6</u>

Annual hour/grant 1.5 hr/yr
 .6 hr/mo x 12 mo = 7.2 hr/yr
 8.7 hr/yr

3. Since many of the municipal grants do not end after one year, but are continuous in nature, there is a "compounding effect" of the number of grants maintained.
4. Inflation is estimated at three percent per year.
5. Effective date is assumed to be June 1, 1987.

B. Staff Requirement

- 1) Each grant is estimated to require 8.7 hours per year. Department of Administration handles 350 new grants per year. Therefore, $350 \times 8.7 = 3,045.0$ hours/year of additional processing are required by this legislation.
- 2) $3,045 \text{ hrs/yr} \div 1,710 \text{ hrs/emp} = 1.8 \text{ emp/yr}$
- 3) In order to expand and rise to the mandated level of responsibility, two new positions are required. They are: one Grant Administrator and one Accounting Clerk III. The Grant Administrator would work with grantee training and assisting with administration of the grants at the municipal level. The accounting clerk would assist with grant disbursement, municipal grant records maintenance and audit resolution as well as mailing and grant close-out projects.

FISCAL NOTE ANALYSIS

C. Travel

Travel to the communities will fulfill two purposes: 1) to conduct on-site monitoring of grant expenditures, and 2) to provide five regional workshops for group training and problem solving. The on-site monitoring of grant expenditures will eliminate conflicting reports of use of grant funds, enable a visual appraisal of the progress of construction and eliminate allegations of unlawful activities. The regional workshops will promote the types of improvements seen after the May 1986 workshop when ten grantee municipalities met with State representatives. After this workshop, virtually all of their grant-related problems disappeared.

/X

COMPUTATION APPENDAGE OF FISCAL NOTE ANALYSIS

1. Additional Staff Requirements Analysis

a)	General Government Unit (GGU)		
	Hours per year	=	1,950 hrs/yr
	Annual Leave	=	(127.5)
	Five days Sick Leave	=	(37.5)
	Holidays (ten days)	=	<u>(75.0)</u>
	Employee Annual Hours Worked		1,710 hrs/yr
b)	Staff (see attached forms for details)		
	One Grant Administrator position		\$46,248
	One Accounting Clerk III position		<u>\$30,422</u>
	Total Personal Services		\$76,670

2. Other Cost Analysis \$71,104

a)	Travel		\$64,500
	<u>Auditing Purposes</u>		57,700
	Transportation 158 towns x \$275/trip	=	43,500
	Per Diem 158 towns x \$90/day	=	14,200

	<u>Training</u>		
	Transportation		6,800
	5 trips x 2 people x \$500/trip	=	5,000
	Per Diem		
	5 trips x 2 people x 2 days x \$90/day	=	1,800

b) Contractual Total \$ 4,404

	D.P. Lines/yr (1 line x 12 months		
	x \$87/mo)	=	\$1,044
	Toll/yr: (\$7/call x 2 calls/day		
	x 20 days/mo x 12 months)	=	3,360

c) Supplies/yr (\$25/mo x 12 months) \$ 300

d) Equipment Total (one-time item) \$ 1,900

	Terminals (1 x \$1,600)	=	\$1,600
	Chairs (2 x \$150)	=	300

Position Title Grants Administrator			No. of Positions 1	Range/Step 17A	Barg. Unit G	Gov.	Approv.	Disapp.									
Time Status PFT	Staff Months 12	RP Number	Location Juneau		Election District	Leg.											
Type of Expenditure			Justification														
		Amount	<p>This position will oversee the administration of the existing grants in addition to the additional 350 new grants per year, including initial budget review, title research, property disposal instructions, preparation of reports and auditing grant close-outs.</p> <p>Single Position Costs per year</p> <table style="margin-left: 40px;"> <tr> <td>\$2,895 x 12</td> <td>=</td> <td>\$34,740</td> </tr> <tr> <td>Benefit Costs</td> <td>=</td> <td>11,508</td> </tr> <tr> <td>Total</td> <td></td> <td>\$46,248</td> </tr> </table>						\$2,895 x 12	=	\$34,740	Benefit Costs	=	11,508	Total		\$46,248
\$2,895 x 12	=	\$34,740															
Benefit Costs	=	11,508															
Total		\$46,248															
1	2	3															
Salary	34,740																
Benefits	11,508																
Premium Pay	0																
Other	0																
Total Personal Services		46,248															
Travel		32,250															
Contractual		2,202															
Commodities		150															
Equipment		150															
Other																	
Total Cost		81,000															
Receipt Code			Funding Source														
			Federal Receipts 1002														
			G. F. Match 1003														
			General Funds 1004 81.0														
			I-A Receipts 1005														
			Program Receipts 1028														
			CIP Receipts 1061														
			Other														
For B&M Use Only																	
Key Number																	

1/11K1/0324-87/485

**Request For
New Position**

Agency Department of Administration
 BRU Administrative Services
 Component Municipal Grants

FY 88

Page 5 of 0
 Revised Date

S B 263

Position Title Accounting Clerk III			No. of Positions 1	Range/Step JOA	Barg. Unit G	Gov.	Approv.	Disapp.
Time Status PF1	Staff Months 12	RP Number	Location Juneau		Election District	Leg.		
Type of Expenditure			Justification					
		Amount	This position will perform clerical and simple accounting functions associated with the maintenance of existing grants, plus the 350 new grants per year. These duties include typing of contracts, file maintenance, simple audits and processing of line item transfers.					
1	2	3	Single Position Costs per year					
Salary	22,020		$\$1,835 \times 12 = \$22,020$ Benefit Costs = 8,402 Total <u>\$30,422</u>					
Benefits	8,402							
Premium Pay								
Other								
Total Personal Services		30,422						
Travel		32,250						
Contractual		2,202						
Commodities		150						
Equipment		1,750						
Other								
Total Cost		66,774						
Receipt Code	Funding Source							
	Federal Receipts 1002							
	G. F. Match 1003							
	General Funds 1004		66.8					
	I-A Receipts 1005							
	Program Receipts 1028							
	CIP Receipts 1061							
	Other							
For B&M Use Only Key Number _____								

1/11K1/0324-87/6&7

**Request For
New Position**

Agency Department of Administration
BRU Administrative Services
Component Municipal Grants

FY 88

Page 6 of 6
Revised Date

58223

113

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: SB263
Publish Date: _____

Revision Date: _____

Agency Affected: Department of Law
BRU: Legal Services

Title: "An Act relating to grants administration . . ."

Sponsor: Rules Committee/Req. of Governor
Requestor: OMB

Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill provides for uniform rules for the administration of state grants. Such rule should help to resolve disputes arising from the use, and misuse of state grants, thereby conserving the state's legal resources.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: April 2, 1987

Approved by Commissioner: Grace Berg/Schaible, Atty. Gen.
Agency: Department of Law

Date: April 2, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

BILL NO: SB 263

DATE: 4/22/87

TITLE: "An Act relating to grant administration..."

CONTACT: Jos Mapranath
Director
465-4336

DEPARTMENT OF
PUBLIC SAFETY

PERIPHERAL

Making this legislation apply to all grants awarded before the effective date of this act (i.e. proposed 37.05.340[g]) may be unwarranted; it would be more appropriate to make it effective from enactment forward.

The Department of Public Safety supports this legislation.



Arthur English
Commissioner

PUBLIC SAFETY

P/S

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST

Revision Date: _____
 Title: "An Act relating to grants
 administration..."
 Sponsor: Rules Comm./Governor
 Requestor: Senate C & RA

Bill Version: SB 263

Publish Date: _____

Agency Affected: Public Safety
 BRU: DPS Administration

Components: Administrative Svcs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING:: (Thousands of Dollars)

GENERAL FUNDS		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: Jos Mapranath, Director *JMR*
 Division: Administrative Services

Phone: 465-4336

Date: 4/22/87

Approved by Commissioner: Archie English
 Agency: Public Safety

Date: 4/27/87

Distribution (by preparer):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

page ____ of ____

ALASKA STATE LEGISLATURE

... 15th Legislature ... 1st Session

SENATE ... **BILL** ... NO. **263** ..

By ... **THE RULES COMMITTEE** BY ...
REQUEST OF THE GOVERNOR

"An Act relating to grant administration; and providing for an effective date."

Introduced in the Senate ... **4/16** ... 19 **87** ..

HISTORY IN THE SENATE

1987		Read first time and referred to Committee on										
4	16	CRA, FIN										
5	6	Reported back with <i>CRA replace</i> recommendation that <i>WKS, 2 de pass, 1 no rec, fiscal impact, to Finance</i>										
		<i>File</i>										
		Read second time and										
		Read third time and										
		<table border="0"> <tr><td>PASSED</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Excused</td><td>Excused</td></tr> <tr><td>Absent</td><td>Absent</td></tr> </table>	PASSED	Effective Date	Yeas	Yeas	Nays	Nays	Excused	Excused	Absent	Absent
PASSED	Effective Date											
Yeas	Yeas											
Nays	Nays											
Excused	Excused											
Absent	Absent											
		Reconsideration Reconsideration not taken up										
		<table border="0"> <tr><td>PASSED</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Excused</td><td>Excused</td></tr> <tr><td>Absent</td><td>Absent</td></tr> </table>	PASSED	Effective Date	Yeas	Yeas	Nays	Nays	Excused	Excused	Absent	Absent
PASSED	Effective Date											
Yeas	Yeas											
Nays	Nays											
Excused	Excused											
Absent	Absent											
		Reported correctly engrossed Signed by President Sent to House										

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
		<table border="0"> <tr><td>PASSED</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Excused</td><td>Excused</td></tr> <tr><td>Absent</td><td>Absent</td></tr> </table>	PASSED	Effective Date	Yeas	Yeas	Nays	Nays	Excused	Excused	Absent	Absent
PASSED	Effective Date											
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PASSED	Effective Date											
Yeas	Yeas											
Nays	Nays											
Excused	Excused											
Absent	Absent											
		Reported correctly engrossed Signed by Speaker Returned to Senate										

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Chapter No.
	Filed with Lt. Governor

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF ADMINISTRATIVE SERVICES

Bill Sheffield, Governor

POUCH C
JUNEAU, ALASKA 99811
PHONE:

May 11, 1987

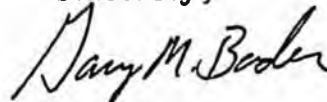
Pat Jackson
Legislative Assistant
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Ms. Jackson:

SB 263, an act relating to Grant Administration is scheduled to come before the Senate Finance Committee on Wednesday May 13. When the Senate Community and Regional Affairs Committee passed the bill the fiscal note for the Department of Community and Regional Affairs was published in the Senate Journal, but the fiscal note for the Department of Administration was not published. I have been advised by C&RA Committee staff that the failure to publish was an oversight.

I have attached a copy of the Department of Administration's fiscal note. I would appreciate your effort to see that it is available to the Senate Finance Committee for their consideration. If additional information is needed, please phone me at 465-2277.

Sincerely,



Gary Bader
Director

0511-01/102
Attachment

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Draft

Bill Version: CSSB263 (C&RA)
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: * See Below

Agency Affected: Administration
BRU: Administrative Services

Sponsor: Rules
Requestor: Governor

Components: Municipal Grants

* An Act Relating to Grant Administration, and Providing for an Effective Date

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	5.6	0	0	0	0
CONTRACTUAL	0	4.5	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	10.1	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	10.1	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	10.1	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

See Attached

*Updated -
for C&RA(s)
not yet published
or attached to bill*

Prepared By: Gary Bader *R. L. Stewart for*
Division: Administrative Services

Phone: 465-2277
Date: 04/29/87

Approved by Commissioner: Garrey Peska
Agency: Department of Administration

Date: 4/30/87

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For CSSB263

ANALYSIS:

A. Assumptions

1. Enactment of this legislation will require the Commissioner of the Department of Administration to promulgate new regulations to "implement, interpret, make specific or otherwise carry out the provisions of AS 37.05.315-37.05.317."

B. While no new personnel will be required to implement this legislation, costs will be incurred in the travel and contractual expenditures.

1. Travel. Two people will be required to travel to four communities for initial regulations proposal hearings in addition to follow-up hearings (see appendage).

2. Contractual. Expenses will include newspaper advertising of hearing dates, printing, postage, conference room rentals, and teleconferencing fees (see appendage).

C. The actual effective date would be July 1, 1987; therefore, no costs would be incurred in FY 87.

73000

Contractual (continued)

Teleconference

One-time statewide teleconference. Assuming 25 sites, using an average of tariff rates through Alascom conference operator-system, at \$35 per hour

25 sites x \$35 per average cost per hour = \$ 875

Contractual Total \$4,541

SFC Valke

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
Title: * See Below BRU: Administrative Services
Sponsor: Rules Components: Municipal Grants
Requestor: Governor

* An Act Relating to Grant Administration, and Providing for an Effective Date

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	5.6	0	0	0	0
CONTRACTUAL	0	4.5	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	10.1	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	10.1	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	10.1	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

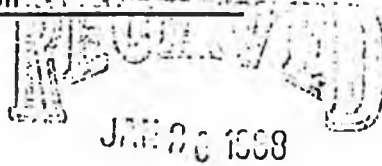
ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared By: Gary Bader *Gary M. Bader* Phone: 465-2277
Division: Administrative Services Date: 01/11/88

Approved by Commissioner: John M. Andrews *[Signature]* Date: 1/22/88
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



CONTINUATION of FISCAL NOTE ANALYSIS

For CSSB263

ANALYSIS:

A. Assumptions

1. Enactment of this legislation will require the Commissioner of the Department of Administration to promulgate new regulations to "implement, interpret, make specific or otherwise carry out the provisions of AS 37.05.315-37.05.317."
- B. While no new personnel will be required to implement this legislation, costs will be incurred in the travel and contractual expenditures in order to propose and implement new regulations.
1. Travel: Two people will be required to travel to four communities for initial regulations proposal hearings in addition to follow-up hearings (see appendage).
 2. Contractual: Expenses will include newspaper advertising of hearing dates, printing, postage, conference room rentals, and teleconferencing fees (see appendage).
- C. The actual effective date would be July 1, 1988; therefore, no costs would be incurred in FY 88.

COMPUTATION APPENDAGE

72000 Travel to Hearings for Proposal and Follow-up

Two employees to travel twice to Anchorage, Bethel, Nome, and Fairbanks for proposals and follow-up hearings

Air Fare

2 employees x 2 trips x \$1,000 = \$4,000

Per Diem

2 employees x 2 trips x 5 days x \$80 = \$1,600

Travel Total \$5,600

73000 Contractual

Advertising of Hearing Site and Date

Two days of notices for each of two hearings in five newspapers (Fairbanks, Nome, Bethel, Anchorage, and Juneau) at average cost of \$70 per day for a 2" x 2" notice

2 days x 2 hearings x 5 newspapers x \$70 per day = \$1,400

Postage

Notice of hearings, drafts, and finals of regulations would be sent to each of approximately 100 grantees

300 mailings x 22¢ = \$ 66

Printing

Duplication expenses of drafts and finals

Approximately = \$ 200

Rental

Conference rooms in each of five communities for preliminary and follow-up hearings

5 communities x 2 hearings x \$200 per day = \$2,000

73000

Contractual (continued)

Teleconference

One-time statewide teleconference. Assuming 25 sites, using an average of tariff rates through Alascom conference operator-system, at \$35 per hour

25 sites x \$35 per average cost per hour = \$ 875

Contractual Total \$4,541