

SB 141

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CS FOR SENATE BILL NO. 141 (FINANCE)  
 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/19/91  
 Referred: Rules

Sponsor(s): SENATE RULES/GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a capital project matching grant program for municipalities and a  
 2 capital project matching grant program for unincorporated communities."

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

4 \* Section 1. PURPOSE. (a) The legislature recognizes the continued need for wholly state funded  
 5 capital projects (1) that are of regional or statewide significance, (2) which meet basic needs, such as  
 6 education projects constructed under AS 14.11 and village safe water projects, or (3) for which costs will  
 7 exceed the amount available to a municipality or community under the capital project matching grant  
 8 programs. The legislature also recognizes the continued need for legislatively directed funding of other  
 9 capital projects.

10 (b) It is the purpose of this Act to provide a capital project funding system that is equitable to  
 11 municipalities and communities throughout the state, particularly for small projects of a local nature, and  
 12 to provide a mechanism for local government to initiate and prioritize the construction of capital projects  
 13 and to participate in funding those projects.

14 \* Sec. 2. AS 29.60 is amended by adding a new section to read:

1 or pay for its operation or maintenance. This requirement does not apply to use of money from  
2 a draw for repair or improvement of an existing facility that is operated or maintained by the  
3 state at the time that the draw is made if the repair or improvement for which the draw is used  
4 will not substantially increase the operating or maintenance costs to the state. The municipality,  
5 its agents, contractors, and subcontractors shall comply with the hiring preferences under  
6 AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

7 (d) For each draw made under (c) of this section, the municipality shall contribute a local  
8 share of the cost of the capital projects or improvements for which the draw is made. The  
9 amount of the local share equals the local share factor multiplied by the amount of the draw.  
10 For purposes of this subsection, the

11 (1) local share factor equals the local share percentage divided by the state share  
12 percentage, except that

13 (A) if the product of the population factor and the local wealth factor is  
14 greater than or equal to 1.0, the local share factor equals 3/7th before July 1, 1994, and  
15 1.0 after June 30, 1994; or

16 (B) if the local wealth factor is 0, the local share factor equals 5/95th for  
17 draws made before July 1, 1994, and 1/9th for draws made after June 30, 1994;

18 (2) local share percentage equals the population factor multiplied by the local  
19 wealth factor;

20 (3) state share percentage equals one minus the local share percentage;

21 (4) population factor equals

22 (A) 0.1 if the population of the municipality is less than 1,000;

23 (B) 0.3 if the population of the municipality is at least 1,000 but less than  
24 5,000;

25 (C) 0.7 if the population of the municipality is at least 5,000 but not more  
26 than 10,000; or

27 (D) 1.0 if the population of the municipality is more than 10,000;

28 (5) local wealth factor equals the amount obtained by dividing the per capita  
29 taxable real and personal property valuation of the municipality by the statewide average per  
30 capita taxable real and personal property valuation of all municipalities in the state.

31 (e) The amount of the local share calculated under (d) of this section shall be adjusted

1 if necessary so that (1) it does not exceed 30 percent of the amount of the project for which the  
2 draw is used and is not less than five percent of the amount of the project if the draw is made  
3 before July 1, 1994; or (2) it does not exceed 50 percent of the amount of the project for which  
4 the draw is used and is not less than 10 percent of the amount of the project if the draw is made  
5 after June 30, 1994. The local share may be satisfied with federal or municipal funds, locally  
6 contributed labor, materials or equipment the value of which shall be determined by the  
7 department, money from another nonstate source, or money received by the municipality under  
8 AS 29.60.010 - 29.60.37' Except for money received under AS 29.60.010 - 29.60.375, the local  
9 share may not be satisfied with money from appropriations, allocations, entitlements, grants, or  
10 other payments from the state.

11 (f) A municipality shall repay to the department money drawn from a grant account if  
12 substantial, ongoing work on the project or improvement is not started within five years after the  
13 effective date of the appropriation from which the draw is funded. Money repaid shall be  
14 deposited into the general fund. Money from an allocation to a grant account that has not been  
15 drawn out by the municipality within five years after the effective date of the appropriation from  
16 which the allocation is funded lapses into the general fund.

17 (g) The department may adopt regulations under the Administrative Procedure Act  
18 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
19 specific, or otherwise carry out the provisions of this section. The department shall adopt  
20 regulations providing for periodic audits of the use of grant money under this section. The audits  
21 must include a review of the department's determination of the value of locally contributed labor  
22 under (e) of this section and a review of the adequacy of the department's verification of the  
23 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
24 shall comply with this section, AS 37.07 (Executive Budget Act), and requirements of the federal  
25 government for participation in federal programs.

26 (h) For purposes of this section, the population of a borough shall exclude the population  
27 of each city in the borough and the per capita taxable real and personal property valuation of a  
28 borough shall exclude the property valuation of each city in the borough. The determination of  
29 population and per capita taxable real and personal property valuation for a municipality shall  
30 be based upon data used by the Department of Community and Regional Affairs under  
31 AS 14.17.140, AS 29.45.110, and AS 29.60.140 - 29.60.150.

1 (i) In this section,

2 (1) "appropriation" has the meaning given in AS 37.07.120;

3 (2) "department" means the Department of Administration.

4 \* Sec. 3. AS 44.47 is amended by adding a new section to article 3 to read:

5 Sec. 44.47.195. UNINCORPORATED COMMUNITY CAPITAL PROJECT MATCHING  
6 GRANT PROGRAM. (a) The unincorporated community capital project matching grant fund  
7 is established in the department consisting of appropriations to the fund. Appropriations do not  
8 lapse except as provided under (d) and (f) of this section. Interest earned on money in the fund  
9 shall be deposited by the department into the general fund. Appropriations shall be allocated by  
10 the department each fiscal year to individual grant accounts within the fund for each  
11 unincorporated community that is entitled to receive state aid under AS 29.60.140 during that  
12 fiscal year. The amount allocated to a grant account is determined by dividing the total amount  
13 appropriated to the fund during a fiscal year by the number of communities eligible for  
14 allocations during that fiscal year.

15 (b) By February 1, the department shall determine the amount of appropriations needed  
16 to provide an allocation of \$25,000 under (a) of this section for each unincorporated community  
17 for the next fiscal year. The department shall request the legislature for an appropriation to the  
18 unincorporated community capital project matching grant fund of at least that amount.

19 (c) Subject to (d) and (e) of this section, an incorporated nonprofit entity or a  
20 Native village council may on behalf of each unincorporated community draw amounts from that  
21 community's grant account within the unincorporated community capital project matching grant  
22 fund for planning, design, and construction of capital projects or capital improvements, as defined  
23 in AS 37.07.120. In accepting a draw, the incorporated entity or council covenants with the state  
24 that it will operate and maintain the capital improvement for which the draw is used for the  
25 practical life of the capital improvement, and that the incorporated entity or council will not rely  
26 on the state to operate or maintain the capital improvement or pay for its operation or  
27 maintenance. This requirement does not apply to use of money from a draw for repair or  
28 improvement of an existing facility that is operated or maintained by the state at the time that  
29 the draw is made if the repair or improvement for which the draw is used will not substantially  
30 increase the operating or maintenance costs to the state. The incorporated entity or council, its  
31 agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10

1 in hiring employees to be paid wholly or in part with money from a draw.

2 (d) The department, with advice from the Department of Law, shall determine whether  
3 there is in each unincorporated community an incorporated nonprofit entity or a Native village  
4 council that will agree to receive and spend money allocated to the community under (a) of this  
5 section. If there is more than one qualified entity in the community, the department shall  
6 authorize the entity that the department finds most qualified to make draws from the allocation  
7 and spend the money. The department may not pay the money to a Native village council unless  
8 the council waives immunity from suit for claims arising out of activities of the council related  
9 to the draw. A waiver of immunity from suit under this subsection must be on a form provided  
10 by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village  
11 council in an unincorporated community that is willing to receive money from an allocation  
12 under (a) of this section, draws may not be made from the allocation for that unincorporated  
13 community and the amount allocated lapses into the general fund. Neither this subsection nor  
14 any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a  
15 Native village council.

16 (e) For each draw made under (c) of this section, the incorporated nonprofit entity or  
17 Native village council shall contribute a local share of the cost of the capital projects or  
18 improvements for which the draw is made. The local share equals (1) five percent of the amount  
19 of the project for which the draw is used if the draw is made before July 1, 1994; or (2) 10  
20 percent of the amount of the project for which the draw is used if the draw is made after June 30,  
21 1994. The local share may be satisfied from federal or local money, locally contributed labor,  
22 materials or equipment the value of which shall be determined by the department, money from  
23 another nonstate source, or money received by the unincorporated community under  
24 AS 29.60.010 - 29.60.375. Except for money received under AS 29.60.010 - 29.60.375, the local  
25 share may not be satisfied with money from appropriations, allocations, entitlements, grants, or  
26 other payments from the state.

27 (f) An incorporated nonprofit entity or a Native village council shall repay to the  
28 department money drawn from a grant account if substantial, ongoing work on the project or  
29 improvement is not started within five years after the effective date of the appropriation from  
30 which the draw is funded. Money repaid shall be deposited into the general fund. Money from  
31 an allocation to a grant account that has not been drawn out by an incorporated nonprofit entity

1 or Native village council within five years after the effective date of the appropriation from  
2 which the allocation is funded lapses into the general fund.

3 (g) The department may adopt regulations under the Administrative Procedure Act  
4 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
5 specific, or otherwise carry out the provisions of this section. The department shall adopt  
6 regulations providing for periodic audits of the use of grant money under this section. The audits  
7 must include a review of the department's determination of the value of locally contributed labor  
8 under (e) of this section and a review of the adequacy of the department's verification of the  
9 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
10 shall comply with AS 37.05 (Fiscal Procedures Act), AS 37.07 (Executive Budget Act), and  
11 requirements of the federal government for participation in federal programs.

12 (h) The limitations of AS 44.47.140 do not apply to grants made under this section.

13 \* Sec. 4. Notwithstanding AS 29.60.500(c), enacted in sec. 2 of this Act, a municipality may not  
14 make a draw from its grant account within the municipal project matching grant fund until after June 30,  
15 1992. Notwithstanding AS 44.47.195(c), enacted in sec. 3 of this Act, an incorporated nonprofit entity  
16 or a Native village council may not make a draw from an unincorporated community's grant account  
17 within the unincorporated community capital project matching grant fund until after June 30, 1992.

Capital Project Matching Grant Program  
Office of the Governor

**CS SB 141 (FINANCE) - SECTIONAL ANALYSIS**

**SECTION ONE**

This section of the bill sets out the purpose of the legislation, which is to provide an equitable funding mechanism for small, local capital projects selected by communities, including financial participation in those projects by communities. This section also recognizes the continuing need for wholly State funded capital projects that are large in scale and regional or statewide in their scope, and which meet basic needs such as education construction or village safe water requirements.

**SECTION TWO**

Section 2 of the bill establishes the capital project matching grant program for municipalities, establishes a fund for the receipt and tracking of grant awards, describes how appropriations to the program will be allocated among grantees, and sets out the formula for determining grantees' local matching shares.

"Municipality", as referred to in the bill, is intended to include all political subdivisions incorporated under the laws of Alaska that are home rule or general law cities, home rule or general law boroughs, or unified municipalities, per AS 29.71.800(13).

Under the approach taken in this section of the bill, incorporated boroughs are the instrumentalities for receiving and administering grants for projects affecting unincorporated communities that lie within borough boundaries.

Subsection (a)

This subsection establishes the grant program for municipalities, as well as a fund for holding and administering grants to municipalities, within the Department of Administration.

Annual grant awards will accumulate in the grantees' accounts, subject to the limitations in subsection (f). Interest earnings on the amounts included in grantee accounts will accrue to the general fund.

The subsection stipulates that the amount annually appropriated to the municipal fund will be allocated to municipal grantees pro rata on the basis of their weighted populations (i.e., after each municipality's population has been weighted by a set of population-based factors specified in this section), and credited to individual accounts for them within the fund. The weighting factors are employed to account for: (1) the generally higher unit costs of capital projects in smaller and more rural communities; (2) the relatively smaller debt capacity of smaller communities, compared to larger communities; and, (3) the relatively limited ability of smaller communities to enjoy the economies of scale enjoyed by larger communities in undertaking capital projects and improvements.

Subsection (b)

This subsection stipulates that the minimum grant to a municipality under this program will be \$25 thousand per year, subject to the actual level of appropriation for the municipal program, and provides for a method of allocating funds if appropriation levels are not sufficient to fully fund the minimum grant amounts.

Subsection (c)

This subsection authorizes municipalities to make draws against their grant accounts, and essentially stipulates that grantees will be responsible for providing for the maintenance and operating costs of the projects or facilities financed by grants under this program (unless the State already has the responsibility and the cost of such will not rise substantially due to the effects of the grant project). This is the same requirement used in the State's current revenue sharing program.

This subsection also requires grantees and their contractors to adhere to the established hiring preferences and requirements for economically distressed or disadvantaged individuals, zones and geographic areas set out by the Department of Labor under AS 36.10.

Subsection (d)

This subsection establishes the requirement that each time a grantee wishes to draw funds against its allocation, for a project or projects which it has identified, it must make a matching contribution per the formula set out in this subsection.

The formula set out in this subsection calculates the local share, in dollars, required to match each draw that the municipal grantee makes on its grant balance. The general effect of the formula is that the larger a municipal grantee is in terms of its population, and the wealthier it is in terms of its per capita real

and personal property valuation, the larger is its required local share for any draw of its grant funds; and vice versa.

The basic relationship reflected in the formula is that for each project, portion of a project, or group of projects - - i.e., for each use to which grant awards are put by a municipality - - the municipality should put up a share, and the State should put up a share. In practice, the State's share would be the amount of any particular draw by a grantee against its outstanding grant balance, and the grantee's share for that draw would be the local share defined in this subsection.

The ratio of the local share to the State share, for any given draw, is defined in this subsection as the grantee's local share factor. That is:

$$\text{Local Share Factor} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \%)}}$$

The local share factor multiplied by the dollar amount of the given draw therefore equals the dollar amount due from the grantee as the local share for that draw, as shown below:

$$\text{Since: } \frac{\text{Local Share (in \$)}}{\text{State Share (in \$)}^*} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \%)}}$$

$$\text{Then: } \text{Local Share (in \$)} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \%)}} \times \text{State Share (in \$)}^*$$

$$^* \text{State Share (in \$)} = \text{Draw Amount}$$

Since the State share in dollars is known (the draw amount), and since, the local share and the State share must, when expressed as percentages, add up to 1, the major part of the local share formula is involved with determining the grantee's local share expressed as a percentage of the total proposed outlay - - i.e., with determining the grantee's local share percentage.

Calculation of the local share percentage is straightforward: it equals the product of the municipal grantee's population factor and its local wealth factor. Population factors for municipalities are designated in this subsection, according to municipal population sizes. The local wealth factor for a grantee is simply the grantee's per capita real and personal property valuation divided by the statewide average for all municipalities - - i.e., the grantee's per capita wealth relative to that of other municipalities, where the statewide average local wealth factor is 1.0.

The factors set out in Lines 13-17 of this subsection control for numerical anomalies in the local share formula (i.e., to cap the local share when the formula would otherwise require it to be greater than one hundred percent of a project's cost, and to avoid division by zero in cases where the local assessed valuation is zero). The changing values of these factors in Lines 13-17 also reflect the fact that, per subsection (e), the required maximum and minimum local shares are to change from 30 percent and 5 percent, respectively, to 50 percent and 10 percent, two years after the provisions first become effective.

Subsection (e)

This subsection stipulates that the required local share percentage for any grantee will not exceed 30 percent or be lower than 5 percent of the project amount (changing after two years to 50 percent and 10 percent, respectively, as reflected in the effective date provisions in Section 4 of the bill). The subsection also stipulates that contributed labor, material, equipment, etc., money from non-state sources, and funds received through the State municipal assistance and revenue sharing programs, may constitute the local share.

Subsection (f)

This subsection stipulates that, once a draw has been made, progress on the project or projects for which the draw was made must be begun within five years of the draw, or else the drawn money must be returned to the Department of Administration, for deposit into the State's general fund. The subsection also stipulates that if a grantee makes no draws against a particular annual grant appropriation or allocation for five years, the money lapses into the general fund.

Subsection (g)

This subsection allows the Department of Administration to promulgate regulations, require reports, conduct audits, etc., for purposes of conducting the program and carrying out the provisions of this section of the bill. Specifically, this subsection requires that such audits must address the department's method used to value any contributed labor used to satisfy the local share, as well as its method of confirming that such contributed labor actually was used.

Subsection (h)

This subsection stipulates that if the grantee is an organized borough, the population and valuation data used in its local share formula calculation are to be net of the population and valuation components attributable to any incorporated municipality located within the borough. This reflects the approach taken in the design of this program that incorporated boroughs would be the instrumentalities responsible for receiving and administering grants for projects affecting unincorporated communities which are located within organized boroughs.

This subsection also stipulates that the population data and local valuation data used for municipal grantees shall be the same as that compiled and developed

by the Department of Community and Regional Affairs for the State revenue sharing program.

Subsection (i)

This subsection contains definitions essential for interpreting the provisions of Section 1 of the bill.

### SECTION THREE

Section 3 of the bill establishes the capital project matching grant program for unincorporated communities, establishes a fund for the receipt and tracking of grant awards, and describes how appropriations to the program will be allocated among grantees.

"Unincorporated Community" is defined in the bill as any place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit, per AS 29.60.140(b). This is the definition used in the Department of Community and Regional Affairs' state revenue sharing program.

Subsection (a)

This section establishes the grant program for unincorporated communities located in the unorganized borough which participate in the State's revenue sharing program, and creates a fund for holding and administering grants to those communities within the Department of Community and Regional Affairs.

The section stipulates that the amount annually appropriated to the unincorporated community fund will be allocated to grantees pro rata on the basis of the number of unincorporated communities participating in the program, and credited to individual accounts for them within the fund. Annual grant awards will accumulate in grantees' accounts, subject to the limitations in subsections (d) and (f). Interest earnings on the amounts included in grantee accounts will accrue to the general fund.

Subsection (b)

This subsection requires the Department of Community and Regional Affairs to determine the minimum appropriation needs of the program by February 1 of each year, and to request an annual appropriation for at least that amount.

**Subsection (c)**

This subsection allows nonprofit corporations and Native village councils to serve as the grantee for unincorporated communities participating in this program. The subsection also essentially stipulates that grantees will be responsible for providing for the maintenance and operating costs of the projects or facilities financed by grants under this program (unless the State already has the responsibility and the cost of such will not rise substantially due to the effects of the grant project). This is the same requirement used in the State's current revenue sharing program.

This subsection also requires grantees and their contractors to adhere to the established hiring preferences and requirements for economically distressed or disadvantaged individuals, zones and geographic areas set out by the Department of Labor under AS 36.10.

**Subsection (d)**

This subsection essentially sets out the procedures which the Department of Community and Regional Affairs must use in identifying potential grant recipients for unincorporated communities. The procedures and limitations entailed are those currently required in the State revenue sharing program.

**Subsection (e)**

This subsection stipulates that the required local share for unincorporated communities under this program is 5 percent of the sum of the local share and the draw taken (changing after two years to 10 percent). The subsection also stipulates that contributed labor, material, equipment, etc., money from non-state sources, and funds received through the State municipal assistance and revenue sharing programs, may constitute the local share.

**Subsection (f)**

This subsection stipulates that if a grantee makes no draws against a particular annual grant appropriation or allocation for five years, the money lapses into the general fund. It also stipulates that, once a draw has been made, progress on the project or projects for which the draw was made must be begun within five years of the draw, or else the drawn money must be returned to the Department of Community and Regional Affairs for deposit into the State's general fund.

**Subsection (g)**

This subsection allows the Department of Community and Regional Affairs to promulgate regulations, require reports, conduct audits, etc., for purposes of conducting the program and carrying out the provisions of this section of the bill. Specifically, this subsection requires that such audits must address the department's method used to value any contributed labor used to satisfy the local share, as well as its method of confirming that such contributed labor actually was used.

**Subsection (h)**

This subsection stipulates that the program cost ceiling set in AS 44.47.140 does not apply to the unincorporated community matching grant program established under this bill.

**SECTION FOUR**

This section of the bill stipulates that draws against grant accounts for municipalities and unincorporated communities may not occur until after June 30, 1992.

## HOUSE CS FOR CS FOR SENATE BILL NO. 141 ( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATE RULES/GOVERNOR

## A BILL

## FOR AN ACT ENTITLED

1 "An Act establishing a capital project matching grant program for municipalities and a  
2 capital project matching grant program for unincorporated communities; and providing for  
3 an effective date."

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

5 \* Section 1. AS 29.60 is amended by adding a new section to read:

6 ARTICLE 7. CAPITAL PROJECT MATCHING GRANTS.

7 Sec. 29.60.500. MUNICIPAL CAPITAL PROJECT MATCHING GRANT PROGRAM.

8 (a) The municipal capital project matching grant program is established in the department. A  
9 municipality may submit to the department a five-year plan of capital projects for which the  
10 municipality requests funding under the program. The municipality may update the plan  
11 annually. The department shall review the plan and rank projects based on the following criteria  
12 in the following order of priority:

- 13 (1) need to protect the structure of existing municipal or state facilities;  
14 (2) correction of building code deficiencies that require major repair or

1 rehabilitation of an existing facility;

2 (3) possibility of achieving operating cost savings;

3 (4) modification of an existing facility to increase its utility;

4 (5) construction of a new facility that will benefit the municipality.

5 (b) By February 1 of each year, the department shall submit a list of capital projects  
6 ranked in order of priority and request an appropriation to be used during the next fiscal year as  
7 grants for the projects. The department may grant money to a municipality for each project for  
8 which an appropriation is made. In accepting a grant, the municipality covenants with the state  
9 that it will operate and maintain the capital improvement for which the grant is used for the  
10 practical life of the capital improvement, and that the municipality will not rely on the state to  
11 operate or maintain the capital improvement or pay for its operation or maintenance. This  
12 requirement does not apply to use of money for repair or improvement of an existing facility that  
13 is operated or maintained by the state at the time that the grant is made if the repair or  
14 improvement will not substantially increase the operating or maintenance costs to the state.

15 (c) For each grant made under (b) of this section, the municipality shall contribute a local  
16 share of the cost of the capital projects or improvements for which the grant is made. The  
17 amount of the local share equals the local share factor multiplied by the amount of the grant.  
18 For purposes of this subsection, the

19 (1) local share factor equals the local share percentage divided by the state share  
20 percentage, except that

21 (A) if the product of the population factor and the local wealth factor is  
22 greater than or equal to 1.0, the local share factor equals 3/7th; or

23 (B) if the local wealth factor is 0, the local share factor equals 5/95th;

24 (2) local share percentage equals the population factor multiplied by the local  
25 wealth factor;

26 (3) state share percentage equals one minus the local share percentage;

27 (4) population factor equals

28 (A) 0.1 if the population of the municipality is less than 1,000;

29 (B) 0.3 if the population of the municipality is at least 1,000 but less than  
30 5,000;

31 (C) 0.7 if the population of the municipality is at least 5,000 but not more

1 than 10,000; or

2 (D) 1.0 if the population of the municipality is more than 10,000;

3 (5) local wealth factor equals the amount obtained by dividing the per capita  
4 taxable real and personal property valuation of the municipality by the statewide average per  
5 capita taxable real and personal property valuation of all municipalities in the state.

6 (d) The amount of the local share calculated under (c) of this section shall be adjusted  
7 if necessary so that it does not exceed 30 percent of the amount of the project for which the grant  
8 is used and is not less than five percent of the amount of the project. The local share may be  
9 satisfied with federal or municipal funds, locally contributed labor, materials or equipment the  
10 value of which shall be determined by the department, or money from another nonstate source.  
11 The local share may not be satisfied with money from appropriations, allocations, entitlements,  
12 grants, or other payments from the state.

13 (e) A municipality shall repay to the department grant money if substantial, ongoing work  
14 on the project or improvement is not started within five years after the effective date of the  
15 appropriation from which the grant is funded. Money repaid shall be deposited into the general  
16 fund.

17 (f) The department may adopt regulations under the Administrative Procedure Act  
18 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
19 specific, or otherwise carry out the provisions of this section. The department shall adopt  
20 regulations providing for periodic audits of the use of grant money under this section. The audits  
21 must include a review of the department's determination of the value of locally contributed labor  
22 under (d) of this section and a review of the adequacy of the department's verification of the  
23 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
24 shall comply with this section, AS 37.07 (Executive Budget Act), and requirements of the federal  
25 government for participation in federal programs.

26 (g) For purposes of this section, the population of a borough shall exclude the population  
27 of each city in the borough and the per capita taxable real and personal property valuation of a  
28 borough shall exclude the property valuation of each city in the borough. The determination of  
29 population and per capita taxable real and personal property valuation for a municipality shall  
30 be based upon data used by the department under AS 14.17.140, AS 29.45.110, and  
31 AS 29.60.140 - 29.60.150.

1 \* Sec. 2. AS 29.60.500(c) is repealed and reenacted to read:

2 (c) For each grant made under (b) of this section, the municipality shall contribute a local  
3 share of the cost of the capital projects or improvements for which the grant is made. The  
4 amount of the local share equals the local share factor multiplied by the amount of the grant.  
5 For purposes of this subsection, the

6 (1) local share factor equals the local share percentage divided by the state share  
7 percentage, except that

8 (A) if the product of the population factor and the local wealth factor is  
9 greater than or equal to 1.0, the local share factor equals 1.0; or

10 (B) if the local wealth factor is 0, the local share factor equals 1/9th;

11 (2) local share percentage equals the population factor multiplied by the local  
12 wealth factor;

13 (3) state share percentage equals one minus the local share percentage;

14 (4) population factor equals

15 (A) 0.1 if the population of the municipality is less than 1,000;

16 (B) 0.3 if the population of the municipality is at least 1,000 but less than  
17 5,000;

18 (C) 0.7 if the population of the municipality is at least 5,000 but not more  
19 than 10,000; or

20 (D) 1.0 if the population of the municipality is more than 10,000;

21 (5) local wealth factor equals the amount obtained by dividing the per capita  
22 taxable real and personal property valuation of the municipality by the statewide average per  
23 capita taxable real and personal property valuation of all municipalities in the state.

24 \* Sec. 3. AS 29.60.500(d) is repealed and reenacted to read:

25 (d) The amount of the local share calculated under (c) of this section shall be adjusted  
26 if necessary so that it does not exceed 50 percent of the amount of the project for which the grant  
27 is used and is not less than 10 percent of the amount of the project. The local share may be  
28 satisfied with federal or municipal funds, locally contributed labor, materials or equipment the  
29 value of which shall be determined by the department, or money from another nonstate source.  
30 The local share may not be satisfied with money from appropriations, allocations, entitlements,  
31 grants, or other payments from the state.

1 \* Sec. 4. AS 44.47 is amended by adding a new section to article 3 to read:

2           Sec. 44.47.195. UNINCORPORATED COMMUNITY CAPITAL PROJECT MATCHING  
3 GRANT PROGRAM. (a) The unincorporated community capital project matching grant fund  
4 is established in the department. An incorporated nonprofit entity or a Native village council  
5 may, on behalf of an unincorporated community that is entitled to receive state aid under  
6 AS 29.60.140, submit to the department a list of capital projects for which it requests funding  
7 under this section. The department shall review the list and rank projects based on the following  
8 criteria in the following order of priority:

- 9                   (1) need to protect the structure of existing community or state facilities;  
10                   (2) correction of building code deficiencies that require major repair or  
11 rehabilitation of an existing facility;  
12                   (3) possibility of achieving operating cost savings;  
13                   (4) modification of an existing facility to increase its utility;  
14                   (5) construction of a new facility that will benefit the community.

15           (b) By February 1 of each year, the department shall submit a list of capital projects  
16 ranked in order of priority and request an appropriation to be used during the next fiscal year as  
17 grants for the projects. The department may grant money to an incorporated nonprofit entity or  
18 a Native village council for each project for which an appropriation is made if the unincorporated  
19 community within which the project will be located is entitled to receive aid during that fiscal  
20 year under AS 29.60.140. In accepting a grant, the incorporated entity or council covenants with  
21 the state that it will operate and maintain the capital improvement for which the grant is used for  
22 the practical life of the capital improvement, and that the incorporated entity or council will not  
23 rely on the state to operate or maintain the capital improvement or pay for its operation or  
24 maintenance. This requirement does not apply to use of money for repair or improvement of an  
25 existing facility that is operated or maintained by the state at the time that the grant is made if  
26 the repair or improvement will not substantially increase the operating or maintenance costs to  
27 the state.

28           (c) The department may not make a grant to a Native village council unless the council  
29 waives immunity from suit for claims arising out of activities of the council related to the grant.  
30 A waiver of immunity from suit under this subsection must be on a form provided by the  
31 Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes

1 the governmental authority or jurisdiction of a Native village council.

2 (d) For each grant made under (b) of this section, the incorporated nonprofit entity or  
3 Native village council shall contribute a local share of the cost of the capital projects or  
4 improvements for which the grant is made. The local share equals five percent of the amount  
5 of the project for which the grant is used. The local share may be satisfied from federal or local  
6 money, locally contributed labor, materials or equipment the value of which shall be determined  
7 by the department, or money from another nonstate source. The local share may not be satisfied  
8 with money from appropriations, allocations, entitlements, grants, or other payments from the  
9 state.

10 (e) An incorporated nonprofit entity or a Native village council shall repay to the  
11 department grant money if substantial, ongoing work on the project or improvement is not started  
12 within five years after the effective date of the appropriation from which the grant is funded.  
13 Money repaid shall be deposited into the general fund.

14 (f) The department may adopt regulations under the Administrative Procedure Act  
15 (AS 44.62) that impose additional requirements or procedures to implement, interpret, make  
16 specific, or otherwise carry out the provisions of this section. The department shall adopt  
17 regulations providing for periodic audits of the use of grant money under this section. The audits  
18 must include a review of the department's determination of the value of locally contributed labor  
19 under (d) of this section and a review of the adequacy of the department's verification of the  
20 actual use of locally contributed labor on a project. Regulations adopted under this subsection  
21 shall comply with AS 37.05 (Fiscal Procedures Act), AS 37.07 (Executive Budget Act), and  
22 requirem. of the federal government for participation in federal programs.

23 (g) The limitations of AS 44.47.140 do not apply to grants made under this section.

24 \* Sec. 5. AS 44.47.195(d) is repealed and reenacted to read:

25 (d) For each grant made under (b) of this section, the incorporated nonprofit entity or  
26 Native village council shall contribute a local share of the cost of the capital projects or  
27 improvements for which the grant is made. The local share equals 10 percent of the amount of  
28 the project for which the grant is used. The local share may be satisfied from federal or local  
29 money, locally contributed labor, materials or equipment the value of which shall be determined  
30 by the department, or money from another nonstate source. The local share may not be satisfied  
31 with money from appropriations, allocations, entitlements, grants, or other payments from the

1 state.

2 \* Sec. 6. Sections 1 and 4 of this Act take effect July 1, 1992.

3 \* Sec. 7. Sections 2, 3, and 5 of this Act take effect July 1, 1994.

7-GS0073\N  
Cook  
5/11/92

HOUSE CS FOR CS FOR SENATE BILL NO. 141 ( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a capital project matching grant program for municipalities and a  
2 capital project matching grant program for unincorporated communities; and providing for  
3 an effective date."

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

5 \* Section 1. PURPOSE. (a) The legislature recognizes the continued need for wholly state funded  
6 capital projects (1) that are of regional or statewide significance, (2) which meet basic needs, such as  
7 education projects constructed under AS 14.11 and village safe water projects, or (3) for which costs will  
8 exceed the amount available to a municipality or community under the capital project matching grant  
9 programs. The legislature also recognizes the continued need for legislatively directed funding of other  
10 capital projects.

11 (b) It is the purpose of this Act to provide a capital project funding system that is equitable to  
12 municipalities and communities throughout the state, particularly for small projects of a local nature, and  
13 to provide a mechanism for local government to initiate and prioritize the construction of capital projects  
14 and to participate in funding those projects.

1 \* Sec. 2. MUNICIPAL CAPITAL PROJECT MATCHING GRANT PROGRAM. (a) The municipal  
2 capital project matching grant fund is established in the Department of Administration consisting of  
3 appropriations to the fund. Appropriations do not lapse except as provided under (g) of this section.  
4 The money in the fund, is held by the department in custody under this section for each municipality.  
5 Appropriations shall be allocated by the department each fiscal year to individual grant accounts within  
6 the fund for each municipality. Interest earned on money in an individual grant account shall be credited  
7 to that account. The amount allocated to a grant account is determined by multiplying the total amount  
8 appropriated to the fund during a fiscal year by a fraction,

- 9 (1) the numerator of which equals
- 10 (A) for a municipality with a population under 1,000, the amount equal to that  
11 population multiplied by 1.5;
- 12 (B) for a municipality with a population of at least 1,000 but less than 5,000, the  
13 amount equal to that population multiplied by 1.4;
- 14 (C) for a municipality with population of at least 5,000 but not greater than  
15 10,000, the amount equal to that population multiplied by 1.2; or
- 16 (D) for a municipality with a population of over 10,000, the amount equal to that  
17 population; and

18 (2) the denominator of which equals the sum of the numerators calculated for all  
19 municipalities under (1)(A) - (D) of this subsection.

20 (b) The minimum amount allocated to the grant account of a municipality each fiscal year under  
21 (a) of this section equals \$50,000. The department shall reduce allocations under (a) of this section on  
22 a pro rata basis based upon the population of the municipalities if necessary to fund the minimum  
23 amount for each municipality. If appropriations are not sufficient to fully fund minimum amounts, the  
24 amount available shall be equally allocated to each municipality.

25 (c) By October 1 of each fiscal year, each municipality shall submit to the governor a prioritized  
26 list of capital projects or capital improvements, and estimated costs, including amount and source of local  
27 share, to be financed with money from the grant account established under this section. The governor  
28 shall submit the priority list of each municipality with the capital improvements program presented to  
29 the legislature under AS 37.07.060.

30 (d) The legislature may make appropriations from a grant account for a municipality for capital  
31 projects or capital improvements of that municipality appearing on the list submitted under (c) of this

1 section. Subject to appropriations under this subsection and to (e) and (f) of this section, each  
2 municipality may draw amounts from its grant account within the municipal project matching grant fund  
3 for planning, design, and construction of a capital project or capital improvement, as defined in  
4 AS 37.07.120, in accordance with an appropriation for that project. Money drawn by a municipality may  
5 be spent, in accordance with an appropriation, on any capital project or capital improvement related to  
6 functions that the municipality is legally empowered by law to exercise. In accepting a draw, the  
7 municipality covenants with the state that it will operate and maintain the capital improvement for which  
8 the draw is used for the practical life of the capital improvement, and that the municipality will not rely  
9 on the state to operate or maintain the capital improvement or pay for its operation or maintenance. This  
10 requirement does not apply to use of money from a draw for repair or improvement of an existing  
11 facility that is operated or maintained by the state at the time that the draw is made if the repair or  
12 improvement for which the draw is used will not substantially increase the operating or maintenance  
13 costs to the state. The municipality, its agents, contractors, and subcontractors shall comply with the  
14 hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from  
15 a draw.

16 (e) For each draw made under (d) of this section, the municipality shall contribute a local share  
17 of the cost of the capital projects or improvements for which the draw is made. The amount of the local  
18 share equals the local share factor multiplied by the amount of the draw. For purposes of this  
19 subsection, the

20 (1) local share factor equals the local share percentage divided by the state share  
21 percentage, except that

22 (A) if the product of the population factor and the local wealth factor is greater  
23 than or equal to 1.0, the local share factor equals 3/7th before July 1, 1994, and 1.0 after June 30,  
24 1994; or

25 (B) if the local wealth factor is 0, the local share factor equals 5/95th for draws  
26 made before July 1, 1994, and 1/9th for draws made after June 30, 1994;

27 (2) local share percentage equals the population factor multiplied by the local wealth  
28 factor;

29 (3) state share percentage equals one minus the local share percentage;

30 (4) population factor equals

31 (A) 0.1 if the population of the municipality is less than 1,000;

1 (B) 0.3 if the population of the municipality is at least 1,000 but less than 5,000;

2 (C) 0.7 if the population of the municipality is at least 5,000 but not more than

3 10,000; or

4 (D) 1.0 if the population of the municipality is more than 10,000;

5 (5) local wealth factor equals the amount obtained by dividing the per capita taxable real  
6 and personal property valuation of the municipality by the statewide average per capita taxable real and  
7 personal property valuation of all municipalities in the state.

8 (f) The amount of the local share calculated under (e) of this section shall be adjusted if  
9 necessary so that (1) it does not exceed 30 percent of the amount of the project for which the draw is  
10 used and is not less than five percent of the amount of the project if the draw is made before July 1,  
11 1994; or (2) it does not exceed 50 percent of the amount of the project for which the draw is used and  
12 is not less than 10 percent of the amount of the project if the draw is made after June 30, 1994. The  
13 local share may be satisfied with federal or municipal funds, locally contributed labor, land, materials  
14 or equipment the value of which shall be determined by the department, money from another nonstate  
15 source, money received by the municipality under AS 29.60.010 - 29.60.375, state taxes refunded or  
16 reimbursed to the municipality whose use for the purposes of this section is not prohibited, and  
17 allocations of state aid for the costs of school construction debt under AS 14.11.100. Except as provided  
18 in this subsection, the local share may not be satisfied with money from appropriations, allocations,  
19 entitlements, grants, or other payments from the state.

20 (g) A municipality shall repay to the department money drawn from a grant account if  
21 substantial, ongoing work on the project or improvement is not started within five years after the  
22 effective date of the appropriation from which the draw is funded. Money repaid shall be deposited into  
23 the general fund. Money from an allocation to a grant account that has not been drawn out by the  
24 municipality within five years after the effective date of the appropriation from which the allocation is  
25 funded lapses into the general fund.

26 (h) The department may adopt regulations under the Administrative Procedure Act (AS 44.62)  
27 that impose additional requirements or procedures to implement, interpret, make specific, or otherwise  
28 carry out the provisions of this section. The department shall adopt regulations providing for periodic  
29 audits of the use of grant money under this section. The audits must include a review of the  
30 department's determination of the value of locally contributed labor under (f) of this section and a review  
31 of the adequacy of the department's verification of the actual use of locally contributed labor on a

1 project. Regulations adopted under this subsection shall comply with this section, AS 37.07 (Executive  
2 Budget Act), and requirements of the federal government for participation in federal programs.

3 (i) For purposes of this section, the population of a borough shall exclude the population of each  
4 city in the borough and the per capita taxable real and personal property valuation of a borough shall  
5 exclude the property valuation of each city in the borough. The determination of population and per  
6 capita taxable real and personal property valuation for a municipality shall be based upon data used by  
7 the Department of Community and Regional Affairs under AS 14.17.140, AS 29.45.110, and  
8 AS 29.60.140 - 29.60.150.

9 (j) In this section,

10 (1) "appropriation" has the meaning given in AS 37.07.120;

11 (2) "department" means the Department of Administration.

12 \* Sec. 3. UNINCORPORATED COMMUNITY CAPITAL PROJECT MATCHING GRANT  
13 PROGRAM. (a) The unincorporated community capital project matching grant fund is established in  
14 the Department of Community and Regional Affairs consisting of appropriations to the fund.  
15 Appropriations do not lapse except as provided under (e) and (g) of this section. The money in the fund  
16 is held by the department in custody under this section for each unincorporated community eligible for  
17 an allocation under this subsection. Appropriations shall be allocated by the department each fiscal year  
18 to individual grant accounts within the fund for each unincorporated community that is entitled to receive  
19 state aid under AS 29.60.140 during that fiscal year. Interest earned on money in an individual grant  
20 account shall be credited to that account. The amount allocated to a grant account is determined by  
21 dividing the total amount appropriated to the fund during a fiscal year by the number of communities  
22 eligible for allocations during that fiscal year.

23 (b) By February 1, the department shall determine the amount of appropriations needed to  
24 provide an allocation of \$50,000 under (a) of this section for each unincorporated community for the  
25 next fiscal year. The department shall request the legislature for an appropriation to the unincorporated  
26 community capital project matching grant fund of at least that amount.

27 (c) By October 1 of each fiscal year, an incorporated nonprofit entity or a Native village council  
28 shall, on behalf of an unincorporated community, submit to the governor a prioritized list of capital  
29 projects or capital improvements, and estimated costs, including amount and source of local share, to  
30 be financed with money from the grant account established under this section. The governor shall  
31 submit the priority list for each unincorporated community with the capital improvements program

1 presented to the legislature under AS 37.07.060.

2 (d) The legislature may make appropriations from the grant account for each unincorporated  
3 community for capital projects or capital improvements of that unincorporated community appearing on  
4 a list submitted under (c) of this section. Subject to appropriations under this subsection and to (e) and  
5 (f) of this section, an unincorporated nonprofit entity or a Native village council may on behalf of each  
6 unincorporated community draw amounts from that community's grant account within the unincorporated  
7 community capital project matching grant fund for planning, design, and construction of a capital project  
8 or capital improvement, as defined in AS 37.07.120, in accordance with an appropriation for that project.  
9 In accepting a draw, the incorporated entity or council covenants with the state that it will operate and  
10 maintain the capital improvement for which the draw is used for the practical life of the capital  
11 improvement, and that the incorporated entity or council will not rely on the state to operate or maintain  
12 the capital improvement or pay for its operation or maintenance. This requirement does not apply to  
13 use of money from a draw for repair or improvement of an existing facility that is operated or  
14 maintained by the state at the time that the draw is made if the repair or improvement for which the  
15 draw is used will not substantially increase the operating or maintenance costs to the state. The  
16 incorporated entity or council, its agents, contractors, and subcontractors shall comply with the hiring  
17 preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

18 (e) The Department of Community and Regional Affairs, with advice from the Department of  
19 Law, shall determine whether there is in each unincorporated community an incorporated nonprofit entity  
20 or a Native village council that will agree to receive and spend money allocated to the community under  
21 (a) of this section. If there is more than one qualified entity in the community, the Department of  
22 Community and Regional Affairs shall authorize the entity that the department finds most qualified to  
23 make draws from the allocation and spend the money. The department may not pay the money to a  
24 Native village council unless the council waives immunity from suit for claims arising out of activities  
25 of the council related to the draw. A waiver of immunity from suit under this subsection must be on  
26 a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or  
27 Native village council in an unincorporated community that is willing to receive money from an  
28 allocation under (a) of this section, draws may not be made from the allocation for that unincorporated  
29 community and the amount allocated lapses into the general fund. Neither this subsection nor any action  
30 taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village  
31 council.

1 (f) For each draw made under (d) of this section, the incorporated nonprofit entity or Native  
2 village council shall contribute a local share of the cost of the capital projects or improvements for which  
3 the draw is made. The local share equals (1) five percent of the amount of the project for which the  
4 draw is used if the draw is made before July 1, 1994; or (2) 10 percent of the amount of the project for  
5 which the draw is used if the draw is made after June 30, 1994. The local share may be satisfied from  
6 federal or local money, locally contributed labor, land, materials, or equipment the value of which shall  
7 be determined by the department, money from another nonstate source, or money received by the  
8 unincorporated community under AS 29.60.010 - 29.60.375. Except for money received under  
9 AS 29.60.010 - 29.60.375, the local share may not be satisfied with money from appropriations,  
10 allocations, entitlements, grants, or other payments from the state.

11 (g) An incorporated nonprofit entity or a Native village council shall repay to the Department  
12 of Community and Regional Affairs money drawn from a grant account if substantial, ongoing work on  
13 the project or improvement is not started within five years after the effective date of the appropriation  
14 from which the draw is funded. Money repaid shall be deposited into the general fund. Money from  
15 an allocation to a grant account that has not been drawn out by an incorporated nonprofit entity or  
16 Native village council within five years after the effective date of the appropriation from which the  
17 allocation is funded lapses into the general fund.

18 (h) The Department of Community and Regional Affairs may adopt regulations under the  
19 Administrative Procedure Act (AS 44.62) that impose additional requirements or procedures to  
20 implement, interpret, make specific, or otherwise carry out the provisions of this section. The  
21 department shall adopt regulations providing for periodic audits of the use of grant money under this  
22 section. The audits must include a review of the department's determination of the value of locally  
23 contributed labor under (f) of this section and a review of the adequacy of the department's verification  
24 of the actual use of locally contributed labor on a project. Regulations adopted under this subsection  
25 shall comply with AS 37.05 (Fiscal Procedures Act), AS 37.07 (Executive Budget Act), and requirements  
26 of the federal government for participation in federal programs.

27 (i) The limitations of AS 44.47.140 do not apply to grants made under this section.

28 \* Sec. 4. Notwithstanding sec. 2(c) of this Act, a municipality may not make a draw from its grant  
29 account within the municipal project matching grant fund until after June 30, 1992. Notwithstanding  
30 sec. 3 of this Act, an incorporated nonprofit entity or a Native village council may not make a draw from  
31 an unincorporated community's grant account within the unincorporated community capital project

1 matching grant fund until after June 30, 1992.

2 \* Sec. 5. Sections 1 - 4 of this Act are repealed July 1, 1995.

3 \* Sec. 6. (a) An incorporated nonprofit entity or a Native village council shall repay to the  
4 Department of Community and Regional Affairs money drawn from a grant account by the <sup>entity</sup> ~~village~~ or  
5 council under this Act if substantial, ongoing work on the project or improvement is not started within  
6 five years after the effective date of the appropriation from which the draw was funded.

7 (b) A municipality shall repay to the Department of Administration money drawn from a grant  
8 account by the municipality under this Act if substantial, ongoing work on the project or improvement  
9 is not started within five years after the effective date of the appropriation from which the draw was  
10 funded.

11 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

**Information Packet  
For  
House Finance Committee**

**CAPITAL PROJECT MATCHING GRANT PROGRAM**

**CS For Senate Bill No. 141 (FINANCE)**

**&**

**CS For Senate Bill No. 142 (FINANCE)**

**May 20, 1991**

**Office of Management and Budget  
Office of the Governor  
State of Alaska**

Capital Project Matching Grant Program  
Office of the Governor

**CS SB 141 (FINANCE) - SECTIONAL ANALYSIS**

**SECTION ONE**

This section of the bill sets out the purpose of the legislation, which is to provide an equitable funding mechanism for small, local capital projects selected by communities, including financial participation in those projects by communities. This section also recognizes the continuing need for wholly State funded capital projects that are large in scale and regional or statewide in their scope, and which meet basic needs such as education construction or village safe water requirements.

**SECTION TWO**

Section 2 of the bill establishes the capital project matching grant program for municipalities, establishes a fund for the receipt and tracking of grant awards, describes how appropriations to the program will be allocated among grantees, and sets out the formula for determining grantees' local matching shares.

"Municipality", as referred to in the bill, is intended to include all political subdivisions incorporated under the laws of Alaska that are home rule or general law cities, home rule or general law boroughs, or unified municipalities, per AS 29.71.800(13).

Under the approach taken in this section of the bill, incorporated boroughs are the instrumentalities for receiving and administering grants for projects affecting unincorporated communities that lie within borough boundaries.

Subsection (a)

This subsection establishes the grant program for municipalities, as well as a fund for holding and administering grants to municipalities, within the Department of Administration.

Annual grant awards will accumulate in the grantees' accounts, subject to the limitations in subsection (f). Interest earnings on the amounts included in grantee accounts will accrue to the general fund.

The subsection stipulates that the amount annually appropriated to the municipal fund will be allocated to municipal grantees pro rata on the basis of their weighted populations (i.e., after each municipality's population has been weighted by a set of population-based factors specified in this section), and credited to individual accounts for them within the fund. The weighting factors are employed to account for: (1) the generally higher unit costs of capital projects in smaller and more rural communities; (2) the relatively smaller debt capacity of smaller communities, compared to larger communities; and, (3) the relatively limited ability of smaller communities to enjoy the economies of scale enjoyed by larger communities in undertaking capital projects and improvements.

Subsection (b)

This subsection stipulates that the minimum grant to a municipality under this program will be \$25 thousand per year, subject to the actual level of appropriation for the municipal program, and provides for a method of allocating funds if appropriation levels are not sufficient to fully fund the minimum grant amounts.

Subsection (c)

This subsection authorizes municipalities to make draws against their grant accounts, and essentially stipulates that grantees will be responsible for providing for the maintenance and operating costs of the projects or facilities financed by grants under this program (unless the State already has the responsibility and the cost of such will not rise substantially due to the effects of the grant project). This is the same requirement used in the State's current revenue sharing program.

This subsection also requires grantees and their contractors to adhere to the established hiring preferences and requirements for economically distressed or disadvantaged individuals, zones and geographic areas set out by the Department of Labor under AS 36.10.

Subsection (d)

This subsection establishes the requirement that each time a grantee wishes to draw funds against its allocation, for a project or projects which it has identified, it must make a matching contribution per the formula set out in this subsection.

The formula set out in this subsection calculates the local share, in dollars, required to match each draw that the municipal grantee makes on its grant balance. The general effect of the formula is that the larger a municipal grantee is in terms of its population, and the wealthier it is in terms of its per capita real

and personal property valuation, the larger is its required local share for any draw of its grant funds; and vice versa.

The basic relationship reflected in the formula is that for each project, portion of a project, or group of projects - - i.e., for each use to which grant awards are put by a municipality - - the municipality should put up a share, and the State should put up a share. In practice, the State's share would be the amount of any particular draw by a grantee against its outstanding grant balance, and the grantee's share for that draw would be the local share defined in this subsection.

The ratio of the local share to the State share, for any given draw, is defined in this subsection as the grantee's local share factor. That is:

$$\text{Local Share Factor} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \% )}}$$

The local share factor multiplied by the dollar amount of the given draw therefore equals the dollar amount due from the grantee as the local share for that draw, as shown below:

$$\text{Since: } \frac{\text{Local Share (in \$)}}{\text{State Share (in \$)}^*} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \% )}}$$

$$\text{Then: } \text{Local Share (in \$)} = \frac{\text{Local Share (as a \%)}}{\text{State Share (as a \% )}} \times \text{State Share (in \$)}^*$$

$$^* \text{ State Share (in \$)} = \text{Draw Amount}$$

Since the State share in dollars is known (the draw amount), and since, the local share and the State share must, when expressed as percentages, add up to 1, the major part of the local share formula is involved with determining the grantee's local share expressed as a percentage of the total proposed outlay - - i.e., with determining the grantee's local share percentage.

Calculation of the local share percentage is straightforward: it equals the product of the municipal grantee's population factor and its local wealth factor. Population factors for municipalities are designated in this subsection, according to municipal population sizes. The local wealth factor for a grantee is simply the grantee's per capita real and personal property valuation divided by the statewide average for all municipalities - - i.e., the grantee's per capita wealth relative to that of other municipalities, where the statewide average local wealth factor is 1.0.

The factors set out in Lines 13-17 of this subsection control for numerical anomalies in the local share formula (i.e., to cap the local share when the formula would otherwise require it to be greater than one hundred percent of a project's cost, and to avoid division by zero in cases where the local assessed valuation is zero). The changing values of these factors in Lines 13-17 also reflect the fact that, per subsection (e), the required maximum and minimum local shares are to change from 30 percent and 5 percent, respectively, to 50 percent and 10 percent, two years after the provisions first become effective.

Subsection (e)

This subsection stipulates that the required local share percentage for any grantee will not exceed 30 percent or be lower than 5 percent of the project amount (changing after two years to 50 percent and 10 percent, respectively, as reflected in the effective date provisions in Section 4 of the bill). The subsection also stipulates that contributed labor, material, equipment, etc., money from non-state sources, and funds received through the State municipal assistance and revenue sharing programs, may constitute the local share.

Subsection (f)

This subsection stipulates that, once a draw has been made, progress on the project or projects for which the draw was made must be begun within five years of the draw, or else the drawn money must be returned to the Department of Administration, for deposit into the State's general fund. The subsection also stipulates that if a grantee makes no draws against a particular annual grant appropriation or allocation for five years, the money lapses into the general fund.

Subsection (g)

This subsection allows the Department of Administration to promulgate regulations, require reports, conduct audits, etc., for purposes of conducting the program and carrying out the provisions of this section of the bill. Specifically, this subsection requires that such audits must address the department's method used to value any contributed labor used to satisfy the local share, as well as its method of confirming that such contributed labor actually was used.

Subsection (h)

This subsection stipulates that if the grantee is an organized borough, the population and valuation data used in its local share formula calculation are to be net of the population and valuation components attributable to any incorporated municipality located within the borough. This reflects the approach taken in the design of this program that incorporated boroughs would be the instrumentalities responsible for receiving and administering grants for projects affecting unincorporated communities which are located within organized boroughs.

This subsection also stipulates that the population data and local valuation data used for municipal grantees shall be the same as that compiled and developed

by the Department of Community and Regional Affairs for the State revenue sharing program.

Subsection (i)

This subsection contains definitions essential for interpreting the provisions of Section 1 of the bill.

### SECTION THREE

Section 3 of the bill establishes the capital project matching grant program for unincorporated communities, establishes a fund for the receipt and tracking of grant awards, and describes how appropriations to the program will be allocated among grantees.

"Unincorporated Community" is defined in the bill as any place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit, per AS 29.60.140(b). This is the definition used in the Department of Community and Regional Affairs' state revenue sharing program.

Subsection (a)

This section establishes the grant program for unincorporated communities located in the unorganized borough which participate in the State's revenue sharing program, and creates a fund for holding and administering grants to those communities within the Department of Community and Regional Affairs.

The section stipulates that the amount annually appropriated to the unincorporated community fund will be allocated to grantees pro rata on the basis of the number of unincorporated communities participating in the program, and credited to individual accounts for them within the fund. Annual grant awards will accumulate in grantees' accounts, subject to the limitations in subsections (d) and (f). Interest earnings on the amounts included in grantee accounts will accrue to the general fund.

Subsection (b)

This subsection requires the Department of Community and Regional Affairs to determine the minimum appropriation needs of the program by February 1 of each year, and to request an annual appropriation for at least that amount.

Subsection (c)

This subsection allows nonprofit corporations and Native village councils to serve as the grantee for unincorporated communities participating in this program. The subsection also essentially stipulates that grantees will be responsible for providing for the maintenance and operating costs of the projects or facilities financed by grants under this program (unless the State already has the responsibility and the cost of such will not rise substantially due to the effects of the grant project). This is the same requirement used in the State's current revenue sharing program.

This subsection also requires grantees and their contractors to adhere to the established hiring preferences and requirements for economically distressed or disadvantaged individuals, zones and geographic areas set out by the Department of Labor under AS 36.10.

Subsection (d)

This subsection essentially sets out the procedures which the Department of Community and Regional Affairs must use in identifying potential grant recipients for unincorporated communities. The procedures and limitations entailed are those currently required in the State revenue sharing program.

Subsection (e)

This subsection stipulates that the required local share for unincorporated communities under this program is 5 percent of the sum of the local share and the draw taken (changing after two years to 10 percent). The subsection also stipulates that contributed labor, material, equipment, etc., money from non-state sources, and funds received through the State municipal assistance and revenue sharing programs, may constitute the local share.

Subsection (f)

This subsection stipulates that if a grantee makes no draws against a particular annual grant appropriation or allocation for five years, the money lapses into the general fund. It also stipulates that, once a draw has been made, progress on the project or projects for which the draw was made must be begun within five years of the draw, or else the drawn money must be returned to the Department of Community and Regional Affairs for deposit into the State's general fund.

Subsection (g)

This subsection allows the Department of Community and Regional Affairs to promulgate regulations, require reports, conduct audits, etc., for purposes of conducting the program and carrying out the provisions of this section of the bill. Specifically, this subsection requires that such audits must address the department's method used to value any contributed labor used to satisfy the local share, as well as its method of confirming that such contributed labor actually was used.

Subsection (h)

This subsection stipulates that the program cost ceiling set in AS 44.47.140 does not apply to the unincorporated community matching grant program established under this bill.

**SECTION FOUR**

This section of the bill stipulates that draws against grant accounts for municipalities and unincorporated communities may not occur until after June 30, 1992.

CS SB 141 (Fin)  
Capital Project Matching Grant Program

5/19/91

**CASE 1 - MUNICIPALITIES**

TOTAL APPROPRIATION: \$50,000,000      MINIMUM GRANT: \$25,000

Local Share % = Col. D x Col. Fa

Total State Funds (\$000): 48,050.0  
Minimum State Share (\$000): 25.0  
Maximum Local Share (%): 30%  
Minimum Local Share (%): 5%

Population Factors:	Under 1,000	1,000-4,999	5,000-10,000	Over 10,000
For Grant Allocation:	1.5	1.4	1.2	1.0
For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(Fa)	(H)	(I)	(J)	(K)	(L)
Community	Population	Allocation Factor	Local Share % Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	LOCAL SHARE %	\$000	STATE SHARE %	\$000	Leverage Ratio
Aldrich	93	1.5	.1	1,758,000	18,903	0.267	5.0%	1,316	95.0%	25,000	1.05
Akiak	250	1.5	.1	8,454,191	32,642	0.460	5.0%	1,675	95.0%	31,834	1.05
Akutan	432	1.5	.1	10,816,600	25,038	0.353	5.0%	2,795	95.0%	53,097	1.05
Alakanuk	565	1.5	.1	18,442,540	32,642	0.460	5.0%	3,655	95.0%	69,444	1.05
Alakanuk	159	1.5	.1	5,190,025	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Aleutians East Borough	66	1.5	.1	2,252,298	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Allakakul	202	1.5	.1	6,593,616	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Ambler	309	1.5	.1	3,469,100	11,227	0.158	5.0%	1,990	95.0%	37,979	1.05
Anaktuvuk Pass	254	1.5	.1	1,588,000	6,252	0.088	5.0%	1,643	95.0%	31,219	1.05
Anchorage, Municipality of	222,950	1.0	1.0	9,836,722,410	44,121	0.622	30.0%	7,809,502	70.0%	18,222,172	1.43
Anderson	635	1.5	.1	20,727,457	32,642	0.460	5.0%	4,108	95.0%	78,048	1.05
Angoon	685	1.5	.1	22,359,540	32,642	0.460	5.0%	4,431	95.0%	84,193	1.05
Aniak	558	1.5	.1	18,214,049	32,642	0.460	5.0%	3,610	95.0%	68,584	1.05
Arvik	89	1.5	.1	2,905,108	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Atka	90	1.5	.1	2,937,750	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Aigasuk	225	1.5	.1	1,925,000	8,556	0.121	5.0%	1,456	95.0%	27,655	1.05
Barrow	3,379	1.4	.3	49,341,100	14,602	0.206	6.2%	25,511	93.8%	387,484	1.07
Bethel	4,390	1.4	.3	181,980,500	41,453	0.585	17.5%	107,048	82.5%	503,420	1.21
Bettles	45	1.5	.1	1,468,875	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Brewig Mission	197	1.5	.1	6,430,408	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Bristol Bay Borough	1,451	1.4	.3	117,937,900	81,280	1.146	30.0%	71,311	70.0%	166,392	1.43
Buckland	302	1.5	.1	3,145,300	10,415	0.147	5.0%	1,954	95.0%	37,119	1.05
Chefornak	299	1.5	.1	9,759,858	32,642	0.460	5.0%	1,934	95.0%	36,750	1.05
Chevak	594	1.5	.1	19,389,149	32,642	0.460	5.0%	3,943	95.0%	73,008	1.05
Chignik	128	1.5	.1	8,709,200	68,041	0.959	9.6%	2,653	90.4%	25,000	1.11
Chuathbaluk	127	1.5	.1	4,145,491	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Clark's point	87	1.5	.1	2,839,825	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Cotman cove	195	1.5	.1	6,365,125	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Cold bay	158	1.5	.1	8,482,400	53,696	0.757	7.6%	2,047	92.4%	25,000	1.08
Cordova	2,619	1.4	.3	122,992,900	46,962	0.662	19.9%	74,453	80.1%	300,332	1.25
Craig	1,231	1.4	.3	40,178,500	32,639	0.460	13.8%	22,612	86.2%	141,164	1.16
Deering	165	1.5	.1	1,867,700	11,319	0.160	5.0%	1,316	95.0%	25,000	1.05

CS SB 141 (Fin)  
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5/19/91

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Local Share % = Col. D x Col. Fa

Total State Funds (\$000): 48,050.0  
Minimum State Share (\$000): 25.0  
Maximum Local Share (%): 30%  
Minimum Local Share (%): 5%

Population Factors:	Under 1,000	1,000-4,999	5,000-10,000	Over 10,000
For Grant Allocation:	1.5	1.4	1.2	1.0
For Local Share %:	0.1	0.3	0.7	1.0

(A) Community	(B) Population	(C) Allocation Population Factor	(D) Local Share % Population Factor	(E) DCRA Assessed Full Value (\$)	(F) Per Capita Value (\$)	(Fa) Local Wealth Factor	(G) LOCAL SHARE %	(H) LOCAL SHARE \$000	(J) STATE SHARE %	(K) STATE SHARE \$000	(L) Leverage Ratio
Delta Junction	1,185	1.4	.3	27,731,800	23,402	0.330	9.9%	14,930	90.1%	135,888	1.11
Denali Borough	1,346	1.4	.3	74,435,000	55,301	0.780	23.4%	47,134	76.6%	154,352	1.31
Dillingham	2,232	1.4	.3	118,601,000	53,137	0.749	22.5%	74,214	77.5%	255,953	1.29
Diomedea	184	1.5	.1	6,008,066	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Eagle	174	1.5	.1	8,388,300	48,209	0.680	6.8%	1,823	93.2%	25,000	1.07
Eek	279	1.5	.1	9,107,024	32,642	0.460	5.0%	1,805	95.0%	34,282	1.05
Ekwok	122	1.5	.1	3,982,283	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Elim	294	1.5	.1	9,596,648	32,642	0.460	5.0%	1,902	95.0%	36,135	1.05
Emmonak	675	1.5	.1	22,033,123	32,642	0.460	5.0%	4,367	95.0%	82,964	1.05
Fairbanks	28,251	1.0	1.0	1,071,624,900	37,932	0.535	30.0%	989,577	70.0%	2,309,014	1.43
Fairbanks North Star Borough	42,500	1.0	1.0	2,142,124,000	50,403	0.711	30.0%	1,488,892	70.0%	3,473,614	1.43
False Pass	69	1.5	.1	2,252,298	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Fort Yukon	642	1.5	.1	20,955,946	32,642	0.460	5.0%	4,153	95.0%	78,908	1.05
Galena	928	1.5	.1	19,585,100	21,105	0.298	5.0%	6,003	95.0%	114,060	1.05
Gambell	520	1.5	.1	16,973,665	32,642	0.460	5.0%	3,364	95.0%	63,913	1.05
Golovin	154	1.5	.1	5,026,816	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Goodnews Bay	230	1.5	.1	7,507,583	32,642	0.460	5.0%	1,488	95.0%	28,269	1.05
Grayling	228	1.5	.1	7,442,299	32,642	0.460	5.0%	1,475	95.0%	28,023	1.05
Haines	1,160	1.4	.3	51,001,500	43,967	0.620	18.6%	30,393	81.4%	133,022	1.23
Haines Borough	1,685	1.4	.3	52,886,700	31,387	0.443	13.3%	29,583	86.7%	193,226	1.15
Holy Cross	276	1.5	.1	9,009,099	32,642	0.460	5.0%	1,785	95.0%	33,923	1.05
Homer	4,338	1.4	.3	205,761,300	47,432	0.669	20.1%	124,867	79.9%	497,457	1.25
Hoonah	894	1.5	.1	21,586,000	24,145	0.340	5.0%	5,783	95.0%	109,881	1.05
Hoopers Bay	807	1.5	.1	5,203,800	6,448	0.091	5.0%	5,220	95.0%	99,188	1.05
Houston	738	1.5	.1	33,028,500	44,754	0.631	6.3%	6,110	93.7%	90,707	1.07
Hughes	75	1.5	.1	2,448,125	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Huslia	225	1.5	.1	7,344,374	32,642	0.460	5.0%	1,456	95.0%	27,655	1.05
Hydaburg	457	1.5	.1	9,024,100	19,746	0.278	5.0%	2,956	95.0%	56,170	1.05
Juneau, City and Borough of	29,946	1.0	1.0	1,247,450,700	41,657	0.587	30.0%	1,048,950	70.0%	2,447,549	1.43
Kachemak	418	1.5	.1	17,954,400	42,953	0.606	6.1%	3,312	93.9%	51,376	1.06
Kake	678	1.5	.1	16,843,800	24,843	0.350	5.0%	4,386	95.0%	83,333	1.05
Kaktovik	224	1.5	.1	2,219,300	9,908	0.140	5.0%	1,449	95.0%	27,532	1.05

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Minimum Local Share (%): 5%

Population Factors:	Under 1,000	1,000-4,999	5,000-10,000	Over 10,000
For Grant Allocation:	1.5	1.4	1.2	1.0
For Local Share %:	0.1	0.3	0.7	1.0

(A) Community	(B) Population	(C) Allocation Population Factor	(D) Local Share Population Factor	(E) DCRA Assessed Full Value (\$)	(F) Per Capita Value (\$)	(Fa) Local Share Factor	(H) LOCAL SHARE %	(I) \$000	(J) STATE SHARE %	(K) \$000	(L) Leverage Ratio
Kaliag	268	1.5	.1	8,747,966	32,642	0.460	5.0%	1,734	95.0%	32,940	1.05
Kasaan	69	1.5	.1	2,252,275	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Kenai	6,543	1.2	.7	281,331,400	42,997	0.606	30.0%	275,376	70.0%	642,543	1.43
Kenai Peninsula Borough	21,886	1.0	1.0	2,419,659,910	110,557	1.559	30.0%	766,624	70.0%	1,788,789	1.43
Ketchikan	7,730	1.2	.7	438,590,300	56,739	0.800	30.0%	325,333	70.0%	759,111	1.43
Ketchikan Gateway Borough	4,582	1.4	.3	367,375,500	80,003	1.129	30.0%	225,679	70.0%	526,584	1.43
Kiana	414	1.5	.1	5,051,900	12,203	0.172	5.0%	2,678	95.0%	50,885	1.05
King Cove	790	1.5	.1	29,199,900	36,949	0.521	5.2%	5,337	94.8%	97,099	1.05
Kivalina	298	1.5	.1	3,388,600	11,371	0.160	5.0%	1,928	95.0%	36,627	1.05
Klawock	897	1.5	.1	9,194,000	10,250	0.145	5.0%	5,803	95.0%	110,250	1.05
Kobuk	87	1.5	.1	1,102,900	12,677	0.179	5.0%	1,316	95.0%	25,000	1.05
Kodiak	6,774	1.2	.7	438,936,900	64,797	0.914	30.0%	285,098	70.0%	665,229	1.43
Kodiak Island Borough	7,716	1.2	.7	185,178,500	23,999	0.338	23.7%	235,211	76.3%	757,736	1.31
Kotlik	452	1.5	.1	14,754,032	32,642	0.460	5.0%	2,924	95.0%	55,555	1.05
Kotzebue	3,705	1.4	.3	103,226,300	27,861	0.393	11.8%	56,764	88.2%	424,868	1.13
Koyuk	224	1.5	.1	7,311,733	32,642	0.460	5.0%	1,449	95.0%	27,532	1.05
Koyukuk	138	1.5	.1	4,504,550	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Kuparuk	52	1.5	.1	1,697,367	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Kwethluk	541	1.5	.1	17,659,140	32,642	0.460	5.0%	3,500	95.0%	66,494	1.05
Lake and Peninsula Borough	1,198	1.4	.3	41,579,700	34,708	0.489	14.7%	23,641	85.3%	137,380	1.17
Larsen Bay	149	1.5	.1	3,268,300	21,935	0.309	5.0%	1,316	95.0%	25,000	1.05
Lower Kalskag	273	1.5	.1	8,911,174	32,642	0.460	5.0%	1,766	95.0%	33,554	1.05
Mackotak	370	1.5	.1	12,077,416	32,642	0.460	5.0%	2,394	95.0%	45,477	1.05
Marshall	294	1.5	.1	9,596,649	32,642	0.460	5.0%	1,902	95.0%	36,135	1.05
Metanaska-Susitna Borough	30,917	1.0	1.0	1,447,950,990	46,833	0.660	30.0%	1,082,962	70.0%	2,526,911	1.43
McGrath	533	1.5	.1	17,398,007	32,642	0.460	5.0%	3,448	95.0%	65,511	1.05
Mekoryuk	190	1.5	.1	6,201,916	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Mountain Village	742	1.5	.1	24,220,115	32,642	0.460	5.0%	4,800	95.0%	91,199	1.05
Napaklak	315	1.5	.1	10,282,124	32,642	0.460	5.0%	2,038	95.0%	38,717	1.05
Napaskiak	331	1.5	.1	10,804,391	32,642	0.460	5.0%	2,141	95.0%	40,683	1.05
Nonana	555	1.5	.1	16,186,800	29,165	0.411	5.0%	3,590	95.0%	68,215	1.05
New Stuyahok	374	1.5	.1	12,207,982	32,642	0.460	5.0%	2,419	95.0%	45,968	1.05

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Minimum State Share (\$000):	25.0	Factors:	1,000	4,999	10,000	10,000
Maximum Local Share (%):	30%	For Grant Allocation:	1.5	1.4	1.2	1.0
Minimum Local Share (%):	5%	For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(Fa)	(H)	(I)	(J)	(K)	(L)
Community	Population	Alternative Population Factor	Local Share % Population Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	LOCAL SHARE %	LOCAL SHARE \$000	STATE SHARE %	STATE SHARE \$000	Leverage Ratio
Neshalem	168	1.5	.1	3,602,800	21,445	0.302	5.0%	1,316	95.0%	25,000	1.05
Nikolai	113	1.5	.1	3,688,508	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Nome	4,303	1.4	.3	137,990,000	32,068	0.452	13.6%	77,443	95.4%	493,443	1.16
Nondalton	229	1.5	.1	3,804,400	16,613	0.234	5.0%	1,481	95.0%	28,146	1.05
Noorvik	800	1.5	.1	6,457,500	10,763	0.152	5.0%	3,881	95.0%	73,746	1.05
North Pole	1,610	1.4	.3	184,583,000	114,648	1.617	30.0%	79,125	70.0%	184,626	1.43
North Slope Borough	2,295	1.4	.3	11,983,976,500	5,200,865	73.335	30.0%	112,299	70.0%	262,031	1.43
Northwest Arctic Borough	315	1.5	.1	4,110,500	13,049	0.184	5.0%	2,038	95.0%	33,717	1.05
Nulqut	324	1.5	.1	11,906,900	37,027	0.522	5.2%	2,194	94.8%	39,823	1.06
Nulato	362	1.5	.1	11,816,202	32,642	0.460	5.0%	2,342	95.0%	44,493	1.05
Nunapitochuk	372	1.5	.1	12,142,699	32,642	0.460	5.0%	2,406	95.0%	45,722	1.05
Old Harbor	322	1.5	.1	5,787,400	17,973	0.253	5.0%	2,083	95.0%	39,577	1.05
Ouzinkie	204	1.5	.1	3,245,100	15,907	0.224	5.0%	1,320	95.0%	25,074	1.05
Palmer	2,998	1.4	.3	104,192,300	34,870	0.492	14.8%	59,288	85.2%	342,647	1.17
Pelican	251	1.5	.1	10,440,800	41,597	0.587	5.9%	1,922	94.1%	30,850	1.06
Petersburg	3,440	1.4	.3	162,441,900	47,221	0.666	20.0%	98,468	80.0%	394,479	1.25
Pilot Station	455	1.5	.1	14,851,957	32,642	0.460	5.0%	2,943	95.0%	55,924	1.05
Point Hope	610	1.5	.1	7,034,600	11,532	0.163	5.0%	3,946	95.0%	74,975	1.05
Port Alexander	119	1.5	.1	3,884,358	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Port Heiden	121	1.5	.1	2,675,400	22,111	0.312	5.0%	1,316	95.0%	25,000	1.05
Port Lions	300	1.5	.1	6,969,600	23,232	0.328	5.0%	1,941	95.0%	36,873	1.05
Quinhagak	499	1.5	.1	16,288,190	32,642	0.460	5.0%	3,228	95.0%	61,332	1.05
Ruby	243	1.5	.1	7,931,924	32,642	0.460	5.0%	1,572	95.0%	29,867	1.05
Russian Mission	266	1.5	.1	8,682,683	32,642	0.460	5.0%	1,721	95.0%	32,684	1.05
Sand Point	993	1.5	.1	39,039,700	39,315	0.554	5.5%	7,163	94.5%	122,049	1.06
Savoonga	511	1.5	.1	16,679,890	32,642	0.460	5.0%	3,306	95.0%	62,807	1.05
Saxman	308	1.5	.1	13,305,600	43,200	0.609	6.1%	2,456	93.9%	37,856	1.06
Scammon Bay	306	1.5	.1	9,988,349	32,642	0.460	5.0%	1,979	95.0%	37,610	1.05
Selawik	672	1.5	.1	7,930,700	11,802	0.166	5.0%	4,347	95.0%	82,595	1.05
Seldovia	565	1.5	.1	21,089,400	37,326	0.526	5.3%	3,858	94.7%	69,444	1.06
Seward	2,829	1.4	.3	139,627,200	49,356	0.696	20.9%	85,604	79.1%	324,413	1.26
Shageluk	152	1.5	.1	4,961,533	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05

CS SB 141 (Fin)  
Capital Project Matching Grant Program

5/19/91

**CASE 1 - MUNICIPALITIES**

TOTAL APPROPRIATION: \$50,000,000      MINIMUM GRANT: \$25,000

Local Share % = Col. D x Col. Fa

Total State Funds (\$000):	48,050.0	Population	Under	1,000-	5,000-	Over
Minimum State Share (\$000):	25.0	Factors:	1,000	4,999	10,000	10,000
Maximum Local Share (%):	30%	For Grant Allocation:	1.5	1.4	1.2	1.0
Minimum Local Share (%):	5%	For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(Fa)	(H)	(I)	(J)	(K)	(L)
Community	Population	Allocation Factor	Local Share % Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	LOCAL SHARE %	\$000	STATE SHARE %	\$000	Leverage Ratio
Sheldovik	197	1.5	.1	6,430,408	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Sheldon Point	131	1.5	.1	4,276,058	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Shishmaref	430	1.5	.1	14,035,916	32,642	0.460	5.0%	2,782	95.0%	52,851	1.05
Shungrak	214	1.5	.1	2,963,300	13,847	0.195	5.0%	1,384	95.0%	26,303	1.05
Sitka, City and Borough of	8,257	1.2	.7	446,849,500	54,118	0.763	30.0%	347,513	70.0%	810,864	1.43
Skagway	704	1.5	.1	54,411,100	77,298	1.090	10.9%	10,583	39.1%	86,528	1.12
Soldotna	3,733	1.4	.3	200,457,100	53,699	0.757	22.7%	125,820	77.3%	428,079	1.29
St. George	188	1.5	.1	6,136,633	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
St. Mary's	491	1.5	.1	4,184,700	8,523	0.120	5.0%	3,176	95.0%	60,349	1.05
St. Michael	303	1.5	.1	9,890,424	32,642	0.460	5.0%	1,960	95.0%	37,242	1.05
St. Paul	586	1.5	.1	19,128,015	32,642	0.460	5.0%	3,791	95.0%	72,025	1.05
Stebbins	394	1.5	.1	12,860,816	32,642	0.460	5.0%	2,549	95.0%	48,426	1.05
Tanana	414	1.5	.1	11,511,900	27,907	0.392	5.0%	2,678	95.0%	50,885	1.05
Teller	237	1.5	.1	7,736,074	32,642	0.460	5.0%	1,533	95.0%	29,130	1.05
Tenakee Springs	108	1.5	.1	3,525,300	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Thome Bay	525	1.5	.1	17,136,874	32,642	0.460	5.0%	3,396	95.0%	64,528	1.05
Togiak	713	1.5	.1	23,273,507	32,642	0.460	5.0%	4,612	95.0%	87,635	1.05
Toksook Bay	446	1.5	.1	14,558,182	32,642	0.460	5.0%	2,885	95.0%	54,818	1.05
Tukusak	357	1.5	.1	11,653,074	32,642	0.460	5.0%	2,309	95.0%	43,879	1.05
Unalakleet	740	1.5	.1	24,154,832	32,642	0.460	5.0%	4,787	95.0%	90,953	1.05
Unalaska	2,265	1.4	.3	116,125,240	51,269	0.723	21.7%	71,932	78.3%	259,737	1.28
Upper Kalskag	149	1.5	.1	4,863,608	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Valdez	7,193	1.2	.7	1,370,370,900	190,515	2.686	30.0%	302,732	70.0%	706,375	1.43
Wainwright	512	1.5	.1	3,692,900	7,213	0.192	5.0%	3,312	95.0%	62,930	1.05
Wales	161	1.5	.1	5,255,308	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Wasilla	3,342	1.4	.3	228,384,700	68,338	0.964	28.9%	155,836	71.1%	383,241	1.41
White Mountain	180	1.5	.1	5,875,500	32,642	0.460	5.0%	1,316	95.0%	25,000	1.05
Whittier	298	1.5	.1	18,415,600	61,591	0.868	8.7%	3,495	91.3%	36,750	1.10
Wrangell	2,630	1.4	.3	110,198,000	41,900	0.591	17.7%	64,972	82.3%	301,593	1.22
Yakutat	527	1.5	.1	19,792,100	37,556	0.530	5.3%	3,622	94.7%	64,773	1.06
<b>TOTAL:</b>	<b>158</b>			<b>\$37,413,729,446</b>			<b>26%</b>	<b>17,126,021</b>	<b>74%</b>	<b>48,050,000</b>	<b>1.36</b>

CS SB 141 (Fin)  
Capital Project Matching Grant Program

5/19/91

**CASE 1 - MUNICIPALITIES**

TOTAL APPROPRIATION: \$50,030,000

MINIMUM GRANT: \$25,000

Local Share % = Col. D x Col. Fa

Total State Funds (\$000): 48,050.0  
Minimum State Share (\$000): 25.0  
Maximum Local Share (%): 30%  
Minimum Local Share (%): 5%

Population Factors:	Under 1,000	1,000-4,999	5,000-10,000	Over 10,000
For Grant Allocation:	1.5	1.4	1.2	1.0
For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(Fa)	(H)	(I)	(J)	(K)	(L)
Community	Population	Allocation Population Factor	Local Share % Population Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	LOCAL SHARE %	STATE SHARE %	STATE SHARE \$000	Leverage Ratio	
STATEWIDE AVERAGE:					\$70,919	1.000					

CS SB 141 (Fin)  
Capital Project Matching Grant Program

5/19/91

**CASE 1 - MUNICIPALITIES**

TOTAL APPROPRIATION: \$50,000,000      MINIMUM GRANT: \$25,000

Local Share % = Col. D x Col. Fa

Total State Funds (\$000):	48,050.0	Population	Under	1,000-	5,000-	Over
Minimum State Share (\$000):	25.0	Factors:	1,000	4,999	10,000	10,000
Maximum Local Share (%):	30%	For Grant Allocation:	1.5	1.4	1.2	1.0
Minimum Local Share (%):	5%	For Local Share %:	0.1	0.3	0.7	1.0

(A)	(B)	(C)	(D)	(E)	(F)	(Fa)	(H)	(I)	(J)	(K)	(L)
Community	Population	Allocation Population Factor	Local Share % Population Factor	DCRA Assessed Full Value (\$)	Per Capita Value (\$)	Local Wealth Factor	LOCAL SHARE %	STATE SHARE %	STATE SHARE \$000	Leverage Ratio	

**NOTES:**

Col. A - Excludes unincorporated communities outside boroughs, Metlakatla, and seven incorporated communities of uncertain dissolution status (Aklachak, Aimautiluk, Kasigluk, Newtok, Nighthute, Platinum and Tununak).

Col. B - Population figures shown are those used by DCRA for the FY 91 State revenue sharing program.

Col. E - Taxable property full and true value, including oil and gas property, as established by DCRA (State Assessor).

Communities showing a per capita value of \$32,642 are communities with population less than 750 people whose full value (Col. D) has not been assessed. DCRA establishes full values for these communities by calculating a weighted average per capita full valuation for all communities of less than 750 population for which assessments have been made, and multiplying that per capita full value by the populations of the former set of unassessed communities to produce full values for them. Generally, but not exclusively, these unassessed communities lie within the Unorganized Borough, while the set of assessed communities of population less than 750 lies within organized boroughs.

Col. F -

Col. G - Equals local per capita value (Col. E) divided by the statewide average per capita value (bottom of Col. E).

Col. I - Equals product of population factor (Col. C) and local wealth factor (Col. F). The minimum and maximum local shares (percentages) of project cost are shown with the assumptions above the table.

Col. J - Equals 1 minus the local share (Col. G).

Col. K - Equals pro rata share of Total State Funds, based on local population, not of instances where the Minimum State Share (shown above table) is applied.

Col. L - Equals 1 divided by the state share percentage (Col. I).

Source: OMB/JF

File: CSSB 141 (Fin)

C888 141 (Fin)  
Capital Project Matching Grant Program

**CASE 1 - UNINCORPORATED COMMUNITIES**

TOTAL APPROPRIATION: \$50,000,000

MINIMUM GRANT: \$25,000

Allocation (State Share): \$25,000

	State Share	Local Share	Local Match %
Arctic Village	\$25,000	\$1,316	5.0%
Beaver	25,000	1,316	5.0%
Birch Creek	25,000	1,316	5.0%
Central	25,000	1,316	5.0%
Chaikytzik	25,000	1,316	5.0%
Chenega	25,000	1,316	5.0%
Chicken	25,000	1,316	5.0%
Chistochina	25,000	1,316	5.0%
Chitina	25,000	1,316	5.0%
Chuloonawik	25,000	1,316	5.0%
Circle	25,000	1,316	5.0%
Copper Center	25,000	1,316	5.0%
Council	25,000	1,316	5.0%
Crooked Creek	25,000	1,316	5.0%
Delana	25,000	1,316	5.0%
Dot Lake	25,000	1,316	5.0%
Dot Lake Services	25,000	1,316	5.0%
Dry Creek	25,000	1,316	5.0%
Eagle Village	25,000	1,316	5.0%
Eona Bay	25,000	1,316	5.0%
Ekuk	25,000	1,316	5.0%
Elfin Cove	25,000	1,316	5.0%
Evansville	25,000	1,316	5.0%
Four Mile Road Community	25,000	1,316	5.0%
Gakona	25,000	1,316	5.0%
Glenallen	25,000	1,316	5.0%
Gulkana	25,000	1,316	5.0%
Gustavus	25,000	1,316	5.0%
Hamilton	25,000	1,316	5.0%
Healy Lake	25,000	1,316	5.0%
Holla	25,000	1,316	5.0%
Hyder	25,000	1,316	5.0%
Kenny Lake	25,000	1,316	5.0%
King Island	25,000	1,316	5.0%
Kipruk	25,000	1,316	5.0%
Kulawen	25,000	1,316	5.0%
Kotigenak	25,000	1,316	5.0%
Kongiganak	25,000	1,316	5.0%
Katigillingok	25,000	1,316	5.0%
Lima Village	25,000	1,316	5.0%
Livengood	25,000	1,316	5.0%
Manley Hot Springs	25,000	1,316	5.0%
McCarthy	25,000	1,316	5.0%
Mendeltna	25,000	1,316	5.0%
Mentasta	25,000	1,316	5.0%
Minchumina	25,000	1,316	5.0%
Minto	25,000	1,316	5.0%
Myers Chuck	25,000	1,316	5.0%
Nikolski	25,000	1,316	5.0%
Northway	25,000	1,316	5.0%
Oscarville	25,000	1,316	5.0%

	State Share	Local Share	Local Match %
Panguingue Creek	\$25,000	\$1,316	5.0%
Paxson	25,000	1,316	5.0%
Pitka's Point	25,000	1,316	5.0%
Point Baker	25,000	1,316	5.0%
Port Protection	25,000	1,316	5.0%
Portage Creek	25,000	1,316	5.0%
Rampart	25,000	1,316	5.0%
Red Devil	25,000	1,316	5.0%
Stana	25,000	1,316	5.0%
Sleetmute	25,000	1,316	5.0%
Solomon	25,000	1,316	5.0%
Stevens Village	25,000	1,316	5.0%
Stony River	25,000	1,316	5.0%
Takotna	25,000	1,316	5.0%
Tanacross	25,000	1,316	5.0%
Taztlek	25,000	1,316	5.0%
Tazlina	25,000	1,316	5.0%
Telida	25,000	1,316	5.0%
Tetlin	25,000	1,316	5.0%
Tok	25,000	1,316	5.0%
Tolsona	25,000	1,316	5.0%
Tonsina	25,000	1,316	5.0%
Tuntutulik	25,000	1,316	5.0%
Twin Hills	25,000	1,316	5.0%
Venetie	25,000	1,316	5.0%
Whale Pass	25,000	1,316	5.0%
Wiseman	25,000	1,316	5.0%
<b>Total:</b>	<b>\$1,950,000</b>	<b>\$102,632</b>	

*Office of the Governor, Office of Management and Budget*

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSSB 141 FIN

Revision Date: December 9, 1991  
Title: Capital project matching grant program - regulations  
Sponsor: Rules  
Requestor: Governor  
Expenditures/Revenues: (Thousands of Dollars)

Department Affected: Administration  
BRU: Administrative Services  
Component: Administrative Services

COMPONENT SERIAL NO: 0 0 4 6

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONNEL SERVICES	112.0	166.4	174.7	183.4	192.6	202.2
TRAVEL	6.0	6.5	6.6	7.0	7.0	7.5
CONTRACTURAL	2.8	2.8	2.8	2.8	2.8	2.8
SUPPLIES	.5	.5	.6	.6	.6	.6
EQUIPMENT	12.0	1.5	1.5	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
<b>TOTAL OPERATING</b>	<b>133.3</b>	<b>177.7</b>	<b>186.2</b>	<b>193.8</b>	<b>203</b>	<b>213.1</b>

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE</b>	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	133.3	177.7	186.2	193.8	203	213.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>133.3</b>	<b>177.7</b>	<b>186.2</b>	<b>193.8</b>	<b>203</b>	<b>213.1</b>

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

The expenditure detail on page one is based on the addition of three new positions and the upgrading of one of the two existing positions in the Municipal Grants Section.

CONTINUED ON ATTACHED PAGE

Prepared by: Kevin Brooks *Kevin Brooks*  
Division: Administrative Services

Phone: 465-2277  
Date: 12/9/91

Approved by Commissioner: Nancy Bear Usura *Nancy Bear Usura*  
Agency Administration

Date: 12/9/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

The three new positions are an Internal Auditor III, a Grant Administrator II, and an Accounting Clerk III. The existing Administrative Officer II would be upgraded to an Administrative Officer III.

The Municipal Grants Section currently is responsible for the administration of all the grants appropriated under AS 37.05.315. The work of the section includes making grant payments and keeping track of grantee expenditures. Currently, no audit work is being done by the section.

This bill proposes to create a new grant program and adopt and implement regulations for the new program. In order to carry out this mission, the Municipal Grants Section would need a position to do audit work and additional administrative personnel to handle the more complex grant contracts and reports. Writing the regulations called for in the bill would also be the responsibility of the Municipal Grants Section.

It is not anticipated that the total of capital appropriations will be affected by the bill. There will likely be a significant impact on local governments and economies because of the matching requirements that are a part of the bill.

Personal services funding in FY 93 reflects only 3 months for the Internal Auditor position. It is not anticipated that audits will be required until the 4th quarter of the fiscal year.

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS53 141

Revision Date: \_\_\_\_\_ Department Affected: Community & Regional Aff  
 Title: Capital Project Matching Fund BRU: Administration and Support  
Program Component: Administrative Services  
 Sponsor: Governor's Office  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

6	8	4	
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	17.0	17.5	18.1	18.5	19.1	19.6
TRAVEL						
CONTRACTUAL	1.5					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	18.5	17.5	18.1	18.5	19.1	19.6

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	18.5	17.5	18.1	18.5	19.1	19.6
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Remond Henderson, Director *Remond Henderson* Phone: 465-4708  
 Division: Administrative Services Date: 12/12/91  
 Approved by Commissioner: Remond Henderson *Remond Henderson* Les Edge *Les Edge* Blatchford *Blatchford*  
 Agency: Community & Regional Affairs Date: 12/12/91



STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. 0333 41

Revision Date: \_\_\_\_\_ Department Affected: Community & Regional Affairs  
 Title: Capital Project Matching Fund BRU: Employment/Training/Rural Development  
Program Component: Block Grant CIP  
 Sponsor: Governor's Office  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

6	8	2	
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	54.7	56.6	58.5	60.4	62.3	64.3
TRAVEL	5.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	8.5					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	68.2	58.6	60.5	62.4	64.3	66.3
CAPITAL						
REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	68.2	58.6	60.5	62.4	64.3	66.3
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED.

Prepared By: Remond Henderson, Director Phone: 465-4708  
 Division: Administrative Services Date: 12/12/91  
 Approved by Commissioner: Remond Henderson for Edgar Blatchford  
 Agency: Community & Regional Affairs Date: 12/12/91

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Position Title Grant Administrator II		No. of Positions 1	Range / Step 17 A	Barg. Unit GGU
Time Status Full-time	Staff Months 12	Location Juneau		Election District 4
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>		
Salary		39,577		
Benefits		15,153		
Premium Pay				
Other				
Total Personal Services		54,730		
Travel		5,000		
Contractual		8,500		
Commodities				
Equipment				
Other				
Total Cost		68,230		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	68,230		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
		<b>Justification</b> A Grant Administrator II is needed for the new matching block grant program.  This position will:  1) negotiate, write, and administer grant agreements which includes identifying specific project requirements (permits, site control, match, etc.);  2) prepare grant closures and ensure that the terms and conditions of the grant agreements and match have been met and that all funds are expended in accordance with state law and departmental policy;  3) conduct in-depth review of progress and financial reports submitted by grantees and resolve any problems;  4) travel on-site to conduct programmatic and fiscal monitoring;  5) train and conduct workshops on local administration of grants and assist with fiscal accountability.		

## Request For New Position

AGENCY Community and Regional Affairs

BRU Employment/Training/Rural Development

COMPONENT Block Grant CIP

**FY** 91

Page 2 of 2

Revised Date: \_\_\_\_\_



# Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1000

May 6, 1992

Honorable Mike Navarre  
Co-chair, House Finance Committee  
Alaska State Legislature  
Room 511 State Capitol  
Juneau, AK 99801-1182

Dear Representative Navarre:

The Fairbanks North Star Borough enthusiastically supports Governor Hickel's proposed capital projects matching grants program, as proposed in Senate Bill No. 141 (CSSB 141-Finance). The proposed legislation will provide a valuable program approach, insofar as it will allow the local selection and prioritization of projects, facilitate planning for capital projects, ensure local support and responsibility, and effectively leverage the use of State funds in a period when the maximum effectiveness of State funding is increasingly crucial.

In particular, the Borough supports the amendments which the Administration has recently proposed to the House Finance Committee, including the allowance of the use of land and shared taxes and reimbursements as in-kind matching fund sources, the retention of interest earnings on municipal and unincorporated community grant account balances, and the increasing of the proposed minimum grant amount from \$25 thousand to \$50 thousand. These modifications will do much to improve the proposed program's viability, and to help account for the differing fiscal circumstances and capacities of the state's communities.

In this regard, the Fairbanks North Star Borough reiterates its support for SB 141, which it expressed through its Resolution No. 91-031 in April 1991, and urges passage of this proposed program by the Alaska State Legislature.

Sincerely,

Jim Sampson  
Mayor

JS:rlf



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

May 5, 1992

TO: Representatives Mike Navarre and Eileen MacLean,  
Co-Chairs, and  
Members, House Finance Committee

FROM: Scott A. Burgess, Executive Director

RE: CS SB 141 (Fin) - Capital Matching Grants Program  
and Amendments Proposed by Administration

The Alaska Municipal League supports CS SB 141 (Fin), legislation to establish a community capital matching grants program, with the amendments proposed by the Administration. The League membership, in Resolution 92-8, passed in November 1991, indicated their support for the program, with amendments, and the League's Board of Directors identified passage of the program, with amendments, as one of its priority issues for 1992.

AML appreciates the Administration's willingness to consider and accept the League's suggested amendments, which will be discussed below, and urges the Finance Committee to pass an amended version of SB 141 to establish a program of capital improvement block grants that will benefit all of Alaska's communities.

The capital matching grant legislation is intended to provide a program approach to supporting community-based capital projects by allowing local selection of local priorities, ensuring local support and responsibility by requiring local match, and leveraging state funds. It is not intended to supplant any existing state grant program used for funding capital projects statewide, e.g., schools, water and sewer systems, hospitals, and transportation projects. It will provide funds for relatively small and routine projects, the planning, prioritization, and timing of which are most efficiently and effectively undertaken at the local level.

As reaffirmed by the AML Board of Directors on April 30, 1992, AML's support of the capital matching grant proposal depends on adoption of the following amendments, all of which have been proposed by the Administration:

- Increasing the minimum entitlement to \$50,000 - League members found, in evaluating the original program, that it failed to meet the AML criterion of providing a meaningful minimum entitlement. Increasing the minimum entitlement from \$25,000 to \$50,000 will enable the smallest communities to accumulate as much as \$250,000 to spend on a project. AML supports the increase.
- Adding a provision that monies received by a municipality may be spent on any capital project or capital improvement related to functions that the municipality is legally empowered by law to exercise - League members found that in the original bill there was some confusion about which funds received by a borough could be spent for the benefit of which population sectors (i.e., on areawide, non-areawide, or service area

functions). The proposed amendment makes it clear that the borough may spend the capital matching grant funds on any function it is legally empowered to perform.

- **Adding provisions to allow land and other assets of the municipality to be used to satisfy the local share requirement -** AML members believe that a local government should be entitled to use any asset, including its land, to satisfy the local share requirement. Communities should be allowed to use a variety of in-kind contributions, including labor, materials, and land, to meet their required match. The Administration has proposed an amendment that would allow the use of land as a match.

In addition, municipalities should be allowed to use any funds available to them that were not received from the state or federal government for a specific project or purpose. A local government does not segregate revenue sources other than those designated for specific purposes by a granting agency. Once revenues from all sources have lapsed into a local government's fund balance, they become part of the co-mingled fund balance, which is "local revenue" if appropriated at a later date. The Administration has proposed an amendment that would allow for the use of "state taxes refunded or reimbursed to the municipality" and "allocations of state aid for the costs of school construction debt."

In addition to these amendments, which AML requested, the Administration has proposed another amendment that the League and its members can wholeheartedly support: a provision that grant appropriations will be held in individual grant accounts and that interest earned by the funds in each individual grant account will be credited to that account,

With the proposed amendments, the League supports the capital matching grant program as a means of making funds for small-scale capital projects available to all of Alaska's municipalities and of giving local governments additional control over the selection, development, and execution of locally identified priority projects. On behalf of Alaska's local governments, and their citizens, I urge passage of CS SB 141 (Fin), with the amendments proposed by the Administration.