

**SB**

**154**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/19/93

FURTHER:

DATE TURNED INTO OFFICE: 3-23-93

The Finance Committee considered SENATE BILL NO. 154

"An Act relating to the economic development grant program; and providing for an effective date."

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)  
 or  adopt previous \_\_\_\_\_ CS SB 154 (L & C)  
 attaches amendment(s)

same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal
<u>DC &amp; ED</u>	<u>3-22-93</u>	<u>0</u>	

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal
<u>DOA</u>	<u>3-8-93</u>		<u>47.7</u>

Appropriation No Fiscal Note

**DO PASS:**

George Trachsel Jr  
Tim Kelly  
Steve Pinn  
Beck Mack  
[Signature]

1. [Signature] do pass  
 Co-Chair: Signature/Recommendation

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. [Signature] True Notice - 10 Pass  
 Co-Chair: Signature/Recommendation

**FISCAL NOTE**

**BILL NO. CSSB 154**

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

Office of Management and Budget  
Department of Comm. & Reg. Affairs

Revision Date: 3/22/93  
Title: An Act relating to the Economic Development Grant Program;  
and providing for an effective date.  
Sponsor: Senators Jacko, Halford, Pearce, Zharoff, Kelly, Taylor  
Requestor: Senate Finance

Department Affected: Commerce and Economic Development  
BRU: \_\_\_\_\_  
Component: \_\_\_\_\_  
**COMPONENT SERIAL NO.** \_\_\_\_\_

**EXPENDITURES/REVENUES:**

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE FUND SOURCE:</b>	0	0	0	0	0	0
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**FUNDING:**

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

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

Estimate of current year (FY 93) impact: 0

**ANALYSIS: (Attach a separate page if necessary.)**

This CS establishes the Economic Development Grant Program under the Department of Administration with involvement from Office of Management and Budget, Department of Commerce and Economic Development and Department of Community and Regional Affairs. Due to the team administration, no fiscal impact is anticipated.

Prepared by: Wendy Mulder, Legislative Liaison  
Division: Office of the Commissioner

Phone: 465-2500  
Date: \_\_\_\_\_

Approved by Commissioner: Paul Fuhs  
Agency: Commerce and Economic Development

*Paul Fuhs*  
Date: 3-22-93

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FISCAL NOTE

No. 2

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Bill Version: CSSB 154 LFC  
(S) Publish Date: 3-19-93

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the economic development grant program and providing for an effective date."  
Sponsor: Sen Jacko  
Requestor: Sen L&C

Department Affected: Administration  
BRU: Administrative Services  
Component: Administrative Services  
COMPONENT SERIAL NO. 46

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	62.3	62.3	62.3	62.3	62.3	62.3
TRAVEL	1.2	1.2	1.2	1.2	1.2	1.2
CONTRACTUAL	1.0	1.0	1.0	1.0	1.0	1.0
SUPPLIES	.2	.2	.2	.2	.2	.2
EQUIPMENT	3.0	3.0	3.0	3.0	3.0	3.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	67.7	67.7	67.7	67.7	67.7	67.7

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	67.7	67.7	67.7	67.7	67.7	67.7
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	67.7	67.7	67.7	67.7	67.7	67.7

POSITIONS:

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

Estimate of current year (FY93) impact: None

ANALYSIS: (Attach a separate page if necessary.)  
See attached

Prepared by: Sharon Barton, Director  
Division: Administrative Services

Phone: 465-2277  
Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usura  
Agency: Administration

Date: 3-19-93

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CONTINUATION of FISCAL NOTE ANALYSIS  
CSSB 154 (L&C)

The requested position is a Grant Administrator III. The position will be responsible for taking the lead in establishing regulations, evaluating grant applications as a member of the application committee, administering the grant program and performing some audit work. In addition, there will likely be some accounting structure preparation work as well as some fund accounting made necessary by the economic development grants program, that will be performed by the Grant Administrator.

The non-personnel services items are for minimal travel, the purchase of a computer and other associated costs.

No. 1

**FISCAL NOTE**  
**STATE OF ALASKA** Bill Version: SB 154  
**1993 LEGISLATIVE SESSION** (S) Publish Date: 3-19-93

Revision Date: \_\_\_\_\_  
 Title: An Act relating to the economic development grant program:  
and providing for an effective date  
 Sponsor: Senators Jacko, Halford, Pearce, Zhar  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Economic Development  
 Component: \_\_\_\_\_  
 COMPONENT SERIAL NO. \_\_\_\_\_

**EXPENDITURES/REVENUES:**

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	76.4	76.4	76.4	76.4	76.4	76.4
TRAVEL	12.0	12.0	12.0	12.0	12.0	12.0
CONTRACTUAL	15.0	15.0	15.0	15.0	15.0	15.0
SUPPLIES	2.5	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	4.1	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>110.0</b>	<b>105.9</b>	<b>105.9</b>	<b>105.9</b>	<b>105.9</b>	<b>105.9</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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**FUNDING:**

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	110.0	110.0	110.0	110.0	110.0	110.0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

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

Estimate of current year (FY 93) impact: 0

**ANALYSIS: (Attach a separate page if necessary.)**

This will necessitate hiring a Grants Administrator I (R13B) and a Clerk III (R6B) positions to assist existing staff with the administration of the expected 55 annual grant requests this program will generate. The other expenses are all expenses related to this function. There will be an application fee of \$2,000 for each applicant which will generate program receipts of at least \$110,00 annually.

Prepared by: Bonnie Jo Borchick-Savland  
 Division: Economic Development

Phone: 465-2017  
 Date: 3/12/93

Approved by Commissioner: Paul Fuhs  
 Agency: Commerce and Economic Development

Date: 3-16-93

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# Alaska State Legislature

Telephone Number:  
(907) 465-4942

FAX Number:  
(907) 465-2997

Session Address:  
State Capitol, Room 125  
Juneau, Alaska 99801-1182



Chair:  
Rules Committee

Vice-Chair:  
Finance Committee

Member:  
Judiciary Committee  
Legislative Council

## Senator George Jacko

### MEMORANDUM

TO: Senator ~~Dave~~ Pearce, Co-Chair  
Senate Finance Committee

FROM: Senator ~~George~~ Jacko

DATE: March 19, 1993

RE: CSSB154 - Sponsor Statement

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CSSB 154 establishes the Economic Development Grant Program and places directly in statute specific economic criteria that municipalities and Regional Development Organizations (ARDOR's) must meet in order to be eligible.

The Office of Management and Budget will form an evaluation committee with the Departments of Commerce and Economic Development, Community and Regional Affairs and other agencies to prioritize the projects.

The amended version of SB 154 replaces the Department of Commerce and Economic Development as the administering agency with the Department of Administration.

Page Two  
Senator Pearce  
March 19, 1993

The Economic Development Program is unique because for the first time state funds will be available based strictly on economic development standards. SB 154 sets in statute six specific criteria that communities must meet to be eligible.

The criteria include the number of permanent jobs, the amount of state and municipal taxes generated, the level of local maintenance provided and the amount of money contributed from nonstate sources.

The grant money may only be used for construction of a capital project that will increase economic opportunity within the municipality or the region that the organizations represent.

Thank you for considering this request. If you need further information please contact Bryce Edgmon of my staff at 4942.

GJ/be

# Alaska State Legislature

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Juneau, Alaska 99801-1182



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Rules Committee

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Finance Committee

Member:  
Judiciary Committee  
Legislative Council

## Senator George Jacko MEMORANDUM

TO: Senator *Drue* Pearce, Chair  
Senate Finance Committee

FROM: Senator *George* Jacko

DATE: March 17, 1993

RE: CSSB154 - Scheduling request

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I respectfully request a hearing in the Finance Committee for CSSB 154 pending referral from the Labor and Commerce Committee.

CSSB 154 establishes the Economic Development Grant Program and places directly in statute specific economic criteria that entities must meet in order to be eligible. In the original version, municipalities and Alaska Regional Development Organizations submitted to the Department of Commerce economic projects to be recommended to the legislature.

The amended version of SB 154 includes other instrumentalities beyond municipalities and ARDORS for eligibility in the Economic Development Program and replaces the Department of Commerce and Economic Development with the Office of Management and Budget.

Thank you for considering this request. If you need further information please contact Bryce Edgmon of my staff at 4942.

RECEIVED

S

St. George Office:

Anchorage Office:

P.O. Box 988  
St. George, Alaska 99581-0988  
Tel: (907) 858-2263  
Fax: (907) 858-2212

4000 Old Seward Hwy., Suite 301  
Anchorage, Alaska 99503  
Tel: 581-2124  
Fax: (907) 561-4674



Hon. George G. Jacko, Jr.  
Alaska Senate  
State Capital  
Juneau, AK 99801

RE: SB 154

Dear Sen. Jacko:

In support of Senate Bill 154 the City of St. George would like to offer the following comments:

1. The concept of providing substantial matching funds for worthy projects which meet objective statewide economic development criteria is sound and is in fact long overdue.
2. The concern we have is how best can the State maximize short and long term benefits in a timely manner.

For example, St. George is ready to go and can achieve the desired results quickly. That is, two private processing concerns have indicated readiness to initiate \$5 to \$10 million investments each on shore. This represents converting 150 of the 350 seasonal jobs in crab season to year round jobs. Dredging is the only obstacle they face. Engineering is ready, permitting is done.

Neither processors can afford to wait until late 1993 to begin a six month construction project prior to the next January crab season--construction must begin by July 15.

Normally new grant programs take several months to get started. St. George therefore requests the Legislature and Administration to consider ways in which those projects that are truly ready for a "jump start" can proceed in July.

Some mechanisms that have worked well are:

- a. Department of Administration Municipal Grant program and
- b. DOT/PF Transfer of Responsibilities Agreement (TORA)

We have utilized both and recommend them in the case of ready-to-begin projects. Our main concern is timely processing of funding so that the mixture of private and public funds can be achieved in time for the benefits to be realized in early 1994. Thank you for the opportunity to offer comment.

Sincerely yours,

Max Malavansky  
Mayor

Support letters



## Southwest Alaska Municipal Conference

*Putting Resources to Work For People*

3300 Arctic Blvd., Suite 203 • Anchorage, Alaska 99503 • (907) 562-7380 • FAX (907) 562-0438

March 15, 1993

Senator George Jacko, Chairman  
Senate Rules Committee  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Dear Senator Jacko:

At its March 15 meeting, the Executive Committee of the Board of Directors of the Southwest Alaska Municipal Conference (SWAMC) voted to give its unanimous support to SB 154, establishing a fund for municipal economic development projects.

This program is badly needed in Southwest Alaska. Many communities will benefit from this proposed approach, and we applaud your inclusion of ARDORs as eligible to receive funding for economic development endeavors.

We urge you to consider making funds available in FY 94, as there are projects now ready to begin construction and could mobilize immediately at the start of the new fiscal year. These projects include dredging in St. George, utility extensions to the new dock in False Pass, water line and storage upgrades to serve dock facilities in St. Paul, construction of the only public dock in Egegik, water lines in Unalaska, expansion of the boat harbor in Kodiak, a boat harbor in Chignik, and the hydroelectric project in King Cove.

Thank you again for introducing SB 154 and we look forward to working with you toward its passage.

Sincerely,

Marideth Sandler AICP  
Executive Director



CITY OF  
**DILLINGHAM**  
A L A S K A

RECEIVED MAR 12 1993

March 10, 1993

Senator George Jacko  
State Capital, Room 125  
Juneau, AK 99801-1182

**Subject: Economic Development Legislation, Senate Bill #154**

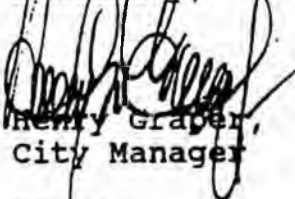
Dear Senator Jacko;

I have had an opportunity to review the material which was faxed to my office concerning Senate Bill #154. I believe that the Mayor and City Council and myself would wholeheartedly endorse your efforts to have this bill become a reality. We need all of the support that we can get from the legislature when it comes to Economic Development Grants. We have a number of projects but the one which is most brought to my mind at this time is the renovation and reconstruction of the cold storage dock facility. The cold storage dock facility which is leased by Peter Pan Seafoods needs approximately \$700,000 worth of work done to it. In the event that this work is not done we will not be able to use the dock during the 1994/95 fishing season. We would then lose our lease with Peter Pan and would find ourselves in the position where approximately 300 jobs would be lost to the City of Dillingham.

We realize that a number of these jobs which would be lost are not jobs which are filled by Dillingham people, but they do have an adverse effect upon the economy of the City of Dillingham. Therefore this project is very important to us and possibly could be addressed in Senate Bill #154 where it becomes a state law.

In the event that we can be of any further help to you in support of this bill, please don't hesitate to contact us.

Sincerely,



Henry Graper,  
City Manager

HG:ad

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

*gmd*

DATE: 3/9/93

FURTHER: FINANCE

Date of 5-Day Notice: 3/11/93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/18/93

L&C Committee considered SB 154

"An Act relating to the economic development grant program) and providing for an effective date."

and recommends it be replaced with

and recommends:

replace with \_\_\_\_\_ CS SB 154 (L&C)

attaches amendment(s)

*+ repts it back as follows*

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*2 FON's*

FISCAL NOTE INFORMATION

	Department	Date	Zero	Fiscal
<b>CS</b>	DOA	2/18'		67.7K
<b>SB</b>	DCED	3/12		110.0

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

True / Lance

**OTHER RECOMMENDATIONS:**

~~(2) Best Always No Rec~~  
~~(2) Above Rec No Rec~~

*signed before  
C&C report accepted  
3/19*

(1) Tim Kelly - Do Pass

Chair: Signature and Recommendation