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FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/10/93

FURTHER:

DATE TURNED INTO OFFICE: 4-21-93

The Finance Committee considered **SENATE BILL NO. 88**

"An Act relating to grants to municipalities, named recipients, and unincorporated communities; establishing capital project matching grant programs for municipalities and unincorporated communities; establishing a local share requirement for capital project grants to municipalities, named recipients, and unincorporated communities; and providing for an effective date."

and recommends:

replace with CS SB 88 (FINANCE)
 or adopt previous CS _____
 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
SFC-DCRA	4-14-93		103.3
SFC-DDA	4-14-93		107.8
DCRA Munic.	4-14-93	Shows	70

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
#7 DCRA Train.	2-26-93		10.0
#4 DEC	1-28-93	0	
#5 DOLabor	1-28-93	0	
#6 DCVED	1-28-93	0	

Appropriation No Fiscal Note

DO PASS:

1. David Do-Pass
 Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

Sen. Sharp No Rec
Tim Kelly No Rec
Greg Taylor No Rec
Steve Rios No Rec
John H. ... No Rec
 2. Steve Rios - 10/1/93
 Co-Chair: Signature/Recommendation

FISCAL NOTE

No. 6

Bill Version: SB 88

(S) Publish Date: 2-3-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____

Title: Establishing the Capital Matching Grants Program

Sponsor: Rules

Requestor: Governor

Department Affected: Commerce and Economic Development

BRU: All

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
TOTAL OPERATING	0	0	0	0	0	0

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	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year (FY 93) impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Changes in CSSA88(CRM) have no fiscal impact. This fiscal note is appropriate.

3/1/93 date A. Anthony Comte Aide (initial)

Prepared by: Guy Bell, Director

Division: Administrative Services

Phone: 465-2505

Date: January 27, 1993

Approved by Commissioner: Paul Fuhs *[Signature]*

Agency: Commerce and Economic Development

Date: 1-28-93

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FISCAL NOTE

No. 5 *11-*
Version: SB 88

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO : (S) Publish Date: 2-3-93

Revision Date: _____
Title: "An Act relating to ... capital project
matching grant programs ..."
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Labor
BRU: All
Component: All

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

Changes in CSS888 (CFA) have no fiscal impact. This fiscal note is appropriate.

ANALYSIS: (Attach a separate page if necessary)

3/9/93 J. Armstrong
date Comte Aide (initial)

Prepared by: David Teal, Director Phone: 465-5981
Division: Administrative Services Date: 1/28/93

Approved by Commissioner: Charles W. Mahlen
Agency: Department of Labor Date: 1/28/93

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FISCAL NOTE

Bill No. 4

Bill Version: SB 88

(S) Publish Date: 2-3-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____
Title: Capital Matching Grants
Sponsor: Governor
Requestor: Governor

Department Affected: Environmental Conservation
BRU: Facilities, Construction & Operation
Component: Facilities Construction

COMPONENT SERIAL NO. 673

EXPENDITURES, REVENUES: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF MATCH	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/PROGRAM RECPT	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS: NONE

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ NONE

<p>ANALYSIS: (Attach a separate page if necessary.)</p> <p style="text-align: center; margin-top: 20px;">See attached</p>	<p>Changes in <u>CS SB 88 (CFA)</u> have no fiscal impact. This fiscal note is appropriate.</p> <p style="text-align: right;"> <u>3/9/93</u> <u>J. Aubrey</u> date Comte Aide (initial) </p>
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Prepared by: Janice Adair
Division: Commissioner's Office

Phone: 465-5010
Date: 1/28/93

Approved by Commissioner: Janice Adair
Agency: Department of Environmental Conservation

Date: 4/28/93

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

The capital matching grants bill does not impact the three (3) capital construction grant programs currently within the Department of Environment Conservation's authority.

AS 46.03.030 establishes a 50% matching program for municipalities for the construction of public water supplies, treatment and distributions systems and public sewage collection, and treatment and discharge facilities.

AS 46.03.032 establishes the Alaska Clean Water fund to meet federal matching requirements for sewer facility construction as well as a State Clean Water Fund (which has not been capitalized) to fund both solid waste management and public drinking water facilities.

AS 46.07 establishes the Village Safewater program. AS 46.07.040 specifically states that "A contribution toward the cost of the construction of a facility may not be required from its users."

None of these statutes are amended or repealed by the proposed legislation.

Before DEC will forward any request for a capital construction project on to OMB for funding consideration, we actively work with the local governments in both the municipalities and the villages to ensure the project is supported, and can be operated and maintained by the community. We have long considered the ability and willingness of the community to financially support both the operations and maintenance of the facility as the kind of support that is indicative of a successful village project.

FISCAL NOTE

No. 7

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: CSSB 88 CRA

(S) Publish Date: 3-10-93

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: Capital Project Matching Grants BRU: Local Government Assistance
 Component: Training & Development
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 672

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.0	10.0	10.0	10.0	10.0	10.0

CAPITAL						
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REVENUE FUND SOURCE:	1004	1004	1004	1004	1004	1004
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10.0	10.0	10.0	10.0	10.0	10.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	10.0	10.0	10.0	10.0	10.0	10.0

POSITIONS:

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

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This amended request for \$5,000 in contractual and \$5,000 in travel will be divided equally among MRAD's five regional offices. This will provide a little over \$80 per month for additional telephone, postage, and copier expense and funds for approximately two trips per field office.

Prepared by: Remond Henderson
 Division: Administrative Services
 Approved by Commissioner: Frank R. Light
 Agency: Dept. of Community & Regional Affairs

Phone: 465-4708
 Date: 2/26/93
 Date: 2/26/93

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FISCAL NOTE

Revision Date: 4/14/93 Affected Agency: DC&RA

Title: "An Act relating to BRU: Admin.& Support grants to municipalities..."

Sponsor: Rules Components: Admin. Services

Requestor: Comp.Ser.No.: 684

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services	97.8	97.8	97.8	97.8	97.8	97.8
Travel	2.0	2.0	2.0	2.0	2.0	2.0
Contractual	3.0	3.0	3.0	3.0	3.0	3.0
Supplies	0.5	0.5	0.5	0.5	0.5	0.5
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	103.3	103.3	103.3	103.3	103.3	103.3

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

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

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	103.3	103.3	103.3	103.3	103.3	103.3
Federal Fund						
Other						
TOTAL	103.3	103.3	103.3	103.3	103.3	103.3

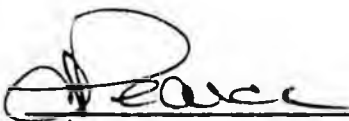
POSITIONS:

Full-Time	2	2	2	2	2	2
Part-Time						
Temporary						

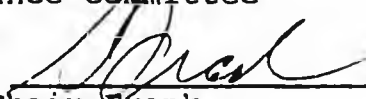
Est.of FY93 impact: 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Fund Grants Administrator III and Accounting Clerk III

Prepared By:  Co-Chair Pearce
Senate Finance Committee

Date: 4/14/93
Phone: 465-4993

Prepared By:  Co-Chair Frank
Senate Finance Committee

Date: 4/14/93
Phone: 465-3709

#6

FISCAL NOTE

Revision Date: 4/14/93 Affected Agency: Admin.

Title: "An Act relating to BRU: Admin.Services
grants to municipalities..."

Sponsor: Rules Components: Admin.Services

Requestor: Comp.Ser.No.: 46

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services	99.3	99.3	99.3	99.3	99.3	99.3
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Contractual	3.0	3.0	3.0	3.0	3.0	3.0
Supplies	0.5	0.5	0.5	0.5	0.5	0.5
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	107.8	107.8	107.8	107.8	107.8	107.8

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

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

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	107.8	107.8	107.8	107.8	107.8	107.8
Federal Fund						
Other						
TOTAL	107.8	107.8	107.8	107.8	107.8	107.8

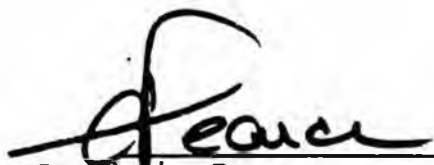
POSITIONS:

Full-Time	2	2	2	2	2	2
Part-Time						
Temporary						

Est.of FY93 impact: 0.0

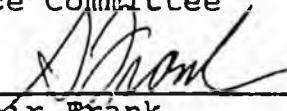
ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Fund Internal Auditor III and Accounting Clerk III.



Prepared By: Co-Chair Pearce
Senate Finance Committee

Date: 4/14/93
Phone: 465-4993



Prepared By: Co-Chair Frank
Senate Finance Committee

Date: 4/14/93
Phone: 465-3709

Municipal Fiscal Impact Note
(AS 24.08.035(e))

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSB 88

Revision Date: 3/10/93 Municipalities Affected: All municipalities
 Title: Capital Project Match Program
 Requested By: Senate Finance
 Sponsor: Governor

Municipal Costs: (Thousands of Dollars)

Operating	FY93	FY94	FY95	FY96	FY97	FY98
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
Total Operating	***	-0-	-0-	-0-	-0-	-0-

Capital						
---------	--	--	--	--	--	--

Funding (Thousands of Dollars)

Property Taxes						
Sales Taxes						
User Fees						
Federal Receipts						
State Receipts						
Other						
Total	***	-0-	-0-	-0-	-0-	-0-

Positions

Full-Time						
Part-Time						

Analysis: This bill establishes a Capital Project Matching Grant Program and a Local Share requirement, both of which require a local funding match for certain state-funded capital projects. While these local match costs potentially represent a new fiscal effort for municipalities, these costs would only be incurred in the event, and to the degree, that municipalities choose to pursue capital projects subject to the requirements of this bill. See attached OMB analysis. See attached page.

Prepared by: Remond Henderson Phone: 465-4708
 Division: Administrative Services Date: 4/14/93
 Approved by: Ben R. Jantz Deputy Commissioner Date: 4/14/93
 Commissioner: Ben R. Jantz Deputy Commissioner
 Agency: Department of Community and Regional Affairs

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CS SB 88 (FIN)
Capital Project Matching Grant Program

MUNICIPALITIES - FISCAL IMPACTS

<u>Municipality</u>	<u>Local Share Percentage</u>
Akiok (KIB).....	5.0%
Akiak.....	5.0%
Akutan (AEB).....	5.0%
Alakanuk.....	5.0%
Aleknagik.....	5.0%
Aleutians East Borough (AEB):.....	8.0%
Allakaket.....	5.0%
Ambler (NAB).....	5.0%
Anaktuvuk Pass (NSB).....	5.0%
Anchorage, Municipality of.....	30.0%
Anderson (DB).....	5.0%
Angoon.....	5.0%
Aniak.....	5.0%
Anvik.....	5.0%
Atka.....	5.0%
Atmautluak.....	5.0%
Atkasuk (NSB).....	5.0%
Barrow (NSB).....	15.0%
Bethel.....	15.3%
Bettles.....	5.0%
Brevig Mission.....	5.0%
Bristol Bay Borough:.....	15.0%
Buckland (NAB).....	5.0%
Chetomak.....	5.0%
Chevak.....	5.0%
Chignik (LPB).....	5.0%
Chuathbaluk.....	5.0%
Clark's point.....	5.0%
Coltman cove.....	5.0%
Cold bay (AEB).....	5.0%
Cordova.....	15.0%
Craig.....	15.0%
Deering (NAB).....	5.0%
Delta Junction.....	5.0%
Denali Borough (DB):.....	15.0%
Dillingham.....	15.0%
Diomedes.....	5.0%
Eagle.....	5.0%
Eek.....	5.0%
Ekwok.....	5.0%
Elm.....	5.0%
Emmonak.....	5.0%
Fairbanks (FNSB).....	30.0%
Fairbanks North Star Borough (FNSB):.....	30.0%
False Pass (AEB).....	5.0%
Fort Yukon.....	5.0%
Galena.....	5.0%
Gambell.....	5.0%
Golovin.....	5.0%
Goodnews Bay.....	5.0%
Grayling.....	5.0%
Haines (HB).....	15.0%
Haines Borough (HB):.....	10.9%
Holy Cross.....	5.0%
Homer (KPB).....	18.6%
Hoonah.....	5.0%

MUNICIPALITIES - FISCAL IMPACTS

<u>Municipality</u>	<u>Local Share Percentage</u>
Hooper Bay.....	5.0%
Houston (MSB).....	5.0%
Hughes.....	5.0%
Huslia.....	5.0%
Hydaburg.....	5.0%
Juneau, City and Borough of (JCB).....	30.0%
Kachemak (KPB).....	5.0%
Kake.....	5.0%
Kaktovik (NSB).....	5.0%
Kaktag.....	5.0%
Kasaan.....	5.0%
Kasigluk.....	5.0%
Kenai (KPB).....	30.0%
Kenai Peninsula Borough (KPB).....	30.0%
Ketchikan (KGB).....	30.0%
Ketchikan Gateway Borough (KGB).....	30.0%
Kiana (NAB).....	5.0%
King Cove (AEB).....	5.0%
Kivalina (NAB).....	5.0%
Klawock.....	5.0%
Kobuk (NAB).....	5.0%
Kodiak (KIB).....	30.0%
Kodiak Island Borough (KIB).....	30.0%
Kotlik.....	5.0%
Kotzebue (NAB).....	15.0%
Koyuk.....	5.0%
Koyukuk.....	5.0%
Kupreanof.....	5.0%
Kwethluk.....	5.0%
Lake and Peninsula Borough (LPB).....	6.4%
Larsen Bay (KIB).....	5.0%
Lower Kachikag.....	5.0%
Manokotak.....	5.0%
Marshall (Fortuna Ledge).....	5.0%
Matanuska-Susitna Borough.....	30.0%
McGrath.....	5.0%
Mekoryuk.....	5.0%
Mellakata.....	15.0%
Mountain Village.....	5.0%
Napakiaik.....	5.0%
Napakiaik.....	5.0%
Nenana.....	5.0%
New Stuyahok.....	5.0%
Newhalen (LPB).....	5.0%
Newtok.....	5.0%
Nightmute.....	5.0%
Nikolai.....	5.0%
Nome.....	15.0%
Nondalton (LPB).....	5.0%
Noorvik (NAB).....	5.0%
North Pole (FNSB).....	15.0%
North Slope Borough (NSB).....	30.0%
Northwest Arctic Borough (NAB).....	24.6%
Nulqsut (NSB).....	5.0%
Nulato.....	5.0%
Nunapitchuk (Akolmiut).....	5.0%

MUNICIPALITIES - FISCAL IMPACTS

<u>Municipality</u>	<u>Local Share Percentage</u>
Old Harbor (KIB).....	5.0%
Ouzinkie (KIB).....	5.0%
Palmer.....	15.0%
Pelican.....	5.0%
Petersburg.....	15.7%
Pilot Point (LPB).....	5.0%
Pilot Station.....	5.0%
Platinum.....	5.0%
Point Hope (NSB).....	5.0%
Port Alexander.....	5.0%
Port Heiden (LPB).....	5.0%
Port Lions (KIB).....	5.0%
Quinhagak.....	5.0%
Ruby.....	5.0%
Russian Mission.....	5.0%
Sand Point (AEB).....	15.0%
Savoonga.....	5.0%
Saxman (KGB).....	5.0%
Scammon Bay.....	5.0%
Selawik (NAB).....	5.0%
Seldovia (KPB).....	5.0%
Seward (KPB).....	15.5%
Shageluk.....	5.0%
Shaktolik.....	5.0%
Sheldon Point.....	5.0%
Shishmaref.....	5.0%
Shungnak (NAB).....	5.0%
Sitka, City and Borough of (SCB).....	30.0%
Skagway.....	7.1%
Soldotna (KPB).....	18.1%
St. George.....	5.0%
St. Mary's.....	5.0%
St. Michael.....	5.0%
St. Paul.....	5.4%
Stebbins.....	5.0%
Tanana.....	5.0%
Teller.....	5.0%
Tenakee Springs.....	5.0%
Thome Bay.....	5.0%
Togiak.....	5.0%
Toksook Bay.....	5.0%
Tuluksak.....	5.0%
Tununak.....	5.0%
Unalakleet.....	5.0%
Unalaska.....	24.9%
Upper Kalskag.....	5.0%
Valdez.....	30.0%
Wainwright (NSB).....	5.0%
Wales.....	5.0%
Wasilla.....	20.1%
White Mountain.....	5.0%
Whittier.....	5.0%
Wrangell.....	15.0%
Yakutat.....	5.0%

*Adopted 6-1
4-21-93*

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 88(FIN)

BY SENATOR FRANK

✓ Page 14, lines 1 - 9;

Delete all material.

Renumber the following bill sections accordingly.

✓ Page 14, line 10:

Delete "12"

Insert "11"

SENATE FINANCE
COMMITTEE

Amendment Number: 3

Bill Number: SB 88

Sponsor: Frank Date: 4/21/93

Logged In By: (FR)

Page 14, after line 14:

OK

Insert a new subsection to read:

"(c) Notwithstanding provisions relating to lists of projects and appropriations for projects in AS 37.06.010(d) and (e) and AS 37.06.020(e) and (f), as added by sec. 9 of this Act, the office of management and budget shall select projects to be funded with money allocated to individual grant accounts from an appropriation that takes effect during fiscal year 1994. Selections shall be made from a list of proposed projects submitted in writing ^{by the grantee} and signed by each legislator representing the area in which the projects will be constructed. The Department of Administration shall make grants during fiscal year 1994 for the projects selected by the office of management and budget from the individual grant accounts of municipalities, and the Department of Community and Regional Affairs shall make grants during fiscal year 1994 for the projects selected by the office of management and budget from individual grant accounts of unincorporated community individual grant accounts."

*Adopted 6-1
Rieger opposed.*

8-GS1018J ✓

Cook

4/14/93

admitted
4-20-93

CS FOR SENATE BILL NO. 88(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to grants to municipalities, named recipients, and unincorporated
 2 communities; establishing capital project matching grant programs for municipalities
 3 and unincorporated communities; establishing a local share requirement for capital
 4 project grants to municipalities, named recipients, and unincorporated communities;
 5 and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

13 (b) It is the purpose of this Act to

1 (1) provide a capital project funding system that is equitable to municipalities,
2 unincorporated communities, and named grant recipients throughout the state;

3 (2) enhance the role of communities in initiating and prioritizing the
4 construction of capital projects;

5 (3) encourage a sense of local ownership in capital projects by requiring local
6 participation in the funding of those projects; and

7 (4) improve the process for making grants for capital projects by providing a
8 more orderly and thoughtful planning process that involves the local community, the executive
9 branch, and the legislature.

10 * **Sec. 2.** AS 36.10.180(a) is amended to read:

11 (a) The preferences established in AS 36.10.150 - 36.10.175 apply to work
12 performed

13 (1) under a contract for construction, repair, preliminary surveys,
14 engineering studies, consulting, maintenance work, or any other retention of services
15 necessary to complete a given project that is let by the state or an agency of the state,
16 a department, office, state board, commission, public corporation, or other
17 organizational unit of or created under the executive, legislative, or judicial branch of
18 state government, including the University of Alaska and the Alaska Railroad
19 Corporation, or by a political subdivision of the state including a regional school board
20 with respect to an educational facility under AS 14.11.020;

21 (2) on a public works project under a grant to a municipality under
22 AS 37.05.315 or AS 37.06.010;

23 (3) on a public works project under a grant to a named recipient under
24 AS 37.05.316;

25 (4) on a public works project under a grant to an unincorporated
26 community under AS 37.05.317 or AS 37.06.020; and

27 (5) on any other public works project or construction project that is
28 funded in whole or in part by state money.

29 * **Sec. 3.** AS 37.05.315(a) is amended to read:

30 (a) When an amount is appropriated or allocated as a grant to a municipality,
31 the Department of Administration shall promptly notify the municipality of the

1 availability of the grant. When the Department of Administration receives an
2 agreement executed by the municipality which provides that the municipality (1) will
3 spend the grant for the purposes specified in the appropriation or allocation; (2) will
4 allow, on request, an audit by the state of the uses made of the grant; and (3) assures
5 that, to the extent consistent with the purpose of the appropriation or allocation, the
6 facilities and services provided with the grant will be available for the use of the
7 general public, the Department of Administration shall pay the grant directly to the
8 municipality. The agreement executed by a municipality under this section shall be
9 on a form furnished by the Department of Administration and shall be executed within
10 60 days after the effective date of the appropriation or allocation. As provided in
11 AS 37.06.030, for each grant to a municipality under this section for a capital
12 project, as defined in AS 37.07.120, the municipality shall contribute a local share
13 of the cost of the capital project for which the grant is made.

14 * Sec. 4. AS 37.05.316(a) is amended to read:

15 (a) When an amount is appropriated or allocated to a department as a grant for
16 a named recipient that is not a municipality, the department to which the appropriation
17 or allocation is made shall promptly notify the named recipient of the availability of
18 the grant and request the named recipient to submit a proposal to provide the goods
19 or services specified in the appropriation act for which the appropriation or allocation
20 is made. At the same time, the department may issue a request for proposals from
21 other qualified persons to provide the same goods or services in the same area. The
22 department shall award the grant to the named recipient unless the Office of the
23 Governor, with due regard for the local expertise or experience of those making
24 proposals, determines that an award to a different party would better serve the public
25 interest. If the grant is awarded to a party other than that named by the legislature,
26 the basis of that action shall be stated in writing at the time the grant is issued and a
27 copy of the written statement shall be sent to the Legislative Budget and Audit
28 Committee. A grant agreement must be executed within 60 days after the effective
29 date of the appropriation or allocation. As provided in AS 37.06.030, for each grant
30 made under this section for a capital project, as defined in AS 37.07.120, the
31 named grant recipient shall contribute a local share of the cost of the capital

1 **project for which the grant is made.**

2 * **Sec. 5.** AS 37.05.317(a) is amended to read:

3 (a) When an amount is appropriated or allocated as a grant under this section
4 to an unincorporated community, it shall be disbursed as follows:

5 (1) Within 45 days after the effective date of the appropriation or
6 allocation, the Department of Community and Regional Affairs shall notify the
7 governing body of the unincorporated community, if any, that a grant is available.

8 (2) The Department of Community and Regional Affairs shall
9 determine if there is a qualified incorporated entity in the community area that will
10 agree to receive the grant and administer it, subject to terms generally applicable to
11 private grantees. If there is more than one such entity, the Department of Community
12 and Regional Affairs shall select the most qualified and the grant shall be awarded to
13 that incorporated entity for the purposes specified in the appropriation act. However,
14 the Department of Community and Regional Affairs shall give preference to a
15 nonprofit corporation organized by a community for receipt of the grant.

16 (3) If there is no incorporated entity qualified to receive the grant, the
17 **grant may not be awarded** [DEPARTMENT OF COMMUNITY AND REGIONAL
18 AFFAIRS SHALL ADMINISTER THE PROGRAM AS SPECIFIED IN THE
19 APPROPRIATION ACT DIRECTLY OR THROUGH AGENTS OR CONTRACTORS
20 WITH WHOM IT MAY CONTRACT IN THE COMMUNITY AREA].

21 * **Sec. 6.** AS 37.05.317 is amended by adding a new subsection to read:

22 (c) As provided in AS 37.06.030, for each grant to an unincorporated
23 community under this section for a capital project, as defined in AS 37.07.120, the
24 incorporated entity to whom the grant is awarded shall contribute a local share of the
25 cost of the capital project for which the grant is made.

26 * **Sec. 7.** AS 37.05.318 is repealed and re-enacted to read:

27 **Sec. 37.05.318. ADOPTION OF REGULATIONS.** (a) The Department of
28 Administration for grants under AS 37.05.315, the Department of Community and
29 Regional Affairs for grants under AS 37.05.317, and a department that administers a
30 grant under AS 37.05.316

31 (1) may adopt regulations that impose additional requirements or

1 procedures to implement, interpret, make specific, or otherwise carry out the applicable
2 provisions of AS 37.05.315 - 37.05.317 for grants administered by the department;

3 (2) shall adopt regulations providing for periodic audits of the use of
4 money for grants administered by the department, including audit of the department's
5 determination of the value of, and adequacy of the verification of the actual use of,
6 locally funded or contributed labor under AS 37.06.030 on capital projects funded
7 under AS 37.05.315 - 37.05.317.

8 * **Sec. 8.** AS 37.05.321 is amended by adding a new subsection to read:

9 (b) No more than 10 percent of the total amount of money spent on land
10 acquisition, planning, design, or construction of a capital project funded in whole or
11 in part with money granted under AS 37.05.315 - 37.05.317 may be used for
12 administrative expenses. No more than five percent of the total amount of money
13 spent on acquisition of equipment and equipment repair costs for a capital project
14 funded in whole or in part with money granted under AS 37.05.315 - 37.05.317 may
15 be used for administrative expenses.

16 * **Sec. 9.** AS 37 is amended by adding a new chapter to read:

17 **CHAPTER 06. CAPITAL PROJECT MATCHING GRANT PROGRAMS.**

18 **Sec. 37.06.010. MUNICIPAL CAPITAL PROJECT MATCHING GRANT**
19 **PROGRAM.** (a) The municipal capital project matching grant program is established
20 in the department. Grants to municipalities under this program shall be administered
21 as provided in this section.

22 (b) The municipal capital project matching grant fund is established in the
23 department and consists of appropriations to the fund. Appropriations to the fund do
24 not lapse except as provided in (f) of this section. The money in the fund is held by
25 the department in custody under this subsection for each municipality. The department
26 shall establish, for each municipality, an individual grant account within the fund. As
27 provided in this subsection, each fiscal year the department shall allocate, to the
28 individual grant accounts, appropriations to the fund. The department shall credit
29 interest earned on money in an individual grant account to that account. Except as
30 provided in (c) of this section, the amount allocated under this subsection to an
31 individual grant account in a fiscal year is determined by multiplying the total amount

1 appropriated to the fund during that fiscal year by a fraction,

2 (1) the numerator of which equals for a municipality with a population

3 (A) under 1,000, the amount equal to that population multiplied
4 by 1.5;

5 (B) of at least 1,000 but less than 5,000, the amount equal to
6 that population multiplied by 1.4;

7 (C) of at least 5,000 but not greater than 10,000, the amount
8 equal to that population multiplied by 1.2;

9 (D) of over 10,000, the amount equal to that population; and

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

12 (c) A minimum of \$25,000 shall be allocated to each municipality's individual
13 grant account each fiscal year under (b) of this section. The department shall reduce
14 allocations under (b) of this section on a pro rata basis, based upon the population of
15 the municipalities, if necessary to fund the minimum amount for each municipality.
16 If appropriations are not sufficient to fully fund the minimum amount for each
17 municipality, the amount appropriated shall be allocated equally among the
18 municipality individual grant accounts.

19 (d) By October 1 of each fiscal year, each municipality shall submit to the
20 governor a prioritized list of capital projects and estimated costs to be financed with
21 money from the municipality's individual grant account established under (b) of this
22 section. The list must include the amount and source of the local share required by
23 AS 37.06.030. The governor shall include in the capital improvements program
24 presented to the legislature under AS 37.07.060 the projects submitted by each
25 municipality that the governor recommends for funding. If, in the capital
26 improvements program, the governor includes projects in other than the priority order
27 submitted by a municipality, the governor shall provide the legislature with a written
28 statement of the reasons for that action.

29 (e) The legislature may make appropriations from a municipality's individual
30 grant account established under (b) of this section to the municipality for capital
31 projects under this section. Subject to appropriations under this subsection and to the

1 local share requirements of AS 37.06.030, each municipality may draw amounts from
2 its individual grant account for a capital project, in accordance with an appropriation
3 for that project. In accepting a draw, the municipality covenants with the state that
4 it will provide for the operation and maintenance of the capital project for which the
5 draw is used for the practical life of the project, and acknowledges that the state is not
6 responsible for operating or maintaining the capital project or for paying for its
7 operation or maintenance. This requirement does not apply to use of money from a
8 draw for repair or improvement of an existing facility that is operated or maintained
9 by the state at the time that the draw is made if the repair or improvement for which
10 the draw is used will not substantially increase the operating or maintenance costs to
11 the state. No more than 10 percent of the total amount of money spent on land
12 acquisition, planning, design, or construction of a capital project funded in whole or
13 in part with money appropriated under this subsection may be used for administrative
14 expenses. No more than five percent of the total amount of money spent on
15 acquisition of equipment and equipment repair costs for a capital project funded in
16 whole or in part with money appropriated under this subsection may be used for
17 administrative expenses. If a municipality provides grant money from a draw to
18 another recipient, the municipality may not use any of the money from the draw for
19 administrative expenses. The municipality and its agents, contractors, and
20 subcontractors shall comply with the hiring preferences under AS 36.10 in hiring
21 employees to be paid wholly or in part with money from a draw.

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

29 (g) For purposes of this section, in calculating the population of a borough the
30 population of each city in the borough is excluded. The determination of population
31 shall be based upon data used by the Department of Community and Regional Affairs

1 under AS 14.17.140, AS 29.45.110, and AS 29.60.140 - 29.60.150.

2 (h) The provisions of AS 37.05.321 apply to a grant and draws made under
3 this section, and to earnings from the grant and draws.

4 (i) In this section, unless specified otherwise, "department" means the
5 Department of Administration.

6 Sec. 37.06.020. UNINCORPORATED COMMUNITY CAPITAL PROJECT
7 MATCHING GRANT PROGRAM. (a) The unincorporated community capital project
8 matching grant program is established in the department. Grants to unincorporated
9 communities under the program shall be administered as provided in this section.

10 (b) The unincorporated community capital project matching grant fund is
11 established in the department and consists of appropriations to the fund.
12 Appropriations to the fund do not lapse except as provided in (h) of this section. The
13 money in the fund is held by the department in custody under this subsection for each
14 unincorporated community eligible for an allocation under this subsection. The
15 department shall establish an individual grant account within the fund for each
16 unincorporated community that was entitled to receive state aid under AS 29.60.140
17 during the preceding fiscal year. As provided in this subsection, each fiscal year the
18 department shall allocate, to the individual grant accounts, appropriations to the fund.
19 An unincorporated community is eligible for an allocation in a fiscal year if the
20 community was eligible to receive state aid under AS 29.60.140 during the preceding
21 fiscal year. The department shall credit interest earned on money in an individual
22 grant account to that account. Except as provided in (c) of this section, the amount
23 allocated under this subsection to an individual grant account in a fiscal year is
24 determined by dividing the total amount appropriated to the fund during that fiscal year
25 by the number of unincorporated communities eligible for an allocation during that
26 fiscal year.

27 (c) A minimum of \$25,000 shall be allocated to each eligible unincorporated
28 community's grant account each fiscal year under (b) of this section. If appropriations
29 are not sufficient to fully fund the minimum amount for each eligible unincorporated
30 community, the amount appropriated shall be allocated equally among the eligible
31 unincorporated communities.

1 (d) The department shall designate, in each eligible unincorporated community,
2 an incorporated nonprofit entity or a Native village council that agrees to receive and
3 spend grant money allocated to the unincorporated community's individual grant
4 account under (b) of this section. If there is more than one qualified entity in a
5 community, the department shall designate the entity that the department finds most
6 qualified to make draws from that unincorporated community's individual grant
7 account and spend the money. If there is no qualified incorporated nonprofit entity or
8 Native village council in an unincorporated community that will agree to receive and
9 spend money allocated to the community under (b) of this section, draws may not be
10 made from the unincorporated community's individual grant account and the amount
11 allocated to the account lapses into the general fund.

12 (e) By October 1 of each fiscal year, the incorporated nonprofit entity or
13 Native village council designated by the department under (d) of this section shall
14 submit to the governor a prioritized list of capital projects and estimated costs to be
15 financed with money from the community's individual grant account established under
16 (b) of this section. The list must include the amount and source of the local share
17 required by AS 37.06.030. The governor shall include in the capital improvements
18 program presented to the legislature under AS 37.07.060 the projects submitted by
19 designated entities under this subsection that the governor recommends for funding.
20 If, in the capital improvements program, the governor includes projects in other than
21 the priority order submitted by a designated entity, the governor shall provide the
22 legislature with a written statement of the reasons for that action.

23 (f) The legislature may make appropriations, from an unincorporated
24 community's individual grant account established under (b) of this section, for the
25 unincorporated community for capital projects under this section. Subject to
26 appropriations under this subsection and to the local share requirements of
27 AS 37.06.030, an entity designated by the department under (d) of this section may
28 draw, on behalf of the unincorporated community, amounts from that community's
29 individual grant account for a capital project in accordance with an appropriation for
30 that project. In accepting a draw, an entity designated by the department under (d) of
31 this section acknowledges that the state is not responsible for operating or maintaining

1 a capital project for which the draw is used, or for paying for its operation or
2 maintenance. The acknowledgment does not apply to use of money from a draw for
3 repair or improvement of an existing facility that is operated or maintained by the state
4 at the time that the draw is made if the repair or improvement for which the draw is
5 used will not substantially increase the operating or maintenance costs to the state. No
6 more than 10 percent of the total amount of money spent on land acquisition, planning,
7 design, or construction of a capital project funded in whole or in part with money
8 appropriated under this subsection may be used for administrative expenses. No more
9 than five percent of the total amount of money spent on acquisition of equipment and
10 equipment repair costs for a capital project funded in whole or in part with money
11 appropriated under this subsection may be used for administrative expenses. The
12 designated entity and its agents, contractors, and subcontractors shall comply with the
13 hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part
14 with money from a draw.

15 (g) An entity designated by the department under (d) of this section that is a
16 Native village council may not draw money from an unincorporated community's
17 individual grant account unless the council waives immunity from suit for claims
18 arising out of activities of the council related to the draw. A waiver of immunity from
19 suit under this subsection must be on a form provided by the Department of Law.
20 Neither this subsection nor any action taken under it enlarges or diminishes the
21 governmental authority or jurisdiction of a Native village council.

22 (h) An entity designated by the department under (d) of this section shall repay
23 to the department money it has drawn from an unincorporated community's individual
24 grant account if substantial, ongoing work on the project is not started within five
25 years after the effective date of the appropriation from which the draw is funded.
26 Money repaid shall be deposited into the general fund. Money from an allocation to
27 an unincorporated community's individual grant account that has not been drawn out
28 by a designated entity within five years after the effective date of the appropriation
29 from which the allocation is funded lapses into the general fund.

30 (i) The limitations of AS 44.47.140 do not apply to a grant made under this
31 section.

1 (j) The provisions of AS 37.05.321 apply to a grant and draws made under this
2 section, and to earnings from the grant and draws.

3 (k) In this section, unless specified otherwise, "department" means the
4 Department of Community and Regional Affairs.

5 Sec. 37.06.030. LOCAL SHARE REQUIREMENTS. (a) For each capital
6 project grant for a municipality under AS 37.05.315, each draw made under
7 AS 37.06.010 or 37.06.020, and each capital project grant made to a named grant
8 recipient under AS 37.05.316, the municipality or named grant recipient shall
9 contribute a local share to the cost of the capital project for which the grant or draw
10 is made. The amount of the local share equals the local share percentage as calculated
11 under (1) of this subsection, divided by the state share percentage as calculated under
12 (2) of this subsection, multiplied by the amount of the grant or draw. For purposes
13 of this subsection,

14 (1) the local share percentage is

15 (A) 30 percent for a municipality with, or a named grant
16 recipient located in a municipality with, a population of 5,000 or more;

17 (B) for a municipality with, or a named grant recipient located
18 in a municipality with, a population of 1,000 - 4,999, the greater of

19 (i) 15 percent of the amount of the grant or draw; or

20 (ii) the amount that would be received by the
21 municipality from a property tax levy of 1/1000th of a mill per \$1,000
22 of grant funds received under AS 37.05.315, 37.05.316, or
23 AS 37.06.010, but not more than 30 percent of the amount of the grant
24 or draw;

25 (C) for a municipality with, or a named grant recipient located
26 in a municipality with, a population of under 1,000, the greater of

27 (i) five percent of the amount of the grant or draw; or

28 (ii) the amount that would be received by the
29 municipality from a property tax levy of 1/1000th of a mill per \$1,000
30 of grant funds received under AS 37.05.315, 37.05.316, or
31 AS 37.06.010, but not more than 30 percent of the amount of the grant

1 or draw;

2 (D) five percent for a named grant recipient located in an
3 unincorporated community;

4 (2) the state share percentage equals one minus the local share
5 percentage;

6 (3) the local share to be contributed by a municipality may be satisfied
7 with (A) federal, municipal, or local money; (B) labor used directly in the construction
8 of the project, land, materials, or equipment; the department shall determine the value
9 of a contribution under this subparagraph; (C) money from another nonstate source;
10 (D) money received by the municipality under AS 29.60.010 - 29.60.375; (E) state
11 taxes refunded or reimbursed to the municipality whose use for the purposes of this
12 subsection is not prohibited; and (F) allocations of state aid for the costs of school
13 construction debt under AS 14.11.100; except as provided in this paragraph, the local
14 share may not be satisfied with money from, or with the portion of an asset that was
15 obtained with money from, an appropriation, allocation, entitlement, grant, or other
16 payment from the state;

17 (4) the local share to be contributed by a named grant recipient may
18 be satisfied from (A) federal, municipal, or local money; (B) labor used directly in the
19 construction of the project, land, materials, or equipment; the department shall
20 determine the value of a contribution under this subparagraph; or (C) money from
21 another nonstate source; the local share may not be satisfied with money from, or with
22 the portion of an asset that was obtained with money from, an appropriation,
23 allocation, entitlement, grant, or other payment from the state.

24 (b) For each capital project grant to an unincorporated community under
25 AS 37.05.317 and each draw made under AS 37.06.020, the incorporated entity or
26 Native village council that receives the grant or makes the draw shall contribute a local
27 share of the cost of the capital project for which the grant or draw is made. The
28 amount of the local share equals the local share percentage as calculated under (1) of
29 this subsection, divided by the state share percentage as calculated under (2) of this
30 subsection, multiplied by the amount of the grant or draw. For purposes of this
31 subsection,

1 (1) the local share percentage is 5 percent if the effective date of the
2 appropriation from which the grant or draw is funded is no later than July 1, 1994, and
3 8 percent if the effective date is after July 1, 1994;

4 (2) the state share percentage equals one minus the local share
5 percentage;

6 (3) the local share may be satisfied from (A) federal or local money;
7 (B) locally funded or contributed labor used directly in the construction of the project,
8 land, materials, or equipment; the department shall determine the value of a
9 contribution under this subparagraph; (C) money from another nonstate source; or (D)
10 money received by the unincorporated community under AS 29.60.010 - 29.60.375;
11 except for money received under AS 29.60.010 - 29.60.375, the local share may not
12 be satisfied with money from, or with the portion of an asset that was obtained with
13 money from, an appropriation, allocation, entitlement, grant, or other payment from the
14 state.

15 (c) For purposes of (a) of this section, in calculating the population of a
16 borough the population of each city in the borough is excluded. The determination of
17 population shall be based upon data used by the Department of Community and
18 Regional Affairs under AS 14.17.140, AS 29.45.110, and AS 29.60.140 - 29.60.150.

19 Sec. 37.06.080. ADOPTION OF REGULATIONS. The Department of
20 Administration for grants under AS 37.06.010 and the Department of Community and
21 Regional Affairs for grants under AS 37.06.020

22 (1) may adopt regulations that impose additional requirements or
23 procedures to implement, interpret, make specific, or otherwise carry out the applicable
24 provisions of this chapter for grants administered by the department;

25 (2) shall adopt regulations providing for periodic audits of the use of
26 money for grants administered by the department under this chapter, including audit
27 of the department's determination of the value of, and adequacy of the verification of
28 the actual use of, locally funded or contributed labor on projects funded by a grant
29 under this chapter.

30 Sec. 37.06.090. DEFINITION OF "CAPITAL PROJECT". In this chapter,
31 "capital project" has the meaning given in AS 37.07.120.

1 * **Sec. 10. TRANSITION.** Notwithstanding the date set out in AS 37.06.010(d), enacted
2 by sec. 9 of this Act, for capital project grants under AS 37.06.010 for fiscal year 1994 each
3 municipality shall submit to the governor its prioritized list by March 1, 1993, or by the
4 effective date of this Act, whichever is later. Notwithstanding the date set out in
5 AS 37.06.020(e), enacted by sec. 9 of this Act, for capital project grants under AS 37.06.020
6 for fiscal year 1994 the incorporated entity or Native village council designated by the
7 Department of Community and Regional Affairs for each unincorporated community shall
8 submit to the governor its prioritized list by March 1, 1993, or by the effective date of this
9 Act, whichever is later.

10 * **Sec. 11. IMPLEMENTATION; APPLICABILITY.** (a) Notwithstanding sec. 12 of this
11 Act, a grant for a capital project may not be disbursed or drawn upon under AS 37.05.315 -
12 37.05.317 or AS 37.06, as amended or enacted by this Act, until after June 30, 1993.

13 (b) The changes made by this Act do not apply to a grant awarded under AS 37.05
14 before the effective date of this Act.

15 * **Sec. 12.** This Act takes effect immediately under AS 01.10.070(c).

1 (1) ~~if the effective date of the appropriation from which the grant or~~
2 ~~draw is funded is no later than July 1, 1994, the local share percentage is~~

3 *Amend #2* (A) 30 percent for a municipality with, or a named grant
4 *Taylor* recipient located in a municipality with, a population of 5,000 or more;
5 *Adopted* (B) ~~15 percent~~ for a municipality with, or a named grant
6 *4-12-93* recipient located in a municipality with, a population of 1,000 - 4,999;

7 (C) ~~five percent~~ for a municipality with, or a named grant
8 recipient located in a municipality with, a population of under 1,000; *Add*
9 (D) five percent for a named grant recipient located in an *para. #1*
10 unincorporated community;

11 ~~Amend~~ ~~(2) if the effective date of the appropriation from which the grant or~~
12 ~~#1~~ ~~draw is funded is after July 1, 1994, the local share percentage is~~

13 *Adopted* (A) 50 percent for a municipality with, or a named grant
14 *4-12-93* recipient located in a municipality with, a population of 5,000 or more;
15 *SR moved* (B) 25 percent for a municipality with, or a named grant

16 recipient located in a municipality with, a population of 1,000 - 4,999;

17 (C) eight percent for a municipality with, or a named grant
18 recipient located in a municipality with, a population of under 1,000;

19 (D) eight percent for a named grant recipient located in an
20 unincorporated community;

21 ~~2 (3)~~ the state share percentage equals one minus the local share
22 percentage;

23 ~~3 (4)~~ the local share to be contributed by a municipality may be satisfied
24 with (A) federal, municipal, or local money; (B) labor used directly in the construction
25 of the project, land, materials, or equipment; the department shall determine the value
26 of a contribution under this subparagraph; (C) money from another nonstate source;
27 (D) money received by the municipality under AS 29.60.010 - 29.60.375; (E) state
28 taxes refunded or reimbursed to the municipality whose use for the purposes of this
29 subsection is not prohibited; and (F) allocations of state aid for the costs of school
30 construction debt under AS 14.11.100; except as provided in this paragraph, the local
31 share may not be satisfied with money from, or with the portion of an asset that was

Retain in File
Reflects
4-12-93 committee action.

1 obtained with money from, an appropriation, allocation, entitlement, grant, or other
2 payment from the state;

3 ~~4 (5)~~ the local share to be contributed by a named grant recipient may
4 be satisfied from (A) federal, municipal, or local money; (B) labor used directly in the
5 construction of the project, land, materials, or equipment; the department shall
6 determine the value of a contribution under this subparagraph; or (C) money from
7 another nonstate source; the local share may not be satisfied with money from, or with
8 the portion of an asset that was obtained with money from, an appropriation,
9 allocation, entitlement, grant, or other payment from the state;

10 (b) For each grant to an unincorporated community under AS 37.05.317 and
11 each draw made under AS 37.06.020, the incorporated entity or Native village council
12 that receives the grant or makes the draw shall contribute a local share of the cost of
13 the capital project for which the grant or draw is made. The amount of the local share
14 equals the local share percentage as calculated under (1) of this subsection, divided by
15 the state share percentage as calculated under (2) of this subsection, multiplied by the
16 amount of the grant or draw. For purposes of this subsection,

17 (1) the local share percentage is 5 percent if the effective date of the
18 appropriation from which the grant or draw is funded is no later than July 1, 1994, and
19 8 percent if the effective date is after July 1, 1994;

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

22 (3) the local share may be satisfied from (A) federal or local money;
23 (B) locally funded or contributed labor used directly in the construction of the project,
24 land, materials, or equipment; the department shall determine the value of a
25 contribution under this subparagraph; (C) money from another nonstate source; or (D)
26 money received by the unincorporated community under AS 29.60.010 - 29.60.375;
27 except for money received under AS 29.60.010 - 29.60.375, the local share may not
28 be satisfied with money from, or with the portion of an asset that was obtained with
29 money from, an appropriation, allocation, entitlement, grant, or other payment from the
30 state.

31 (c) For purposes of (a) of this section, in calculating the population of a

[Handwritten notes and signatures, including "4-15-93" and "BP-51-4"]

4-12-93
SFC-93
SR-3
TK En-
Adopted

SENATE AMENDMENT

BY: _____

TO: CSSB 88 (CRA)

Page 11, lines 11 through 20.

Delete a. _____ rial and renumber accordingly.

SENATE FINANCE
COMMITTEE
Amendment Number: ①
Bill Number: CSSB 88 (CRA)
Sponsor: _____ Date: 4/12/93
Logged In By: EM

SR-Amend. to Amend #1 - Adopted

4 ① → ① - ②

re c - g - edapt (1)

resent "the local share purchase is"

Renumber 3rd to 2nd

4-12-93
Amend. # 2
Sen. Taylor

4/10/93

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 88 (CRA)

Page 11, Line 5:

Delete "15 percent"

Page 11, Line 6, after "1,000 - 4,999":

① Insert: "the greater of (i) 15 percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 30 percent"

Page 11, Line 7:

Delete "five percent"

Page 11, Line 8, after "1,000":

② Insert: "the greater of (i) five percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 30 percent"

Page 11, Line 15:

Delete "25 percent"

Page 11, Line 16, after "1,000 - 4,999":

Insert: "the greater of (i) twenty-five percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 50 percent"

Page 11, Line 17:

Delete "eight percent"

Page 11, Line 18, after "1,000":

Insert: "the greater of (i) eight percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 50 percent"

MATCHING GRANTS -- FIRST TWO YEARS

CSSB88(CRA):

POSSIBLE AMENDMENT:

DIFFERENCE:

RATIO:

With Cap Of: 30.0%

	SB 88 Grant Amount	Match %	Match Amount	POSSIBLE AMENDMENT:		DIFFERENCE: Match Amount	RATIO: (New/Old)	
				Match %	Match Amount			
<u>000+</u>	Anchorage	25,193,358	30.0%	10,797,153	30.0%	10,797,153	0	1.0 : 1
	Kernal Borough	2,583,531	30.0%	1,107,228	30.0%	1,107,228	0	1.0 : 1
	Fairbanks Borough	4,813,370	30.0%	2,062,873	30.0%	2,062,873	0	1.0 : 1
	Juneau	3,067,248	30.0%	1,314,535	30.0%	1,314,535	0	1.0 : 1
	Mat-Su Borough	3,546,247	30.0%	1,519,820	30.0%	1,519,820	0	1.0 : 1
	Fairbanks	3,371,865	30.0%	1,445,085	30.0%	1,445,085	0	1.0 : 1
<u>100 -</u>	Sitka	1,109,979	30.0%	475,705	30.0%	475,705	0	1.0 : 1
<u>000 :</u>	Ketchikan	1,067,544	30.0%	457,519	30.0%	457,519	0	1.0 : 1
	Kodiak	910,271	30.0%	390,116	30.0%	390,116	0	1.0 : 1
	Kenai	822,883	30.0%	352,664	30.0%	352,664	0	1.0 : 1
	Ketchikan Borough	661,454	30.0%	283,480	30.0%	283,480	0	1.0 : 1
	Kodiak	910,271	30.0%	390,116	30.0%	390,116	0	1.0 : 1
<u>000 -</u>	NSB	379,500	15.0%	66,971	30.0%	162,643	95,672	2.4 : 1
<u>999 :</u>	Valdez	640,829	15.0%	113,087	30.0%	274,641	161,554	2.4 : 1
	Unalaska	562,196	15.0%	99,211	20.4%	143,956	44,745	1.5 : 1
	Homer	578,657	15.0%	102,116	19.2%	137,937	35,821	1.4 : 1
	Wasilla	606,142	15.0%	106,966	18.7%	139,392	32,426	1.3 : 1
	Soldotna	536,768	15.0%	94,724	17.2%	111,806	17,082	1.2 : 1
	Bethel	715,494	15.0%	126,264	15.3%	129,201	2,938	1.0 : 1
	Petersburg	540,883	15.0%	95,450	15.3%	97,451	2,001	1.0 : 1
	Barrow	544,117	15.0%	96,021	15.0%	96,021	0	1.0 : 1
	Bristol Bay Borough	207,975	15.0%	36,702	15.0%	36,702	0	1.0 : 1
	Cordova	368,036	15.0%	64,947	15.0%	64,947	0	1.0 : 1
	Dillingham	310,126	15.0%	54,728	15.0%	54,728	0	1.0 : 1
	Kotzebue	451,961	15.0%	79,758	15.0%	79,758	0	1.0 : 1
	Nome	670,078	15.0%	118,249	15.0%	118,249	0	1.0 : 1
	Palmer	446,669	15.0%	78,824	15.0%	78,824	0	1.0 : 1
	Seward	412,423	15.0%	72,781	15.0%	72,781	0	1.0 : 1
	Wrangell	373,180	15.0%	65,855	15.0%	65,855	0	1.0 : 1
<u>< 1,000 :</u>	NWAB	39,377	5.0%	2,072	19.1%	9,299	7,226	4.5 : 1
	Skagway	115,769	5.0%	6,093	5.9%	7,298	1,205	1.2 : 1
	Haines Bor.	149,161	5.0%	7,851	5.8%	9,132	1,281	1.2 : 1
	All Others (N=124)		5.0%		5.0%		0	1.0 : 1

MATCHING GRANTS -- AFTER TWO YEARS

		CSSB88(CRA):		POSSIBLE AMENDMENT:		DIFFERENCE:	RATIO:	
				With Cap Of: 50.0%				
		SB 88						
		Grant	Match	Match	Match	Match	(New/Old)	
		Amount	%	Amount	%	Amount		
<u>0,000+</u> :	Anchorage	25,193,358	50.0%	25,193,358	50.0%	25,193,358	0	1.0 : 1
	Kenai Borough	2,583,531	50.0%	2,583,531	50.0%	2,583,531	0	1.0 : 1
	Fairbanks Borough	4,813,370	50.0%	4,813,370	50.0%	4,813,370	0	1.0 : 1
	Juneau	3,067,248	50.0%	3,067,248	50.0%	3,067,248	0	1.0 : 1
	Mat-Su Borough	3,546,247	50.0%	3,546,247	50.0%	3,546,247	0	1.0 : 1
	Fairbanks	3,371,865	50.0%	3,371,865	50.0%	3,371,865	0	1.0 : 1
1,000 -	Sitka	1,109,979	50.0%	1,109,979	50.0%	1,109,979	0	1.0 : 1
<u>0,000:</u>	Ketchikan	1,067,544	50.0%	1,067,544	50.0%	1,067,544	0	1.0 : 1
	Kodiak	910,271	50.0%	910,271	50.0%	910,271	0	1.0 : 1
	Kenai	822,883	50.0%	822,883	50.0%	822,883	0	1.0 : 1
	Ketchikan Borough	661,454	50.0%	661,454	50.0%	661,454	0	1.0 : 1
	Kodiak	910,271	50.0%	910,271	50.0%	910,271	0	1.0 : 1
1,000 -	NSB	379,500	25.0%	126,500	50.0%	379,500	253,000	3.0 : 1
<u>1,999:</u>	Valdez	640,829	25.0%	213,610	50.0%	640,829	427,219	3.0 : 1
	Unalaska	562,196	25.0%	187,399	25.0%	187,399	0	1.0 : 1
	Homer	578,657	25.0%	192,886	25.0%	192,886	0	1.0 : 1
	Wasilla	606,142	25.0%	202,047	25.0%	202,047	0	1.0 : 1
	Soldotna	536,768	25.0%	178,923	25.0%	178,923	0	1.0 : 1
	Bethel	715,494	25.0%	238,498	25.0%	238,498	0	1.0 : 1
	Petersburg	540,883	25.0%	180,294	25.0%	180,294	0	1.0 : 1
	Barrow	544,117	25.0%	181,372	25.0%	181,372	0	1.0 : 1
	Bristol Bay Borough	207,975	25.0%	69,325	25.0%	69,325	0	1.0 : 1
	Cordova	368,036	25.0%	122,679	25.0%	122,679	0	1.0 : 1
	Dillingham	310,126	25.0%	103,375	25.0%	103,375	0	1.0 : 1
	Kotzebue	451,961	25.0%	150,654	25.0%	150,654	0	1.0 : 1
	Nome	670,078	25.0%	223,359	25.0%	223,359	0	1.0 : 1
	Palmer	446,669	25.0%	148,890	25.0%	148,890	0	1.0 : 1
	Seward	412,423	25.0%	137,474	25.0%	137,474	0	1.0 : 1
	Wrangell	373,180	25.0%	124,393	25.0%	124,393	0	1.0 : 1
<u>< 1,000:</u>	NWAB	39,377	8.0%	3,424	19.1%	9,299	5,875	2.7 : 1
	Skagway	115,769	8.0%	10,367	8.0%	10,067	0	1.0 : 1
	Hain Bor.	149,161	8.0%	12,971	8.0%	12,971	0	1.0 : 1
	and Others (N=12:)		8.0%		8.0%		0	1.0 : 1

4-12-93 Sen. Taylor
JFC-93
JK - 3- # 2
Adopted
4/10/93

CSSB 88 (CRA)

EXPLANATION - - PROPOSED AMENDMENT

The purpose of the proposed amendment is to relate the local matching share requirements of the bill to the different fiscal capacities of the municipalities which will receive grant funds under the proposed program.

The effect of the amendment will be that relatively wealthier municipalities (as measured by the assessed valuation of their real and personal property bases) will be subject to a proportionately greater local share requirement, up to the proposed maximum limit or ceiling. Correspondingly, relatively less wealthy municipalities will be subject to a proportionately lesser local share requirement, subject to the proposed minimum limit or floor.

The bench mark rate of one one-thousandth of a mill employed in the amendment, in this regard, serves principally as a threshold rate whose dollar-amount yield best fits (for this bill) the extremely broad range of fiscal capacities found in Alaska's municipalities. The yield is tied to each \$1,000 of grant funds received in order to accommodate fluctuating levels of program funding from year to year.

SUBJECT: Amend #1 4-12-93
SB 88

	YEA	NAY
SENATOR SHARP		✓
SENATOR KERTTULA	✓	
SENATOR RIEGER	✓	✓
SENATOR KELLY		
SENATOR JACKO	✓	
SENATOR FRANK	✓	
SENATOR PEARCE	✓	
TOTAL PASSED <u>5</u>		FAILED <u>2</u>

SUBJECT: _____

	YEA	NAY
SENATOR JACKO		
SENATOR KELLY		
SENATOR KERTTULA		
SENATOR RIEGER		
SENATOR SHARP		
SENATOR FRANK		
SENATOR PEARCE		
TOTAL PASSED _____		FAILED _____

SUBJECT: _____

	YEA	NAY
SENATOR RIEGER		
SENATOR KERTTULA		
SENATOR JACKO		
SENATOR SHARP		
SENATOR KELLY		
SENATOR PEARCE		
SENATOR FRANK		
TOTAL PASSED _____		FAILED _____

SUBJECT: _____

	YEA	NAY
SENATOR KELLY		
SENATOR SHARP		
SENATOR RIEGER		
SENATOR KERTTULA		
SENATOR JACKO		
SENATOR PEARCE		
SENATOR FRANK		
TOTAL PASSED _____		FAILED _____

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE

No. 1
 .II Version: SB 88
 (S) Publish Date: 2-3-93

Revision Date: _____ Dept. Affected: Community and Regional Affairs
 Title: Capital Project Matching Grants BRU: Administration and Support
 Component: Administrative Services
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 684

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	97.7	102.6	107.7	113.1	118.8	124.7
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	13.0	1.0	1.0	1.0	1.0	1.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	122.7	115.6	120.7	126.1	131.8	137.7

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

REVENUE FUND SOURCE:	1004	1004	1004	1004	1004	1004
----------------------	------	------	------	------	------	------

FUNDII (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	122.7	115.6	120.7	126.1	131.8	137.7
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	122.7	115.6	120.7	126.1	131.8	137.7

POSITIONS:

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

Estimate of current (FY93) Impact \$ None

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Changes in 05SB 88 (CRA)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.
3/9/93 A. Anthony
 date Comte Aide (initial)

Prepared by: Remond Henderson Phone: 465-4708
 Division: Administrative Services Date: 2/2/93
 Approved by Commissioner: [Signature] DEPUTY COMMISSIONER Date: 2/2/93
 Agency: Community and Regional Affairs

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Position Title Grant Administrator III		No. of Positions 1	Range / Step 19A	Barg. Unit GCU
Time Status Full-time	Staff Months 12	Location Jumeau		Election District 4
TYPE OF EXPENDITURE		Justification		
Salary	Amount 44,976	<p>1. Write and implement state regulations pertaining to all legislative grants designated to the department</p> <p>2. Supervise grants section totalling 2 staff positions</p> <p>3. Recommend, develop and implement changes in program operations, internal procedures, operational guides, etc.</p> <p>4. Trains and provides technical assistance to departmental Local Government Specialists doing on-site monitoring on behalf of grants section through workshops and individual contacts.</p> <p>5. Negotiate, write, and administer grant agreements which includes identifying specific project requirements (permits, site control, match, etc.)</p> <p>6. 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.</p> <p>(continued on next page)</p>		
Benefits	16,704			
Premium Pay				
Other				
Total Personal Services	61,680			
Travel	5,000			
Contractual	5,000			
Commodities	500			
Equipment	8,000			
Other				
Total Cost	18,500			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004	80,180			
LA Receipts 1007				
CHP Receipts 1061				
Other				

**Request For
New Position**

AGENCY Community and Regional Affairs
 BRU Administration and Support
 COMPONENT Administrative Services

FY 94

Page 1 of 2
 Revised Date: _____

Page 2 - Grant Administrator III

7. Conduct in-depth review of progress and financial reports submitted by grantees and resolve any problems.

ADDITIONAL
EXPLANATION
FORM

AGENCY Comm. & Reg. Affairs

BRU Admin & Support

COMPONENT Administrative Svcs.

FY 94

Page 2 of 2

Revised Date

Position Title Accounting Clerk III		No. of Positions 1	Range / Step 10A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location AWA		Election District
TYPE OF EXPENDITURE		Amount	Justification It is expected that 20 - 40 Capital Matching Grants and 80 - 100 local share requirements will be handled by this position. An in-depth review of matching requirements will be done of all grantees before processing payments. Prepare financial status report for managers and grant administrator. Make AKSAS adjustments and report any problems to supervisors. It is necessary to purchase personal computer and related equipment to support the activities of this position.	
Salary		24,756		
Benefits		11,280		
Premium Pay				
Other				
Total Personal Services		36,036		
		-0-		
Contractual		1,000		
Commodities		500		
Equipment		5,000		
Other		-0-		
Total Cost		6,500		
FUNDING SOURCE FOR TOTAL COST		42,536		
Federal Receipts	1002			
G. E. Match	1003			
General Fund	1004	42,536		
FA Receipts	1007			
CFP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Administration and Support
 COMPONENT Administrative Services

FY 94

Page 1 of 1
 Revised Date: _____

FISCAL NOTE

No. 2

II Version: SB 88

(S) Publish Date: 2-3-93

Revision Date: _____ Dept. Affected: _____
 Title: Capital Project Matching Grants BRU: Local Government Assistance
 Component: Training & Development
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 672

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	108.4	113.8	119.5	125.5	131.8	138.4
TRAVEL	27.5	27.5	27.5	27.5	27.5	27.5
CONTRACTUAL	16.8	16.8	16.8	16.8	16.8	16.8
SUPPLIES	3.4	2.2	2.2	2.2	2.2	2.2
EQUIPMENT	5.0	1.0	1.0	1.0	1.0	1.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	161.1	161.3	167.0	173.0	179.3	185.9

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

REVENUE FUND SOURCE:	1004	1004	1004	1004	1004	1004
----------------------	------	------	------	------	------	------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	161.1	161.3	167.0	173.0	179.3	185.9
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	161.1	161.3	167.0	173.0	179.3	185.9

POSITIONS:

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

Estimate of current (FY93) impact \$ None

ANALYSIS: (Attach a separate page if necessary)

See attached.

*replaced
w/ # 97*

Prepared by: Remond Henderson Phone: 465-4708

Division: Administrative Services Date: 2/2/93

Approved by Commissioner: [Signature] DEPUTY COMMISSIONER Date: 2/2/93

Agency: Community and Regional Affairs

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Position Title Planner II		No. of Positions 1	Range Step 17/A	Barg. Unit GGU
Time Status FT	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount	Justification	
Salary			One new community planning/land management position is needed to accomplish the program purposes of "improving the process for making grants for capital projects by providing a more orderly and thoughtful planning process that involves the local community..." and enhancing "the roll of communities in initializing and prioritizing the construction of capital projects."	
Benefits				
Premium Pay				
Other				
Total Personal Services		54,182		
Travel		12,500	The position will target the unincorporated communities and smaller municipalities. It will be able to assist 8 to 12 communities prepare community development strategies and capital project plans. This represents about 10 to 15 percent of the communities who do not have local staff to prepare community development and capital project plans sufficient to accomplish the purposes of this program.	
Contractual		8,400		
Commodities		1,750		
Equipment		2,500		
Other				
Total Cost		79,332	The Planner II will also provide the assistance required to acquire and verify the land ownership and value used as local match. This service can be provided for most DCRA and DOA administered grants provided the additional travel funds for existing land management positions are included. The position was not included in the previous fiscal note for similar legislation last year because, prior to FY93 cuts, staff were available to accomplish the above purposes at the levels proposed. continued on next page	
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	79,332		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST
FOR
NEW
POSITION**

AGENCY Community & Regional Affairs
 BRU Local Government Asst.
 COMPONENT Training & Development

PAGE 1 OF 2

FY 94

Position Title Local Government Specialist III		No. of Positions 1	Range / Step 17/A	Barg. Unit GGU
Employee Status FT	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount	Justification A new Local Government Specialist (LGS) position to assist the unincorporated communities do the financial planning and management necessary to secure the financial match and to achieve and demonstrate the financial ability to operate and maintain the facility. This LGS will be able to assist 8 to 12 communities with capital project planning. This represents about 11 to 20 percent of unincorporated communities who require assistance to do effective financial planning and management. This position was not included in the previous Fiscal Note for similar legislation last year because, prior to FY 93 cuts, staff were available to adequately accomplish the above purposes. Additional travel is also included to support existing LGS positions travel to assist communities. These funds were not requested last year, but the 20 percent cut in travel funds drastically reduced staff ability to travel to communities to provide assistance. The new position will be located in Anchorage.	
Salary				
Benefits				
Territorial Pay				
Other				
Total Personal Services	54,182	54182		
Travel		15000		
Contractual		8400		
Commodities		1700		
Equipment		2500		
Other				
Total Cost		81782		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	81782		
LA Receipts	1007			
CH Receipts	1061			
Other				

**Request For
New Position**

AGENCY Dept Community and Regional Affairs

BRU Local Government Assistance

COMPONENT Training and Development

FY 94

Page 1 of 1

Revised Date: _____

(continued Planner II)

Additional travel is also included to support existing land management positions travel to assist communities. These funds were not requested last year, but the 20 percent cut in travel funds drastically reduced staff ability to travel to communities to provide assistance.

The new position will be located in anchorage.

REQUEST
FOR
NEW
POSITION

AGENCY Community & Regional Affairs
BRU Local Government Assistance
COMPONENT Training & Development

Page 2 of 2

FY94

FISCAL NOTE

No. 3

Bill Version: SB 88

(S) Publish Date: 2-3-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____

Title: 'An Act relating to grants to municipalities . . .'

Sponsor: Rules

Requestor: _____

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	225.4	225.4	225.4	225.4	225.4	225.4
TRAVEL	15.0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	3.5	3.5	3.5	3.5	3.5	3.5
SUPPLIES	.8	.8	.8	.8	.8	.8
EQUIPMENT	15.0	3.0	3.0	2.0	2.0	2.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	259.7	247.7	247.7	246.7	246.7	246.7

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

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	259.7	247.7	247.7	246.7	246.7	246.7
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
TOTAL	259.7	247.7	247.7	246.7	246.7	246.7

POSITIONS:

FULL-TIME	4.0	4.0	4.0	4.0	4.0	4.0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY93) impact: None

Changes in CS SB 88 (CRP) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
3/19/93 A. Ambrey
date Comte Aide (initial)

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 Usera
Agency: Administration

Date: 1/26/93

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Replaced by #6

ANALYSIS

Four permanent full-time positions will be added to the one existing Grant Administrator position to create a grants section within the Department of Administration, Division of Administrative Services.

The four new positions are:

Administrative Officer III (21 A)

This position will oversee the section and write regulations for the existing Municipal Grant Program and the new Capital Project Matching Grant Program.

Internal Auditor III (19 A)

This position will be responsible for auditing grantees use of grant funds and would determine the validity of each grantees' proposed match.

Grant Administrator II (17 A)

This position will manage the new Capital Project Matching Grant Program.

Accounting Clerk III (10 A/B)

This position will assist in the processing of grant agreements and payments.

New computer equipment will be purchased for each of the four new positions.

Travel funding is requested for on-sight auditing.

3/2/93 CRA then FIN

Revision Date: _____ Dept. Affected: Community and Regional Affairs
 Title: Capital Project Matching Grants BRU: Administration and Support
 Component: Administrative Services
 Sponsor: Governor
 Requestor: _____ COMPONENT SERIAL NO. 684

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	97.7	102.6	107.7	113.1	118.8	124.7
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	13.0	1.0	1.0	1.0	1.0	1.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	122.7	115.6	120.7	126.1	131.8	137.7

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

REVENUE FUND SOURCE:	1004	1004	1004	1004	1004	1004
----------------------	------	------	------	------	------	------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	122.7	115.6	120.7	126.1	131.8	137.7
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	122.7	115.6	120.7	126.1	131.8	137.7

SB 88

POSITIONS:

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

Estimate of current (FY93) Impact \$ _____

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Remond Henderson Phone: 465-4708
 Division: Administrative Services Date: 2/26/93
 Approved by ^{Deputy} Commissioner: [Signature] Date: 2/26/93
 Agency: Community and Regional Affairs

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Position Title Grant Administrator III		No. of Positions 1	Range / Step 19A	Barg. Unit CCU
Time Status Full-time	Staff Months 12	Location Juneau		Election District 4
TYPE OF EXPENDITURE		Justification		
Salary	Amount 44,976	<p>1. Write and implement state regulations pertaining to all legislative grants designated to the department</p> <p>2. Supervise grants section totalling 2 staff positions</p> <p>3. Recommend, develop and implement changes in program operations, internal procedures, operational guides, etc.</p> <p>4. Trains and provides technical assistance to departmental Local Government Specialists doing on-site monitoring on behalf of grants section through workshops and individual contacts.</p> <p>5. Negotiate, write, and administer grant agreements which includes identifying specific project requirements (permits, site control, match, etc.)</p> <p>6. 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.</p> <p>(continued on next page)</p>		
Benefits	16,704			
Premium Pay				
Other				
Total Personal Services	61,680			
Travel	5,000			
Contractual	5,000			
Commodities	500			
Equipment	8,000			
Other				
Total Cost	18,500			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004	80,180			
EA Receipts 1007				
CIP Receipts 1061				
Other				

**Request For
New Position**

AGENCY Community and Regional Affairs
 BRU Administration and Support
 COMPONENT Administrative Services

FY 94

Page 1 of 2
 Revised Date: _____

Page 2 - Grant Administrator III

7. Conduct in-depth review of progress and financial reports submitted by grantees and resolve any problems.

ADDITIONAL
EXPLANATION
FORM

AGENCY Comm. & Reg. Affairs

BRU Admin & Support

COMPONENT Administrative Svcs.

FY 94

Page 2 of 2

Revised Date

Position Title Accounting Clerk III		No. of Positions 1	Range / Step 10A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location AWA		Location District
TYPE OF EXPENDITURE		Amount	Justification It is expected that 20 - 40 Capital Matching Grants and 80 - 100 local share requirements will be handled by this position. An in-depth review of matching requirements will be done of all grantees before processing payments. Prepare financial status report for managers and grant administrator. Make AKSAS adjustments and report any problems to supervisors. It is necessary to purchase personal computer and related equipment to support the activities of this position.	
Salary		24,756		
Benefits		11,280		
Premium Pay				
Other				
Total Personal Services		36,036		
Travel		-0-		
Contractual		1,000		
Commodities		500		
Equipment		5,000		
Other		-0-		
Total Cost		6,500		
FUNDING SOURCE FOR TOTAL COST		42,536		
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	42,536		
LA Receipts	1007			
CIP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Community & Regional Affairs
 BRU Administration and Support
 COMPONENT Administrative Services

FY 94

Page 1 of 1

Revised Date: _____

4-12-93

New Municipal note
from DCRA to
be revised by dept.
to show 70 rather
than grant amounts.

Sample

Municipal Fiscal Impact Note
(AS 24.08.035(e))

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSB 88

Revision Date: 3/10/93 Municipalities Affected: All municipalities
 Title: Capital Project Match Program
 Requested By: Senate Finance Committee
 Sponsor: Governor

Municipal Costs: (Thousands of Dollars)

Operating	FY93	FY94	FY95	FY96	FY97	FY98
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
Total Operating	22,694.5	-0-	-0-	-0-	-0-	-0-

Capital						
---------	--	--	--	--	--	--

Funding (Thousands of Dollars)

Property Taxes						
Sales Taxes						
User Fees						
Federal Receipts						
State Receipts	65,300.0	-0-	-0-	-0-	-0-	-0-
Other						
Total						

Positions

Full-Time						
Part-Time						

Analysis:

This bill establishes a Capital Project Matching Grant Program and a Local Share Requirement, both of which require a local funding match for certain state-funded capital projects. While these local match costs potentially represent a new fiscal effort for municipalities, these costs would only be incurred in the event, and to the degree, that municipalities choose to pursue capital projects subject to the requirements of this bill.

The attached table, provided by the Office of Management and Budget, lists the required local match and state grant amount for each municipality under the proposed funding for FY 94 Capital Project Match Program. The sum of the potential required matches for all municipalities is \$22,694,473. The total amount of state grant funding proposed for this program in FY 94 is \$65,300,000.

The total potential local required match due to the Local Share Requirement created by this bill is a function of the sum of the designated capital project grants provided to municipalities each year. These amounts are unknown at this time and vary significantly from year to year. Consequently these fiscal impacts are not reflected in the table above.

Prepared by: Michael Cushing
 Division: Municipal & Regional Assistance Division
 Approved by: [Signature] Deputy Commissioner
 Commissioner: [Signature]
 Agency: Department of Community and Regional Affairs

Phone: 465-4751
 Date: 3/11/93

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MUNICIPALITIES - FISCAL IMPACTS

Municipal CPMG Fund Appropriation:	\$65,300,000	<i>Population:</i>				
Minimum State Share:	\$25,000	Under	1,000-	5,000-	Over	
		1,000	4,999	10,000	10,000	
		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	Required Local Match	CSSB 88 (CRA) Estimated Grant Amount
<u>Municipality</u>		
Akhiok (KIB)	1,316	25,000
Aklak	2,379	45,205
Akutun (AEB)	4,037	76,707
Alakanuk	4,634	88,048
Aleknagik	1,658	31,502
Aleutians East Borough (AEB):	1,316	25,000
Allakaket	1,426	27,092
Amblar (NAB)	2,495	47,410
Anaktuvuk Pass (NSB)	2,039	38,747
Anchorage, Municipality of	10,797,153	25,193,358
Anderson (DB)	5,380	102,223
Angoon	5,844	111,044
Aniak	4,385	83,322
Anvik	1,316	25,000
Atka	1,316	25,000
Atmautluak	2,213	42,055
Atkasuk (NSB)	1,799	34,179
Barrow (NSB)	96,021	544,117
Bethel	126,264	715,494
Bettles	1,316	25,000
Brevig Mission	1,940	36,857
Bristol Bay Borough:	36,702	207,975
Buckland (NAB)	2,636	50,088
Chelomak	2,736	51,978
Chevak	5,131	97,498
Chignik (LPB)	1,467	27,879
Chuathbaluk	1,316	25,000
Clark's point	1,316	25,000
Collman cove	1,641	31,187
Cold bay (AEB)	1,316	25,000
Cordova	64,947	368,036
Craig	42,460	240,605
Deering (NAB)	1,316	25,000
Delta Junction	6,101	115,927
Denali Borough (DB):	30,684	173,876
Dillingham	54,723	310,126
Diomedea	1,492	28,352
Eagle	1,335	25,359
Eek	2,254	44,733
Ekwok	1,316	25,000
Elim	2,213	42,055
Emmonak	5,737	108,986
Fairbanks (FNSB)	1,445,085	3,371,865
Fairbanks North Star Borough (FNSB):	2,062,873	4,813,370
False Pass (AEB)	1,316	25,000
Fort Yukon	5,952	113,091
Galena	6,872	130,575

MUNICIPALITIES - FISCAL IMPACTS

Municipal CPMG Fund Appropriation:	\$65,300,000		<i>Population:</i>			
Minimum State Share:	\$25,000		Under	1,000-	5,000-	Over
			1,000	4,999	10,000	10,000
		<i>Allocation Factor:</i>	1.5	1.4	1.2	1.0
		<i>Local Share %:</i>	5%	15%	30%	30%

(A)	Required Local Match	CSSB 88 (CRA) Estimated Grant Amount
Municipality		
Mountain Village	6,027	114,509
Napakiaik	2,678	50,875
Napaskiak	3,001	57,018
Nenana	4,178	79,385
New Stuyahok	3,283	62,374
Newhalen (LPB)	1,335	25,359
Noorvik	1,766	33,549
Nightmute	1,476	28,037
Nikolai	1,316	25,000
Nome	118,249	670,078
Nondaton (LPB)	1,757	33,392
Noorvik (NAB)	4,311	81,905
North Pole (FNSB)	43,342	245,602
North Slope Borough (NSB):	66,971	379,500
Northwest Arctic Borough (NAB):	2,072	39,377
Nuqsut (NSB)	3,241	61,586
Nulato	3,018	57,333
Nunapitchuk (Akolmiut)	3,938	74,817
Old Harbor (KIB)	2,470	46,938
Ouzinkie (KIB)	1,711	34,022
Palmer	78,824	446,669
Pelican	2,197	41,740
Petersturg	96,450	540,883
Pilot Point (LPB)	1,316	25,000
Pilot Station	3,896	74,029
Platinum	1,316	25,000
Point Hope (NSB)	5,637	107,106
Port Alexander	1,316	25,000
Port Heiden (LPB)	1,316	25,000
Port Lions (KIB)	1,973	37,487
Quinhagak	4,153	78,912
Ruby	1,716	32,604
Russian Mission	2,205	41,897
Sand Point (AEB)	27,831	157,709
Savoonga	4,518	85,842
Saxman (KGB)	3,142	59,696
Scammon Bay	2,984	56,703
Selawik (NAB)	4,949	94,033
Seldovia (KPB)	2,504	47,568
Seward (KPB)	72,781	412,423
Shageluk	1,316	25,000
Shaktolik	1,757	33,392
Sheldon Point	1,316	25,000
Shishmaref	3,863	73,399
Shungnak (NAB)	1,857	35,282
Sitka, City and Borough of (SCB)	475,705	1,109,979
Skagway	6,093	115,769

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

3/2/93
BILL NO. SB88

CRA then F&D

Revision Date: _____
Title: Capital Project Matching Grants
Sponsor: _____
Requestor: _____

Dept. Affected: Community & Regional Affairs
BRU: Local Government Assistance
Component: Training & Development

COMPONENT SERIAL NO. 672

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.0	10.0	10.0	10.0	10.0	10.0

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

REVENUE FUND SOURCE:	1004	1004	1004	1004	1004	1004
----------------------	------	------	------	------	------	------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10.0	10.0	10.0	10.0	10.0	10.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	10.0	10.0	10.0	10.0	10.0	10.0

POSITIONS:

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

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This amended request for \$5,000 in contractual and \$5,000 in travel will be divided equally among MRAD's five regional offices. This will provide a little over \$80 per month for additional telephone, postage, and copier expense and funds for approximately two trips per field office.

Prepared by: Remond Henderson
Division: Administrative Services
Approved by: Deputy [Signature]
 [Signature]
 of Community & Regional Affairs

Phone: 465-4708
Date: 2/26/93
Date: 2/26/93

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This form is the same as 2/2/93 called Remond 3-10-93 mmj

512.915

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 23, 1993

SUBJECT: Capital Project Matching Grant Program (SB 88)

TO: Senator Randy Phillips
Chair, Community and Regional Affairs Committee

FROM: Tamara Brandt Cook
Director *TBC*

In reviewing SB 88 introduced by the Governor, I have discovered a possible legal problem. In AS 37.060.010(b) a capital project matching grant fund is established. Appropriations to the fund are allocated to individual grant accounts and interest earned on money in an individual grant account is to be credited to that account. The same system appears in AS 37.06.020(b) for the unincorporated community capital project matching grant fund. The problem presented by this approach is the question of whether interest earned on money appropriated to a fund may be retained in that fund without an appropriation.

In an opinion concerning the dedicated funds prohibition of the state constitution, November 30, 1982, the Attorney General noted that the retention of interest earned on the principal of a fund could be subject to attack. The opinion notes at page 16,

A difficulty that arises from the view that the dedicated funds prohibition is not applicable to interest or investment income on separate funds is that it permits steadily increasing amounts of money to be received and used by state departments and agencies without legislative control through the annual budget process. . . (W)e doubt that a blanket exception for derivative income would be approved by the courts.

Of course, this issue could be avoided if the legislature appropriates interest income on an annual basis to the two capital project matching grant funds. The language of the two sections in this bill could be amended to direct the administering departments to identify the amount of interest income involved, so that the legislature may consider appropriating that income back to the funds.

TBC:pl
93-124.plm

**Municipality
of
Anchorage**



OFFICE OF THE MAYOR

P.O. BOX 198850
ANCHORAGE, ALASKA 99519-8850
(907) 343-4431

TOM FINK,
MAYOR

February 22, 1993

Senator Randy Phillips
State Capitol
Juneau, Alaska 99801

Re: SB 88, Grants to Municipalities
SB 89, Capital Project Matching Grant Programs

Dear Senator Phillips:

The Municipality of Anchorage supports the concept of a capital matching grant program. We would prefer a 75/25 matching program.

SB 88 proposes a 70/30 ratio which would change to 50/50 after July 1, 1994. We oppose this provision in the bill and urge you to strike this language from the bill.

We also support the intent of SB 89, which would appropriate \$65 million dollars for the capital matching program. However, Anchorage's share of this amount is far short of the amount we have budgeted for our capital program. ~~Our April 1993 bond package~~ general government projects. In addition to the MOA's general government needs, there are very significant dollar needs for utilities and schools. Obviously, all of Alaska's capital needs cannot be met by this appropriation. It is a step in the right direction, assuming that a larger pool of money will be available for other capital expenditures.

Sincerely,

Tom Fink
Mayor

FISCAL NOTES FOR SB 88

ORIGINAL BILL

CS (CRA)

- ~~1. DC&RA, ADMIN SERV. 122.7
2-2-93~~
- 2. ~~DC&RA, TRAINING 161.1
2-2-93
REPLACED BY No. 7~~
- 3. ~~DOA, ADMIN SERV. 259.7
REPLACED BY NEW
UNNUMBERED NOTE~~
- ✓4. DEC 1-28-93 0
- ✓5. DOLABOR 1-28-93 0
- ✓6. DC&ED 0

STICKERED

- ✓7. DC&RA, TRAIN \$10.0
REPLACES No. 2

~~NEW, UNNUMBERED NOTE
DOA, \$259.7 3-10-93
UPDATES FN No. 3~~

STICKERED

STICKERED

STICKERED

- ✓ NEW, UNNUMBERED NOTE
DC&RA - MUNICIPAL 3-11-93
NOTE PER NEWLY
PASSED LEGISLATION.
DC&RA TO REWRITE
TO SHOW PERCENTAGES
RATHER THAN GRANT
AMOUNTS.

New -
SFC/DC&RA
Admin Serv. 103.3 ✓
SFC/DOA
Admin 107.8 ✓
DC&RA
Municipal ✓

ALSO - DC&RA train 10.0 ✓
DEC ✓
DOLABOR ✓
DC&ED ✓
for Billy

Capital Project Matching Grant Program
Office of the Governor

CSSB 88 (CRA) - SECTIONAL ANALYSIS

SECTION ONE

This section of the bill sets out the purpose of the legislation. Generally, the purpose includes acknowledgement of the continuing need for funding certain kinds of capital projects through other mechanisms than the proposed capital project matching grant program - - e.g., large or regional projects, projects dealing with basic needs such as education or safe water, or projects whose costs exceed the amounts available under the proposed new program.

Specifically, the bill's purpose is to provide an equitable capital project funding system, enhance the role of communities in initiating and prioritizing their capital projects, encourage a sense of local ownership in capital projects through required cost sharing, and provide a more orderly and thoughtful process for the review and evaluation of capital projects.

SECTION TWO

This section of the bill amends AS 36.10.180(a) to make the hiring preferences set out in AS 36.10.150 - .175 apply to grant projects funded through the municipal and unincorporated community portions of the proposed capital project matching grant program (proposed AS 37.06.010 and AS 37.06.020, respectively, as set out in Section 9 of the bill).

These hiring preferences already apply to the existing municipal, named recipient and unincorporated community grant programs under AS 37.05.315, -.316 and -.317, respectively, which are otherwise amended in Sections 3-5 of the bill.

The provisions of AS 36.10.150 - .175 include hiring preferences for qualified residents of identified "zones of underemployment" (§150), for qualified residents of identified "economically distressed zones" (§160), for "economically disadvantaged minority residents" (§170), and for "economically disadvantaged female residents" (§175).

SECTION THREE

This section of the bill amends subsection (a) of AS 37.05.315, the existing statute for grants to municipalities, to require a local financial match for capital project grants funded under that program. (The match provisions are set out in proposed AS 37.06.030 in Section 9 of the bill.)

As defined in AS 37.07.120, "capital projects" and "capital improvements" mean an allocation or appropriation item for an asset with an anticipated life exceeding one year and a cost exceeding \$25 thousand, and include land acquisition, construction, structural improvement, engineering and design for the project, and equipment and repair costs.

SECTION FOUR

This section of the bill amends subsection (a) of AS 37.05.316, the existing statute for grants to named recipients, to require a local financial match for capital project grants funded under that program. (The match provisions are set out in proposed AS 37.06.030 in Section 9 of the bill.)

SECTION FIVE

This section of the bill amends subsection (3) under AS 37.05.317(a) to stipulate that, if no qualified incorporated entity exists to receive a grant to an unincorporated

community under this section, the grant may not be awarded. At present, under the existing provisions of subsection (3), the Department of Community and Regional Affairs must administer such a grant project directly or through its contractors. The amendment is proposed, here, because it would not be appropriate under such conditions to require a financial match from the Department.

SECTION SIX

This section of the bill adds a new subsection (c) to AS 37.05.317, the existing statute for grants to unincorporated communities, to require a local financial match for capital project grants funded under that program. (The match provisions are set out in proposed AS 37.06.030 in Section 9 of the bill.)

SECTION SEVEN

This section of the bill repeals the existing prohibition (AS 37.05.318 - Further Regulations Prohibited) against the promulgation of regulations for grants to municipalities, named recipients and unincorporated communities under AS 37.05.315 - .317, and replaces it with a set of provisions allowing the promulgation of regulations for those grant programs.

The existing provisions of .318 prohibit state agencies from adopting regulations or imposing additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the provisions of AS 37.05.315 - .317, unless required by the federal government for participation in federal programs.

The new set of regulatory provisions set out in this section of the bill stipulates that the Department of Administration (for grants to municipalities under AS 37.05.315), the departments administering grants to named recipients (under AS 37.05.316) and the Department of Community and Regional Affairs (for grants to unincorporated communities under AS 37.05.315) may promulgate regulations, require reports, conduct audits, etc., for purposes of conducting those programs and carrying out the provisions of AS 37.05.315 - .317.

The regulatory provisions set out in this section of the bill also stipulate that these same departments shall promulgate regulations providing for periodic audits of grants made under AS 37.05.315 - .317, and specifically including audit of the departments' methods used to value any contributed labor used to satisfy the local matching share, as well as their methods of confirming that such contributed labor actually was used.

SECTION EIGHT

This section of the bill limits the amount of money which may be spent on administrative expenses, for any capital project funded in whole or in part with money granted under AS 37.05.315-.317, to no more than ten percent of the total amount of money spent on the project.

SECTION NINE

This section of the bill adds a new Chapter 6 to Title 37 of Alaska's Statutes, setting out the provisions of the proposed capital project matching grant programs. (Technically, there are two separate and distinct matching grant programs - - one for municipalities, and one for unincorporated communities.)

The proposed Chapter 6 includes five sections of statutes:

- Sec. 37.06.010 sets out the proposed Municipal Capital Project Matching Grant Program;
- Sec. 37.06.020 sets out the proposed Unincorporated Community Capital Project Matching Grant Program;
- Sec. 37.06.030 sets out the local matching share requirements for the two programs, above

(plus an equivalent set of local match requirements for grants made to municipal, unincorporated community and named grant recipients under the existing provisions of AS 37.05.315 - .317 as amended in Sections 3, 4 and 6 of this bill, respectively);

- Sec. 37.06.80 provides for the adoption of regulations for the two programs, above; and,
- Sec. 37.06.090 provides a definition of "capital project".

Sec. 37.06.010 - Municipalities

Subsection (a) establishes the Municipal Capital Project Matching Grant Program in the Department of Administration (DOA).

Subsection (b) creates a municipal capital project matching grant fund within DOA, consisting of appropriations to the fund, and provides that appropriations to the fund do not lapse except as provided in (f) of this section. Also provided is that DOA shall establish accounts within the fund for every municipality, that annual appropriations to the fund shall be allocated by formula to each municipality's account, and that interest earnings for each account shall be retained in and become part of each account's balance.

The formula set out in (b) for allocating annual lump-sum appropriations to the fund into the municipalities' accounts stipulates that each municipality shall receive a share of the annual lump-sum appropriation which is equivalent to its population's portion of the sum of all municipal populations in the state, after first adjusting upwards the population counts of smaller municipalities.

The factors by which municipal populations are adjusted are 1.5 for those with populations under 1,000; 1.4 for those of 1,000 - 4,999; 1.2 for those of 5,000 - 10,000; and, 1.0 for those of more than 10,000. These factors are proposed in order to account for the disadvantages which smaller municipalities generally experience relative to larger municipalities regarding their fiscal capacity (including debt capacity and access to capital), their unit costs of constructing capital projects, and their ability to achieve economies of scale in undertaking capital projects and improvements.

(The basis for the population data to be used under this subsection is explained in Subsection (g), below.)

"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; i.e., unincorporated communities which are not eligible for revenue sharing.

Subsection (c) sets a minimum grant amount of \$25,000 for each municipality, subject to available appropriations, with allocations to be reduced pro rata by population if necessary to provide at least the minimum amount to each municipality. If the annual lump-sum appropriation to the fund does not permit at least the minimum amount for each municipality, then it is divided equally among all municipalities.

Subsection (d) requires municipalities to submit their prioritized requests for capital project grants to the Governor each year by October 1, along with information about their local matching shares. The Governor is required to recommend projects from these lists in his or her annual proposed capital budget, and to inform the Legislature in writing if the projects proposed for a municipality differ in order of priority from the priority originally submitted by the municipality.

Subsection (e) stipulates that funds may not be withdrawn by municipalities from their accounts except in accordance with subsequent project-specific appropriations, and that such draws are subject to the local financial match requirements in proposed AS 37.06.030. (Also stipulated are the same covenants governing municipal responsibility for maintaining and operating capital project facilities, and the same hiring preference provisions, which are required at present for grants to municipalities funded under AS 37.05.315.)

This subsection also limits the amount of money which may be spent on administrative expenses, for any capital project funded in whole or in part with money granted under this subsection, to no more than ten percent of the total amount of money spent on the project.

Subsection (f) requires municipalities to repay money drawn from their accounts if substantial ongoing work on the respective projects involved does not begin within five years, with all such repayments being deposited in the general fund. Also, if money in a municipality's account is not drawn on for five years, the money lapses into the general fund.

Subsection (g) stipulates that the population data to be used in making allocations among municipalities in Subsection (b), above, are to be those employed in the State's

municipal assistance and revenue sharing programs. To avoid double counting, it also is stipulated that for purposes of this subsection the population of a borough (which legally is a municipality) excludes the population of each city within that borough.

Subsection (h) makes the provisions of AS 37.05.321, prohibiting the use of grant money for legislative lobbying, applicable to grants made under this section.

Subsection (i) defines the use of the word "department" in this section as meaning the Department of Administration.

Sec. 37.06.020 - Unincorporated Communities

Subsection (a) establishes the Unincorporated Community Capital Project Matching Grant Program in the Department of Community and Regional Affairs (DCRA).

Subsection (b) creates an unincorporated community capital project matching grant fund within DCRA, consisting of appropriations to the fund, and provides that appropriations to the fund do not lapse except as provided in (h) of this section. Also provided is that DCRA shall establish accounts within the fund for every unincorporated community eligible for revenue sharing in the current fiscal year, that annual appropriations to the fund shall be allocated in equal proportions to each eligible community's account, and that interest earnings for each account shall be retained in and become part of each account's balance.

(An eligible 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.)

(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; i.e., unincorporated communities which are not eligible for revenue sharing.)

Subsection (c) sets a minimum grant amount of \$25,000 for each unincorporated community, subject to available appropriations. If the annual lump-sum appropriation to the fund does not permit at least the minimum amount for each eligible community, then it is divided equally among all the eligible unincorporated communities.

Subsection (d) provides that DCRA shall determine and designate the entity entitled to represent an unincorporated community for purposes of implementing grants made under this section. (This process is the same as the one currently used in the State revenue sharing program.

If no qualified entity exists or none is willing, money may not be withdrawn from the community's account and the money allocated to the account lapses into the general fund.

Subsection (e) requires unincorporated communities (i.e., their designated representative entities) to submit their prioritized requests for capital project grants to the Governor each year by October 1, along with information about their local matching shares. The Governor is required to recommend projects from these lists in his or her annual proposed capital budget, and to inform the Legislature in writing if the projects proposed for an unincorporated community differ in order of priority from the priority originally submitted by the community.

Subsection (f) stipulates that funds may not be withdrawn by unincorporated communities from their accounts except in accordance with subsequent project-specific appropriations, and that such draws are subject to the local financial match requirements in proposed AS 37.06.030. (Also stipulated are the same covenants governing unincorporated communities' responsibility for maintaining and operating capital project facilities, and the same hiring preference provisions, which are required at present for grants to unincorporated communities funded under AS 37.05.317.)

This subsection also limits the amount of money which may be spent on administrative expenses, for any capital project funded in whole or in part with money granted under this subsection, to no more than ten percent of the total amount of money spent on the project.

Subsection (g) stipulates that Native village councils acting as unincorporated community representatives under Subsection (d), above, must waive immunity from suit or claims arising from their activities related to grants or draws made under this section. (This is the same provision currently applied to grants made to unincorporated communities under the existing provisions of AS 37.05.317.)

Subsection (h) requires unincorporated communities to repay money drawn from their accounts if substantial ongoing work on the respective projects involved does not begin within five years, with all such repayments being deposited in the general fund. Also, if money in a community's account is not drawn on for five years, the money lapses into the general fund.

Subsection (i) stipulates that the limitations of AS 44.47.140 (powers and duties of DCRA), prohibiting DCRA from operating a rural program costing in excess of \$100 thousand per year, do not apply to grants made under this section.

Subsection (j) makes the provisions of AS 37.05.321, prohibiting the use of grant money for legislative lobbying, applicable to grants made under this section.

Subsection (k) defines the use of the word "department" in this section as meaning the Department of Community and Regional Affairs.

Sec. 37.06.030 - Local Share Requirements

Subsection (a) stipulates that a local matching share is required for all grants to municipalities made under the existing provisions of AS 37.05.315 or under the new program provisions of AS 37.06.010, and all grants to named recipients made under the existing provisions of AS 37.05.316 - - i.e., that each time a municipal or named recipient grantee wishes to draw funds against its allocation, for a project or projects for which it has received a project-specific appropriation, it must make a matching contribution per the provisions set out in this subsection.

The amount of the local share is defined in this subsection as the local share percentage (as specified in this subsection) divided by the state share percentage (defined in this subsection as 1 minus the local share percentage), multiplied by the amount of the grant or draw. Defining the local share in this way essentially means that the local percentage share is the percentage of the total project cost which is to be borne by the grantee.

For appropriations with effective dates no later than July 1, 1994, the local percentage shares for municipalities of various population sizes are:

<u>Share</u>	<u>Population</u>
30 percent	5,000 or more
15 percent	1,000 - 4,999
5 percent	less than 1,000

After two years, i.e., for appropriations with effective dates after July 1, 1994, the local percentage shares for municipalities of these population sizes are:

<u>Share</u>	<u>Population</u>
50 percent	5,000 or more
25 percent	1,000 - 4,999
8 percent	less than 1,000

For named grant recipients, the provisions in this subsection stipulate that the local share percentage shall be equal to that of the community in which the named grant recipient is located, with the additional stipulation that named grant recipients located in unincorporated communities will have a local share percentage of 5 percent for grant funds appropriated with effective dates no later than July 1, 1994, and 8 percent for grant funds appropriated with effective dates after July 1, 1994. (These latter rates are the same as those established for unincorporated communities in Subsection (b) of this section.)

For municipalities, directly contributed labor, material, equipment, etc., money from non-state sources, funds received through the State municipal assistance and revenue sharing programs, shared state taxes (not otherwise prohibited), and state-reimbursed school construction debt money may constitute the local share. No other money from state sources, including the state-financed portion of assets obtained in part with state funds, may be used as an in-kind contribution towards fulfilling the local matching share.

The same provisions for in-kind matches are permitted under this subsection for named grant recipients, with the exceptions of municipal assistance and revenue sharing, shared taxes, and school construction debt.

In all instances, the Department of Administration shall determine the value of in-kind match contributions for municipalities, and the relevant department administering a named recipient grant shall determine the value of in-kind match contributions for those types of grants.

Subsection (b) stipulates that a local matching share is required for all grants to unincorporated communities made under the existing provisions of AS 37.05.317 or under the new program provisions of AS 37.06.020 - - i.e., that each time an unincorporated community or its designated recipient entity wishes to draw funds against its allocation, for a project or projects for which it has received a project-specific appropriation, it must make a matching contribution per the provisions set out in this subsection.

As with municipalities under Subsection (a), above, the amount of the local share is defined in this subsection as the local share percentage (as specified in this subsection) divided by the state share percentage (defined in this subsection as 1 minus the local share percentage), multiplied by the amount of the grant or draw. Defining the local share in this way essentially means that the local percentage share is the percentage of the total project cost which is to be borne by the grantee.

For appropriations with effective dates no later than July 1, 1994, the local percentage shares for unincorporated communities is 5 percent, rising to 8 percent for grant funds from appropriations with effective dates after July 1, 1994.

The in-kind match provisions for unincorporated communities are the same as those for named grant recipients, except that unincorporated communities may use their state revenue sharing funds for match purposes.

In all instances, Department of Community and Regional Affairs shall determine the value of in-kind match contributions for unincorporated communities or their designated entities.

Subsection (c) stipulates that, for purposes of determining the municipal population thresholds used for matching in Subsection (a) of this section, the population data to be used are those employed in the State's municipal assistance and revenue sharing programs. Similarly, to avoid double counting, it also is stipulated that for purposes of this subsection the population of a borough (which legally is a municipality) excludes the population of each city within that borough.

Sec. 37.06.080 - Regulations

This section provides the Department of Administration and the Department of Community and Regional Affairs with the authority to promulgate regulations for grants made to municipalities and named recipients, and for grants made to unincorporated communities, respectively, under the proposed AS 37.06.010 and .020.

Essentially, these provisions allow the departments 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 departments' methods used to value any contributed labor used to satisfy the local share, as well as their methods of confirming that such contributed labor actually was used.

Sec. 37.06.090 - Definition

This section provides the same definition of "capital project" for the new Chapter 6 as that used in the existing provisions of AS 37.05.315 - .317; i.e., an asset with a life span of more than one year and costing at least \$25 thousand (as defined in AS 37.07.120).

SECTION TEN

This section of the bill establishes a first-year (FY 1993) transition schedule for implementing the capital project matching grant programs for municipalities and unincorporated communities (under AS 37.06.010 and AS 37.06.020, respectively, in Section 9 of the bill).

For this initial year of the programs only, this section requires that municipalities and unincorporated communities or their representative entities must submit their prioritized list of proposed capital projects to the Governor by March 1, 1993, or by the effective date of the bill, whichever is later. (The date for all ensuing years would be October 1, as set out in Section 9 of the bill.)

SECTION ELEVEN

This section of the bill stipulates that capital project grants made under the existing provisions of AS 37.05.315-.317 (to municipalities, named recipients and unincorporated communities) as amended by this bill, and grants made under AS 37.07.06 as proposed by this bill, may not be disbursed or drawn upon until after June 30, 1993. This reason for this provision is to allow the departments affected by this bill to have time for developing and promulgating interim regulations before disbursements and draws begin.

SECTION TWELVE

This section of the bill provides for an immediate effective date.

**Background
And
Briefing Materials**

CAPITAL PROJECT MATCHING GRANT PROGRAM

**And Related Grant Programs
For Municipalities, Named Recipients,
And Unincorporated Communities**

Senate Bills No. 88 and 89

SENATE FINANCE COMMITTEE HEARING

March 12, 1993

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

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

Capital Project Matching Grant Program

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Capital Project Matching Grant Program
(Senate Bills No. 88-89)

OVERVIEW

PURPOSES:

- To emphasize local selection and prioritization of community-based capital projects.
- To encourage the selection of high-quality capital projects by establishing a local stake in their success.
- To leverage the effectiveness of State funds by making limited capital budget dollars go farther.

MAIN ELEMENTS:

- Creates a statewide block grant program for local capital projects, with local matching funds requirements.
- Applies the same match requirements to other existing capital project grant programs for municipalities, named recipients and unincorporated communities.
- Establishes a rational process for the review and evaluation of community-based capital project proposals, involving communities, the Legislature and the Governor.

KEY PROVISIONS:

- The Governor must propose funding for projects in his capital budget proposal in the order of priority selected by the communities, subject to available funding, or explain in writing to the Legislature his reasons for departing from communities' stated preferences.
- The FY 1994 proposed funding level for the program is \$67 million.
- Grant funds are allocated annually to all municipalities in the state (based on population and size factors), and to all unincorporated communities eligible for revenue sharing.
- The maximum grant allocation for a community is determined by the program's annual funding level; the minimum is \$25,000.
- Matching funds requirements are based on community population. The maximum local share is 30 percent of total project cost, rising to 50 percent after two years; the minimum is 5 percent, rising to 8 percent.
- Communities may accumulate their annual grant amounts for up to five years, to facilitate the development and financing of larger projects.

Office of the Governor
State of Alaska

CAPITAL PROJECT MATCHING GRANT PROGRAM

(Senate Bill No. 88)

QUESTIONS AND ISSUES

General

- ***The current system for funding discretionary capital project grants works fine, and in many cases already includes local financial participation.***

While some capital projects proposed by communities do include local financial participation, State funding dollars would go much farther if all such projects included local matching funds. Additionally, the current process frequently is haphazard, with projects selected as often for political reasons as for their merit or real need, which makes it difficult for communities to conduct effective planning.

- ***What commitment is there from the Governor that this matching grant proposal will work, when other programs predicated on local participation may not be adequately funded or are being cut back (e.g., municipal assistance)?***

The proposed matching grant program is one of the highest priorities of this administration. While funding for all programs is subject to the availability of revenue for appropriation, funding for this program will be strongly supported by the Governor because of the program's likely effectiveness in optimizing local capital development decisions and in leveraging State development funding.

Formula Programs

- ***The proposed program would create yet another formula program, at a time when formula-driven costs are increasing and needs for existing formula programs are not being met.***

The proposed matching grant program is different from other "formula" programs because its funding level would be completely discretionary, subject to the desires of the Legislature and the Governor. It therefore would not establish a cost center which would grow in uncontrolled fashion, like other, less tractable formula programs. To the contrary, the proposed block grant program would maximize both the efficiency of State funding as well as the efficiency of capital project planning, and in this sense actually help to reduce, rather than compound, the State's growing formula programs "problem".

- ***Other formulas will be affected by the projects built with matching grant funds.***

Projects built with matching grant funds will not affect other formula programs any more or less than projects undertaken through the current discretionary approach. If anything, the improved planning made possible through the proposed matching grant program will help to reduce the extent and magnitude of unintended and unforeseen impacts of capital projects on other formula programs.

Fairness

- ***Basing grant amounts on population overlooks disparities among communities' needs, especially between urban and rural communities.***

Grant amounts in the proposed program are not based solely on population. Rather, community populations are adjusted through the use of a set of numerical factors in the grant allocation formula, specifically 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.

Very small, unincorporated communities do receive a fixed grant allocation amount under the proposed program. It is important to note, however, that the proposed program is not designed or intended to address the larger set of unmet major community and regional capital development needs in the state, either in incorporated or unincorporated areas. The need for using

other mechanisms to address these larger needs is emphasized in the intent section of the enabling legislation for this program.

- ***The proposed program may be unfair to those communities which already have bonded to meet their capital needs.***

This is not likely to be an issue, as the proposed program focuses on relatively small capital projects for which communities would not likely undertake bonding anyway. The real issue is that, with revenues expected to decline, everybody's dollars will need to be stretched and used more effectively. The proposed matching grant program will help to do just that.

- ***The proposed local matching share requirement for unincorporated communities is too low, and thus is unfair to larger communities.***

As a group, unincorporated communities often have been "forgotten" in the past. They do not enjoy many of the resource advantages of larger communities, especially those deriving from the benefits of economies of scale and access to capital (both human as well as financial). Those in rural areas of the state also face notably higher unit costs for construction and development projects. The relatively low match requirement for unincorporated communities is therefore explicitly intended to address some of these disadvantages. In this regard, it should be noted that this low match requirement applies only to unincorporated communities located in the unorganized areas of the state; all others receive grants through their borough governments, which are subject to the higher tiers of match requirements applied to municipalities.

Fiscal Capacity

- ***The proposed program is another case where the fiscal capacity of local communities is being ignored by the Administration; we are pushing more responsibilities down to local governments, but not doing anything to enhance their fiscal capacities.***

Community differences regarding fiscal capacity are explicitly addressed in the proposed program, both in the program's grant allocation formula as well as in its matching grant requirement provisions. These considerations, plus the various in-kind allowances permitted to satisfy the match requirement, have been formulated specifically to address the constraints posed by the limited nature of local communities' fiscal capacities.

- ***This program overestimates the ability of a community to provide matching funds, especially in smaller rural communities.***

In order to allow all communities to participate, the proposed program allows a broad use of in-kind items (e.g., labor, materials, equipment, land, shared taxes, reimbursements, etc.) as allowable sources or types of matching funds. Also allowed for meeting the match requirement are municipal assistance and revenue sharing funds, and funds from any non-state sources. All of these provisions in the proposed program will help communities, and especially smaller rural communities, to meet the matching funds requirement.

Eligibility

- ***The level of funding proposed for the program determines whether a given project is eligible for the program.***

Under any block grant program, unless other specific eligibility provisions apply, a project is neither "eligible" or "ineligible" for funding; it is simply either affordable or not - - if not, supplementary funding must be found. The proposed program proposes no such eligibility criteria for projects; rather it allows funding to be used for any type of capital project, as currently defined in law.

Matching Requirements

- ***Small rural communities, in particular, will have difficulties in meeting their match requirements, even with the use of in-kind contributions.***

The proposed program is intended for relatively small capital projects (not the larger area-wide or regional projects), so meeting the matching requirements should not be overly difficult, even for small rural communities. This is especially true if the program's in-kind match provisions are taken into consideration, and all the more true if land or other forms of shared state revenues (shared taxes, school debt reimbursement, etc.) are allowed as an in-kind match, as they are in the proposed legislation.

- ***It is not realistic to assume that small communities and villages will be able to count on contributed labor as a means of meeting their match requirements.***

The program does not assume that small communities and villages will be able to depend on a steady supply of manpower. It does assume, however, that, no matter how small, communities will be able to provide a mix of cash contributed materials, equipment and supplies, and contributed manpower sufficient to meet their matching funds requirements. Considering that smaller projects are the focus of the proposed program, (2) matching funds

like the State grant funds themselves, can be accumulated over time. (3) a variety of forms of in-kind contributions can be used, and (4) the match requirements for the smallest communities is initially only 5 percent, the proposed program's match requirements should not be viewed as especially burdensome.

- ***The State (DOA, DCRA) will encounter major difficulties in attempting to place a value on manpower, materials, etc., which may be contributed by communities to meet their match requirements.***

The departments of Administration and Community and Regional Affairs anticipate no major difficulties in assigning such values, as valuations of in-kind contributions for grant projects are routinely conducted by state government. There should be no difficulty in adopting or adapting statewide or regional prevailing wage standards through (e.g.) the Department of Labor, or materials cost standards through (e.g.) the Department of Transportation and Public Facilities for such purposes, or other such benchmarks.

Borough/Municipal Powers

- ***The differing powers and limitations of boroughs and municipalities will make it difficult to decide whether one or the other, or both, should be the proper grant recipient.***

One of the most important aspects of the proposed program is to emphasize local selection of capital projects - - primarily, on the basis that communities know best their own needs and development requirements, and are in the best position to choose the timing of their projects as well as the best manner of utilizing their financial and human resources to develop those projects. Part of this increased freedom of choice is, of course, the responsibility of having to make those choices.

Given this freedom of choice, communities will need to work out for themselves the best approaches to cooperative development of their projects. Certainly, nothing in the proposed program limits communities or boroughs in their freedom to make these choices, or in their flexibility regarding methods of working together for such purposes. (The Alaska Constitution is actually quite permissive in this regard - - see Article X, Section Thirteen: Agreements, Transfer Of Powers.) Additionally, the State will be available to assist communities and boroughs in formulating such cooperative agreements and approaches, if requested.

- ***The proposed program may put too much power into the hands of the State's municipalities.***

This is unlikely, as the proposed program deals primarily with relatively smaller capital projects. Given that major capital projects will continue to be funded through other mechanisms, and that boroughs and municipalities would be encouraged under the program to work together in the selection, planning and implementation of projects, it seems more likely that the proposed program would tend to engender or reinforce an equitable sharing of local roles and responsibilities.

Funding

- ***The possibility exists that, in any given year, inadequate funding levels for the program may result in no projects at all getting built; i.e., communities may have to "bank" their grant awards until sufficiently large amounts of funding can be accumulated.***

The possibility of inadequate funding levels for capital projects, such as it is, is neither increased nor diminished by the proposed program.

Costs

- ***Funding grant projects in all municipalities and unincorporated communities will create a large deferred maintenance problem, statewide, because communities will not have enough money to provide maintenance.***

It is not expected that the proposed program will either diminish or exacerbate existing problems of deferred facilities maintenance. Since communities will be contributing their own money to projects under this program, however, and since the program will enhance communities' abilities to adequately plan for projects, it is expected that the maintenance costs of new facilities will tend to receive their proper attention before construction is undertaken.

SB 88



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

AML POSITION ON MATCHING CAPITAL GRANTS

The Alaska Municipal League supports the concept of matching grant programs for capital purposes provided that such programs meet the criteria set forth below: *

1. Provide project determination at the local level,
2. Provide a minimum entitlement that is meaningful, i.e., not less than \$50,000 per municipality per year,
3. Provide equitable distribution of funds according to population, services provided, and/or need,
4. Provide for differentials in construction costs, urban vs. rural,
5. Provide for accountability, and
6. Require a local contribution (local match) which is a weighted local contribution based on local wealth (ability to pay). Local governments should be able to use as match the value of municipal land or other assets, and/or any funds available to them from any source not limited by other law or contract.

*From AML Resolution 93-8, adopted November 14, 1992 (attached).

As a matter of general policy, the League supports a statutorily enacted block grant program which deals with local concerns regarding adequacy and certainty of funding, coupled with a recognition of local need and ability to pay.

In reviewing SB 88, we see that it meets, in whole or in part, some, but not all of these criteria. The amount to be provided as a minimum is less than adequate, and the matching requirements contained in the bill do not fully recognize limitations on community ability to pay. The value of local administrative expense does not seem to be recognized as a match element, and local government would also wish to be able to use any funds from local, state or federal sources as match.

Additionally, some of the flexibility now available in Section 315 grants, the legislature's discretionary grants to municipalities, will be lost if new statutory match requirements are imposed on that program as well as on grants under the proposed new program. The League is also concerned that the present bar against administrative regulations on Section 315 grants would be repealed under SB 88.

AML continues to support the concept of matching capital grants as an additional form of financial assistance for local government and hopes that legislation more closely conforming to the criteria set forth in AML Resolution 93-8 will ultimately be enacted.

Resolution of the Alaska Municipal League

Resolution No. 93-8

**A RESOLUTION SUPPORTING LEGISLATION TO
ESTABLISH A CAPITAL PROJECT MATCHING
GRANT PROGRAM FOR MUNICIPALITIES, PROVIDED
THAT CERTAIN CONDITIONS ARE MET**

WHEREAS, the Alaska Municipal League is an organization composed of member local governments working together to seek improvements to Alaskan local government operations, and

WHEREAS, 112 Alaskan local governments are members of the Alaska Municipal League, and

WHEREAS, the Alaska Municipal League, through a general membership vote on its policy statement, supports "block grants" to local governments (*Alaska Municipal League Policy Statement, 1993, Part I, B.6*), and

WHEREAS, Governor Hickel has proposed legislation to establish a capital project matching grant program for municipalities and that legislation was considered by the 17th Legislature in the form of SB 141, and

WHEREAS, the final version of SB 141 considered by the 17th Legislature, CS SB 141 (Finance), provided for a formula-driven capital project matching grant program that 1) provided for an allocation of state funds to local governments based on a weighted population factor and 2) required a local match based on a weighted population factor and a local wealth factor, and

WHEREAS, the Alaska Municipal League with this resolution establishes criteria for evaluating the proposed capital grant matching program, which criteria are as follows:

1. Provide project determination at the local level,
2. Provide a minimum entitlement that is meaningful,
3. Provide equitable distribution of funds according to population, services provided, and/or need,
4. Provide for the differentials in construction costs, urban versus rural,
5. Provide for accountability, and
6. Require a local contribution (local match) which is a weighted local contribution rate based on local wealth (ability to pay),

and

WHEREAS, an additional concern of the League is that there exists some confusion in AS 29 about which funds received by a borough can be spent for the benefit of which population sectors (i.e., areawide, non-areawide, or service area functions), and thus the legislation considered as CS SB 141 (Finance) would require some modification to make it perfectly clear that monies received by a borough may be spent on any capital project or capital improvement related to functions that the borough is legally empowered to exercise, and

WHEREAS, the League believes that a local government should be entitled to use any asset, including its land and labor, to satisfy the local share requirement for a matching grant program, and

WHEREAS, a local government does not segregate revenue sources other than those specifically designated for specific purposes by a granting agency and 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, and

WHEREAS, therefore the provision of the legislation considered as CS SB 141 (Finance) that stated ". . . local share may not be satisfied with money from appropriations, allocations, entitlements, grants, or other payments from the state" would impose standards on local governments that contradict the standards established for a number of local government revenue sources, e.g., reimbursement for cash payments for school construction, reimbursement for school construction debt, shared taxes such as the fisheries and aviation fuel taxes, and national forest receipts, and

WHEREAS, the Alaska Municipal League desires to support the capital grant program as proposed by the Governor, but feels that certain modifications to legislation considered as CS SB 141 (Finance) in 1992 are necessary to address the concerns outlined above;


NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League supports the intent of the legislation formerly considered as CS SB 141 (Finance) with the following amendments:

1. Increase the minimum entitlement to local governments to \$50,000 and provide that each local government will share equally in any percentage reduction if the appropriation level for the program is less than \$63 million, with an absolute floor of \$25,000 per municipality,
2. Add a provision stating that monies received by a borough may be spent on any capital project or capital improvement related to functions that the borough is legally empowered to exercise,

3. Provide that land and other assets of the municipality may be used to satisfy the local share requirement,
4. Provide that municipalities may use as a match any funds available to them that were not received from the state or federal government for specific named projects or programs or from legislative appropriations made directly or indirectly for the purpose of providing matching funds for grants made under the capital matching grants program.


BE IT FURTHER RESOLVED that the Alaska Municipal League is ready to work with the Governor and the Alaska Legislature to gain adoption of legislation that will provide for a matching capital grant program that meets the criteria outlined above.

Adopted this 13th day of November 1992 in Juneau, Alaska.



Willie Goodwin, Jr., President

ATTEST:



Kent E. Swisher, Executive Director

TABLE 1 - MUNICIPALITIES

TOTAL FUNDING: \$67,000,000 MINIMUM GRANT: \$25,000

Municipal CPMG Fund Appropriation:	\$65,300,000	<i>Population:</i>				
Minimum State Share:	\$25,000	Under 1,000	1,000- 4,999	5,000- 10,000	Over 10,000	
		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Municipality	Population	Grant Allocation Factor	LOCAL SHARE %		STATE SHARE %	\$	Leverage Ratio
Akhok (KIB)	81	1.5	5%	1,316	95.0%	25,000	1.05
Akiak	287	1.5	5%	2,379	95.0%	45,205	1.05
Akutan (AEB)	487	1.5	5%	4,037	95.0%	76,707	1.05
Alakanuk	559	1.5	5%	4,634	95.0%	88,048	1.05
Aleknagik	200	1.5	5%	1,658	95.0%	31,502	1.05
Aleutians East Borough (AEB):	93	1.5	5%	1,316	95.0%	25,000	1.05
Allakaket	172	1.5	5%	1,426	95.0%	27,092	1.05
Ambler (NAB)	301	1.5	5%	2,495	95.0%	47,410	1.05
Anaktuvuk Pass (NSB)	246	1.5	5%	2,039	95.0%	38,747	1.05
Anchorage, Municipality of	240,258	1.0	30%	10,797,153	70.0%	25,193,358	1.43
Anderson (DB)	649	1.5	5%	5,380	95.0%	102,223	1.05
Angoon	705	1.5	5%	5,844	95.0%	111,044	1.05
Aniak	529	1.5	5%	4,385	95.0%	83,322	1.05
Arnvik	104	1.5	5%	1,316	95.0%	25,000	1.05
Atka	87	1.5	5%	1,316	95.0%	25,000	1.05
Armautluak	267	1.5	5%	2,213	95.0%	42,055	1.05
Atkasuk (NSB)	217	1.5	5%	1,799	95.0%	34,179	1.05
Barrow (NSB)	3,702	1.4	15%	96,021	85.0%	544,117	1.19
Bethel	4,868	1.4	15%	126,264	85.0%	715,494	1.19
Bettles	33	1.5	5%	1,316	95.0%	25,000	1.05
Brevig Mission	234	1.5	5%	1,940	95.0%	36,857	1.05
Bristol Bay Borough:	1,415	1.4	15%	36,702	85.0%	207,975	1.19
Buckland (NAB)	318	1.5	5%	2,636	95.0%	50,088	1.05
Chelomak	330	1.5	5%	2,736	95.0%	51,978	1.05
Chevak	619	1.5	5%	5,131	95.0%	97,498	1.05
Chignik (LPB)	177	1.5	5%	1,467	95.0%	27,879	1.05
Chuathbaluk	129	1.5	5%	1,316	95.0%	25,000	1.05
Clark's point	58	1.5	5%	1,316	95.0%	25,000	1.05
Coffman cove	198	1.5	5%	1,641	95.0%	31,187	1.05
Cold bay (AEB)	137	1.5	5%	1,316	95.0%	25,000	1.05
Cordeva	2,504	1.4	15%	64,947	85.0%	368,036	1.19
Craig	1,637	1.4	15%	42,460	85.0%	240,605	1.19
Deering (NAB)	158	1.5	5%	1,316	95.0%	25,000	1.05
Delta Junction	736	1.5	5%	6,101	95.0%	115,927	1.05
Denali Borough (DB):	1,183	1.4	15%	30,684	85.0%	173,876	1.19
Dillingham	2,110	1.4	15%	54,728	85.0%	310,126	1.19
Diomece	180	1.5	5%	1,492	95.0%	28,352	1.05
Eagle	161	1.5	5%	1,335	95.0%	25,359	1.05
Eek	284	1.5	5%	2,354	95.0%	44,733	1.05
Ekwok	78	1.5	5%	1,316	95.0%	25,000	1.05
Elim	267	1.5	5%	2,213	95.0%	42,055	1.05
Emmonak	692	1.5	5%	5,737	95.0%	108,906	1.05
Fairbanks (FNSB)	32,156	1.0	30%	1,445,085	70.0%	3,371,865	1.43
Fairbanks North Star Borough (FNSB):	45,903	1.0	30%	2,062,873	70.0%	4,813,370	1.43
False Pass (AEB)	64	1.5	5%	1,316	95.0%	25,000	1.05
Fort Yukon	718	1.5	5%	5,952	95.0%	113,091	1.05
Galena	829	1.5	5%	6,872	95.0%	130,575	1.05

TABLE 1 - MUNICIPALITIES

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Minimum State Share:	\$25,000	Under 1,000	1,000- 4,999	5,000- 10,000	Over 10,000	
		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Municipality	Population	Grant Allocation Factor	LOCAL SHARE		STATE SHARE		Leverage Ratio
			%	\$	%	\$	
Mountain Village	727	1.5	5%	6,027	95.0%	114,509	1.05
Napakuk	323	1.5	5%	2,678	95.0%	50,875	1.05
Napaskiak	362	1.5	5%	3,001	95.0%	57,018	1.05
Nenana	504	1.5	5%	4,178	95.0%	79,385	1.05
New Sluyahok	396	1.5	5%	3,283	95.0%	62,374	1.05
Newhalen (LPB)	161	1.5	5%	1,335	95.0%	25,359	1.05
Newtok	213	1.5	5%	1,766	95.0%	33,549	1.05
Nightmute	13	1.5	5%	1,478	95.0%	28,037	1.05
Nikolai	107	1.5	5%	1,318	95.0%	25,000	1.05
Nome	4,559	1.4	15%	118,249	85.0%	670,078	1.18
Nondalton (LPB)	212	1.5	5%	1,757	95.0%	33,362	1.05
Noorvik (NAB)	520	1.5	5%	4,311	95.0%	81,905	1.05
North Pole (FNSB)	1,671	1.4	15%	43,342	85.0%	245,802	1.18
North Slope Borough (NSB):	2,582	1.4	15%	68,971	85.0%	379,500	1.18
Northwest Arctic Borough (NAB):	250	1.5	5%	2,072	95.0%	39,377	1.05
Nuligat (NSB)	391	1.5	5%	3,241	95.0%	61,586	1.05
Nulato	364	1.5	5%	3,018	95.0%	57,333	1.05
Nunapitchuk (Akolmiut)	475	1.5	5%	3,838	95.0%	74,817	1.05
Old Harbor (KIB)	298	1.5	5%	2,470	95.0%	48,838	1.05
Ouzinkie (KIB)	218	1.5	5%	1,791	95.0%	34,022	1.05
Palmer	3,039	1.4	15%	78,824	85.0%	446,869	1.18
Pelican	265	1.5	5%	2,197	95.0%	41,740	1.05
Petersburg	3,680	1.4	15%	95,450	85.0%	540,863	1.18
Pilot Point (LPB)	97	1.5	5%	1,318	95.0%	25,000	1.05
Pilot Station	470	1.5	5%	3,868	95.0%	74,029	1.05
Platinum	54	1.5	5%	1,318	95.0%	25,000	1.05
Point Hope (NSB)	680	1.5	5%	5,837	95.0%	107,108	1.05
Port Alexander	119	1.5	5%	1,318	95.0%	25,000	1.05
Port Heiden (LPB)	126	1.5	5%	1,318	95.0%	25,000	1.05
Port Lions (KIB)	238	1.5	5%	1,973	95.0%	37,487	1.05
Quinhagak	501	1.5	5%	4,153	95.0%	78,912	1.05
Ruby	207	1.5	5%	1,718	95.0%	32,804	1.05
Russian Mission	288	1.5	5%	2,205	95.0%	41,897	1.05
Sand Point (AEB)	1,073	1.4	15%	27,831	85.0%	157,709	1.18
Savoonga	545	1.5	5%	4,518	95.0%	86,842	1.05
Saxman (KGB)	379	1.5	5%	3,142	95.0%	59,686	1.05
Scammon Bay	380	1.5	5%	2,984	95.0%	56,703	1.05
Selawik (NAB)	597	1.5	5%	4,949	95.0%	94,033	1.05
Seldovia (KPB)	302	1.5	5%	2,504	95.0%	47,588	1.05
Seward (KPB)	2,806	1.4	15%	72,781	85.0%	412,423	1.18
Shageluk	144	1.5	5%	1,318	95.0%	25,000	1.05
Shaktolik	212	1.5	5%	1,757	95.0%	33,362	1.05
Sheldon Point	103	1.5	5%	1,318	95.0%	25,000	1.05
Shishmaref	466	1.5	5%	3,863	95.0%	73,399	1.05
Shungnak (NAB)	224	1.5	5%	1,857	95.0%	35,282	1.05
Sitka, City and Borough of (SCB)	8,815	1.2	30%	475,706	70.0%	1,109,979	1.43
Skagway	735	1.5	5%	6,080	95.0%	115,789	1.05

HB 124 / SB 88
Capital Project Matching Grant Program

TABLE 2 - UNINCORPORATED COMMUNITIES

TOTAL FUNDING: \$67,000,000 MINIMUM GRANT: \$25,000

Unincorporated Community CPMG Fund Appropriation: \$1,700,000
Minimum State Share: \$25,000
Local Share Percentage: 5%

(A)	(B)	(C)	(D)
	State Share	Local Share	Local Match %
Akiachak.....	\$25,000	\$1,318	5.0%
Arctic Village.....	25,000	1,318	5.0%
Beaver.....	25,000	1,318	5.0%
Birch Creek.....	25,000	1,318	5.0%
Chalkyitsik.....	25,000	1,318	5.0%
Chenega Bay.....	25,000	1,318	5.0%
Chilkat.....	25,000	1,318	5.0%
Chistochina.....	25,000	1,318	5.0%
Chitina.....	25,000	1,318	5.0%
Circle Civic Community.....	25,000	1,318	5.0%
Circle District.....	25,000	1,318	5.0%
Copper Center.....	25,000	1,318	5.0%
Copper Valley Community.....	25,000	1,318	5.0%
Council.....	25,000	1,318	5.0%
Crooked Creek.....	25,000	1,318	5.0%
Deltana.....	25,000	1,318	5.0%
Dot Lake Services.....	25,000	1,318	5.0%
Dot Lake Village.....	25,000	1,318	5.0%
Eagle Village.....	25,000	1,318	5.0%
Edna Bay.....	25,000	1,318	5.0%
Ellin Cove.....	25,000	1,318	5.0%
Evansville.....	25,000	1,318	5.0%
Four Mile Road Community.....	25,000	1,318	5.0%
Gakona.....	25,000	1,318	5.0%
Gulkana.....	25,000	1,318	5.0%
Gustavus.....	25,000	1,318	5.0%
Healy Lake.....	25,000	1,318	5.0%
Holla.....	25,000	1,318	5.0%
Hyder.....	25,000	1,318	5.0%
Kenny Lake.....	25,000	1,318	5.0%
Kipruk.....	25,000	1,318	5.0%
Kodi-Kash.....	25,000	1,318	5.0%
Koliganek.....	25,000	1,318	5.0%
Kongiganek.....	25,000	1,318	5.0%
Kwigillingok.....	25,000	1,318	5.0%
Lima Village.....	25,000	1,318	5.0%
Manley Hot Springs.....	25,000	1,318	5.0%
Mentasta.....	25,000	1,318	5.0%
Merlakzia Indian Village.....	25,000	1,318	5.0%
Minto.....	25,000	1,318	5.0%
Nelchina/Mendelina.....	25,000	1,318	5.0%
Nikolski.....	25,000	1,318	5.0%
Northway.....	25,000	1,318	5.0%
Oscarville.....	25,000	1,318	5.0%
Paxson.....	25,000	1,318	5.0%
Pitka's Point.....	25,000	1,318	5.0%
Point Baker.....	25,000	1,318	5.0%
Port Protection.....	25,000	1,318	5.0%
Rampart.....	25,000	1,318	5.0%

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1993

88

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Halford:

In accordance with art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing capital project matching grant programs for municipalities and unincorporated communities, and establishing local share requirements for other capital project grants to municipalities, named recipients, and unincorporated communities.

The capital project matching grant programs and the local share requirements for other capital project grants have two main objectives. One objective is to encourage a sense of local ownership in capital projects by requiring municipalities, unincorporated communities, and named grant recipients to participate financially in them. This local participation will help grantees to determine their highest priorities and help ensure that only the most important and cost-effective projects are undertaken. The second objective is to leverage the use of state money in the financing of capital projects, which will be a particularly important policy to adopt given the expected decline of state revenue in the future. In addition, the new capital project matching grant programs for municipalities and unincorporated communities provide an orderly and thoughtful planning and review process that involves local communities, the executive branch, and the legislature.

There is a distinction between the new capital project matching grant programs and the new local share requirements for other capital project grants. It is intended that the new matching grant programs be used for relatively small capital projects proposed by municipalities and unincorporated communities, and that the new local match requirements for municipalities, named recipients, and unincorporated communities apply to other types of larger capital projects funded through grants made under AS 37.05.315 - 37.05.317.

The focus of this bill is the proposed new capital project matching grant programs in AS 37.06. Much like a block grant program, these programs would establish

The Honorable Rick Halford
Page 2

two funds (one with individual accounts for all municipalities and one with individual accounts for all unincorporated communities participating in the state's revenue-sharing program) from which small-scale capital projects can be funded by project-specific appropriations. (I am also transmitting a companion bill making appropriations to the two funds, as the first step in this funding process.) The projects would be selected and prioritized at the local level, well before each year's legislative session, and a prioritized project list would be submitted to the governor for inclusion in the capital improvements program. The governor would provide the legislature with reasons for any differences between the local list and the capital improvements program submitted to the legislature. In each case, the projects funded by the appropriations would be subject to local financial match requirements, including allowances for in-kind matching contributions. In addition, under the bill the same local match requirements and in-kind allowances would be extended to all grants currently made to municipalities, named recipients, and unincorporated communities under AS 37.05.315 - 37.05.317.

My Office of Management and Budget has prepared a section-by-section description of the bill which is available for your review.

The net effect of the bill is that all capital project grants to municipalities, named recipients, and unincorporated communities would be subject to local financial match requirements, regardless of whether they are funded through the capital project matching grant programs established by this bill or under the existing provisions of AS 37.05.315 - 37.05.317 as amended by this bill.

This bill is important because it expands the role of local communities in determining the capital improvements and capital projects that will best suit their local needs. It is also important because of the precedent it sets in requiring a local stake in capital projects and because it allows limited state financial resources to support a greater number of needed capital projects than otherwise would be possible. For all of these reasons, I seek and encourage your support for this bill.

Sincerely,



Walter J. Hickel
Governor

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

JK

DATE: 2/3/93

FURTHER: FINANCE

Date of 5-Day Notice: 2/11/93
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: ~~2/11/93~~ 3-9-93

CRA Committee considered **SENATE BILL NO. 88**

Capital Project grants

"An Act relating to grants to municipalities, named recipients, and unincorporated communities; establishing capital project matching grant programs for municipalities and unincorporated communities; establishing a local share requirement for capital project grants to municipalities, named recipients, and unincorporated communities; and providing for an effective date."

and recommends:

and recommends it be replaced with

replace with _____ CS SB 88 (CRA)

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

attaches amendment(s)

~~and report it back~~

and report it *with the bill*

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

*3 Cont
3 Phil's*

FISCAL NOTE INFORMATION				FISCAL NOTE INFORMATION			
Department	Date	Zero	Fiscal	Department	Date	Zero	Fiscal
Dept Comm	1/27/93	0	applies CS				
Dept Labor	1/29/93	0	applies CS				
Dept's Emment Care	1/28/93	0	applies CS				
Dept Cont Reg Aff	1/22/93	122.7	applies CS				
Dept Cont Reg Aff	2/20/93	10.0	applies CS <i>new</i>				
Dept of Admin	1/26/93	259.7	applies CS				

new

Appropriation No Fiscal Note

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

DO PASS:

OTHER RECOMMENDATIONS:

2 Philip L. Taylor - award

3 Rick Halpin do not pass unless amended

4 Phil G. Harritt No Rec

2 HA

David E. Kelly Do Pass
 Chair: Signature and Recommendation

A FAX

Alaska State Legislature

Date: 4-12-93 Leg. Affairs Wasilla

To: Mat Su Borough

Fax #: 376-6180 Phone #: _____

From: Senate Finance Committee

Phone #: 465-2618

Re: Amendments to CSSB 88 (CRA)

Work on bill is ongoing. Scheduled for
additional hearing 4-18-93, 9:00 am.

Following this page, please find 5 pages(s). If this does not reach you in full, please inform us ASAP.



THANK YOU

1 (1) ~~if the effective date of the appropriation from which the grant or~~
2 ~~draw is funded is no later than July 1, 1994, the local share percentage is~~

3 Amend #2 (A) 30 percent for a municipality with, or a named grant
4 Taylor recipient located in a municipality with, a population of 5,000 or more;

5 Adopted 4-12-93 (B) ~~15 percent~~ for a municipality with, or a named grant
6 recipient located in a municipality with, a population of 1,000 - 4,999; Add para. #1

7 (C) ~~five percent~~ for a municipality with, or a named grant
8 recipient located in a municipality with, a population of under 1,000; Add para #2

9 (D) five percent for a named grant recipient located in an
10 unincorporated community;

11 Amend #1 ~~(2) if the effective date of the appropriation from which the grant or~~
12 Adopted draw is funded is after July 1, 1994, the local share percentage is

13 4-12-93 (A) 50 percent for a municipality with, or a named grant
14 SR moved recipient located in a municipality with, a population of 5,000 or more;

15 (B) 25 percent for a municipality with, or a named grant
16 recipient located in a municipality with, a population of 1,000 - 4,999;

17 (C) eight percent for a municipality with, or a named grant
18 recipient located in a municipality with, a population of under 1,000;

19 (D) eight percent for a named grant recipient located in an
20 unincorporated community;

21 ~~2 (3)~~ the state share percentage equals one minus the local share
22 percentage;

23 3 (4) the local share to be contributed by a municipality may be satisfied
24 with (A) federal, municipal, or local money; (B) labor used directly in the construction
25 of the project, land, materials, or equipment; the department shall determine the value
26 of a contribution under this subparagraph; (C) money from another nonstate source;
27 (D) money received by the municipality under AS 29.60.010 - 29.60.375; (E) state
28 taxes refunded or reimbursed to the municipality whose use for the purposes of this
29 subsection is not prohibited; and (F) allocations of state aid for the costs of school
30 construction debt under AS 14.11.100; except as provided in this paragraph, the local
31 share may not be satisfied with money from, or with the portion of an asset that was

4-12-93
SFC-93
SR-3
TK En-
Adopted

SENATE AMENDMENT

BY: _____

TO: CSSB 88 (CRA)

Page 11, lines 11 through 20.

Delete all material and renumber accordingly.

SENATE FINANCE
COMMITTEE
Amendment Number: ①
Bill Number: CSSB 88 (CRA)
Sponsor: _____ Date: 4/12/93
Logged In By: EM

SR-Amend. to Amend #1 - Adopted

4 ① → ① - ②

re = for endrpt (1)

reinsert "the local state purchase is"

Renumber 320 to 20.

4-12-93 Sen. Taylor
JFC-93 # 2
JK-3- Adopted
4/10/93

CSSB 88 (CRA)

EXPLANATION -- PROPOSED AMENDMENT

The purpose of the proposed amendment is to relate the local matching share requirements of the bill to the different fiscal capacities of the municipalities which will receive grant funds under the proposed program.

The effect of the amendment will be that relatively wealthier municipalities (as measured by the assessed valuation of their real and personal property bases) will be subject to a proportionately greater local share requirement, up to the proposed maximum limit or ceiling. Correspondingly, relatively less wealthy municipalities will be subject to a proportionately lesser local share requirement, subject to the proposed minimum limit or floor.

The bench mark rate of one one-thousandth of a mill employed in the amendment, in this regard, serves principally as a threshold rate whose dollar-amount yield best fits (for this bill) the extremely broad range of fiscal capacities found in Alaska's municipalities. The yield is tied to each \$1,000 of grant funds received in order to accommodate fluctuating levels of program funding from year to year.

4/10/93

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 88 (CRA)

Page 11, Line 5:

Delete "15 percent"

Page 11, Line 6, after "1,000 - 4,999":

1

Insert: "the greater of (i) 15 percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 30 percent"

Page 11, Line 7:

Delete "five percent"

Page 11, Line 8, after "1,000":

2

Insert: "the greater of (i) five percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 30 percent"

Page 11, Line 15:

Delete "25 percent"

Page 11, Line 16, after "1,000 - 4,999":

Insert: "the greater of (i) twenty-five percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 50 percent"

Page 11, Line 17:

Delete "eight percent"

Page 11, Line 18, after "1,000":

Insert: "the greater of (i) eight percent of the amount of the grant or draw, or (ii) the amount that would be received by the municipality from a property tax levy of one one-thousandth of a mill per \$1,000 of grant funds received under AS 37.05.315, AS 37.06.010 or AS 37.05.316; but may not exceed 50 percent"