

**SB**

**287**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 30, 1996

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The FINANCE Committee considered:

CSSB 287(FIN)

CS FOR SENATE BILL NO. 287(FIN)

UNINCORP. COMMUNITY MATCHING GRANTS

"An Act relating to the unincorporated community capital project matching grant program; and providing for an effective date."

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
Died in committee				

CHAIR'S SIGNATURE \_\_\_\_\_

# FISCAL NOTE

Revision Date: April 19, 1996 Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to the unincorporated community capital project matching grant program BRU: Administration & Support  
 Component: Administrative Services  
 Sponsor: Sen. Torgerson  
 Requestor: Sen. Finance Committee COMPONENT SERIAL NO. 684

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	42.7	43.9	45.3	46.6	48.1	49.6
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>42.7</b>	<b>43.9</b>	<b>45.3</b>	<b>46.6</b>	<b>48.1</b>	<b>49.6</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>REVENUE FUND SOURCE:</b>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	42.7	43.9	45.3	46.6	48.1	49.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>42.7</b>	<b>43.9</b>	<b>45.3</b>	<b>46.6</b>	<b>48.1</b>	<b>49.6</b>

POSITIONS:

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

Estimate of current (FY94) impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)  
 Based on the definition of communities eligible for program participation under this legislation, the department has determined an additional 60 unincorporated communities could participate. The program provides for a possible \$25,000 for each unincorporated participant. Therefore, an additional \$1,500,000 would be needed to fully fund the unincorporated element of the amended Capital Match Program administered by the department. Appropriations for this program are provided at the discretion of the Legislature.  
 (continued on separate page)

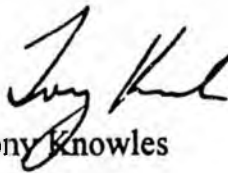
Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708  
 Division: Division of Administrative Services *WPA* Date: 4/19/96  
 Approved by Commissioner: *WPA* Date: 4/19/96  
 Agency: Community & Regional Affairs

**Fiscal Note Analysis Continued**

The addition of 60 new participants in the unincorporated Capital Match Program administered by the department will translate into increased burdens of grant tracking and community assistance for department staff. Existing staff would not be able to absorb the increased work load. The department feels these additional duties could only be absorbed by a new grant administration position. Therefore, a Grants Administrator I (range 13) with full-time funding is included in the fiscal note. It is important that full funding be attached due to the imminent general fund reductions to the component.

This bill is the result of many hours of work by the public, including those citizens who served on the Task Force on School Funding, and the State Board of Education. As my administration continues to explore better ways to fund our schools, this legislation represents a favorable step toward addressing two immediate concerns. I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles  
Governor

# Alaska State Legislature

## District Address

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Kenai, Alaska 99611  
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## Session Address

State Capitol; Room 427  
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(907) 465-2828: fax 465-4779

Senator John Torgerson

## HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 287(CRA) SPONSOR STATEMENT

The purpose of the capital project matching grant programs is to "(1) provide a capital project funding system that is equitable to municipalities and unincorporated communities throughout the state; (2) enhance the role of communities in initiating and prioritizing the construction of capital projects; (3) encourage a sense of local ownership in capital projects by requiring local participation . . . ; and (4) improve the process for making grants for capital projects by providing a more orderly and thoughtful planning process that involves the local community, the executive branch, and the legislature."

HCSSB 287(FIN) revises the **Unincorporated Community Capital Project Matching Grant Program** by:

- Expanding the program to include unincorporated communities within boroughs and unified municipalities
- Changing the grant amount from an automatic minimum of \$25,000 per year to a maximum of \$25,000 per year based on approved projects;
- Requiring borough assembly approval of an unincorporated community's nonprofit entity and its list of requested projects;
- Revising the timeline of grants from automatically receiving funds and then applying for grants to first applying for grants and then receiving funds for approved projects; and
- Maintaining local share requirements of 5 percent for unincorporated communities in the unorganized borough but requiring that unincorporated communities within boroughs provide the same local share percentage as their borough; and

JT:dld:HCSSB287(CRA):4/30/96

**HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL 287 (CRA)**  
**SECTIONAL ANALYSIS**

Section 1: Amends AS 37.06.020(b) to include any unincorporated community which meets the requirements of AS 37.06.020(d) and was a place in which 25 or more individuals resided as a social unit; deletes reference to revenue sharing statute.

States that funds will be allocated to community accounts based on the cost of projects requested.

Section 2: Amends AS 37.06.020(c) to read that a maximum of \$25,000 may be allocated to each eligible unincorporated community's account in a fiscal year. If the appropriation to the fund is not sufficient to fully fund the amount for each account, allocations will be pro rated. If the appropriation is more than what is necessary to fully fund the individual allocations, the excess lapses into the general fund.

Section 3: Amends AS 37.06.020(d) to require that a nonprofit corporation or Native village council must meet the following qualifications to administer the grant funds received:

- was formed to serve a public or civic purpose
- is registered and in good standing with the Department of Commerce & Economic Development if it is a nonprofit corporation;
- agrees to use the grant money for a public purpose
- provides the residents of a community with a public facility or service
- has held a public meeting to give residents the opportunity to express their preferences and ideas for use of the grant money; and
- agrees to make the facility provided with grant money available to every person in the community.

Requires a borough assembly's written approval of the administering nonprofit corporation for unincorporated communities located within its boundaries.

Section 4: Amends AS 37.06.020(e) to require that written assembly approval must accompany an unincorporated community's list of requested projects for communities within its boundaries.

Section 5: Amends AS 37.06.030(b) to state that the local share for an unincorporated community located within a borough is calculated the same as for that borough.

**Comparison of the Unincorporated Community Project Matching Grant Program  
with Changes made by HCS SB 287(CRA)**

**CURRENT PROGRAM**

**HCSSB 287(CRA)**

**Participants**

Unincorporated communities in the unorganized borough who were eligible to participate in the revenue sharing program the preceding year

Any unincorporated community in the state that meets the definition of a social unit of 25 or more and have a qualifying entity to administer the funds

**Funding**

One appropriation divided evenly among all eligible participants regardless of whether they have requested a project. Minimum allocation is \$25,000.

One appropriation allocated to individual communities based upon the amount of the project requested, up to a maximum of \$25,000 per year

**Entity Qualifications**

Nonprofit entity or Native village council that meets the standards currently in regulation for the revenue sharing program.

Same qualifications except that the basic qualifications are in statute. The DCRA has the ability to adopt regulations to further clarify and define them.

DCRA determines the entity's eligibility. The department determines the most qualified if there is more than one in a community

DCRA determines the entity's eligibility. Entities for communities within boroughs must also obtain their assembly's written designation and approval

**Grant Request Procedure**

Unincorporated community submits prioritized list of projects including estimated costs and source of local share.

Procedure is the same, however communities within boroughs must obtain written assembly approval of the list of projects

### **Grant Approval**

Governor places list in capital budget request, with appropriations from the individual accounts. If project is approved, the appropriation stands, if not approved, it is deleted by the legislature in the appropriation process.

This process does not change.

### **Allocation of Funds**

Money is allocated to a community account regardless of whether there is a project requested or if the requested project requires less funding than the allocation. Communities may keep the excess funds in their accounts for up to five years.

Money is allocated to a community account based on the amount of the project requested, up to a maximum of \$25,000 each year. Only the amount of the project requested may go into the account. If a project is not requested, the community receives no funds.

### **Local Contribution Required**

The percentage used for calculating the required local contribution is 5 percent

The percentage used for calculating the required local contribution for communities in the unorganized borough is 5 percent. Local share requirements for communities within boroughs are calculated using the borough's percentage (normally 30 percent)

19 AAC 010.0920

DETERMINATION OF COMMUNITY.

(a) In determining whether a population comprises a community or social unit, the commission will, in its discretion, consider relevant factors, including whether the people

(1) reside permanently in a close geographical proximity that allows frequent personal contacts and has a population density that is characteristic of neighborhood living;

(2) residing permanently at a location are a discrete and identifiable unit, as indicated by such factors as school enrollment, number of sources of employment, voter registration, precinct boundaries, permanency of dwelling units, and the number of commercial establishments and other service centers.

(b) Absent a specific and persuasive showing to the contrary, the commission will presume that a population does not constitute a community or social unit if

(1) public access to or the right to reside at, the location of the population is restricted;

(2) the population is contiguous or closely adjacent to a community or social unit and is dependent upon that community or social unit for its existence; or

(3) the location of the population is provided by an employer and is occupied as a condition of employment primarily by persons who do not consider the place to be their permanent residence.

History -

Eff. 7/31/92, Register 123

Authority -

Alaska Const. art. X, sec. 12

AS 44.47.567

AS 44.47.980

19 AAC 030.0055

**STANDARDS FOR PAYMENTS OF STATE AID TO INCORPORATED COMMUNITIES.**

An applicant that is an entity qualified to receive an entitlement under AS 29.60.140 must meet the following standards to receive payment:

(1) the applicant must agree to irrevocably dedicate for a public purpose the payment that the applicant receives under AS 29.60.140;

(2) the applicant must be providing the residents of the unincorporated community with a public facility or service as of October 1 of the computation year;

(3) the applicant must have held a public meeting to give residents the opportunity to express their ideas and preferences for the use of money received under AS 29.60.140 and must have posted notice of the meeting in three public and prominent places in the community for at least 15 days before the meeting; and

(4) the applicant must agree to make a service or facility provided with the money received under AS 29.60.140 available to every person in the community regardless of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, parenthood, or political affiliation.

History -

Eff. 10/18/87, Register 104; am 8/19/88, Register 107

Authority -

AS 29.60.130

AS 29.60.180

AS 44.47.050

AS 44.47.980

House Committee Substitute for Senate Bill 287 (CRA)

Participating Communities in the Unorganized Borough		Communities in the Organized Boroughs Possibly Eligible to Participate				Communities in the Organized Boroughs Most Likely NOT Eligible to Participate	
		Community	Borough	Community	Borough		
Akiachak	Lime Village	Nelson Lagoon	Aleutians East	Ninilchik	Kenai	Eklutna	Anchorage
Arctic Village	Manley Hot Springs	King Salmon	Bristol Bay	Port Graham	Kenai	Ferry	Denali
Beaver	Mentasta Lake	Naknek	Bristol Bay	Primrose	Kenai	Lignite	Denali
Birch Creek	Metlakatla	South Naknek	Bristol Bay	Salamatof	Kenai	College	Fairbanks
Central	Minto	Cantwell	Denali	Tyonek	Kenai	Eielson AFB	Fairbanks
Chalkyitsik	Naukati Bay	Healy	Denali	Chiniak	Kodiak	Ester	Fairbanks
Chenega Bay	Nelchina/Mendaltna	McKinley Park	Denali	Karluk	Kodiak	Covenant Life	Haines
Chistochina	Nikolski	Fox	Fairbanks	Chignik Lagoon	Lake & Pen	Fritz Creek	Kenai
Chitina	Northway	Harding Lake	Fairbanks	Chignik Lake	Lake & Pen	Nikiski	Kenai
Circle	Oscarville	Moose Creek	Fairbanks	Egegik	Lake & Pen	Ridgeway	Kenai
Copper Center	Paxson	Pleasant Valley	Fairbanks	Igiugig	Lake & Pen	Sterling	Kenai
Crooked Creek	Pitka's Point	Salcha	Fairbanks	Iliamna	Lake & Pen	Kodiak Station	Kodiak
Deltana	Point Baker	Two Rivers	Fairbanks	Ivanof Bay	Lake & Pen	Womens Bay	Kodiak
Dot Lake Services	Port Protection	Lutak	Haines	Kokhanok	Lake & Pen	Butte	Mat-Su
Dot Lake Village	Rampart	Mosquito Lake	Haines	Levelock	Lake & Pen	Lazy Mountain	Mat-Su
Eagle Village	Red Devil	Anchor Point	Kenai	Pedro Bay	Lake & Pen	Meadow Lakes	Mat-Su
Edna Bay	Silver Springs	Clam Gulch	Kenai	Perryville	Lake & Pen	Deadhorse	North Slope
Elfin Cove	Siana	Cohoe	Kenai	Port Alsworth	Lake & Pen	Prudhoc Bay	North Slope
Evansville	Siana	Cooper Landing	Kenai	Alexander Creek	Mat-Su		
Four Mile Rd Comm.	Sleetmute	Crown Point	Kenai	Big Lake	Mat-Su		
Gakona	Stevens Village	Fox River	Kenai	Chase	Mat-Su		
Glennallen	Stony River	Halibut Cove	Kenai	Chickaloon	Mat-Su		
Gulkana	Takotna	Happy Valley	Kenai	Knik	Mat-Su		
Gustavus	Tanacross	Hope	Kenai	Skwentna	Mat-Su		
Healy Lake	Tatitlek	Jakolof Bay	Kenai	Sutton	Mat-Su		
Hollis	Tazlina	Kalifonsky	Kenai	Talkeetna	Mat-Su		
Hyder	Tetlin	Kasilof	Kenai	Trapper Creek	Mat-Su		
Kenny Lake	Tok	Moose Pass	Kenai	Willow	Mat-Su		
Kipnuk	Tolsona	Nanwalek	Kenai	Point Lay	North Slope		
Klukwan	Tuntutuliak	Nikolaevsk	Kenai	Noatak	Northwest Arctic		
Koliganek	Twin Hills						
Kongiganak	Venetie						
Kwigillingok	Whale Pass						
Lake Minchumina	Wiseman						

# Project Request

FY97 Capital Matching Grants

Community	Entity (Do not include in legislation)	Project	Stat. Funds	E.D.
Akiachak	Akiachak IRA Council	Repair Akiachak Townsite (water, sewer, roads)	\$25,000	39
Arctic Village	Arctic Village Traditional Council	Bulk Fuel Tank Farm-Phase II	\$25,000	36
Beaver	Beaver Tribal Village Council	Construction Mgmt for Multi-Purpose Bldg.	\$25,000	36
Birch Creek	Birch Creek Village Council	Community Health Center Improvements	\$25,000	36
Central	Circle District Historical Society	Finish Interior of Addition to Museum	\$8,000	36
		Computer w/Visual Access for use by Public	\$10,000	
		Landscaping of Museum Road & Parking Lot	\$7,000	
Chalkyitsik	Chalkyitsik Village Council	New Council Office Building	\$25,000	36
Chenega Bay	Chenega Bay IRA Council	Water Room/Holding Tank Upgrade	\$25,000	35
		Mental Public Safety Garage	\$25,000	
Chistochina	Chistochina Village Council	Water Building Repairs/EMS Shed	\$25,000	36
Chitina	Chitina Village Council	Pedestrian Pathway	\$25,000	36
Circle	Circle Civic Community Assoc.		\$79,441	36
Copper Center	Native Village Kluti-Kaah		\$52,711	36
Crooked Creek	Crooked Creek Traditional Council	Equipment Repair	\$25,000	36
Deltana	Deltana Community Corporation		* \$24,996	35
Dot Lake Services	Dot Lake Services, Inc.	Community Building	\$27,710	36
Dot Lake Village	Dot Lake Village Council	Village Recreational Facilities Upgrade	\$19,950	36
Eagle Village	Eagle Village Council	Renovation of Community Hall	* \$15,000	36
		Purchase Hauling Vehicle (Garbage)	\$9,996	
Edna Bay	Edna Bay Community Association	Road Construction, Access & Maintenance	\$13,750	5
		Dock/Harbor Maintenance & Improvement	\$10,000	
Elfin Cove	Elfin Cove Community Council		\$25,000	5
Evansville	Evansville Village Council	Multi-use Community Center	\$25,000	36
Four Mile Road	Four Mile Road Community Council	Road Stabilization	\$25,000	36
Gakona	Gakona Village Council		\$79,441	35
Glennallen	Glennallen-Copper Valley Library Assoc.	Building Expansion and Renovation	\$25,589	35
Gulkana	Gulkana Village Council	Village Council Office Building	\$25,000	36
Gustavus	Gustavus Community Council	On-going Projects	\$25,000	5
Healy Lake	Healy Lake Traditional Council		\$25,000	36
Hollis	Hollis Community Council	Clark Bay Dr. & Island View Dr. Completion	\$25,000	5
		Canoe Pass Road - Pioneer 1500 linear feet	\$25,000	
		Peninsula Dr & Island View Dr. Road work	\$25,000	
Hyder	Hyder Community Association, Inc.		\$25,000	1
Kenny Lake	Kenny Lake Community League	Fire Department Building Repair	\$14,000	35
		Library Repair	\$11,000	
Kipnuk	Kipnuk Village Council	House Moving Trailer	\$25,000	39
Klukwan	Klukwan Chilkat Indian Village Council	Expansion of ANS Hall	\$25,000	5
Koliganek	New Koliganek Village Council	New Powerhouse Upgrading Distribution	\$25,000	39
Kongiganak	Kongiganak Traditional Council	Office Upgrade	\$11,000	39
		Washeteria	\$14,000	
Kwigillingok	Kwigillingok IRA Council	Relocation Project	\$25,000	39
Lake Minchumina	Lake Minchumina Traditional Council		\$79,441	36
Lime Village	Lime Village Traditional Council	Electrification	\$50,000	36
Manley Hot Springs	Manley Hot Springs Community Assoc.	Muti-Purpose Community Facility	\$25,000	36
Mentasta	Mentasta Lake Village Council	Equipment Lease Payments	* \$24,985	36
Metlakatla	Metlakatla Indian Village	Smoked Salmon Development Project	\$26,358	1
Minto	Minto IRA Council	Multi-purpose Building	\$50,000	36
Nelchina/Mendeltna	Nelchina/Mendeltna Corporation	Solid Waste Transfer Station	\$25,000	35

FY97 Capital Matching Grants

Nikolski	Nikolski IRA Council	Building Purchase/Repair	\$79,441	40
Northway	Northway Village Council		\$25,000	36
Oscarville	Oscarville Village Council		\$79,441	39
Paxson	Paxson Community Affairs	Residential Telephone Service	\$50,000	35
		Snowmachine/Four Wheel Trail	\$10,000	
		TV Station	\$10,000	
Pitka's Point	Pitka's Point Village Council	Village Office/Hall Upgrade	\$25,000	38
		Clinic Water/Sewer Hook-up	\$25,000	
Point Baker	Point Baker Community		\$25,000	5
Port Protection	Port Protection Community Association	Boardwalk Repair/Upgrade/Water Tank Extensi	\$25,000	5
Rampart	Rampart Village Council	Washeteria/Laundromat/Watering Point	\$25,000	36
Red Devil	Red Devil Corporation	Community Health Clinic Building	\$25,000	36
Silver Springs	Silver Springs Residents Association	Road Improvements	\$25,000	35
Slana Community	Slana Community Corporation		\$25,346	36
Slana League	Slana League	Distance Learning/Medical Link	\$25,000	36
Sleetmute	Sleetmute Village Council	Multi-purpose Building	\$25,000	36
		Roads	\$10,000	
Stevens Village	Stevens Village IRA Council	Renovation Upgrade	\$25,000	36
Stony River	Stony River TVC	Roads	\$79,441	36
Takotna	Takotna Community Assoc.	TCA Utility Office/Lodge	\$23,684	36
Tanacross	Tanacross Village Council		\$54,027	36
Tatitlek	Tatitlek Village IRA Council		\$54,441	35
Tazlina	Assoc. of Tazlina Residents	Hockey Rink	\$10,000	35
		Road Improvements	\$25,000	
Tetlin	Tetlin Village Council	Community Kitchen Elders Upgrade	\$25,000	36
Tok	Tok Community Umbrella Corp.	Rescue Truck	\$25,000	36
Tolsona	Tolsona Community Corporation	Firehall Enhancements	\$12,000	35
		Solid Waste Site Improvements	\$12,000	
Tuntutuliak	Tuntutuliak Village Council		\$25,000	39
Twin Hills	Twin Hills Village Council	Tribal Office Completion	\$25,000	39
		Pumphouse Building Repair	\$25,000	
Venetie	Venetie Village Council	Multi-Purpose Building	\$26,793	36
Whale Pass	Whale Pass Homeowners Association	Resurface existing Roads 1/2 - 1 Mile	\$26,250	5
Wiseman	Wiseman Community Association	Purchases for Community Center (land/equip)	\$12,500	36
		Flood Dike/Levy Repair - Wiseman Creek	\$12,500	
Naukati Bay	Naukati West, Inc.	Road Construction/Pit Development	\$25,000	5

\* These communities were over-funded during FY 95. Therefore the amount available to them for FY97 is slightly less than \$25,000

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