

SB

287

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/9/96

FURTHER: Finance

Date of 5-Day Notice: 2/22/96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

The Community & Regional Affairs Committee considered SB 287

Relating to the unincorporated community capital project matching grant program.

and recommends:

- be replaced with _____ CS SB 287 (CRA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>		<i>[Signature]</i>	✓		
<i>[Signature]</i>		<i>[Signature]</i>	✓		
<i>[Signature]</i>		<i>[Signature]</i>	✓		
<i>[Signature]</i>					
<i>[Signature]</i>					
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>Comm & Reg'l Affairs</i>	<i>2/9/96</i>		<i>42.7</i>

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

CS FOR SENATE BILL NO. 287(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR TORGERSON

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. AS 37.06.020(b) is amended to read:

5 (b) The unincorporated community capital project matching grant fund is
 6 established in the department and consists of appropriations to the fund. Appropriations
 7 to the fund do not lapse except as provided in (h) of this section. The money in the fund
 8 is held by the department in custody under this subsection for each unincorporated
 9 community eligible for an allocation under this subsection. The department shall
 10 establish an individual grant account within the fund for each eligible unincorporated
 11 community [THAT WAS ENTITLED TO RECEIVE STATE AID UNDER
 12 AS 29.60.140 DURING THE PRECEDING FISCAL YEAR]. As provided in this
 13 subsection, each fiscal year the department shall allocate, to the individual grant
 14 accounts, appropriations to the fund. An unincorporated community is eligible for an
 15 allocation in a fiscal year if the requirements of (d) are met and the community was

1 a place in the state in which 25 or more individuals resided as a social unit
2 [ELIGIBLE TO RECEIVE STATE AID UNDER AS 29.60.140] during the preceding
3 fiscal year. The department shall credit interest earned on money in an individual grant
4 account to that account. Except as provided in (c) of this section, the amount allocated
5 under this subsection to an individual grant account in a fiscal year is the amount
6 needed to fund the projects presented to the legislature under (e) of this section
7 [DETERMINED BY DIVIDING THE TOTAL AMOUNT APPROPRIATED TO THE
8 FUND DURING THAT FISCAL YEAR BY THE NUMBER OF UNINCORPORATED
9 COMMUNITIES ELIGIBLE FOR AN ALLOCATION DURING THAT FISCAL
10 YEAR].

11 * Sec. 2. AS 37.06.020(c) is amended to read:

12 (c) A maximum [MINIMUM] of \$25,000 may [SHALL] be allocated to each
13 eligible unincorporated community's grant account each fiscal year under (b) of this
14 section. If appropriations are not sufficient to fully fund the [MINIMUM] amount for
15 each eligible unincorporated community, the amount appropriated shall be allocated on
16 a pro rata basis [EQUALLY] among the eligible unincorporated communities. If
17 appropriations exceed the amount necessary to fully fund the amount for each
18 eligible unincorporated community, the excess amount lapses into the general fund.

19 * Sec. 3. AS 37.06.020(d) is amended to read:

20 (d) The department shall designate, in each eligible unincorporated community,
21 a [AN INCORPORATED] nonprofit corporation [ENTITY] or a Native village council
22 that agrees to receive and spend grant money allocated to the unincorporated
23 community's individual grant account under (b) of this section. If the community is
24 located in a borough or a unified municipality, the department may only designate
25 the entity that has been approved by the assembly and the department must have
26 written evidence of that approval. If there is more than one qualified entity in a
27 community in the unorganized borough, the department shall designate the entity that
28 the department finds most qualified to make draws from that unincorporated
29 community's individual grant account and spend the money. If there is no qualified
30 [INCORPORATED] nonprofit corporation [ENTITY] or Native village council in an
31 unincorporated community that will agree to receive and spend money allocated to the
32 community under (b) of this section, draws may not be made from the unincorporated

1 community's individual grant account and the amount allocated to the account lapses into
2 the general fund. An entity qualifies for designation under this subsection only if it

3 (1) was formed to serve a public or civic purpose;

4 (2) is registered and in good standing with the Department of
5 Commerce and Economic Development if it is a nonprofit corporation;

6 (3) agrees to use the grant money for a public purpose;

7 (4) provides the residents of the community with a public facility or
8 service;

9 (5) has held a public meeting to give residents of the community the
10 opportunity to express their preferences and ideas for use of the grant money; and

11 (6) agrees to make a facility provided with grant money available to
12 every person in the community.

13 * Sec. 4. AS 37.06.020(e) is amended to read:

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

28 * Sec. 5. AS 37.06.020(h) is amended to read:

29 (h) An entity designated by the department under (d) of this section shall repay
30 to the department money it has drawn from an unincorporated community's individual
31 grant account if substantial, ongoing work on the project is not started within four
32 [FIVE] years after the effective date of the appropriation from which the draw is funded.

1 Money repaid shall be deposited into the general fund. Money from an allocation to an
2 unincorporated community's individual grant account that has not been drawn out by a
3 designated entity within four [FIVE] years after the effective date of the appropriation
4 from which the allocation is funded lapses into the general fund.

5 * Sec. 6. AS 37.06.030(b) is amended to read:

6 (b) For each draw made by an entity [OR COUNCIL] under AS 37.06.020, the
7 nonprofit corporation [INCORPORATED ENTITY] or Native village council that
8 makes the draw shall contribute a local share of the cost of the capital project for which
9 the draw is made. The amount of the local share for an unincorporated community
10 in a borough or unified municipality is the amount of the local share for that
11 borough or unified municipality as calculated under (a) of this section. The amount
12 of the local share for an unincorporated community in the unorganized borough
13 equals the local share percentage as calculated under (1) of this subsection, divided by
14 the state share percentage as calculated under (2) of this subsection, multiplied by the
15 amount of the draw. For purposes of this subsection,

16 (1) the local share percentage is five percent;

17 (2) the state share percentage equals one minus the local share
18 percentage;

19 (3) the local share may be satisfied from (A) federal or local money; (B)
20 labor, materials, or equipment used directly in the construction of the project, or land,
21 including land transferred by the state; the department shall determine the value of a
22 contribution under this subparagraph; (C) money from another nonstate source; (D)
23 money received by the unincorporated community under AS 29.60.010 - 29.60.375; or
24 (E) money obtained from the sale or lease of land or other assets transferred by the state;
25 except as provided in this paragraph, the local share may not be satisfied with money
26 from, or with the portion of an asset that was obtained with money from, an
27 appropriation, allocation, entitlement, grant, or other payment from the state.

28 * Sec. 7. TRANSITION. Notwithstanding AS 37.06.020(h) as amended by sec. 5 of this Act,
29 money from an allocation deposited into an unincorporated community's individual grant account
30 before the effective date of sec. 5 must be repaid or lapse in accordance with AS 37.06.020(h)
31 as it read immediately before the effective date of sec. 5.

32 * Sec. 8. This Act takes effect July 1, 1996.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: CS SB 287 (CRA)

Revision Date: 4/15/96 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to the unincorporated community capital project matching grant program;... BRU: Administration and Support
 Sponsor: Senator Torgerson Component: Administrative Services
 Requestor: Senate C&RA COMPONENT SERIAL NO. 684

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

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						
TOTAL OPERATING	42.7	43.9	45.3	46.6	48.1	49.6

CAPITAL EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Revenue Fund Source	0.0	0.0	0.0	0.0	0.0	0.0

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						
TOTAL	42.7	43.9	45.3	46.6	48.1	49.6

Estimate of current year (FY 96) impact: \$ none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Based on the definition of communities eligible for program participation under this legislation, the Department assumes approximately 60 additional unincorporated communities could participate. The program provides for a \$25,000 match 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. However, it is our understanding that either the additional required funds would be re-allocated to the Department from the municipal element of the program administered by the Department of Administration or the unincorporated program funding level would be held at the level required (continued next page)

Prepared By: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Administrative Services Date: 4/15/96
 Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 4/15/96
 Agency: Mike Irwin, Dept. of Community & Reg. Affairs

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Revision Date: 4/15/96

Dept. Affected: Community & Regional Affairs

ANALYSIS CONTINUED:

before the addition of the 60 new communities (\$1.7 million). The latter case would result in a pro-rating of each unincorporated community's share from \$25,000 down to \$13,281. In either case, there would be zero net fiscal impact to the general fund with regard to funding the Capital Match Program under the proposed amendment.

The addition of 60 new participants in the unincorporated community Capital Match Program administered by the Department will translate into increased burdens of grant tracking and community assistance for the agency. 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.

9-LS1642VF

Cook

3/20/96

CS FOR SENATE BILL NO. 287(CRA)**IN THE LEGISLATURE OF THE STATE OF ALASKA****NINETEENTH LEGISLATURE - SECOND SESSION****BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

Offered:

Referred:

Sponsor(s): SENATOR TORGERSON

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31 as it read immediately before the effective date of sec. 5.

32 * Sec. 8. This Act takes effect July 1, 1996.

Alaska State Legislature

Committee Chair
Community & Regional Affairs

Committee Vice-Chair
Labor & Commerce

Committee Membership
Legislative Council



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State Capitol, Room 427
Juneau, AK 99801-1182
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Senator John Torgerson

SENATE BILL 287 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." There are two programs within the capital matching grant program: The Municipal Capital Project Matching Grant Program, and the Unincorporated Community Matching Grant Program.

Senate Bill 287 revises the Unincorporated Community Capital Project Matching Grant Program to include unincorporated communities located within organized boroughs.

Currently when these communities want a capital project, they must first convince their borough that the project is of higher priority than those which may benefit the entire borough, and are of higher priority than projects for other communities within that borough. Once the project is placed on the borough's list of priority projects, it must then survive the State process.

This legislation allows unincorporated communities to directly apply for a capital projects matching grant provided that the project and the administering agency qualify on the same terms as unincorporated communities in the unorganized borough, obtain the approval of their borough assembly, and are able to provide the local share requirement.

COMMITTEE SUBSTITUTE FOR SENATE BILL 287 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 37.06.010(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 37.06.020(h) to change the lapse date from five years to three for projects that do not have substantial, ongoing work being done.

Section 6: 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.

Section 7: Provides a transition period so that funds currently in communities' accounts must be repaid or lapse under the five year provision.

Comparison of the Unincorporated Community Project Matching Grant Program with Changes made by CS SB 287

CURRENT PROGRAM

CSSB 287

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.

Lapse of Funds

Communities have five years in which to start substantial, ongoing work on an approved project. If this is not done, or if a project is not requested in that time, the funds in the community's account lapses into the general fund

Communities have three years in which to start substantial, ongoing work.

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)

Project Request

FY97 Capital Matching Grants

Community	Entity (Do not include in legislation)	Project	State 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
		Metal 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.	Multi-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	\$10,000	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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Community	Entity	FY 94 Project	FY 94 Award	FY 95 Project	FY 95 Award	FY 96 Project	FY 96 Award
Akiachak	IRA Council	Road Improvements	\$25,000.00	Public Safety Building	\$15,000.00	Replat Townsite for Water/Sewer/Road Paving Projects	\$25,917.00
Arctic Village	Traditional Council	Power Generation Upgrade	\$25,000.00	Equipment Repairs	\$10,000.00		
Boaver	Village Council	Design & Construction Mulli - Purpose	\$25,000.00	Bulk Fuel Tank	\$25,000.00	Power Line System Upgrade	\$25,917.00
Birch Creek	Village Council	Clinic Equipment	\$25,000.00	Multipurpose Building Design/Construction	\$25,000.00	Multi-Purpose Building Phase III	\$25,000.00
Central	Circle Dist. Hist. Soc.	Undesignated	\$0.00	Safe Water Treatment Plant Upgrade	\$25,000.00	Clinic Water and Sewer Installation	\$25,000.00
Chalkyitsik	Village Council	Washeteria	\$25,000.00	Community Facilities & Equipment	\$25,000.00	Addition to Museum/Library/Archives	\$25,000.00
Chenega Bay	IRA Council	Undesignated	\$0.00	Construct Community Washeteria Building/Offices	\$25,000.00	Water/Sewer Project Continuation	\$25,000.00
Chistochina	Village Council	Office Renovation and Repairs	\$25,000.00	Community Facilities & Equipment	\$0.00	Road Maintenance Equipment	\$50,000.00
Chitina	Village Council	Freezer Purchase	\$25,000.00	Community Hall Upgrade	\$25,000.00	Recreational Building Addition	\$25,000.00
Circle	Community Assn.	Undesignated	\$0.00	Washeteria	\$25,000.00	Incinerator Project	\$25,000.00
Copper Center	Nat. Vill. Kluti - Kaah	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Crooked Creek	Traditional Council	Upgrade Office Equipment/Purchase	\$10,000.00	Snow Removal Vehicle/Equipment Purchase	\$25,000.00	Community Facilities and Equipment	\$25,000.00
		Repair Council Equipment	\$10,000.00	Clinic Improvements	\$15,000.00	Road Repairs	\$25,000.00
Deltana	Community Corp.	Processing Plant Phase I	\$23,750.00	Preschool Facility	\$15,000.00		
Dot Lake Services	Same	Undesignated	\$0.00	Processing Plant Construction	\$26,300.00	Processing Plant Phase III	\$25,060.00
Dot Lake Village	Village Council	Washeteria Site Preparations	\$10,000.00	Community Facilities & Equipment	\$25,000.00	Community Building Construction	\$50,000.00
		Washeteria Project Design	\$15,000.00	Community Hall Upgrade	\$23,800.00	ATCO Trailer Renovation	\$26,200.00
Eagle Village	Council	Village Safe Water Project	\$23,750.00				
Edna Bay	Community Assn.	Construction/Topping of Davidson Ave.	\$12,350.00	Safe Water and Sewer Project	\$20,300.00	Community Facilities and Equipment	\$25,000.00
		Marine Facilities Repair and Expansion	\$9,925.00	Construction of Breakwater	\$27,700.00	Harbor Maintenance and Improvements	\$13,750.00
Elfin Cove	Community Council	Boardwalk Replacement/Repair Grant	\$25,000.00			Road Construction and Access	\$10,000.00
Evansville	Village Council	Utility Truck	\$25,000.00	Hydroelectric Project	\$25,000.00	Community and Facilities	\$25,000.00
Four mile Road Comm.	Same	Road Stabilization Project	\$25,000.00	Bulk Fuel Storage Facility	\$25,000.00	Ambulance Purchase	\$25,000.00
Gakora	Village Council	Undesignated	\$0.00	Road Stabilization Project	\$25,000.00	Road Stabilization Project	\$25,000.00
Glennallen	Copper Valley Comm.	Distance Learning /Medical Link	\$25,000.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Gulkana	Village Council	Site Preparation Work for Health Clinic	\$25,000.00	Library Building Expansion	\$40,000.00	Library Expansion/Renovation	\$25,000.00
				Health Clinic Completion	\$25,000.00	Community Recreation Park	\$15,000.00
Gustavus	Community Council	Landfill Compliance Grant	\$25,000.00			Clinic Site Completion	\$10,000.00
				Public Library Replacement	\$25,000.00	Landfill Activities	\$10,000.00
						Completion of New Library	\$7,000.00
						Medical/Office Equipment	\$8,000.00
Healy Lake	Traditional Council	Teacher Housing/Generator	\$25,000.00	Health Clinic Construction	\$25,000.00	Health Clinic Construction Phase I	\$25,091.00
Hollis	Community Council	Roads Upgrade	\$25,000.00	Pioneer Road Upgrade	\$25,000.00	Upgrade Lower Harris River Subdivisor Road	\$25,000.00
Hyder	Community Assn.	Design/Development of RV/Tenting Campground	\$25,000.00	Campground Design and Development	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Kenny Lake	Community League	Athletic Storage Building	\$11,115.00	Track and Baseball Field	\$11,100.00	Land Acquisition for Community Center	\$25,000.00
		Track and Baseball Field	\$12,635.00	Hockey Rink	\$13,900.00		
Kipnuk	Village Council	Boardwalks	\$25,000.00	Boardwalk Renovation	\$25,000.00	House Moving Trailer	\$25,000.00
Klukwan	Chilkat Indian Vill. Cnl	Building Repairs	\$25,000.00	Community Center Design and Construction	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Koliganek	Village Council	Design and Construction of New Health Clinic	\$25,000.00	Health Clinic Design and Construction	\$25,000.00	Health Clinic Construction Phase III	\$25,000.00
Kongiganak	Traditional Council	Facilities & Equipment Project	\$25,000.00	Community Facilities & Equipment	\$25,000.00	Community Hall/Office	\$25,000.00
Kwigillingok	IRA Council	Public Facilities	\$25,000.00	Community Facilities & Equipment	\$25,000.00	Community Facilities and Equipment Phase III	\$25,000.00
Lake Minchumina	Traditional Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Limo Village	Traditional Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Bulk Fuel Storage	\$12,500.00
						Village Electrification	\$25,000.00
						Road Improvements	\$12,500.00
Manley Hot Springs	Community Assn.	Phase 1 - Multi-Purpose Facility	\$25,000.00	Multipurpose Community Facility	\$25,000.00	Multipurpose Community Facility	\$25,000.00
Montasta	Village Council	Clinic Expansion Project	\$25,000.00	Village Store Renovation	\$25,700.00	Day Care/Elder Center	\$25,878.00
Metlakalla	Indian Village	Lift Station	\$23,775.00	Hatchery Site Preparation	\$25,000.00	Cold Storage Facility Repairs	\$18,000.00
						Replace Cannery Building Wall	\$7,000.00
Minto	IRA Council	Undesignated	\$0.00	Search and Rescue Supplies/Equipment/Training	\$25,000.00	Emergency Rescue Truck	\$25,000.00
Naukati Bay	Naukati West Inc.	Undesignated	\$0.00	Road Construction Rock Pit Development	\$25,000.00	Road Construction/Pit Development	\$25,000.00
Nelchina/Mondeltna	Corporation	Undesignated	\$0.00	Mondeltna Community Well	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Nikolski	IRA Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00

Northway	Village Council	Clinic Renovation	\$15,000.00	Community Hall Water/Sewer Hook-Up	\$25,000.00	Water/Sewer Hook-up for Community Hall/Council Office	\$25,000.00
		Youth Recreation - Cement Basketball Court	\$10,000.00				
Oscarville	Village Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Paxson	Community Affairs	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Pitka's Point	Village Council	Safewater Treatment Plant	\$25,000.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Point Baker	Community	Safe Drinking Water Project	\$25,000.00	Community Drinking Water System Development	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Port Protection	Community Assn.	Rebuilding of Rotting Boardwalk	\$25,000.00	Rebuild Boardwalk	\$25,000.00	Rebuild Boardwalk	\$25,000.00
Rampart	Village Council	Undesignated	\$0.00	Water Plant Building	\$25,000.00	Washeteria/Laundroma/Watering Point Construction	\$50,000.00
Red Devil	Corporation	Undesignated	\$0.00	Community Facilities & Equipment	\$25,000.00	Community Facilities and Equipment	\$50,000.00
Silver Springs	Area Residents Assn.	Undesignated	22,599.00	Road Improvements	\$27,400.00	Road Improvements	\$25,000.00
Slana Community	Corporation	Road Maintenance	\$10,000.00	Community Road Construction	\$20,000.00	Building Construction	\$30,000.00
		Road Construction	\$15,000.00				
Slana League	Same	Distance Learning/Medical Link	\$25,000.00	Distance Learning/Medical Link	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Sleetmute	Traditional Council	Undesignated	\$0.00	Road Improvements	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Stevens Village	IRA Council	Multi-Purpose Community Building	\$25,000.00	New Community Hall	\$25,000.00	Multi-Purpose Building Construction	\$25,000.00
Stony River	Traditional Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Community Facilities and Equipment	\$25,000.00
Takolna	Community Assn.	Undesignated	23,684.00	Utility Office and Lodge Materials Purchase	\$25,000.00	Utility Office and Lodge Construction	\$25,000.00
Tanacross	Village Council	Undesignated	\$0.00	Washeteria Renovation	\$25,000.00	Community Hall and Fire Hall Rehabilitation Project	\$23,684.00
Tatitlek	IRA Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Teacher Housing Construction	\$50,000.00
Tazlina	Assn. Tazlina Res.	Distance Learning/Medical Link	\$10,000.00	Distance Learning/Medical Link	\$20,000.00	Distance Learning/Medical Link	\$10,000.00
		Hockey Rink Building	\$10,000.00			Hockey Rink Construction	\$10,000.00
						School Bus Stop Shelters	\$5,000.00
Tetlin	Village Council	Road Improvements/Equipment Purpose	\$25,000.00	Repair Village Wash house/Replacement Equipment	\$25,000.00	Washeteria Phase II	\$25,917.00
Tok	Comm. Umbrella Corp	Water/Sewer Installation and Reconstruction	\$25,000.00	Community Center/Library/Yard Maintenance and Upgrade	\$25,000.00	Community Facilities and Equipment	\$25,000.00
Tolsona	Community Corp.	Undesignated	\$0.00	Firehall Well	\$25,000.00	Firehall Improvements	\$23,000.00
Tuntutuliak	Village Council	JAILHOUSE Construction	\$25,000.00	Bulk Fuel Tank/Farm Dike	\$25,000.00	Tractor	\$25,917.00
Twin Hills	Village Council	Undesignated	\$0.00	Community Facilities & Equipment	\$0.00	Tribal Office Building	\$50,000.00
Venetie	Village Council	Undesignated	\$0.00	Back-Up Generator Purchase	\$25,000.00	Youth Center Building Purchase	\$25,000.00
Whale Pass	Homeowners Assn.	Firehall	\$10,000.00	Dock Upgrade and Improvements	\$25,000.00	Firehall Renovation Project	\$23,750.00
		Dock	\$15,000.00				
Wiseman	Community Assn.	Phase 1 Land Purchase	\$25,000.00	Community Center Land Acquisition and Design	\$25,000.00	Community Center Electrical Generation Co-op	\$25,000.00

68 COMMUNITIES

9-LS1642F
Cook
2/27/96

CS FOR SENATE BILL NO. 287(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR TORGERSON

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. AS 37.06.020(b) is amended to read:

5 (b) The unincorporated community capital project matching grant fund is
6 established in the department and consists of appropriations to the fund. Appropriations
7 to the fund do not lapse except as provided in (h) of this section. The money in the fund
8 is held by the department in custody under this subsection for each unincorporated
9 community eligible for an allocation under this subsection. The department shall
10 establish an individual grant account within the fund for each eligible unincorporated
11 community [THAT WAS ENTITLED TO RECEIVE STATE AID UNDER
12 AS 29.60.140 DURING THE PRECEDING FISCAL YEAR]. As provided in this
13 subsection, each fiscal year the department shall allocate, to the individual grant
14 accounts, appropriations to the fund. An unincorporated community is eligible for an
15 allocation in a fiscal year if the requirements of (d) are met and the community (1)

1 was eligible to receive state aid under AS 29.60.140 during the preceding fiscal year; or
 2 (2) is located in a borough, other than a unified municipality, and was a place in
 3 which 25 or more individuals resided as a social unit during the preceding fiscal
 4 year. The department shall credit interest earned on money in an individual grant
 5 account to that account. Except as provided in (c) of this section, the amount allocated
 6 under this subsection to an individual grant account in a fiscal year is determined by
 7 dividing the total amount appropriated to the fund during that fiscal year by the number
 8 of unincorporated communities eligible for an allocation during that fiscal year.

9 * Sec. 2. AS 37.06.020(d) is amended to read:

10 (d) The department shall designate, in each eligible unincorporated community,
 11 a [AN INCORPORATED] nonprofit corporation [ENTITY] or a Native village council
 12 that agrees to receive and spend grant money allocated to the unincorporated
 13 community's individual grant account under (b) of this section. If the community is
 14 located in a borough, the department may only designate an entity that has been
 15 approved by the assembly and the department must have written evidence of that
 16 approval. If there is more than one qualified entity in a community, the department
 17 shall designate the entity that the department finds most qualified to make draws from
 18 that unincorporated community's individual grant account and spend the money. If there
 19 is no qualified [INCORPORATED] nonprofit corporation [ENTITY] or Native village
 20 council in an unincorporated community that will agree to receive and spend money
 21 allocated to the community under (b) of this section, draws may not be made from the
 22 unincorporated community's individual grant account and the amount allocated to the
 23 account lapses into the general fund. An entity qualifies for designation under this
 24 subsection only if it

- 25 (1) was formed to serve a public or civic purpose;
- 26 (2) is registered and in good standing with the Department of
 27 Commerce and Economic Development if it is a nonprofit corporation;
- 28 (3) agrees to use the grant money for a public purpose;
- 29 (4) provides the residents of the community with a public facility or
 30 service;
- 31 (5) has held a public meeting to give residents of the community the
 32 opportunity to express their preferences and ideas for use of the grant money; and

1 (6) agrees to make a facility provided with grant money available to
2 every person in the community.

3 * Sec. 3. AS 37.06.020(e) is amended to read:

4 (e) By October 1 of each fiscal year, the [INCORPORATED] nonprofit
5 corporation [ENTITY] or Native village council designated by the department under (d)
6 of this section shall submit to the governor a prioritized list of capital projects and
7 estimated costs to be financed with money from the community's individual grant
8 account established under (b) of this section. The list must include the amount and source
9 of the local share required by AS 37.06.030. If the community is located in a
10 borough, the list is subject to approval of the assembly and must be accompanied
11 by written evidence of that approval. The governor shall include in the capital
12 improvements program presented to the legislature under AS 37.07.060 the projects
13 submitted by designated entities under this subsection that the governor recommends for
14 funding. If, in the capital improvements program, the governor includes projects in other
15 than the priority order submitted by a designated entity, the governor shall provide the
16 legislature with a written statement of the reasons for that action.

17 * Sec. 4. AS 37.06.030(b) is amended to read:

18 (b) For each draw made by an entity [OR COUNCIL] under AS 37.06.020, the
19 nonprofit corporation [INCORPORATED ENTITY] or Native village council that
20 makes the draw shall contribute a local share of the cost of the capital project for which
21 the draw is made. The amount of the local share for an unincorporated community
22 in a borough is the amount of the local share for that borough as calculated under
23 (a) of this section. The amount of the local share for an unincorporated community
24 in the unorganized borough equals the local share percentage as calculated under (1)
25 of this subsection, divided by the state share percentage as calculated under (2) of this
26 subsection, multiplied by the amount of the draw. For purposes of this subsection,
27 (1) the local share percentage is five percent;
28 (2) the state share percentage equals one minus the local share
29 percentage;
30 (3) the local share may be satisfied from (A) federal or local money; (B)
31 labor, materials, or equipment used directly in the construction of the project, or land,
32 including land transferred by the state; the department shall determine the value of a

1 contribution under this subparagraph; (C) money from another nonstate source; (D)
2 money received by the unincorporated community under AS 29.60.010 - 29.60.375; or
3 (E) money obtained from the sale or lease of land or other assets transferred by the state;
4 except as provided in this paragraph, the local share may not be satisfied with money
5 from, or with the portion of an asset that was obtained with money from, an
6 appropriation, allocation, entitlement, grant, or other payment from the state.

7 * Sec. 5. This Act takes effect July 1, 1996.

Alaska State Legislature

Committee Chair
Community & Regional Affairs

Committee Vice-Chair
Labor & Commerce

Committee Membership
Legislative Council



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Senator John Torgerson

COMMITTEE SUBSTITUTE FOR SB 287 SPONSOR STATEMENT

There are two capital matching grant programs: the Municipal Capital Project Matching Grant Program, and the Unincorporated Community Matching Grant Program. The purpose of these 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. . . that involves the local community, the executive branch, and the legislature." (emphasis added)

Committee Substitute to Senate Bill 287 revises the Unincorporated Community Capital Project Matching Grant Program to include unincorporated communities located within organized boroughs. Currently when these communities want a capital project, they must first convince their borough that it has a higher priority than those which may benefit the entire borough, and has a higher priority than projects for other communities within that borough. Once the project is placed on the borough's list, it must then survive the State process.

This legislation allows unincorporated communities within boroughs to apply for a capital projects matching grant provided the project and the administering agency qualify on the same basic terms as unincorporated communities in the unorganized borough.

Recognizing that, because they are located within organized boroughs, they may receive greater benefits than their counterparts in the unorganized borough, unincorporated communities within boroughs have additional requirements that must be met for eligibility. They must obtain the approval of their borough assembly for both the project list and the administering agency, and their local share requirements are the same as the boroughs themselves. This assures that projects requested are of ample priority to justify the effort required to raise a higher local share and allows boroughs to concentrate on projects with a greater borough-wide benefit.

JT:dld:SB287:3/11/96

SPONSOR STATEMENT--CSSB 287-

**COMMITTEE SUBSTITUTE FOR SENATE BILL 287
SECTIONAL ANALYSIS**

Section 1: Amends AS 37.06.020(b) to include unincorporated communities located within organized boroughs

Section 2: Amends AS 37.06.020(d) to require that the borough assembly must designate the entity which will be receiving the grant. It also lists the following qualifications for an entity receiving funds:

- formed to serve a public or civic purpose
- 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.

Section 3: 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 4: 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 CS SB 287 (CRA) with Current Program

Current Program

- Unincorporated communities in the unorganized borough are eligible to participate
- One appropriation is made and allocated equally among the eligible communities' accounts
- Currently sufficient funds are appropriated to allocate \$25,000 to each account--\$1,700,000 for FY 97 is requested
- Unincorporated communities must have been eligible for revenue sharing the previous fiscal year (revenue sharing eligibility criteria are contained in regulation)
- DCRA designated a nonprofit corporation or a Native village council to receive and spend grant money

CS SB 287(CRA)

- Unincorporated communities in organized boroughs are added to those who can participate
- Same as Current Program
- Without additional funding, allocation amounts will be reduced depending on the number of additional participants--worst case scenario reduces individual allocation to approximately \$13,281, a reduction of \$11,719
- Unincorporated communities must meet the same basic eligibility requirements; however criteria is now in the statute

Additionally communities in boroughs must obtain borough approval for project list and for administering entity
- Same as current program

Additionally communities in boroughs must obtain borough approval for administering entity

Comparison of CS SB 287 (CRA) with Current Program

- Designated administering entity submits prioritized list of capital projects to be funded from individual accounts to governor along with amount and source of local share required.
- Governor submits list of approved projects to the legislature for its approval
- Local share percentage is 5 percent
- Same as current program
Additionally communities in boroughs must obtain borough approval for administering entity
- Same as Current Program
- Local share percentage for communities in the unorganized borough remains at 5 percent
Local share percentage for communities in boroughs is the same as the borough in which they're located

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	Elkutna	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	Collega	Fairbanks
Central	Minto	Cantwell	Denali	Tyonek	Kenai	Elelson AFB	Fairbanks
Chalkyitsik	Naukatu Bay	Healy	Denali	Chiniak	Kodiak	Ester	Fairbanks
Chenegu Bay	Nelchina/Mendaltna	McKinley Park	Denali	Karluk	Kodiak	Covenant Life	Haines
Chistochina	Nikolski	Fox	Fairbanks	Chignik Lagoon	Lake & Pen	Fritz Creek	Kenai
Chitna	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	Slana	Cohoe	Kenai	Port Alsworth	Lake & Pen	Prudhoe Bay	North Slope
Evansville	Slana	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	Tatittek	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	Tuntutulak	Nikolaevsk	Kenai	Noatak	Northwest Arctic		
Koliganek	Twin Hills						
Kongiganak	Venette						
Kwigillingok	Whale Pass						
Lake Minchumina	Wiseman						

Effect of Senate Bill 287 on Existing Program

	CURRENT PROGRAM		SENATE BILL 287--addition of unincorporated communities in boroughs					
	Unorganized Borough	FY97 Request (\$25,000 per community)	Organized Borough	TOTAL under SB 287	Funding Needed for \$25,000 per community	Add'l Funding Over FY 97 Request	Allocation No Add'l Funding	Existing Allocation Reduced by
Total Number of Unincorporated Communities	90 (1)		78 (1)	168				
Number Possibly Eligible to Participate	81 (1)		59 (1)	140				
Number of Participants	68 (2)	1,700,000	60 (3)	128	3,200,000	1,500,000	13,281	11,719
			59 (4)	127	3,175,000	1,475,000	13,386	11,614
			50 (5)	118	2,950,000	1,250,000	14,407	10,593

(1) Based on information provided by the Department of Community & Regional Affairs

(2) This number represents 76% of all unincorporated communities in the unorganized borough
It also represents 84% of those communities that might be eligible if they chose to participate

(3) DCRA's estimate of additional communities which might possibly be eligible for grant program

(4) For comparison purposes, this number represents 76% of all unincorporated communities in the organized borough.

(5) For comparison purposes, this number represents 84% of the unincorporated communities in the organized borough that might be eligible if they chose to participate

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO: SB 287

Revision Date: 2/20/96 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to unincorporated community capital project matching grant program BRU: Administration and Support
 Component: Administrative Services
 Sponsor: Sen. Torgerson
 Requestor: Senate C&RA COMPONENT SERIAL NO. 684

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

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						
TOTAL OPERATING	42.7	43.9	45.3	46.6	48.1	49.6

CAPITAL EXPENDITURES						
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Revenue Fund Source	0.0	0.0	0.0	0.0	0.0	0.0
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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						
TOTAL	42.7	43.9	45.3	46.6	48.1	49.6

Estimate of current year (FY 96) impact: \$ none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Based on the definition of communities eligible for program participation under this legislation, the Department assumes approximately 60 additional unincorporated communities could participate. The program provides for a \$25,000 match 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. However, it is our understanding that either the additional required funds would be re-allocated to the Department from the municipal element of the program administered by the Department of Administration or the unincorporated program funding level would be held at the level required (continued next page)

Prepared By: Remond Henderson *Remond Henderson* Phone: 465-4708
 Division: Director, Administrative Services Division Date: 2/20/96
 Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 2/20/96
 Agency: Mike Irwin, Dept. of Community & Reg. Affairs

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Revision Date: 2/20/96 Dept. Affected: Community & Regional Affairs

ANALYSIS CONTINUED:

before the addition of the 60 new communities (\$1.7 million). The later case would result in a pro-rating of each unincorporated community's share from \$25,000 down to \$13,281. In either case, there would be zero net fiscal impact to the general fund with regard to funding the Capital Match Program under the proposed amendment.

The addition of 60 new participants to the unincorporated community Capital Match Program administered by the Department will translate into increased burdens of grant tracking and community assistance for the agency. 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 this fiscal note. It is important that full funding be attached due to the imminent general fund reductions to the component'

**SENATE BILL 287
SECTIONAL ANALYSIS**

Section 1: Amends AS 37.06.020(b) to include unincorporated communities located within organized boroughs

Section 2: Amends AS 37.06.020(d) to require that the borough assembly must designate the entity which will be receiving the grant. It also lists the following qualifications for an entity receiving funds:

- formed to serve a public or civic purpose
- 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.

Section 3: 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.

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

(g) For purposes of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.60.020.

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

(i) In this section, unless specified otherwise, "department" means the Department of Administration. (§ 3 ch 80 SLA 1993)

Sec. 37.06.020. Unincorporated community capital project matching grant program. (a) The unincorporated community capital project matching grant program is established in the department. Grants to unincorporated communities under the program shall be administered as provided in this section.

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

(c) A minimum of \$25,000 shall be allocated to each eligible unincorporated community's grant account each fiscal year under (b) of this section. If appropriations are not sufficient to fully fund the mini-

maximum amount for each eligible unincorporated community, the amount appropriated shall be allocated equally among the eligible unincorporated communities.

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

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

(f) The legislature may make appropriations, from an unincorporated community's individual grant account established under (b) of this section, for the unincorporated community for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, an entity designated by the department under (d) of this section may draw, on behalf of the unincorporated community, amounts from that community's individual grant account for a capital project in accordance with an appropriation for that project. In accepting a draw, an entity designated by the department under (d) of this section acknowledges that the state is not responsible for operating or maintaining a capital project for which the draw is used, or for paying for its operation or maintenance. The acknowledgment does not apply to use of money from a draw for repair or improvement of an existing facility that is operated or maintained by the state at the time that the draw is made if the repair or improvement for which the draw is used will not substantially increase the

operating or maintenance costs to the state. No more than 10 percent of the total amount of money from a draw for land acquisition, or planning, design, construction, or repair of a facility may be used for administrative expenses. No more than five percent of the total amount of money from a draw for equipment or equipment repairs may be used for administrative expenses. The designated entity and its agents, contractors, and subcontractors shall comply with the hiring preferences under AS 36.10 in hiring employees to be paid wholly or in part with money from a draw.

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

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

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

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

(k) In this section, unless specified otherwise, "department" means the Department of Community and Regional Affairs. (§ 3 ch 80 SLA 1993)

Sec. 37.06.030. Local share requirements. (a) For each draw made by a municipality under AS 37.06.010, the municipality shall contribute a local share to the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

(1) the local share percentage is

(A) 30 percent for a municipality with a population of 5,000 or more;

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(B) for a municipality with a population of 1,000 — 4,999, the greater of

- (i) 15 percent; or
- (ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

(C) for a municipality with a population of under 1,000, the greater of

- (i) five percent; or
- (ii) the percentage obtained by dividing the amount that would be received by the municipality from a property tax levy of 1/1000th of a mill per \$1,000 of grant funds received by the sum of that first amount plus the amount of the grant or draw, but not more than 30 percent;

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

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

(b) For each draw made by an entity or council under AS 37.06.020, the incorporated entity or Native village council that makes the draw shall contribute a local share of the cost of the capital project for which the draw is made. The amount of the local share equals the local share percentage as calculated under (1) of this subsection, divided by the state share percentage as calculated under (2) of this subsection, multiplied by the amount of the draw. For purposes of this subsection,

- (1) the local share percentage is five percent;
- (2) the state share percentage equals one minus the local share percentage;

(3) the local share may be satisfied from (A) federal or local money; (B) labor, materials, or equipment used directly in the construction of the project, or land, including land transferred by the state; the department shall determine the value of a contribution under this sub-

paragraph: (C) money from another nonstate source; (D) money received by the unincorporated community under AS 29.60.010 — 29.60.375; or (E) money obtained from the sale or lease of land or other assets transferred by the state; except as provided in this paragraph, the local share may not be satisfied with money from, or with the portion of an asset that was obtained with money from, an appropriation, allocation, entitlement, grant, or other payment from the state.

(c) For purposes of (a) of this section, in calculating the population of a borough the population of each city in the borough is excluded. The determination of population shall be based upon data used by the Department of Community and Regional Affairs under AS 29.20.060. (§ 3 ch 80 SLA 1993)

Sec. 37.06.080. Adoption of regulations. The Department of Administration for grants under AS 37.06.010 and the Department of Community and Regional Affairs for grants under AS 37.06.020

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

(2) shall adopt regulations providing for periodic audits of the use of money for grants administered by the department under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter. (§ 3 ch 80 SLA 1993)

Sec. 37.06.090. Definition of "capital project." In this chapter, "capital project" means a project with a cost exceeding \$10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment. (§ 3 ch 80 SLA 1993)

Chapter 07. Executive Budget Act.

Section

- 10. Statement of policy
- 20. Responsibilities of the governor
- 30. Responsibilities of the legislature
- 40. Office of management and budget
- 50. Agency program and financial plans
- 60. Governor's recommendation
- 62. Capital budget
- 70. Legislative review

Section

- 80. Program execution
- 90. Performance reporting
- 100. Proposed supplemental or special appropriations
- 110. Interpretation of chapter
- 120. Definitions
- 130. Short title

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

HICKEY & ASSOCIATES

Planning • Management • Lobbying

211 Fourth Street, Suite 108, Juneau, Alaska 99801
Telephone 907-586-2263, Fax 907-586-1097**FAX TRANSMITTAL MEMO**

DATE: 2/27/96

TO: DEB DAUNSON

FROM: MARK S. HICKEY

SUBJECT: SB 287 LETTER

COMMENTS: Per our discussion.

TOTAL PAGES (INCLUDING THIS SHEET): 4PLEASE CALL OR FAX THE TELEPHONE NUMBERS ABOVE IF ANY
PROBLEMS ARISE WITH THIS TRANSMISSION.



Lake and Peninsula Borough

P.O. Box 495
King Salmon, Alaska 99613

Telephone: (907) 246-3421
Fax: (907) 246-6602



February 27, 1995

Senator John Torgerson
Alaska State Legislature
State Capitol Building
MS 3100
Juneau, AK. 99801-1182

RE: Support SB 287

Dear Senator Torgerson:

It has just come to the Borough's attention that you have introduced SB 287. SB 287 is a similar bill to HB 330. Both bills would attempt to eliminate the inequities which exist for unincorporated communities located within Boroughs who wish to participate in the State Capital Project Matching Grant Program. We are writing to let you know that the Lake and Peninsula Borough strongly supports this effort and that we will do whatever we can to assist you in getting this legislation passed.

As you know, the Lake and Peninsula Borough is very adversely affected by the way the State Capital Project Matching Grant Program is presently structured. Unincorporated communities in the unorganized borough are currently guaranteed at least \$25,000 per year in State matching funds for eligible capital projects. Conversely, unincorporated communities within organized Boroughs (like those in our borough) are not guaranteed a minimal level of funding. This prevents them from participating in the program for all practical purposes. The Borough, as the local eligible municipality, receives funding for these communities based upon the combined population of all unincorporated villages within the Borough; an amount far less than it would receive if its communities were treated equitably.

The Lake and Peninsula Borough has seventeen communities located within its boundaries. Eleven of these communities are presently unincorporated. The affected communities are Ivanof Bay, Perryville, Chignik Lagoon, Chignik Lake, Ugashik, Igiugig, Levelock, Pedro Bay, Iliamna, Kokhanok, and Port Alsworth. The residents in these communities, approximately one half of all Borough residents, have essentially been denied the opportunity to participate in this very important State program.

In FY 95, the Borough received a total of \$44,000 in program monies to be divided up among these seven communities. We expect to receive approximately the same amount in FY 96 and less in FY 97. This works out to about \$4,000 per community, per year. This is totally unacceptable. If each of these communities were guaranteed \$25,000 per year like unincorporated communities outside of boroughs are, we would have received at least \$275,000 last year. As you can see, that is quite a difference. This amount is a significant sum that could be used for meaningful capital projects.

The State Capital Project Matching Grant Program as it is currently written into law is inherently unfair to unincorporated communities that are located within existing Boroughs. This was not the intent of those who advocated for the creation of this program several years ago. We believe the State should rectify this problem as quickly as possible for a number of reasons including:

1. It is in the State's interest to promote economic and community development in rural areas. The construction of needed capital projects in Borough communities is now hindered because there is little or no incentive for local governments to participate in this program. For many communities, it is not worth the time and effort to prepare the application and other required paperwork for a mere \$4,000 per year. We have definitely seen a decline in the amount of interest in this program over the past few years. This situation serves to reduce, rather than increase, incentives for investing in our communities. In reality, it means that fewer capital projects will actually get completed in the Borough because this program was intended to replace or substitute for the old discretionary fund system. The problem is now compounded because our communities receive less discretionary funding and little or no funding from the State Capital Project Matching Grant Program.

2. The State is in the process of reducing its budget in response to new economic realities. It will therefore expect local governments to assume increased responsibility for providing local services and building necessary infrastructure. Therefore, it is in the State's interest to promote the existence and economic viability of Boroughs and other local governments. This program, as it is currently structured, serves to penalize unincorporated communities which are located within organized Boroughs. This is a disincentive for the formation of new Boroughs and could potentially threaten the continued existence of others.

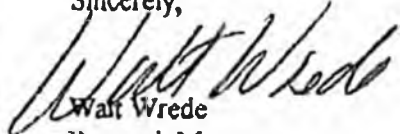
We are aware that many people believe this bill must have a zero net effect upon the operating budget if it is to have any chance of passing. Although we understand this thinking given the current budgetary constraints, we would encourage you to push for more money to fully fund this program. Adding 60 villages to the list of communities that are eligible to participate in the program without increasing the appropriation accordingly penalizes all of the communities in the State. We agree that the State budget must be trimmed. We do not however, think reducing our investment in capital projects and economic development is a wise and prudent way to go about it.

02/27/96 17:18 LAKE AND PENINSULA BOROUGH → 19075861097

NO. 061 P004

In summary, the Lake and Peninsula Borough is very pleased that you intend to work for passage of SB 287 this session. Please do not hesitate to contact us if there is anything we can do to assist you in this effort. Thanks for your time and consideration.

Sincerely,



Walt Wrede
Borough Manager