

SB

293

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 293

Revision Date: _____ Department Affected: Administration
 Title: An Act relating to municipal capital project matching grants BRU: Administrative Services
 for a municipality organized under federal law as an Indian reserve; Component: Administrative Services
 and providing for an effective date.
 Sponsor: Zharoff
 Requestor: _____ COMPONENT SERIAL NO. 46

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Sharon Barton
 Division: Administrative Services

Phone: 465-2277
 Date: 3/1/96

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/11/96

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 293

ANALYSIS: (continued)

There would be no need for additional funds for the administration of this program. Adding Metlakatla to the municipal side of the program does affect grant fund distribution and might be handled one of three ways:

1. If SB 293 passes with no additional grant funds appropriated to accommodate Metlakatla, Metlakatla would receive a grant of \$39,817 and all other municipalities would be adjusted accordingly.
2. If Metlakatla is added to the program on the municipal side with:
 - A. a transfer to the municipal side of the \$25.0 they would have received on the unincorporated side of the program;
 - B. No other increase to the overall appropriation; then Metlakatla would receive an allocation of \$39,910. The allocations to other municipalities would be reduced as noted:

Anchorage	(6,403)	Kodiak	(236)
Barrow	(158)	Kodiak Island Borough	(209)
Bethel	(162)	Kotzebue	(110)
Bristol Bay Borough	(49)	Lake & Peninsula Borough	(15)
Cordova	(96)	Matanuska-Susitna Borough	(1,015)
Craig	(73)	Nome	(148)
Denali Borough	(50)	North Pole	(61)
Dillingham	(23)	North Slope Borough	(96)
Fairbanks	(811)	Palmer	(154)
Fairbanks North Slope Borough	(1,244)	Petersburg	(124)
Haines	(52)	Sand Point	(40)
Haines Borough	(38)	Seward	(113)
Homer	(154)	Sitka	(285)
Hooper Bay	(40)	Soldotna	(148)
Houston	(38)	Unalaska	(152)
Juneau	(739)	Valdez	(166)
Kenai	(218)	Wasilla	(172)
Kenai Peninsula Borough	(701)	Wrangell	(102)
Ketchikan	(265)		
Ketchikan Gateway Borough	(190)		

3. If Metlakatla is added to the program on the municipal side with:
 - A. a transfer to the municipal side of the \$25.0 they would have received on the unincorporated side of the program;
 - B. An increase to the overall appropriation sufficient to "hold harmless" the other grantees so that no grantee's allocation is reduced to add Metlakatla to the program; then Metlakatla would receive a grant allocation of \$39,971. An increase to the overall appropriation of \$16,619 would need to be made.

Alaska State Legislature

Committee Chair
Community & Regional Affairs

Committee Vice-Chair
Labor & Commerce

Committee Membership
Legislative Council



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Senator John Torgerson

MEMORANDUM

February 29, 1996

TO: Sharon Barton, Director
Division of Administrative Services
Department of Administration

FROM: Senator John Torgerson, Chair
Senate Community & Regional Affairs

RE: Fiscal Note for Senate Bill 293: Capital Project Matching
Grant for Indian Reservations

The fiscal note originally submitted by you for Senate Bill 293 reflected zero impact. I understand this impact relates only to the administration of the program by the department itself--that is, the Department of Administration would require no additional funds to implement this bill.

Without additional funding, there is a fiscal impact on participating communities whose allocations will be reduced in order for Metlakatla to receive its allocation. If this negative impact on communities is to be avoided, additional moneys need to be appropriated to the program.

Please prepare a revised fiscal note that--should the department maintain its position that the fiscal note pertains only to the impact on the department's administration of the program--indicates in the analysis section the following two possible effects:

- Assuming no additional funding other than the \$25,000 transferred from the Unincorporated Communities Matching Grant Program, which communities currently participating in the program will be affected by

Sharon Barton
February 29, 1996
Page 2

the inclusion of Metlakatla and by how much (for example it appears that Anchorage would receive \$6,403 less); and

- Assuming the communities currently participating in the program receive at least the same amount with the inclusion of Metlakatla as they would otherwise receive, how much additional funding is required to include Metlakatla and what would Metlakata's allocation be.

Thank you for your attention to this matter.

cc: Commissioner Mark Boyer
Department of Administration

Jack Fagnoli, Senior Policy Analyst
Office of Management & Budget

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 293

Revision Date: _____ Dept. Affected: Administration
 Title: " An Act relating to municipal capital project matching grants for a municipality organized..." BRU: Administrative Services
 Sponsor: Sen. Zharoff Component: Administrative Services
 Requestor: S (CRA) COMPONENT SERIAL NO. 46

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITUR	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY 96) cost: \$ 0.0 _____

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

This bill will have no fiscal impact on the Department of Administration

Prepared by: Sharon Barton, Director
 Division: Administrative Services

Phone: 465-5655
 Date: 2/23/96

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 2/23/96

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FISCAL NOTE

Revision Date: February 20, 1996 Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal capital project BRU: none
matching grants for a municipality organized. Component none
 Sponsor: Sen. Zharoff
 Requestor: Senate C&RA COMPONENT SERIAL NO.

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current (FY94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)
 This legislation clearly establishes the community of Metlakatla as a municipality for the purposes of the Municipal Capital Project Match Program, AS 37.06.010-090, removing an ambiguity under which the community has in the past received capital match program funds for both unincorporated and municipal elements of the program. This legislation would have no direct fiscal impact on the department. Funds currently maintained by DCRA for Metlakatla under the unincorporated capital match program would be transferred to the Municipal Capital Match Program Metlakatla account administered by the Department of Administration.

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

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Senator Fred F. Zharoff

Alaska State Legislature

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State Senate District C

Kodiak Island & Rural Southeast Alaska

SPONSOR STATEMENT

SB 293

SB 293 would amend the Capital Matching Grants program to clarify that the Metlakatla Indian Community can participate in the program as a municipality rather than as an unincorporated community.

The Capital Matching Grants program became effective in FY 1994. The prior administration adopted regulations to implement the Capital Matching Grants program that allowed Metlakatla to receive Capital Matching Grants as both a municipality and unincorporated community. Last year, Legislative Legal Services determined that Metlakatla could not legally receive a Capital Matching Grant as a municipality and without an amendment to the Capital Matching Grants statutes, could only receive funds under the unincorporated portion of the program.

This bill corrects what I believe was an oversight in the original legislation that created the Capital Matching Grants program to specifically allow Metlakatla to receive their Capital Matching Grants under the municipal portion of the program rather than as an unincorporated community.

OMB
4/28/95

Capital Project Matching Grants Program

METLAKATLA

Background

- For the past two years, Metlakatla has received funding under the matching grant programs both as a municipality, and as an unincorporated community.
- Funding them as a municipality was a policy choice - - in 1993, the prior administration wrote the matching grant regulations explicitly to allow it; specifically, the definition of "municipality".¹ Funding them additionally as an unincorporated community resulted from the fact that they also met the matching grant program eligibility criteria for an unincorporated community.² In the press of events surrounding establishment of the program, no action was taken to further clarify or change the situation.

Current Problem

- Director of Legislative Legal Services Tam Cook informed us on 4/27 that, under current law, Metlakatla can not legally receive matching grant funds as a municipality.
- The reason is that, while the matching grant program regulatory definition of "municipality" includes Metlakatla, it is invalid because it conflicts with another statute that defines municipalities, but which does not include Metlakatla.
- The Department of Law (Margie Vandor) concurs with Tam Cook that this other statute, AS 01.10.060(4), supersedes the matching grant regulatory definition.
- The policy choices thus are:
 - (1) amend the municipal matching grant statute to explicitly include Metlakatla within the definition of "municipality" to be used for that program; or,
 - (2) have Metlakatla continue to receive matching grant funding only as an unincorporated community.
- Metlakatla's funding as a municipality has been as follows:
FY94 = 60,619; FY95=58,909; FY96=60,421
(FUNDING AS AN UNINCORPORATED HAS BEEN \$25,000 PER YEAR.)

¹ 2 AAC 47.170(5) for DOA defines "municipality" as "any incorporated city or borough, or any entity that is eligible to receive municipal assistance under AS 29.60.365...". (Emphasis added.) Metlakatla receives municipal assistance as a municipality under AS 29.60.365; it also receives forest receipts as a municipality.

² 2 AAC 55.160(6) for DCRA defines "unincorporated community" as "any community that is eligible to receive state aid under AS 29.50.140...". Metlakatla receives state aid (state aid) as an unincorporated community under AS 29.50.140.

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
Akhiok (KIB)	\$ 25,000	25,000	25,000
Akrak	\$ 25,000	25,000	25,000
Akutan (AEB)	\$ 25,000	25,000	25,000
Alakanuk	\$ 25,000	25,000	25,000
Aleknagik	\$ 25,000	25,000	25,000
Aleutians East Borough (AEB)	\$ 25,000	25,000	25,000
Allakaket	\$ 25,000	25,000	25,000
Amblir (NAF)	\$ 25,000	25,000	25,000
Anatuvuk Pass (NSB)	\$ 25,000	25,000	25,000
Anchorage, Municipality of	\$ 6,433,986	4,242,632	4,336,229
Anderson (DB)	\$ 28,077	25,000	25,000
Angoon	\$ 29,086	25,000	25,000
Aniak	\$ 25,000	25,000	25,000
Anvik	\$ 25,000	25,000	25,000
Atka	\$ 25,000	25,000	25,000
Atmautluak	\$ 25,000	25,000	25,000
Atkasuk (NSB)	\$ 25,000	25,000	25,000
Barrow (NSB)	\$ 148,586	105,571	105,413
Bethel	\$ 168,258	108,525	109,363
Bettles	\$ 25,000	25,000	25,000
Brevig Mission	\$ 25,000	25,000	25,000
Easton Bay Borough:	\$ 58,748	32,539	32,490
Buckland (NAB)	\$ 25,000	25,000	25,000
Chefornak	\$ 25,000	25,000	25,000
Chevak	\$ 25,876	25,000	25,000
Chignik (LPB)	\$ 25,000	25,000	25,000
Chuathbaluk	\$ 25,000	25,000	25,000
Clark's Point	\$ 25,000	25,000	25,000
Coffman cove	\$ 25,000	25,000	25,000
Cold Bay (AEB)	\$ 25,000	25,000	25,000
Cordova	\$ 96,803	64,031	63,935
Craig	\$ 56,363	48,522	48,449
Decreeing (NAB)	\$ 25,000	25,000	25,000
Delta Junction	\$ 30,730	25,000	25,000
Denali Borough (DB):	\$ 53,194	33,561	33,511
Dillingham	\$ 82,009	55,927	55,844
Diomedes	\$ 25,000	25,000	25,000
Eagle	\$ 25,000	25,000	25,000
Eek	\$ 25,000	25,000	25,000
Egegik	\$ -	25,000	25,000
Ekwook	\$ 25,000	25,000	25,000
Elim	\$ 25,000	25,000	25,000
Emmonak	\$ 32,455	25,000	25,000
Fairbanks (FNSB)	\$ 862,398	550,115	549,304
Fairbanks North Star Borough (FNS)	\$ 1,230,665	843,594	842,350
False Pass (AEB)	\$ 25,000	25,000	25,000

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
Fort Yukon	\$ 29,246	25,000	25,000
Galena	\$ 28,444	25,000	25,000
Gambell	\$ 25,000	25,000	25,000
Galovin	\$ 25,000	25,000	25,000
Goodnews Bay	\$ 25,000	25,000	25,000
Grayling	\$ 25,000	25,000	25,000
Haines (HB)	\$ 56,698	34,758	34,706
Haines Borough (HB):	\$ 38,834	25,527	25,489
Holy Cross	\$ 25,000	25,000	25,000
Homer (KPB)	\$ 162,117	103,053	102,899
Hoonah	\$ 36,828	25,000	25,000
Hooper Bay	\$ 26,106	26,848	26,808
Houston (MSB)	\$ 35,224	25,770	25,732
Hughes	\$ 25,000	25,000	25,000
Huslia	\$ 25,000	25,000	25,000
Hydaburg	\$ 25,000	25,000	25,000
Juneau, City and Borough of (JCB)	\$ 753,485	501,261	500,522
Kachemak (KPB)	\$ 25,000	25,000	25,000
Kake	\$ 30,409	25,000	25,000
Kaktovik (NSB)	\$ 25,000	25,000	25,000
Katag	\$ 25,000	25,000	25,000
Kasaan	\$ 25,000	25,000	25,000
Kasigluk	\$ 25,000	25,000	25,000
Kenai (KPB)	\$ 215,255	146,357	146,129
Kenai Peninsula Borough (KPB):	\$ 674,038	475,065	474,364
Ketchikan (KGB)	\$ 279,487	178,757	178,492
Ketchikan Gateway Borough (KGB):	\$ 179,553	127,911	127,721
Kiana (NAB)	\$ 25,000	25,000	25,000
King Cove (AEB)	\$ 36,628	25,000	25,000
Kivalina (NAB)	\$ 25,000	25,000	25,000
Klawock	\$ 30,450	25,000	25,000
Kobuk (NAB)	\$ 25,000	25,000	25,000
Kodiak (KIB)	\$ 234,686	159,183	158,947
Kodiak Island Borough (KIB):	\$ 224,702	140,758	140,549
Kotlik	\$ 25,000	25,000	25,000
Kotzebue (NAB)	\$ 111,980	73,481	73,371
Koyuk	\$ 25,000	25,000	25,000
Koyukuk	\$ 25,000	25,000	25,000
Kupreanof	\$ 25,000	25,000	25,000
Kwethluk	\$ 25,716	25,000	25,000
Lake and Peninsula Borough (LPB):	\$ 37,873	25,015	25,000
Larsen Bay (KIB)	\$ 25,000	25,000	25,000
Lower Kalskag	\$ 25,000	25,000	25,000
Manokotak	\$ 25,000	25,000	25,000
Marshall (Fortuna Ledge)	\$ 25,000	25,000	25,000
Matanuska-Susitna Borough (MSB):	\$ 1,054,151	688,490	687,475

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
McGrath	\$ 25,000	25,000	25,000
Mekoryuk	\$ 25,000	25,000	25,000
Metlakatla	\$ -	0	39,910
Mountain Village	\$ 31,252	25,000	25,000
Napakiaik	\$ 25,000	25,000	25,000
Napaskiak	\$ 25,000	25,000	25,000
Nenana	\$ 25,000	25,000	25,000
New Stuyahok	\$ 25,000	25,000	25,000
Newhalen (LPB)	\$ 25,000	25,000	25,000
Newtok	\$ 25,000	25,000	25,000
Nightmute	\$ 25,000	25,000	25,000
Nikolai	\$ 25,000	25,000	25,000
Nome	\$ 155,966	99,337	99,189
Nondalton (LPB)	\$ 25,000	25,000	25,000
Noorvik (NAB)	\$ 25,000	25,000	25,000
North Pole (FNSB)	\$ 81,656	41,116	41,055
North Slope Borough (NSB):	\$ 92,148	64,081	63,985
Northwest Arctic Borough (NAB):	\$ 25,000	25,000	25,000
Nuiqsut (NSB)	\$ 25,000	25,000	25,000
Nulato	\$ 25,000	25,000	25,000
Nunapitchuk (Akolmiut)	\$ 25,000	25,000	25,000
Old Harbor (KIB)	\$ 25,000	25,000	25,000
Ouzinkie (KIB)	\$ 25,000	25,000	25,000
Palmer (MSB)	\$ 139,117	103,252	103,098
Palican	\$ 25,000	25,000	25,000
Petersburg	\$ 127,450	83,529	83,405
Pilot Point (LPB)	\$ 25,000	25,000	25,000
Pilot Station	\$ 25,000	25,000	25,000
Platinum	\$ 25,000	25,000	25,000
Point Hope (NSB)	\$ 28,243	25,000	25,000
Port Alexander	\$ 25,000	25,000	25,000
Port Heiden (LPB)	\$ 25,000	25,000	25,000
Port Lions (KIB)	\$ 25,000	25,000	25,000
Quinagak	\$ 25,000	25,000	25,000
Ruby	\$ 25,000	25,000	25,000
Russian Mission	\$ 25,000	25,000	25,000
Sand Point (AEB)	\$ 40,818	26,660	26,620
Savoonga	\$ 25,000	25,000	25,000
Saxman (KGB)	\$ 25,000	25,000	25,000
Scammon Bay	\$ 25,000	25,000	25,000
Selawik (NAB)	\$ 25,675	25,000	25,000
Seldovia (KPB)	\$ 25,000	25,000	25,000
Seward (KPB)	\$ 101,840	75,650	75,537
Shageluk	\$ 25,000	25,000	25,000
Shaktolik	\$ 25,000	25,000	25,000
Sheldon Point	\$ 25,000	25,000	25,000

compare

MUNICIPAL CAPITAL MATCHING GRANT ALLOCATION COMPARISONS			
Municipality	FY 96 Allocation	Current FY 97 allocation	FY 97 with Metlakatla
Shishmaref	\$ 25,000	25,000	25,000
Shungnak (NAB)	\$ 25,000	25,000	25,000
Sitka, City and Borough of (SCB)	\$ 285,995	192,064	191,779
Skagway	\$ 30,129	25,000	25,000
Soldotna (KPB)	\$ 141,988	99,487	99,339
St George	\$ 25,000	25,000	25,000
St Mary's	\$ 25,000	25,000	25,000
St Michael	\$ 25,000	25,000	25,000
St Paul	\$ 25,515	25,000	25,000
Stebbins	\$ 25,000	25,000	25,000
Tanana	\$ 25,000	25,000	25,000
Teller	\$ 25,000	25,000	25,000
Tenakee Springs	\$ 25,000	25,000	25,000
Thome Bay	\$ 25,395	25,000	25,000
Togiak	\$ 31,212	25,000	25,000
Toksook Bay	\$ 25,000	25,000	25,000
Tuluksak	\$ 25,000	25,000	25,000
Tununak	\$ 25,000	25,000	25,000
Unalakleet	\$ 31,692	25,000	25,000
Unalaska	\$ 160,924	101,806	101,654
Upper Kalskag	\$ 25,000	25,000	25,000
Vakdez	\$ 175,686	111,430	111,264
Wainwright (NSB)	\$ 25,000	25,000	25,000
Wales	\$ 25,000	25,000	25,000
Wasilla (MSB)	\$ 163,310	115,569	115,397
White Mountain	\$ 25,000	25,000	25,000
Whittier	\$ 25,000	25,000	25,000
Wrangell	\$ 99,119	68,768	68,666
Yakutat, City & Borough Of	\$ 27,722	25,000	25,000
TOTAL:	\$ 18,300,000	13,300,000	13,325,000
* these figures DO NOT take into account lesser population figures for the Boroughs.			

METLAKATLA

	FY 97 Current	FY 97 As Comm. for Grant	FY 97 As Comm. for All
Revenue Sharing (currently as unincorporated)	7,148	7,148	0
Municipal Assistance (currently as municipality)	79,318	79,318	79,318
Cap. Proj. Matching Grant (currently as unincorporated)	<u>25,000</u>	<u>39,910</u>	<u>39,910</u>
Total	111,466	126,376	119,228

If Metlakatla moves to Municipal program the additional \$14,910 will be taken from municipalities as follows:

Anchorage	\$6,403	Ketchikan Borough	\$190
Barrow	\$158	Kodiak	\$236
Bethel	\$162	Kodiak Borough	\$209
Bristol Bay Borough	\$49	Kotzebue	\$110
Cordova	\$96	Lake & Peninsula Borough	\$15
Craig	\$73	Mat-Su Borough	\$1,015
Denali Borough	\$50	Nome	\$148
Dillingham	\$83	North Pole	\$61
Fairbanks	\$811	North Slope Borough	\$96
Fairbanks North Star	\$1,244	Palmer	\$154
Haines	\$52	Petersburg	\$124
Haines Borough	\$38	Sand Point	\$40
Homer	\$154	Seward	\$113
Hooper Bay	\$40	Sitka	\$285
Houston	\$38	Soldotna	\$148
Juneau	\$739	Unalaska	\$152
Kenai	\$218	Valdez	\$166
Kenai Borough	\$701	Wasilla	\$172
Ketchikan	\$265	Wrangell	\$102

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF ADMINISTRATIVE SERVICES

TONY KNOWLES, GOVERNOR

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PHONE: (907) 269-4500
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January 18, 1996

The Honorable Jerry Mackie
House of Representatives
State Capitol, Room 404
Juneau, AK 99801-1182

Dear Representative Mackie:

Re: Metlakatla - Unincorporated Matching Grant

The following is a brief description of the impact to this Department should Metlakatla be identified as an eligible entity in the Municipal section of the Capital Matching Grant Program rather than the Unincorporated section of that same program.

Since the inception of this program, Metlakatla has requested projects each fiscal year in the full amount of funds available with the exception of FY 94. The remaining balance that year in addition to a small amount of interest earned totals \$1,357.84 that would need to be transferred from Metlakatla's Community Account in this Department to the Department of Administration along with their FY 97 project request file. Metlakatla is aware of the available remaining funds and has incorporated them into their FY 97 project request.

All of Metlakatla's previously requested projects are currently under agreement and active with all funds encumbered. These projects should remain with this office until they are complete and closed-out. Below is a detailed listing of their projects to date.

<u>FY</u>	<u>PROJECT</u>	<u>AWARD</u>	<u>EXPENDED TO DATE</u>
94	Lift Station	\$23,775.00	\$ 6,222.00
95	Hatchery Site Preparation	25,000.00	20,640.00
96	Cold Storage Facility Repairs	18,000.00	18,000.00 (Closed)
	Replace Cannery Building Wall	7,000.00	1,750.00
97 Proposed	Smoked Salmon Dev. Proj	26,358.00	

If you have any further questions or concerns please feel free to contact the Grants Administrator for these projects, Tena Bavard, at 465-4731.

Sincerely,

Remond Henderson

Remond Henderson
Director

COUNCIL ANNETTE ISLANDS RESERVE

METLAKATLA INDIAN COMMUNITY

JACK L. BOOTH, SR. MAYOR
JUDITH A. LAUTH, SECRETARY
BARBARA J. FAWCETT, TREASURER
January 15, 1996

ESTABLISHED 1887

POST OFFICE BOX 1
METLAKATLA, ALASKA 99926
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Representative Jerry Mackie
House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Re: HB361- 'An Act relating to municipal capital project matching grants for a municipality organized under federal law as an Indian reserve, and providing for an effective date.'

Dear Representative Mackie:

We appreciate the work you have put into this issue during the interim and your sponsoring HB 361 this legislative session.

We received Capital Project Matching Grants funding in FY94 in the amount of \$60,619.00 which went to the fire hall project. In FY95 we received \$58,909.00 which is being allocated to the police department project.

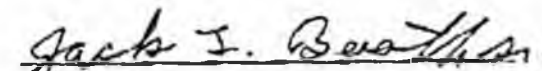
For FY96, we were allocated \$59,421, however, it was then determined that although the matching grant regulations explicitly allow Metlakatla to receive funding, the statute that defines municipalities does not include Metlakatla. We did not receive this appropriation due to this legal technicality.

We never questioned receiving for the Municipal Capital Matching Grant Program and the Unincorporated Capital Matching Grant Program since we weren't familiar with allocations to other communities and this had never been brought to our attention by the administration or the legislature previously.

We appreciate your active support for passage of this legislation which removes us from the Unincorporated Capital Matching Grant Program completely and specifically includes Metlakatla in the statute provisions for the Municipal Capital Matching Grant Program.

Sincerely,

METLAKATLA INDIAN COMMUNITY


Jack L. Booth, Sr., Mayor

cc: Metlakatla Indian Community Council Members
Rep. Ivan Ivan CO-chair, House C & RA
Rep. Alan Austerman, CO-Chair House C & RA Committee
C & RA Committee Members: Rep. Pete Kott, Al Vezey, Rep.
Bettye Davis, Rep. Kim Elton, Rep. Irene Nicholai, Rep. Mackie

LEROY WILDER, P.C.
LAW OFFICE
0225 S W MONTGOMERY STREET, #10
PORTLAND, OREGON 97201
TELEPHONE (503) 242-0705
FACSIMILE (503) 242-0710

MEMORANDUM

TO: Sal Atkinson
FROM: LeRoy Wilder *LW*
RE: HB No. 381
DATE: January 20, 1996

I talked yesterday with Tam Cook regarding the above named bill. As you know, HB 381 will make Metlakatla eligible for capital project matching grants as an incorporated municipality. Ms. Cook and I agreed that the language now in the bill does what we need it to do and that it would not be wise to modify it. If it is necessary to change the language to please the legislature, we will do so later, but for now, we agreed we should try to hold what we've got.

The problem is this. Some legislators are fearful that this provision, which is exclusively for Metlakatla's benefit, will somehow open up eligibility for capital project matching grants to other Native groups. They are concerned that the reference to 43 U.S.C. 1618(a) may not be restrictive enough. You will recall that section 1618(a) is the language in the Alaska Native Claims Settlement Act that terminates all reservations in Alaska with the single, specific exception of the Annette Islands Reserve. I reviewed the language and concluded that the reference is very restrictive and will not result in the eligibility of other Native groups. Moreover, section 1618(a) has been relied upon in the past to distinguish Metlakatla from all other Native groups and it has been unchallenged. Thus, I see no reason why we should not continue to rely on this reference as the limitation of the bill.

You probably know that the bill cannot simply say Metlakatla because there are laws against "special" legislation. By referring to the statutory provision, we avoid saying Metlakatla specifically but make a reference that includes only Metlakatla. Sounds rather silly, I know, but that's how its done. I will keep you posted if I hear anything more on this issue.

Post-It® Fax Note	7671	Date	# of pages
To	Tam Cook	From	JENNIE
Co. Dept.		Co	SMITH
Phone #		Phone #	4925
Fax #		Fax #	

Chapter 06. Capital Project Matching Grant Programs.

Section

- 10. Municipal capital project matching grant program
- 20. Unincorporated community capital project matching grant program

Section

- 30. Local share requirements
- 80. Adoption of regulations
- 90. Definition of "capital project."

Cross references. — For legislative purpose in enacting this chapter, see § 1, ch. 80, SLA 1993 in the Temporary and Special Acts; for implementation and ap-

plicability during fiscal year 1994, see § 4, ch. 80, SLA 1993 in the Temporary and Special Acts.

Sec. 37.06.010. Municipal capital project matching grant program. (a) The municipal capital project matching grant program is established in the department. Grants to municipalities under this program shall be administered as provided in this section.

(b) The municipal 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 (f) of this section. The money in the fund is held by the department in custody under this subsection for each municipality. The department shall establish, for each municipality, an individual grant account within the fund. As provided in this subsection, each fiscal year the department shall allocate, to the individual grant accounts, appropriations to the fund. 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 multiplying the total amount appropriated to the fund during that fiscal year by a fraction,

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

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

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

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

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

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

(c) A minimum of \$25,000 shall be allocated to each municipality's individual grant account each fiscal year under (b) of this section. The

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department shall reduce allocations under (b) of this section on a pro rata basis, based upon the population of the municipalities, if necessary to fund the minimum amount for each municipality. If appropriations are not sufficient to fully fund the minimum amount for each municipality, the amount appropriated shall be allocated equally among the municipality, individual grant accounts.

(d) By October 1 of each fiscal year, each municipality shall submit to the governor a prioritized list of capital projects and estimated costs to be financed with money from the municipality'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 each municipality 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 municipality, the governor shall provide the legislature with a written statement of the reasons for that action.

(e) The legislature may make appropriations from a municipality's individual grant account established under (b) of this section to the municipality for capital projects under this section. Subject to appropriations under this subsection and to the local share requirements of AS 37.06.030, each municipality may draw amounts from its individual grant account for a capital project, in accordance with an appropriation for that project. In accepting a draw, the municipality covenants with the state that it will provide for the operation and maintenance of the capital project for which the draw is used for the practical life of the project, and acknowledges that the state is not responsible for operating or maintaining the capital project or for paying for its operation or maintenance. This requirement 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. If a municipality provides grant money from a draw to another recipient, the municipality may not use any of the money from the draw for administrative expenses. The municipality 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.

(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-

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imum 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 29.60.020. (§ 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

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