

HB

79

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OFF
MAY 6 2003
SENATE FINANCE
COMMITTEE

DATE: 2/28/03

FURTHER:

DATE TURNED
IN TO OFFICE: 6 May 2003

Finance Committee considered

HOUSE BILL NO. 79

HB 79 AK REGIONAL ECONOMIC ASSISTANCE PROGRAM

"An Act extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

and recommends:

- be replaced with S CS HB 79 (FIN)
- adopt previous _____ CS CS Forthcoming - (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DCED	2/28/03	1500		#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

MAY 6 2003

FINANCIAL SERVICES
COMMISSIONER

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 79
(H) Publish Date: 2/21/03

Revision Date/Time (Note if correction): 2/19/03 Dept. Affected: DCED
Title AK Regional Economic Asst Program BRU Comm Assist & Econ. Dev. (405)
Sponsor House Community & Regional Affairs Component Community & Business
Requester House Finance Component No. 2486
Development

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	30.0	30.0	30.0	30.0	30.0	30.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	620.0	620.0	620.0	620.0	620.0
Miscellaneous						
TOTAL OPERATING	650.0	650.0	650.0	650.0	650.0	650.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (RSA from AIDEA)	650.0	650.0	650.0	650.0	650.0	650.0
TOTAL	650.0	650.0	650.0	650.0	650.0	650.0

Estimate of any current year (FY2003) cost: 650.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	0.5	0.5	0.5	0.5	0.5	0.5
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This is an existing program that is scheduled to sunset 6/30/03. Reauthorization will continue the program for 5 years (until 6/30/08). The \$650.0 comes to the department via a Reimbursable Services Agreement (RSA) from the Alaska Industrial Development and Export Authority (AIDEA). The funding for the RSA is included in AIDEA's operating budget. The department awards \$620.0 in grants to 13 existing Alaska Regional Development Organizations (ARDORs). \$30.0 in personal services pays for a portion of DCED staff time associated with administering the grants and the ARDOR program in general. This funding is included in the current fiscal year budget and is included in the Governor's proposed FY 2004 budget.

Prepared by: Gene Kane, Acting Director Phone 907-269-4587
Division: Community & Business Development Date/Time 2/19/03 8:38 AM
Approved by: Edgar Blatchford, Commissioner Date 2/19/2003
Agency: Department of Community & Economic Development

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

23-LS0493D
Lauterbach
5/3/03

SENATE CS FOR HOUSE BILL NO. 79()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the termination date of the Alaska regional economic assistance
2 program; and providing for an effective date."

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

4 * Section 1. The uncodified law of the State of Alaska enacted in sec. 2, ch. 43, SLA 2000,
5 is amended to read:

6 Sec. 2. AS 44.33.895 is repealed July 1, 2004 [2003].

7 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE
5/6/2003 COMMITTEE ACTION

Bill Number	HB 79		
Amendment	CS "D"		
Motion	adpt		
<u>Motion by</u>	A Green		
<u>Objection by</u>	Wilken		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Bunde			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Austerman			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		



HB 79

Alaska State Legislature

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Sponsor Statement

The Alaska Regional Development Organizations (ARDOR) Program is the State's contribution to regional initiatives for developing Alaska's economy. In 1988, the Legislature recognized that a locally driven initiative, in partnership with the State, is the most effective approach to creating and sustaining a strong and healthy economy. The Legislature established the ARDOR Program to create a network of organizations to plan and support economic development at the regional level.

There are currently 13 ARDOR's. The ARDORs, like their counterparts nationwide:

- Enable local officials and businesses to pool their limited resources and work together on economic development issues,
- Develop partnerships among public, private and other organizations, and
- Provide needed technical assistance via direct links with local citizens.

It's not the State trying to determine what's best for the region; rather, it's the residents and those doing business in the region working together to create their economic future.

The ARDOR Program is providing a return for the State's investment. The State provides \$620,000 in grant funds for the ARDOR Program. The accomplishments of the ARDORs are impressive. Additionally, the ARDORs have used \$620,000 in State grant funds to leverage over \$3.6 million in other funds.

Board members participation reflects a local commitment to the ARDOR Program. The 14 ARDOR boards, each with 10-20 members, constitutes 150 plus local, civic-minded individuals who volunteer their time to achieve a stronger economic base in their region.

The original intent of the ARDOR Program was to create regional entities that could improve the local economy and eliminate region-wide economic development barriers. The ARDORs are meeting this legislative intent. The ARDORs work on a wide range of projects. Some, like Anchorage's "Military Hub Study" have regional or statewide impacts. Other projects, such as the Arctic Development Council's Revolving Loan Fund, assist individuals and businesses.

This legislation would extend the sunset date to July 1, 2008.



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February 20, 2003

Representative Carl Morgan, Chair
House Community & Regional Affairs Committee
State Capitol, Room 408
Juneau, AK 99801-1182

Re: HB 79

Dear Representative Morgan,

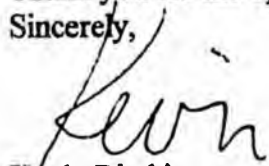
The Alaska Municipal League supports the reauthorization of the ARDOR Program. The 2003 Alaska Municipal League Policy Statement reads:

Alaska Regional Development Organizations: The League urges the state legislature to increase funding to the Alaska Regional Development Organizations (ARDOR), to allow for greater amounts of private funds to be leveraged with public monies and to require DCED and other state agencies to coordinate their economic development activities with local ARDOR organizations.

The purpose of the ARDOR Program, established in 1988 by the State Legislature, is to facilitate economic development by establishing a network of regional development organizations designed to advance local control of economic development efforts and to increase the flow and retention of dollars in local economies. The program provides matching grants of up to \$100,000 per year for financial assistance to each designated regional development organization. The legislation establishing the program allows for a maximum of fifteen regional development organizations to be funded in any year. At the present time, almost all regions of the state are organized into ARDORs.

a. **Performance Based Outcomes:** As a condition of state funding, the League supports establishment of practices that ensures maximum local participation from all communities within the ARDOR. Further the League supports creation of performance measures for the goals and employees of the ARDOR. The legislature has moved to performance-based budgeting. This will enhance efforts to increase funding to the ARDOR's and support for a regionally based statewide economic development plan.

Thank you for the opportunity to support this bill.
Sincerely,

A handwritten signature in cursive script that reads "Kevin".

Kevin Ritchie
Executive Director

cc: Representative Kelly Wolf, Vice-Chair
House Cmte Community & Regional Affairs

GARY WILKEN

SENATOR
Fairbanks

Interim:
1851 Fox Ave.
Fairbanks, Alaska 99701
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
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#B 79

During Session:
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Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
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Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

April 11, 2003

Honorable Edgar Blatchford, Commissioner
AK Dept. of Community & Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800

Dear Commissioner Blatchford,

I'm writing in regard to ARDOR funding in the current and next year's state budget.

You will find in my Finance Subcommittee budget close-out for DCED the ARDOR programs were fully funded at the Governor's requested level. However, I would like to let you know that in the FY05 budget it is my intent to eliminate that funding. I'm not convinced the ARDOR programs are an effective investment of state dollars.

Nonetheless, I'm willing to consider continued funding for ARDOR programs in the FY05 budget if the budget subcommittee can have a clear understanding of the ARDORs' success in spurring significant economic development in the State. In order to facilitate that understanding, please provide my office with a complete analysis of the ARDOR programs by the beginning of the next legislative session in January, 2004.

Specifically, I'm interested in having a complete listing of all ARDORs in the state. Then, for each ARDOR, I'd like to review a cost-benefit analysis, organizational and staffing charts, funding history and sources, any connection to other related services or programs (public or private), the perceived successes and failures of each ARDOR, consumer input, respective ARDOR missions, and the method(s) by which they determine their successes.

I appreciate our attention to this matter, and look forward to considering this valuable information next year.

Sincerely Yours,

Gary Wilken
State Senator, Fairbanks

Component Detail - FY 04 Operating Budget - Gov Amd Structure

Numbers AND Language Sections!

Component: **Community Advocacy**

Agency: **Department of Community and Economic Development**

BRU: **Community Assistance & Economic Development**

	<u>02Actual</u>	<u>03 CC</u>	<u>03 Auth</u>	<u>03MgtPln</u>	<u>Adj Base</u>	<u>Gov Amd</u>	<u>03MgtPln to Gov Amd</u>	
Total	0.0	0.0	0.0	0.0	8,253.0	8,391.1	8,391.1	100.0 %
<u>Objects of Expenditure:</u>								
Personal Services	0.0	0.0	0.0	0.0	4,424.0	4,424.0	4,424.0	100.0 %
Travel	0.0	0.0	0.0	0.0	400.0	400.0	400.0	100.0 %
Contractual	0.0	0.0	0.0	0.0	1,133.1	1,211.2	1,211.2	100.0 %
Commodities	0.0	0.0	0.0	0.0	65.0	65.0	65.0	100.0 %
Equipment	0.0	0.0	0.0	0.0	25.1	25.1	25.1	100.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	0.0	0.0	0.0	0.0	2,205.8	2,265.8	2,265.8	100.0 %
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
<u>Funding Sources:</u>								
1002 Fed Rcpts	0.0	0.0	0.0	0.0	1,403.7	1,403.7	1,403.7	100.0 %
1003 G/F Match	0.0	0.0	0.0	0.0	417.4	287.4	287.4	100.0 %
1004 Gen Fund	0.0	0.0	0.0	0.0	3,569.4	3,711.9	3,711.9	100.0 %
1005 GF/Prgm	0.0	0.0	0.0	0.0	18.7	18.7	18.7	100.0 %
1007 I/A Rcpts	0.0	0.0	0.0	0.0	2,014.4	2,074.4	2,074.4	100.0 %
1036 Cm Fish Ln	0.0	0.0	0.0	0.0	75.6	141.2	141.2	100.0 %
1061 CIP Rcpts	0.0	0.0	0.0	0.0	321.2	321.2	321.2	100.0 %
1108 Stat Desig	0.0	0.0	0.0	0.0	60.0	60.0	60.0	100.0 %
1111 FishFndInc	0.0	0.0	0.0	0.0	115.0	115.0	115.0	100.0 %
1156 Rcpt Svcs	0.0	0.0	0.0	0.0	257.6	257.6	257.6	100.0 %

ORDERS!
\$650,000

SOURCE:
I/A Rcpts

11379

HB 79

Department of Community & Economic Development
 Division of Community & Business Development
 ARDOR Grants For FY03 as of 4/1/03

Name of Grantee	Grant Amount	Amount Spent	Remaining Balance
Anchorage Economic Development Corp	51,246.00	46,121.40	5,124.60
Arctic Development Council	51,896.00	46,706.40	5,189.60
* Arctic Development Council	82,321.00	7,435.13	74,885.87
Bering Strait Development Council	51,846.00	23,910.00	27,936.00
* Copper Valley Economic Development Council	23,800.00	1,520.00	22,280.00
Copper Valley Economic Development Council	51,556.00	46,400.00	5,156.00
Fairbanks North Star Borough EDC	51,696.00	23,835.00	27,861.00
Kenai Peninsula Borough EDC	47,570.00	23,785.00	23,785.00
Lower Kuskokwim EDC	55,491.00	45,326.00	10,165.00
Mat-Su Resource Conservation & Development	51,476.00	46,328.00	5,148.00
Northwest Arctic Borough	51,846.00	46,661.00	5,185.00
Prince William Sound EDC	51,646.00	46,482.40	5,163.60
Southeast Conference	51,246.00	46,371.40	4,874.60
Southwest Municipal Conference	52,196.00	46,976.00	5,220.00
TOTALS	725,832.00	497,857.73	227,974.27

* Grantees met additional federal requirements for additional funding

SENATE FINANCE COMMITTEE

SIGN-IN

HB 79-AK REGIONAL ECONOMIC ASSISTANCE PROGRAM

NAME: LOREN GERHARD Subject/Bill No: HB 79
Co./Dept./Title: SOUTHEAST CONFERENCE Phone: 463 3445
Address: 612 W WILLOUGHBY Zip: 99802
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SITE: FAIRBANKS LIO

COMMITTEE: SENATE FINANCE

DATE: May 6, 2003

SUBJECT OF MEETING:

HB 79

UPDATE #: 3

PLEASE SIGN IN

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**DO YOU WANT
TO TESTIFY?
Y OR N**

<input checked="" type="checkbox"/> Janet Davison		FNSB	Y - HB 79
Email address:			
<input checked="" type="checkbox"/> Kathryn Dodge		FNSB	Y - HB 79
Email address:			
<input checked="" type="checkbox"/> Deb Hickok		FC&VB	Y - HB79
Email address:			
Jim Dodson			Y - HB 79
Email address:			
Email address:			
Email address:			
Email address:			

SITE: ANCHORAGE LIO

COMMITTEE: SFIN

DATE: 5-6-03

SUBJECT OF MEETING:

HB 79

UPDATE #:

PLEASE SIGN IN

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

**DO YOU WANT
TO TESTIFY?
Y or N**

✓ Kevin Pearson		AEDC	Y-HB 79
Email address:			
✓ Sue Cogswell		PWSEDD	Y-HB 79
Email address:			
✓ Wanetta Ayers		SWAMC	Y-HB 79
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			