

HB

429



Representative Eric Croft

Memorandum

TO: Representative Kurt Olson
Representative Bill Thomas, Co-Chairs
House Community & Regional Affairs Committee

FROM: Representative Eric Croft *ECF for ECC*

DATE: February 8, 2006

RE: Hearing Request, HB 429

Please schedule HB 429 for a hearing in the House Community and Regional Affairs Committee at your earliest convenience. I have attached a sponsor statement, sectional analysis, and a copy of the bill.

Thank you.



Representative Eric Croft

Sponsor Statement

HB 429 – An Act reestablishing the Department of Community and Regional Affairs; relating to the Department of Commerce, Community, and Economic Development and to the membership of various boards and commissions; and providing for an effective date.

HB 429 splits the department of Commerce, Community, and Economic Development into separate departments of Commerce & Economic Development and Community & Regional Affairs.

The bill would reverse the 1999 merger authorized by HB 40. Proponents at the time believed the merger would save administrative costs and a handful of commissioner's office staff, without eliminating programs or services. Opponents believed it would eliminate a commissioner that largely served rural Alaskan needs, and would marginalize rural programs.

The sponsor believes the original purpose of DCRA has been undermined. The mission of protecting and advancing rural Alaska is lost in the combined department. Article 10, Section 14 of Alaska's constitution calls for "an agency...to advise and assist local governments." This is the only executive agency specifically mandated by the constitution, and it deserves to be met with a department of its own.

The needs of Alaska's communities are too important and deserve a spokesman of their own in the cabinet. The loss of the municipal revenue sharing program is one symptom of diminished influence of communities.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 429
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Restore DCRA and DCED RDU Executive Admin & Dev
 Component Executive Admin & Dev
 Sponsor Croft, Kapsner, Kerntula
 Requester Community & Regional Affairs Component No. 1028

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	(331.6)					
Travel	0.0					
Contractual	(5.0)					
Supplies	(2.0)					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(338.6)					

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

1002 Federal Receipts						
1003 GF Match	(338.6)	0.0	0.0	0.0	0.0	0.0
1004 GF						
1007 I/A Rcpts						
1061 CIP Rcpts						
Other						
TOTAL	(338.6)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 338.6

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	4					
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation re-establishes the Department of Community & Regional Affairs. It does not appear to impact the organization or location of Alaska Energy Authority programs. Costs in this fiscal note represent the loss of three administrative services positions in the Division of Administrative Services and one deputy commissioner.

Prepared by: Sam Thomas, Director
 Division: Administrative Services
 Approved by: William C. Noll, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone 907.465.2506
 Date/Time 3/20/06 2:36 PM
 Date 3/20/2006

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 429
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Restore DCRA and DCED RDU Comm Assist & Ec Dev (405)
 Component Community Advocacy
 Sponsor Croft, Kapsner, Kerttula
 Requester Community & Regional Affairs Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	(4,528.9)					
Travel	(371.6)					
Contractual	(1,672.2)					
Supplies	(64.0)					
Equipment	(14.0)					
Land & Structures	0.0					
Grants & Claims	(2,602.9)					
Miscellaneous						
TOTAL OPERATING	(9,253.6)	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts	(2,679.2)					
1003 GF Match	(691.2)					
1004 GF	(3,697.3)					
1007 I/A Rcpts	(1,292.2)					
1061 CIP Rcpts	(625.0)					
Other	(268.7)					
TOTAL	(9,253.6)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 13,087.2

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	53.0					
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation re-establishes the Department of Community & Regional Affairs. The functions and budget for the Division of Community Advocacy (based on the Governor's FY07 request) would be transferred to the new department.

Prepared by: Sam Thomas, Director
 Division: Administrative Services
 Approved by: William C. Noll, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone 907.465.2506
 Date/Time 3/20/06 2:27 PM
 Date 3/20/2006

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 429
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Governor
 Title Restore DCRA and DCED RDU _____
 Component _____
 Sponsor Croft, Kapsner, Kerttula
 Requester Community & Regional Affairs Component No. New

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	4,528.9					
Travel	371.6					
Contractual	1,672.2					
Supplies	64.0					
Equipment	14.0					
Land & Structures	0.0					
Grants & Claims	2,602.9					
Miscellaneous						
TOTAL OPERATING	9,253.6	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts	2,679.2					
1003 GF Match	691.2					
1004 GF	3,697.3					
1007 I/A Rcpts	1,292.2					
1061 CIP Rcpts	625.0					
Other	268.7					
TOTAL	9,253.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 13,087.2
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	53.0					
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation re-establishes the Department of Community & Regional Affairs. The functions and budget for the Division of Community Advocacy (based on the Governor's FY07 request) would be transferred from the Department of Commerce, Community, and Economic Development to the new department.

Prepared by: Jack Kreinheder, Senior Analyst Phone 465-4676
 Division Office of Management and Budget Date/Time 3/20/06 12:42 PM
 Approved by: Cheryl Frasca, Director Date 3/20/2006
 Agency Office of Management and Budget

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 429
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Governor
 Title Restore DCRA and DCED RDU _____
 Component _____
 Sponsor Croft, Kapsner, Kerttula
 Requester Community & Regional Affairs Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	1,255.7	1,255.7	1,255.7	1,255.7	1,255.7	1,255.7
Travel	50.0	50.0	50.0	50.0	50.0	50.0
Contractual	350.0	200.0	200.0	200.0	200.0	200.0
Supplies	20.0	20.0	20.0	20.0	20.0	20.0
Equipment	90.0	25.0	10.0	10.0	10.0	10.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1,765.7	1,550.7	1,535.7	1,535.7	1,535.7	1,535.7

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,765.7	1,550.7	1,535.7	1,535.7	1,535.7	1,535.7
1007 I/A Rcpts						
1061 CIP Rcpts						
Other						
TOTAL	1,765.7	1,550.7	1,535.7	1,535.7	1,535.7	1,535.7

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	11	11	11	11	11	11
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation re-establishes the Department of Community & Regional Affairs. This legislation does not appear to impact the organization or location of Alaska Energy Authority programs. Costs in this fiscal note provide for the establishment of a commissioner's office and a division of administrative services, and for the costs of detaching services from the current department.

Personal Services: Funds for 11 positions ranging from commissioner, deputy commissioner and division director, to administrative support positions for budget, supply, procurement, information technology, accounting and clerical functions.

Travel: Funds to provide support, training, and other services to residents of rural Alaska.

Contractual: Funds to provide for Dept of Administration chargebacks (personnel, IT, travel and rent) and other contractual agreements including but not limited to legal services. Includes \$150.0 in FY 07 for moving and space configuration costs.

Equipment: Funds for new equipment (desks, computers, etc) and for Information Technology platforms necessary to support department functions.

Prepared by: Jack Kreinheder, Senior Analyst
 Division: Office of Management and Budget
 Approved by: Cheryl Frasca, Director
 Agency: Office of Management and Budget

Phone 465-4676
 Date/Time 3/20/06 12:25 PM
 Date 3/20/2006

CITY OF ALEKNAGIK
P.O. Box 33, MAIN STREET
ALEKNAGIK, ALASKA 99555-0033
PHONE: 907-842-2953 OR 842-2528
FAX: 907-842-2107
EMAIL: alekn@alekn.net

March 29, 2006

RE: Re-Creating the Department of Community and Regional Affairs (DCRA)

To Whom It May Concern:

The Council of the City of Aleknagik is in support of Representative Eric Croft's proposal to recreate DCRA.

The City of Aleknagik is in support of reversing the 1999 merger of the Department of Commerce and Economic Development (DCEED) and DCRA.

An agency like DCRA is the only agency mandated by the Alaska constitution (Article 10, Section 14). This agency is to advise and assist local governments. The current agency reduces vital services to the local governments, and takes away its voice through a commissioner dedicated to community issues. Local governments need a commission to work toward the reinstating the revenue sharing, energy assistance, and power cost equalization.

The City of Aleknagik urges favorable consideration of Representative Eric Croft's proposal to recreate DCRA.

Sincerely,



Berna Andrews
Mayor



P.O. Box 19110
Thorne Bay, AK 99919
Tel: 907-828-3380
Fax: 907-828-3374
Email: cityoftb@aptalaska.net

City of Thorne Bay

February 13, 2006

Representative Eric Croft
#400 State Capitol Building
Juneau, AK 99801
croft@akdemocrats.org
Phone: 907-465-4998 Fax: 907-465-4419

Re: Press Release February 7, 2006/Introduction of HB 429

Dear Representative Croft,

Thank you for introducing HB 429, reestablishing the Department of Community & Regional Affairs, in an effort to restore an important voice for rural Alaska.

I believe the combining of the departments has undervalued rural issues and takes away our important voice on the cabinet. This is an important "first" step toward restoring a much needed community revenue sharing program. Thank you again for your effort to protect the advancement of Thorne Bay and other rural communities in Alaska.

I will be sending letters of support to the first committee to hear HB 429 (co-chaired by Representatives Kurt Olson and Bill Thomas). Let me know if there's anything else I can do to support the success of this bill.

You can leave a message for me at the number above or speak to me directly (daytime phone) at 907-828-3254. Also, feel free to contact me via e-mail: jisom@sisd.org

Thank you,

Julie Isom
Mayor
City of Thorne Bay

Ken Alper

From: Rep. Eric Croft

Sent: Wednesday, February 08, 2006 3:05 PM

To: Ken Alper

Subject: FW: Bill to re-create Department of Community & Regional Affairs

From: Tom Hoblet [mailto:ghthwd@gci.net]

Sent: Wednesday, February 08, 2006 2:53 PM

To: Rep. Eric Croft

Subject: Re: Bill to re-create Department of Community & Regional Affairs

Dear Rep. Croft,

The City of False Pass is in full support of HB 429, and the reinstatement of revenue sharing for rural communities. I want to thank you for looking out for our interests. sincerely, Tom Hoblet Mayor City of False Pass.

Ken Alper

From: Rep. Eric Croft
Sent: Wednesday, February 08, 2006 3:10 PM
To: Ken Alper
Subject: FW: *****SPAM***** RE: Bill to re-create Department of Community & Regional Affairs

From: Roy Eckert [mailto:RoyE@borough.ketchikan.ak.us]
Sent: Wednesday, February 08, 2006 3:09 PM
To: Rep. Eric Croft
Subject: *****SPAM***** RE: Bill to re-create Department of Community & Regional Affairs

Dear Representative Croft,

I am the Borough Manager of the Ketchikan Gateway Borough, and I read with interest your e-mail.

Prior to coming to Alaska, I worked for the University of Tennessee in a department called the Municipal Technical Advisory Service, and we were mandated to advise and assist every city and town in the State (400 of them). Our services were provided at no charge to the communities, and we were funded by a very small percentage of the state sales tax. I think you would find their information extremely valuable as you progress in the formation of the proposed department, and I think you are hitting the needs of every Alaskan community fairly and openly, and I applaud your efforts.

If you would like information concerning what MTAS does, you can look at their web-site at the following link. It may or may not be of help to you, but it will be interesting reading. Thank you for your concern for the needs of the municipalities of the State. We need more of that.

<http://www.mtas.utk.edu/public/web.nsf/search/Home?Opendocument>

Sincerely

Roy Eckert
Borough Manager
Ketchikan Gateway Borough

Ken Alper

From: Roswell L. Schaeffer, Sr. [rschaeffer@nwabor.org]

Sent: Tuesday, February 14, 2006 9:37 AM

To: Ken Alper

Subject: RE: Bill to re-create Department of Community & Regional Affairs

Ken: I would support Eric's bill. From a rural perspective, we have seen the negative impacts of Governor Murkowski's merger of certain programs. The missions of these two organizations are completely different. The mission of the Department of Commerce and Economic Development has completely overshadowed DCRA especially with the continual push to initiate resource development at the expense of a rural government focus Rural Alaska, in my opinion, has taken a back seat to Resource development and suffers now without a State advocate at the Commissioner level. I had predicted that by the end of 2006, our rural and small municipal governments will be bankrupt. At the beginning of 2006, most of our municipal governments in our borough are there already. I visited Noorvik last month and found that they had spent all of their municipal funds for the rest of the year on the sewer and water freeze up of most of their community. The next day I received a fax from the city of Selawik requesting funds in the amount of \$75,000, they too were operating in the red due to huge expenses in operating their above the ground sewer and water system. A state revenue sharing program, if approved by the legislature, will be too late for many of our communities. I suspect that many communities throughout rural Alaska would be in the same state of affairs. The other agencies that were merged and have very negative consequences for rural Alaska is the merging of F&G protection officers with the Alaska State Troopers. I've said enough.....have a good day. Roswell

Ken Alper

From: Rep. Eric Croft
Sent: Wednesday, February 22, 2006 3:06 PM
To: Ken Alper
Subject: FW: HB429

From: City of Seldovia [mailto:cityofseldovia@yahoo.com]
Sent: Wednesday, February 22, 2006 2:44 PM
To: croft@akdemocrats.org
Subject: HB429

Consider this a letter in support of HB429, to recreate the Dept. of Community & Regional Affairs.

As Mayor of the City of Seldovia, I greatly miss the help we received previously from the Department of Community & Regional Affairs. Small 1st class cities such as ours need all the help we can get for economic development, general assistance and just plain survival.

Respectfully,
Dick Wyland
Mayor of City of Seldovia.

Ken Alper

From: Rep. Eric Croft
Sent: Tuesday, February 07, 2006 1:48 PM
To: Ken Alper
Subject: FW: CROFT INTRODUCES BILL TO RESTORE DEPT. OF COMMUNITY AND RETIONAL AFFAIRS -- PRESS RELEASE

From: John Doyle [mailto:parallel64@gci.net]
Sent: Tuesday, February 07, 2006 1:47 PM
To: Rep. Eric Croft
Subject: RE: CROFT INTRODUCES BILL TO RESTORE DEPT. OF COMMUNITY AND RETIONAL AFFAIRS -- PRESS RELEASE

Hello Eric --

Thank you for putting this bill forward.

I thought it was very unwise to merge the two departments, as it seemed obvious that trying to combine straight-on economic tasks with the special complexities of Alaska's rural and community issues would not work. More than that, it seemed to me the (primarily urban) perceptions that drove the combination were ignorant of what was -- and is -- at stake in Alaska's bush.

As I grew up in the bush (Seward Peninsula), and have lived in a lot of places besides Alaska and the United States, I've seen these perceptions at work in many ways. Despite what are almost always good intentions, things always seem to end up costing the peripheries more than the centers.

If I can help, let me know.

Cheers -- John

John F. Doyle
64th Parallel International LLC
Anchorage, Alaska
tel: +1 907 243 6954
fax: +1 907 868 2930
global knowledge <> local solutions

-----Original Message-----

From: Frank Ameduri [mailto:Frank_Ameduri@legis.state.ak.us]
Sent: Monday, 06 February, 2006 5:55 PM
To: frank_ameduri@legis.state.ak.us
Subject: CROFT INTRODUCES BILL TO RESTORE DEPT. OF COMMUNITY AND RETIONAL AFFAIRS -- PRESS RELEASE

**Alaska State
Legislature**

WEB: <http://www.akdemocrat.com>
CONTACT: Representative Eric Croft
PHONE: (907) 465-2222
FAX: (907) 465-2222
EMAIL: croft@akdemocrat.com



Representative Eric Croft

***HB 429 - An Act Reestablishing the Department of
Community and Regional Affairs***

Subject Sectional Analysis

Sections 1-22. Establish department

AS 44.47, restores the core functions originally performed by the Department of Community and Regional Affairs (DCRA) to a new department by that name. AS 44.47 originally contained the statutes defining the role of DCRA until repealed by HB 40 in 1999. At that time, DCRA activities were divided among several departments with the bulk moving to the Department of Commerce and Economic Development (AS 44.33), which was renamed the Department of Community and Economic Development.

The bill repeals these same functions from AS 44.33; this is done in Sections 42-45.

Section 23. Correct reference

The reference in AS 09.65.170 refers to limited liability of certain directors and officers. Section re-points a definition to the new AS 44.47 language.

Section 24-25. Workforce Investment Board membership

AS 23.15, membership corrected from Commissioner of DCCED to Commissioner of DCRA. Project comments to be solicited from Commissioner of DCRA, not DCCED.

Section 26-27. Correct references

AS 29 refers to local boundary commission.

Section 28. Correct reference

AS 36.30 refers to contracts entered into with a regional development organization.

Section 29. Correct reference

AS 37.06 refers to capital project matching grant programs.

Section 30. Correct reference

AS 38.06 refers to membership of the Alaska Royalty Oil and Gas Development Advisory Board.

Section 31. Correct reference

Re-points reference to Local Boundary Commission in AS 39.50 to new AS 44.47 language.

Section 32-35. Correct references

Corrects department names throughout AS 44.

Sections 36-40. Correct references

Corrects department names throughout AS 46. References villages councils and regulations recognized by DCCED.

Section 41. Correct reference

AS 47.27 refers to cooperative agreements with DHSS for developing job programs for families eligible for public assistance

Sections 42-45. Repeal statutes

AS 44.33 contains the enabling statutes for DCCED, including functions previously done by DCRA. These sections repeal the "DCRA" specific language from the DCCED statutes. The language is re-created in AS 44.47 in sections 1-22 of the bill.

Sections 46-47. Transitional provisions

Ensures ongoing activities are uninterrupted.

Sections 48-51. Revisor's instructions

Ensures all references in statute to Commerce, Community, and Economic Development are corrected. Revisor of Statutes is instructed to correct certain chapters to read either "Community and Regional Affairs" or "Commerce and Economic Development."

Sections 52-54. Effective date clause.