

State of Alaska FY2004 Governor's Operating Budget

Department of Community & Economic Development Community Advocacy Component Budget Summary

Component: Community Advocacy

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Component Mission

The mission of the Division of Community Advocacy (DCA) is to promote independent local governments and employment opportunities.

Component Services Provided

1. **Local Government Assistance.** Ensure local governments are functioning and viable by providing advice and assistance regarding public services, financial management, elections, and numerous array of local government issues. Provide training to elected public officials and staff. Services provided by divisional staff located in regional and central offices, providing community specific and generalized training, publication of handbooks and other materials.
2. **Funding Summits:** Improve and facilitate coordination of community and regional infrastructure developments between local governments, regional entities, other state agencies, federal agencies, and possibly private sector. Results in a broader spectrum of infrastructure options and more efficient use of funding and other limited resources.
3. **Coordinated Response Projects.** Provide additional assistance to local governments, communities, and regions experiencing an economic disaster. Coordinate local, state, and federal efforts.
4. **Rural Utility Business Advisor (RUBA).** Encourage rural water and sewer utilities to operate as a business; offer business, finance, personnel and management assistance to local governments and organizations.
5. **Fisheries.** Partner with industry and agencies to generate fisheries related development in Alaska and assist western Alaska communities with their participation in the Community Development Quota (CDQ) Program, a fisheries development initiative.
6. **Alaska Regional Development Organizations (ARDOR) Program.** Encourage development and maintenance of regional economic development strategies. Provide funding (grants) to the ARDOR organizations.
7. **Alaska Coastal Management Program.** Develop community and regional participation in Alaska's Coastal Management Program. Provide research, training, and technical assistance and funding (grants) to the coastal districts.
8. **Floodplain and Erosion Management Program.** Reduce public and private sector losses and damage from flooding and erosion. Provide coordination, technical assistance and funding (grants) to communities.
9. **Additional Funding Programs.** Manage numerous grant programs designed to assist local governments, tribal governments, communities, and non-profit organizations. Programs include the Communities Priorities Grant Program, Community Mini Grants Program, Community Organizational Grants, Community Development Block Grant Program, Emergency Shelter Grants, National Petroleum Reserve-Alaska Impact Mitigation Grants Program, Municipal Capital Project Matching Grants Program, Unincorporated Capital Project Matching Grants Program, Capital Matching Grants Program, named recipient grants, and other Legislative grants.
10. **Revenue Sharing Programs:** Manage the revenue sharing programs of State Revenue Sharing, Federal Payments In Lieu of Taxes (PILT), National Forest Receipts, Shared Fisheries Business Tax, and Safe Communities also known as Municipal Assistance.
11. **Small Business.** Increase small business activity; assist individuals with the small business needs; provide information, publications and training.

12. **Land Management & Mapping.** Ensure public projects have site control; administer the Municipal Lands Trust program; produce and provide community maps.
13. **Local Boundary Commission.** Offer recommendations regarding municipal boundary changes and incorporations; provide administrative and technical support for the LBC.
14. **State Assessor & Property Tax.** Assist municipalities regarding assessment and tax issues; make local property full and true value determinations; monitor local assessment practices for compliance with State law.
15. **Research and Analysis:** Through continuing research and analysis provide current and accurate information that is of particular interest to local governments, communities, tribal governments, non-profit organizations, and citizens of Alaska. Information is also used by other State of Alaska agencies, federal agencies, and private sector throughout Alaska. Much of the information is maintained and available to the public via web-based database applications and includes:
 - Alaska Community Database providing information on communities throughout Alaska.
 - Alaska Economic Information System (AEIS) is a map-based system that provides a one-stop overview of each of Alaska's economic sectors by census area. It is the most comprehensive single site available on Alaska's economy, and contains links to many supporting private-sector sites.
 - Economic Development Resource Guide (EDRG) providing information on available funding and technical assistance.
 - Rural Alaska Project Identification System (RAPIDS) providing project information so that communities, agencies, and others can coordinate infrastructure efforts.
 - An array of publications providing information on the services provided by the division.

Component Goals and Strategies

1. Increase local government capacity to provide essential public services effectively.
 - With the division's network of regional offices, provide training in community technical assistance for an array of local government issues.
 - Develop and maintain handbooks, technical publications and Internet resources that communities can use.
2. Provide funding summits so local, state, and federal agencies can recognize the needs and assist the local governments to coordinate and realize infrastructure projects.
 - Identify and work with regional organizations to garner information from communities on priority projects.
 - Organize the Summit, which includes ensuring that appropriate agency staff participate.
 - Provide follow-up with the region to ensure that progress is made on the projects discussed.
3. Facilitate coordinated efforts in response to economic downturns.
 - Working with communities, regions and agency partners, address issues resulting from an economic downturn.
 - Maintain an inventory of available response resources.
4. Assist rural communities operate and manage sanitation facilities effectively and efficiently.
 - Assist rural communities in analyzing their ability to pay prior to selecting a sanitation system design.
 - Assist rural sanitation utilities to develop appropriate fee structures, collection procedures, debt reduction and operation and maintenance plans.
 - Provide training on payroll, bookkeeping and accounting, planning, personnel management, public relations and general administration of sanitation utilities.
5. Ensure residents of small rural communities in Western Alaska receive the maximum benefits from the CDQ Program
 - Work with CDQ groups to equitably allocate the multi-species quotas and maximize local opportunities.
 - Respond to National Academy of Sciences Report recommendations on CDQ Program implementation.
6. Augment Alaska's Seafood Industry
 - Prepare information to support economic development initiatives, including fisheries economic information.
 - Provide support for specializing Alaska's processing sector.

- Help develop new products and potential growth areas (e.g. shellfish farming, increasing Alaska's involvement in the Bering Sea/Aleutian groundfish industry).
 - Attract investment by working to establish a stable business environment, including eliminating regulatory hurdles.
 - Improve the Paralytic Shellfish Poison (PSP) Testing Procedure that is currently costing the shellfish industry millions.
7. Stimulate regional economic development and healthy sustainable economies through locally driven initiatives.
 - Provide funding for ARDORS so they can develop and implement a regional economic development strategy that provides business and development assistance to individuals and organizations and coordinates the development and implementation of the strategy with other local, state, federal and private development agencies and organizations.
 - Work with ARDORS to generate partnerships for economic development.
 - Monitor ARDOR activity to ensure limited ARDOR funds are used effectively.
 8. Provide for Coastal Management Planning at the local level
 - Establish coastal districts.
 - Provide coordination, funding and technical assistance so districts can develop and implement a coastal management program and carry out coastal related projects.
 9. Reduce public and private sector losses and damage from flooding and erosion.
 - Provide coordination, funding, and technical assistance to communities and agencies addressing flood and erosion issues.
 - Develop and maintain information and hazard maps on community flooding and erosion hazards.
 10. Manage numerous grant and revenue sharing programs
 - Develop and notice the application process, make awards, negotiate grant agreements, monitor performance, process payments and maintain audit information for 12+ grant programs including over 1000 grants.
 - Advise and assist applicants and grantees regarding grant program requirements and processes.
 11. Improve the delivery and coordination of services to small businesses
 - Make small business assistance and resources readily available to businesses and potential entrepreneurs.
 - Increase coordination among small business programs.
 - Provide advocacy and support for existing businesses.
 12. Address community land issues and reduce the number of future land conflicts.
 - Provide Alaska Native Claims Settlement Act (ANCSA) 14(c) assistance so the legally required transfers can be accomplished.
 - Fulfill the State's statutory trust responsibility to future municipal corporations in unincorporated ANCSA villages.
 - Provide site control determinations for infrastructure projects in communities.
 - Develop and maintain community maps.
 13. Provide for city and borough incorporation, annexation, detachment, merger, consolidation, dissolution, and reclassification.
 - Provide information and advice for interested local governments and other organizations.
 - Evaluate formal proposals as required by law, provide feasibility and policy analysis, and make formal recommendations for action by the independent Local Boundary Commission (LBC).
 - Provide staff support to the LBC to help it carry out its duties in an effective manner according to law.
 - Implement LBC decisions.
 14. Implement the State's role in assessment and property tax.
 - Advise and assist municipalities on assessment and taxation issues, including the preparation of educational materials.
 - Develop the annual full value determination.
 - Monitor municipal assessment and taxation policies and procedures.

Research and Analysis: Continue the research, analysis and distribution of the information through the web-based database applications that is of particular interest to local governments, communities, tribal governments, non-profit organizations, and citizens of Alaska.

Key Component Issues for FY2003 – 2004

Local Governments struggle to adapt to changing fiscal conditions and political developments. Alaskans are considering various ways to make their local governments more efficient and effective to better suit local needs.

Indicators of this situation include:

- Interest in city/borough consolidation. The City of Haines and the Haines Borough consolidated in October 2002. Local officials and residents of other regions of Alaska have also expressed interest in consolidation of local governments.
- Interest in detachment of Eagle River from the Municipality of Anchorage persists.
- Residents of the Glacier Bay area and the Delta Greely area have expressed interest in borough incorporation. However, a lack of inducements to organize boroughs, coupled with the absence of a compulsory requirement for borough formation, severely limits the prospect for new boroughs.
- Certain individual communities in the unorganized borough continue to express interest in forming inappropriately small borough governments. A petition to form a Skagway borough was denied by the Local Boundary Commission (LBC) in September 2002 because the proposal lacked characteristics of a borough government. Several other single communities in the unorganized borough continue to consider similar proposals.
- Interest in dissolution of city governments and a movement towards transfer of city assets to tribal governments continues. This continues to raise a number of questions concerning the distribution of municipal property and the extent of tribal powers.

Functional capacity of many local governments threatened. Many cities in Alaska are struggling to maintain basic services. This is especially true for some of the smaller municipalities that may have only several hundred residents and a very limited tax base. This situation threatens the state's investment in essential community facilities and poses a threat to the health and well-being of Alaska's residents. The division is addressing this issue on a number of fronts:

- Significant decline in state financial assistance to communities - There are 51 smaller municipalities in Alaska that rely on state shared revenue for over 20% of their operating budget. Over the last 15 years, the state's two major revenue sharing programs have been cut by more than 85%. The division works closely with cities to maximize the effectiveness of these remaining funds. Division staff have also been working with the Legislature to explore modified revenue sharing programs.
- Lack of financial management and local government skills - The Division works with city, tribal, community non-profit staff and elected officials to develop the skills they need to perform their responsibilities. The Division helps cities, tribes and community non-profit corporations establish and maintain sound financial practices, thereby preventing the loss of hundreds of thousands of dollars each year.
- Limited local tax base or economy - The Division's Local Government Specialists work with cities, tribes and community non-profits to identify sources of local revenue and provide advice on how to most effectively use these limited resources.
- Frequent community staff turnover - Low wages, part-time work, no training, and lack of consistent policies and procedures are a few of the reasons for staff turnover. Staff turnover reduces efficiency, interrupts services, and leads to ineffective use of available revenues. The division addresses this issue with on-site and regional training and with advice and assistance to cities on essential policies and procedures.

State Policies Concerning Local Government. There are a number of issues about state policy concerning local government in Alaska. Indicators of this situation include:

- A requirement by Chapter 53 SLA 2002 (SB 359) for the LBC to review conditions in the unorganized borough and report to the 2003 Legislature areas that the LBC has identified as meeting the standards for incorporation.
- A request by Legislative Resolve No. 58, 2002 to adopt standards and procedures to enable the commission to return a petition for a local boundary change that lacks a sound policy basis.
- A call by the Alaska Municipal League for a review of municipal government involving the state, the municipalities, and the public to determine if state policies are consistent with the intent of the Alaska Constitution mandating maximum local self-government with a minimum of local government units.
- Support by the Alaska Municipal League for state policies that remove disincentives and encourage borough formation and annexation to boroughs in the unorganized areas of the state.
- Despite a recognized constitutional policy of encouraging borough incorporation, in the past forty-four years, organized boroughs have formed voluntarily in regions encompassing only 4% of Alaskans. This is contrasted with boroughs formed under the 1963 Mandatory Borough Act in which 83% of Alaskans live. The remaining 13% of Alaskans live in the unorganized borough.
- Support by the Alaska Municipal League for voluntary contracting of state services to appropriate local governments when such action is cost-effective, appropriate, and accepted by the local government body.

Rural Utilities Business Advisor (RUBA) Program. Maintain adequate and affordable sanitation systems are critical for the health of rural residents and the development of those communities. Many communities currently lack the resources and training to successfully operate and maintain their utilities. The RUBA Program addresses this issue through an assessment of a community's management of its water and sewer utility; providing community specific and regional training of utility staff, providing rate studies, and assistance in developing sound financial management systems.

Community Development Quota (CDQ) Program. The groundfish industry is highly developed and appears to have the necessary capital and business structure to adapt to change and maintain an edge over other protein sources. The problem as identified by the Division is this industry (like most others in Alaska) is significantly controlled and held by non-Alaskans. Alaska must encourage these industries to relocate their research and development and administrative functions to Alaska. The Division will also focus on increasing current Alaskan ownership in the industry. The greatest means to this end is the Community Development Quota (CDQ) Program. The CDQ program will be encouraged to combine its growing equity position in these corporations with its long-term effort to educate and train western Alaskans, to spur ownership and control of these operations by actual residents. As leaders from Alaska communities come forth with opportunities, the Division will assist them in working with federal agencies and the North Pacific Fishery Management Council.

Fisheries Development: *Salmon Industry Revitalization* – By January 2003, the Legislative Salmon Task Force will complete its review and recommendations for the Alaska salmon industry. Several legislative initiatives are expected from this Task Force. The Division will work diligently to review, support and implement those initiatives. The Division will simultaneously be developing a coordinated set of programs to complement the recommendations of the Task Force. As the growth in the catcher processor sector increases, the Division will work with industry and other agencies to create an environment that will support innovation. The market is demanding new products. The Division will work with market experts in identifying the high growth, high value product forms and work to see that commercially applicable research and development is established.

Shoreside Herring Development – Herring, like most other Alaska fishery products, is poorly utilized in a way that brings value to Alaska. The Division will pursue relationships with interested Alaska processors and fishermen, along with University and State experts, to explore these opportunities.

Shellfish Aquaculture/Dive Fisheries –The Division will support exploration of suggested improvements in infrastructure. The aquaculture sector needs significant assistance establishing their operations. The Division will work with the shellfish farmers to establish useful and appropriate public programs such as education/training, equipment improvements, efficient and predictable regulatory environment, and market support.

New Fisheries Development: The Division will continue to work with the Department of Fish and Game and the Board of Fish, to establish a New Fisheries Development policy that supports the Constitutional requirement to maintain sustainability and maximize development. The Division will work with entrepreneurs and industry to develop resources as appropriate.

Alaska Regional Development Organizations (ARDOR) Program sunsets June 30, 2003. Legislation extending the ARDOR Program is necessary. The ARDOR program provides funds to regional nonprofit development organizations to develop and implement regional economic development strategies and provide business and development assistance to individuals and organizations. The goal is to stimulate economic development and produce healthy sustainable economies through locally driven initiatives especially in regions that have limited funding available.

Alaska's Flood Maps. The challenge is to reduce the average age of Alaska's flood maps in half from 18.8 years to 9 years and produce digital hazard maps. Completion is dependent on the federal flood map modernization plan pending before Congress. Staff also will assist communities that flooded during the State and Federally declared flood disasters of '01 and '02 to enter the National Flood Insurance Program.

National Petroleum Reserve – Alaska Impact Mitigation Grants Program. During fiscal years 2003 and 2004 approximately \$36 million is expected to be received from the federal government from recent oil exploration leases in the National Petroleum Reserve-Alaska. This will result in a significant expansion of the Program with the majority of the funding being distributed as grants to the communities impacted by oil and gas exploration and development.

Missile Defense Test Bed Impact Mitigation Grants Program. Approximately \$18 Million from the Department of Defense will be received for distribution to the community of Delta Junction to help mitigate the impacts of development of the missile defense test bed on the community.

Land management and mapping issues affect development. Incomplete land information, unresolved land claims, and improper and unrecorded land transfers hinder community and economic development. Examples include:

- Development projects are sometimes delayed, and the State and local investment in buildings and facilities are threatened, because an adequate public interest in real property has not or cannot be obtained.
- Municipalities and local groups have inadequate resources and capacity to carry out ANCSA land transfers that would make land available for individual, non-profit and community use.

State Assessor and Property Tax. As a result of an increasing work load, the State Assessor is not able to review the property assessment practices used by municipalities on a timely basis. The State Assessor's review of local assessment practices is critical to assuring the integrity of the Full and True Value Determination (FTVD) for each municipality. The FTVD is an important factor in determining a locality's entitlement under several State financial assistance programs, including school funding.

Major Component Accomplishments in 2002

Local Government Assistance. Division staff worked with the Alaska Association of Municipal Clerks (AAMC) and their Institute director to provide training for a 4 1/2 day Institute. Approximately 80 clerks attended. The Institute helps municipal clerks satisfy the requirements of the International Institute of Municipal Clerks who offer internationally recognized certification as a municipal clerk.

The Division, in conjunction with the Alaska Municipal League, has launched an Alaska Local Government Service Center to more adequately serve the technical assistance needs of Alaskan communities. The effort is partially funded through the Denali Commission and will offer toll-free calling advice, web-based technical assistance information on local government topics, and a hub to refer local government officials and staff to relevant programs. As a part of this website, a bulletin board will be incorporated where local government issues can be discussed and advice shared among communities.

Funding Summits. Division staff helped organize and facilitate regional funding summits held in Fort Yukon, Kodiak and Nome. About 20 agencies and about 10 communities participated in each summit. Funding issues and opportunities for community infrastructure and regional economic development were addressed.

Rural Utility Business Advisor (RUBA). *Improved Local Capacity for Financial Management.* Significant improvements in the financial and management abilities of rural communities to operate, manage and finance services were observed in Beaver, Gulkana, Hooper Bay, Kake, Koyukuk, Larsen Bay, Napaskiak, New Stuyahok and Tuluksak. These communities have been receiving direct assistance from the Program.

Upgraded Accounting Systems. During the past year staff have trained local government personnel on financial record keeping and are currently installing computerized record keeping systems in four communities: False Pass, Huslia, Marshall and Stebbins. Combined with previous efforts, fourteen communities are now working with modern computerized financial record keeping systems. These upgrades have provided an opportunity for the communities to produce accurate and timely financial reports in much less time and effort than their former manual accounting systems.

Community Development Quota (CDQ) Program: The state announced its multi-species CDQ allocation recommendations in September 2002 for the three-year Community Development Plan (CDP) cycle of 2003-2005. The state consulted with the North Pacific Fishery Management Council (NPFMC) and forwarded its recommendations to the National Marine Fisheries Service (NMFS) in October 2002.

Streamlining CDQ Process. In recognition of the increasing maturity of the groups and the need for flexibility in making business decisions, the department worked with NMFS, CDQ groups, and the NPFMC to streamline the CDQ regulatory process.

CDQ Economic Benefits. The Western Alaska CDQ program has been critical to that region by providing social and economic benefits to local residents and allowing future opportunities that would not have been possible without the program. The Western Alaska CDQ program has exceeded all expectations, with the CDQ groups acquiring an ever-increasing ownership of the Bering Sea through equity investments in the groundfish sector. At the end of 2001, total

assets were in excess of \$190 million with total revenues of \$345 million since the inception of the program in 1992. Employment benefits to the region have resulted in the employment of nearly 11,000 residents earning wages of nearly \$71 million since 1992. Training benefits to the region have resulted in over \$10.4 million being spent to train over 8,300 residents through vocational and post-secondary educational programs. The CDQ program remains one of the most important social and economic development programs in the Western Alaska region.

Fisheries Development: *Targeted Additional Funds for Seafood Quality and Technology.* Staff worked with the Fisheries Industrial Technology Center in Kodiak to identify several projects qualified for a special federal appropriation. These projects provide new opportunities for improving the quality and product mix of Alaska seafood.

Promoted Value Added Processing of Alaska Salmon. Division staff helped secure funding for a value-added salmon marketing grant program. These funds were provided through a special congressional appropriation that will provide grants for direct marketing by fishermen and processors who have a market-accepted, value-added salmon product.

Regional Marketing Program. The Division conducted its first regional marketing grant program. \$400,000 was made available to five regional marketing efforts. Regional marketing supports innovative solutions to difficult marketing challenges while encouraging greater production activity in coastal communities. The program requires high quality standards from participants.

Permit Outflow Migration Research – The Division reviewed the history and causes of permit outflow from coastal Alaska. The report exposed reasons for outflow by studying available data from CFEC and interviews with permit holders, ex-permit holders and community leaders. The report will serve to emphasize the type of response communities may need to develop to stem the outflow of access to fisheries.

Rapid Response – The Division worked with the Department of Labor and Workforce Development's Rapid Response program to direct attention and support to various communities reeling from poor salmon prices and lack of markets for 2003.

PSP Research for Shellfish – The Division supported a collaborative research effort between the industry and the State to review the optimal times and location for harvest of geoducks to avoid Paralytic Shellfish Poisoning.

Catcher Processors Sector – The Division, in partnership with the Marine Advisory Program, established a number of useful tools and guides to assist this growing segment of the processing sector. Tools and guides include a revised direct marketing manual, specific manuals on various subjects, an on-line product form conversion data, permitting information, video or audio material and others.

Quality Infrastructure – The Division developed a study on the infrastructure capacity of the Alaska salmon industry to categorize what currently exists and what needs to exist in order to meet minimum quality standards. The report provides planners, communities and other officials with an idea of capital costs and actual projects that will need to occur in each region.

Alaska Regional Development Organization (ARDOR). Division staff awarded and managed \$620,000 in grant funds to local ARDORs. The Kenai ARDOR placed two new businesses in their Business Incubator, creating two new full-time employees, and made three loans from the revolving loan fund, creating four new full-time employees. The Northwest Arctic Borough ARDOR helped 12 new businesses start and made 70 small business loans. The Fairbanks North Star Borough ARDOR created an interactive CD-ROM media tool that markets Fairbanks for economic development. The Copper Valley ARDOR was designated a Resource Conservation and Development organization by the U. S. Department of Agriculture, creating a new full-time permanent, professional federal job in the region.

Floodplain Management. Assisted in reducing public and private sector losses and damage from flooding and erosion by providing technical assistance on floodplain development requirements and managing pass-through grants to create flood mitigation plans in Fairbanks North Star Borough and Nome. Prepared a State implementation plan for the revision, update and creation of community flood hazard maps.

Public/Private Partnership Ventures Produce Community Maps. Division staff worked successfully to coordinate efforts with agencies and rural groups to produce standardized community profile maps for the public. The maps are an important planning tool to help expedite infrastructure development. Federally funded partnerships have been underway this year with the Interior Rivers Resource Conservation and Development Council, the Aleutian's East Borough and the Lake and Peninsula Borough.

Alaska Coastal Management Program. Program staff awarded and managed more than \$1 million in grant funds. The Aleutians West CRSA, Cenaliulriit CRSA, and Ketchikan Gateway Borough were awarded funds to continue work on the updating of their coastal management plans. The City and Borough of Juneau received grant funds to purchase aerial photographs and topographic information. Staff participated in two town meetings in Nome that were organized for the purpose of allowing residents to participate in the process that will result in the preparation of a comprehensive plan and a coastal management plan update. Staff assisted the Lake and Peninsula Borough with the preparation of their CIAP grant application that requested funds for the preparation of community profile maps; the application was approved for funding.

Land Management & Mapping. *Land Made Available for Infrastructure Development.* Real property acquisition was completed and long-term leases of municipal trust land were issued for sanitation facilities, consolidated bulk fuel storage, power generation, new roads, housing and other community infrastructure. Types of projects include road building in Bettles/Evansville, Kongiganak and Ugashik, sanitation facilities in Chenega, Takotna and Minto, clinics in Iliamna and Evansville, a telemedicine facility in Kokhanok, bulk fuel storage in Takotna and Portage Creek, a community hall in Minto and housing in Portage Creek.

Public/Private Partnership Ventures Produce Community Maps. Division staff worked successfully to coordinate efforts with agencies and rural groups to produce standardized community profile maps for the public. The maps are an important planning tool to help expedite infrastructure development. Federally funded partnerships have been underway this year with the Interior Rivers Resource Conservation and Development Council, the Aleutian's East Borough and the Lake and Peninsula Borough.

Local Boundary Commission. Actions were taken with respect to proposals for annexation to the City of Palmer, consolidation of the City of Haines and the Haines Borough, dissolution of the City of Skagway and incorporation of a Skagway borough, study of the unorganized borough in accordance with Chapter 53, SLA 2002, and two substantial regulation projects (one in accordance with Legislative Resolve No. 58, 2002). Additionally, assistance was provided to multiple prospective petitioners contemplating proposals (e.g., annexation in Wrangell, Petersburg, Wasilla, Allakaket, and Eagle; incorporation of Gustavus as a city, borough incorporation of the Delta-Greely region, etc.).

Funding Programs: Managed over \$3 million in *Community Development Block Grants* to 25 rural communities. The *Mini-Grant Program*, funded by the U.S. Forest Service and the Denali resulted in \$600,000 in funding for approximately 30 to 35 local government, community infra-structure projects. *Community Priority Projects Program*, funded by the Denali Commission resulted in approximately \$5 million being available for community priority projects that are not, in general, funded by other grant programs. An additional \$2.2 million is anticipated from the Denali Commission and to date the division has funded nine projects.

Division Web-Based Databases. *Alaska Economic Information System.* Researched and prepared economic sector profiles for the Alaska Economic Information System. The profiles are a compilation and analysis of data and information that identify resource and development opportunities and issues in the state's 27 census areas. View the AEIS site at http://www.dced.state.ak.us/cbd/AEIS/AEIS_Home.htm

Alaska Economic Performance Report. This report, providing a concise presentation of the overall Alaska economy and various sectors, was produced in 1994, 1996 and 1998. One benefit of the new Alaska Economic Information System is the capacity to produce this document very efficiently on an annual basis. Beginning winter 2002, the report will be available online.

Statutory and Regulatory Authority

AS 29.04-06	Classification, Alteration of Municipalities
AS 39.05.060	Appointment, Qualification and Terms of LBC
AS 44.33.810 - AS 44.33.828	Local Boundary Commission
3 AAC 110.010 - 110.900	Local Boundary Commission Standards and General Provisions
AS 44.47.150	Village land conveyed into trust.
19 AAC 90.010 - 19 AAC 90.990	Municipal Trust Land
AS 44.33.781	Alaska Coastal Management Program
AS 44.33.895	Alaska Regional Development Organizations Program
AS 44.33.755	Municipal Lands Trust

AS 44.33.115	Subsistence Grants
AS 44.33.020	Block Grants
AS 44.33.020	National Flood Insurance Program
AS 36.30.332-338	Alaska Product Preference
AS 44.99.100	Economic Development Policy
AS 45.65.010-070	Made in Alaska Program
5 AAC 39.198	Internal Waters Permits

Community Advocacy
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	4,424.0
72000 Travel	0.0	0.0	400.0
73000 Contractual	0.0	0.0	1,211.2
74000 Supplies	0.0	0.0	65.0
75000 Equipment	0.0	0.0	25.1
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	2,265.8
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	8,391.1
Funding Sources:			
1002 Federal Receipts	0.0	0.0	1,403.7
1003 General Fund Match	0.0	0.0	287.4
1004 General Fund Receipts	0.0	0.0	3,711.9
1005 General Fund/Program Receipts	0.0	0.0	18.7
1007 Inter-Agency Receipts	0.0	0.0	2,074.4
1036 Commercial Fishing Loan Fund	0.0	0.0	141.2
1061 Capital Improvement Project Receipts	0.0	0.0	321.2
1108 Statutory Designated Program Receipts	0.0	0.0	60.0
1111 Fishermans Fund Income	0.0	0.0	115.0
1156 Receipt Supported Services	0.0	0.0	257.6
Funding Totals	0.0	0.0	8,391.1

Community Advocacy

Proposed Changes in Levels of Service for FY2004

A \$521,000 general fund savings will be realized and eight positions will be eliminated as a result of reorganization of two divisions. The new organization brings the international trade, tourism, and economic development functions under the leadership of a single director. Specifically, the Division of International Trade and Market Development and the tourism and economic development functions of the Division of Community and Business Development are combined to create the new Division of Trade and Development. The Division of Community & Business Development is renamed the Division of Community Advocacy. The reduction will result in less technical assistance and research, analysis and updating information of particular interest to local governments, communities, tribal governments, non-profit organizations, and citizens of Alaska.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	0.0	0.0	0.0	0.0
Adjustments which will continue current level of service:				
-Reorganization	4,001.5	1,387.8	2,831.9	8,221.2
-\$75 per Month Health Insurance Increase for Non-covered Staff	4.0	0.0	0.0	4.0
-Annualize FY2003 COLA Increase for General Government and Supervisory Bargaining Units	0.0	15.9	11.9	27.8
Proposed budget increases:				
-Restore ARDOR Funding Level	0.0	0.0	60.0	60.0
-Fisheries Development Support	0.0	0.0	65.6	65.6
-Increases in various rate-based services	12.5	0.0	0.0	12.5
FY2004 Governor	4,018.0	1,403.7	2,969.4	8,391.1

Community Advocacy

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	0	63	Annual Salaries	3,577,001
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,179,977
			<i>Less 7.00% Vacancy Factor</i>	(332,978)
			Lump Sum Premium Pay	0
Totals	0	63	Total Personal Services	4,424,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	1	0	1	0	2
Administrative Clerk III	1	1	3	0	5
Administrative Manager III	1	0	0	0	1
Business Development Spec II	1	0	0	0	1
Cartographer II	1	0	0	0	1
Dev Spec I, Option A	0	0	2	1	3
Dev Spec I, Option B	0	0	1	0	1
Dev Spec II, Option A	1	0	1	0	2
Dev Spec II, Option B	0	0	1	0	1
Division Director	1	0	0	0	1
Economist	1	0	0	0	1
Grants Administrator I	0	0	1	0	1
Grants Administrator II	0	2	2	0	4
Grants Administrator III	0	1	2	0	3
Local Govt Spec III	4	1	1	7	13
Local Govt Spec IV	4	0	1	0	5
Local Govt Spec V	2	2	1	0	5
Natural Resource Off II	1	0	0	0	1
Planner III	2	0	1	0	3
Program Coordinator	0	0	1	0	1
Publications Tech II	2	0	0	0	2
Research Analyst II	1	0	0	0	1
Research Analyst III	1	0	1	0	2
Special Projects Manager	1	0	0	0	1
State Assessor	1	0	0	0	1
Totals	28	7	20	8	63