

# **State of Alaska FY2006 Governor's Operating Budget**

**Dept. of Commerce, Community, and Economic Dev.  
Community Advocacy  
RDU/Component Budget Summary**

**RDU/Component: Community Advocacy**

*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)*

**Contribution to Department's Mission**

To advise, assist and coordinate efforts of local governments, individuals and organizations so communities can effectively provide essential services.

**Core Services**

Local Boundary Commission staff support, Rural Utility Business Advisor, Local Government Assistance, Community Planning, Research and Grant Programs

End Results	Strategies to Achieve Results
<p><b>A: Increase level of services municipalities provide to Alaska citizens.</b></p> <p><u>Target #1:</u> Five percent increase in services that local municipal governments provide by 2007.  <u>Measure #1:</u> Percentage increase.</p>	<p><b>A1: Improve finances of municipalities by increasing local revenue and/or efficient management of geographic area served by municipal governments.</b></p> <p><u>Target #1:</u> Five percent reduction in number of requests for financial assistance by 2007.  <u>Measure #1:</u> Percentage decrease.</p> <p><b>A2: Improve ability of municipalities to provide services through improved infrastructure.</b></p> <p><u>Target #1:</u> Five percent increase in municipal dollars used for service related infrastructure by 2007.  <u>Measure #1:</u> Percentage increase.</p> <p><b>A3: Availability of technical assistance and information available to municipal employees.</b></p> <p><u>Target #1:</u> Five percent increase in number of municipal employees attending training by 2007.  <u>Measure #1:</u> Percentage increase.</p>
End Results	Strategies to Achieve Results
<p><b>B: Increase number of Alaska citizens who have access to local government services.</b></p> <p><u>Target #1:</u> Municipal governments providing essential public services.  <u>Measure #1:</u> Percentage of municipal governments providing essential public services.</p>	<p><b>B1: Improve incentives for borough formation.</b></p> <p><u>Target #1:</u> Increase financial incentives by 100% over the next two years.  <u>Measure #1:</u> Percentage increase.</p> <p><u>Target #2:</u> Increase land entitlements received by boroughs by 100% over the next five years.  <u>Measure #2:</u> Percentage increase.</p> <p><b>B2: Increase educational activities/materials available on the advantages of borough formation.</b></p>

	<p><b>Target #1:</b> 50% increase in materials available over three years.</p> <p><b>Measure #1:</b> Percentage increase.</p>
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**Major Activities to Advance Strategies**

- Train community officials and skilled government workers in election procedures.
- Train community officials and skilled workers in the operation and management of utility facilities that are essential to households
- On-site and workshop training and technical information made available on-line. Increase installation and proper use of financial record keeping.
- Work with the Denali Commission to ensure infrastructures are properly managed and implemented.
- Assist communities in developing a business plan and criteria.
- Increase incentives for borough formations, such as land transfers to new boroughs, like the federal government did at statehood.
- Avoid additional IRS tax liens on local government assets in light of reduced operating funds.
- Bulk fuel issues - liaison when necessary with community, vendors and other government agencies.
- Promote participation of local residents in construction projects.
- Increase the number (currently 1,300) of grants awarded

**FY2006 Resources Allocated to Achieve Results**

<b>FY2006 Component Budget: \$7,803,000</b>	<b>Personnel:</b>	
	Full time	54
	Part time	0
	<b>Total</b>	<b>54</b>

**Performance Measure Detail**

**A: Result - Increase level of services municipalities provide to Alaska citizens.**

**Target #1:** Five percent increase in services that local municipal governments provide by 2007.  
**Measure #1:** Percentage increase.

**Analysis of results and challenges:** DCA is the agency established in the Alaska Constitution (Article X, Section 14) "to advise and assist local governments... and review their activities."

**A1: Strategy - Improve finances of municipalities by increasing local revenue and/or efficient management of geographic area served by municipal governments.**

**Target #1:** Five percent reduction in number of requests for financial assistance by 2007.  
**Measure #1:** Percentage decrease.

**Analysis of results and challenges:** This a new measure. Data will be collected beginning FY06.

**A2: Strategy - Improve ability of municipalities to provide services through improved infrastructure.**

**Target #1:** Five percent increase in municipal dollars used for service related infrastructure by 2007.  
**Measure #1:** Percentage increase.

**Analysis of results and challenges:** This a new measure. Data will be collected beginning FY06.

### **A3: Strategy - Availability of technical assistance and information available to municipal employees.**

**Target #1:** Five percent increase in number of municipal employees attending training by 2007.

**Measure #1:** Percentage increase.

**Analysis of results and challenges:** This a new measure. Data will be collected beginning FY06.

### **B: Result - Increase number of Alaska citizens who have access to local government services.**

**Target #1:** Municipal governments providing essential public services.

**Measure #1:** Percentage of municipal governments providing essential public services.

**Analysis of results and challenges:** This a new measure. Data will be collected beginning FY06.

### **B1: Strategy - Improve incentives for borough formation.**

**Target #1:** Increase financial incentives by 100% over the next two years.

**Measure #1:** Percentage increase.

**Analysis of results and challenges:** This a new measure. Data will be collected beginning FY06.

**Target #2:** Increase land entitlements received by boroughs by 100% over the next five years.

**Measure #2:** Percentage increase.

**Analysis of results and challenges:** This is a new measure. Data will be collected beginning FY06.

### **B2: Strategy - Increase educational activities/materials available on the advantages of borough formation.**

**Target #1:** 50% increase in materials available over three years.

**Measure #1:** Percentage increase.

**Analysis of results and challenges:** This is a new measure. Data will be collected beginning FY06.

## **Key Component Challenges**

Sustainability of communities is a major issue due to increasing costs for major budget items such as fuel and insurance. The Division expects increases in technical assistance requests to continue. Local government funds that are available need to be maximized to provide services for residents. DCA encourages and supports the formation of regional governments as a way to provide efficiencies in providing services. The Division also facilitates cooperation between tribal organizations and municipal governments to maximize use of dwindling resources. Reauthorization of the Alaska Regional Development Organization (ARDOR) program which funds 11 development organizations.

## **Significant Changes in Results to be Delivered in FY2006**

No significant changes.

## **Major Component Accomplishments in 2004**

### **Local Government Development**

- Regional office staff responded to emergencies in several rural communities. Staff became involved in flooding/erosion situations in 7 communities. The most active involvement continued to be Shishmaref. Staff became involved in fuel shortage issues in 22 communities. DCA staff assisted the communities in applying for Bulk Fuel loans, in working with other communities to share fuel storage to reduce costs, and in communicating issues/problems to state agencies.
- The Rural Utility Business Advisor (RUBA) program presented 17 Utility Management classes and trained 169 students completing the training. The classes were developed by the RUBA program to increase the Managerial and Financial Capacity of rural utilities to manage the infrastructure being constructed by both the State and Federal Governments. RUBA program staff also made 113 community visits to provide on-site technical assistance and training to rural communities.
- Local Government staff completed the initial development phase and implementation of the Local Government on Line (LOGON) system. LOGON is a web based information system to assist local governments (municipal and tribal), members of the public, administrators, clerks, elected and appointed officials, community leaders, and others interested in local government operations, public services, and community development in Alaska. LOGON provides information on important local government issues. This is an evolving resource and continues to be updated based on availability of new information and feedback from users.
- Staff provided extensive support to the Local Boundary Commission during the year, initiating proceedings for the following local government boundary changes and special projects:
  - City Incorporation – One completed (City of Gustavus), and one continuing (Naukati)
  - City Annexation – One dismissed (City of Akutan) and two continuing (City of Homer and City of Petersburg)
  - City Reclassification – Technical assistance regarding home-rule status (City of Wasilla)
  - Borough Incorporation – One under appeal (Skagway) and five prospective proposals (Eagle River area, Delta Greely/Upper Tanana Basin region, Prince William Sound region, Kuspuk region, and Calista region.)
  - Consolidation – One proposed (City of Ketchikan and Ketchikan Gateway Borough)
  - Special Projects - "School Consolidation: Public Policy Considerations and a Review of Opportunities for Consolidation." Report completed and submitted to the 2004 Legislature.
- The Office of the State Assessor completed full value determinations for 44 municipal governments (16 boroughs and 28 cities). This effort included value estimation in consultation with assessors for the 12 boroughs and 13 cities that levy a property tax and value modeling for the 4 boroughs and 15 cities that have no assessment staff, existing values, or property records.
- The State Assessor Office has embarked upon structuring a new model building process for the annual full value determination. This new process will yield better "market reflective" full values, which are used in the formulas for state shared revenues and educational funding.
- The Office of the State Assessor had primary responsibility for re-writing the Possessory Interest workshop for assessors. This workshop has been requested by nearly all offices around the state and had not been updated to include all the recent Supreme Court cases. The first presentation of this newly re-written workshop will be at the AAAO meeting in Fairbanks during AML, November 2004.

### **Land Management**

- Floodplain Management/National Flood Insurance Program (NFIP) staff provided technical assistance following flood events in Nenana, Denali Borough and the Fairbanks North Star Borough. Staff also provided assistance by;
  - completing major project reviews that had floodplain development conflicts,
  - assisting communities in adopting a Flood Damage Prevention Ordinances,
  - managing grant and contracts from three funding sources to elevate one home severely damaged during the 2002 Kenai Peninsula floods,
  - preparing applications and securing planning grants to complete flood mitigation plans and for the production of digital flood hazard maps,
  - organizing community relocation and erosion/flood control meeting for the most threatened communities of Shishmaref and Newtok, and
  - produced the *Alaska Quick Guide for Floodplain Management* available on the Department's website.
- The Division planning program is promoting planning in rural communities in conjunction with the Denali Commission's new planning mandate. Using a variety of Division resources (ACMP, IAID Mapping, MLT 14(c)) we are promoting planning efforts throughout the state.
- Community Mapping - Public/Private partnership ventures produce community maps. Division staff continues to coordinate efforts with agencies and rural groups to produce standardized community profile maps for the public. The maps are important planning tools to help expedite infrastructure development and encourage economic development. As they are completed they are added to an Internet viewing system that allows the public to view and print with out cost.

**Community & Business Development**

- The Alaska Regional Development Organization (ARDOR) grant program provided funding to 11 ARDORs. These ARDORs, in turn, implemented programs and projects that improve the economies in their regions.
- The Volunteers In Service To America (VISTA) grant program placed 18 VISTA members in communities around the State.
- Small Business Development staff continue to support the start-up and expansion of small businesses around the State. Assistance provided includes:
  - “Management Library in a Box,” a collection of books on small business start-up, business and management skills, and forming non-profits, was sent to ten small communities around the state.
  - A new publication, the Small Business Quick Reference Guide for Arts & Crafts, was printed and has been widely distributed through the Made in Alaska program, ARDORs, local culture centers, the Alaska State Council on the Arts, and other agencies.
  - The Made in Alaska program continues to serve over one thousand permit holders with 1,190 products permitted as of early August. The program’s popular marketing workshops are scheduled for nine communities around the state during January and February.
  - The most recent edition of the Alaska Products Preference list, released in September 2004, included 72 participating companies with products ranging from Panelized Building Components to Heating Fuel. These products can be awarded a preference of 3% - 7% when used in bids for State contracts. The 2004 Forest Products Preference list, released in April, included 74 small businesses from Delta Junction to Chuathbaluk interested in supplying forest products to State agencies.

**Financial Assistance**

- Received from the federal government and then awarded to rural communities and non-profits approximately \$50,180,000 in federal funding. The specifics include \$25 million under the National Petroleum Reserve Alaska Impact Mitigation Program to 5 NPRA communities, \$9 million in development and services block grants, \$9 million for multi-use facilities, \$6,580,000 in grants to Delta Junction, and \$600,000 for smaller "mini" projects.
- Grants staff worked with communities and legislators to re-appropriate Capital Matching Grant funds and Legislative grant funds for hundreds of rural communities and developed and delivered seven separate workshops on grant writing and administration throughout the state.

**Information Resources**

- Staff of the Research and Analysis Section continue to provide updated information through web-based products such as the;
  - Community Database/Community Profiles - Information is published on 356 communities (cities, villages and other unincorporated communities) and 16 organized boroughs,
  - Economic Development Resource Guide (EDRG) - includes over 120 resources for financial and technical assistance targeted at economic development,
  - RAPIDS Capital Project Database – provides information on over 15,000 community improvements/projects that are or have been administered by over 20 State and federal agencies, and
  - Alaska Economic Information System (AEIS) - provides user-friendly access to information about Alaska’s economy, labor force and industrial sectors.
- Staff are also developing a functional Economic Impact Planning (IMPLAN) Model for Alaska. IMPLAN is an input/output model for all the State's industries that compares the contribution towards Gross State Product by each industry sector.
- Numerous publications are updated and published annually providing training and information on various topics, including Small Business Development, Local Government, Water & Sewer Utility Operations, Information & Mapping.

**Statutory and Regulatory Authority**

AS 44.33.020	Assist Local Governments
AS 44.33.020 & AS 44.33.740	Rural Development
AS 44.33.020 (10,18 & 20)	Various Grant Programs
AS 44.33.740	Rural Utility Business Advisory Program
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
AS 44.33.020 (4)	Local Boundary Commission
3 AAC 110.010 - 110.900	Local Boundary Commission
AS 44.33.755	Municipal Lands Trust

19 AAC 90.010 - 19 AAC 90.990	Municipal Lands Trust
AS 44.33.781	Alaska Coastal Management Program
AS 44.33.895	Alaska Regional Development Organizations Program
AS 44.33.020	National Flood Insurance Program
AS 36.30.332-338	Alaska Product Preference
AS 45.65.010-070	Made in Alaska Program
5 AAC 39.198 & 44.33.020(39)	Internal Waters Permits
AS 37.06.010	Municipal Capital Project Matching Grant Program
AS 37.06.020	Unincorporated Capital Project Matching Grant Program
AS 37.05.315	Grants to Municipalities
AS 37.05.316	Grants to Named Recipients
AS 37.05.317	Grants to Unincorporated Communities

### Contact Information

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### Community Advocacy Component Financial Summary

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	4,636.9	3,986.0	4,214.3
72000 Travel	434.7	378.6	378.6
73000 Services	740.6	1,378.3	1,641.3
74000 Commodities	139.8	64.0	64.0
75000 Capital Outlay	35.3	14.0	14.0
77000 Grants, Benefits	3,788.9	3,619.1	1,490.8
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>9,776.2</b>	<b>9,440.0</b>	<b>7,803.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,271.8	1,440.4	1,683.7
1003 General Fund Match	291.0	291.1	300.6
1004 General Fund Receipts	5,045.6	3,852.8	3,697.4
1005 General Fund/Program Receipts	2.7	18.7	18.7
1007 Inter-Agency Receipts	2,043.8	2,090.5	1,454.3
1036 Commercial Fishing Loan Fund	142.0	0.0	0.0
1061 Capital Improvement Project Receipts	512.6	371.5	388.3
1108 Statutory Designated Program Receipts	35.4	60.0	60.0
1111 Fishermans Fund Income	54.8	115.0	55.0
1156 Receipt Supported Services	376.5	0.0	60.0
1175 Business License Receipts	0.0	0.0	85.0
1188 Federal Unrestricted Receipts	0.0	1,200.0	0.0
<b>Funding Totals</b>	<b>9,776.2</b>	<b>9,440.0</b>	<b>7,803.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Unrestricted Revenues</b>				
Federal Receipts	51010	0.0	1,200.0	0.0
Unrestricted Fund	68515	0.3	0.0	0.0
<b>Unrestricted Total</b>		<b>0.3</b>	<b>1,200.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	1,271.8	1,440.4	1,683.7
Interagency Receipts	51015	2,043.8	2,090.5	1,454.3
General Fund Program Receipts	51060	2.7	18.7	18.7
Statutory Designated Program Receipts	51063	35.4	60.0	60.0
Receipt Supported Services	51073	376.5	0.0	60.0
Commercial Fishing Loan Fund	51100	142.0	0.0	0.0

<b>Estimated Revenue Collections</b>				
<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2004 Actuals</b>	<b>FY2005 Management Plan</b>	<b>FY2006 Governor</b>
Business License Receipts	51173	0.0	0.0	85.0
Capital Improvement Project Receipts	51200	512.6	371.5	388.3
Fishermans Fund Income	51420	54.8	115.0	55.0
<b>Restricted Total</b>		<b>4,439.6</b>	<b>4,096.1</b>	<b>3,805.0</b>
<b>Total Estimated Revenues</b>		<b>4,439.9</b>	<b>5,296.1</b>	<b>3,805.0</b>

**Summary of Component Budget Changes  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>4,162.6</b>	<b>2,640.4</b>	<b>2,637.0</b>	<b>9,440.0</b>
<b>Adjustments which will continue current level of service:</b>				
-ADN 840162 Gustavus Organization Grant Sec13(e) Ch159 SLA04 P63 L18 (SB283)	-25.0	0.0	0.0	-25.0
-ADN 840167 Special Olympics Travel Sec47(a) Ch159 SLA04 P103 L23 (SB283)	-20.7	0.0	0.0	-20.7
-ADN 840169 Local Boundary Commission Project Sec48(f) Ch159 SLA04 P106 L11 (SB283)	-30.0	0.0	0.0	-30.0
-ADN 840171 Delta Junction Loan Sec10(a) Ch159 SLA04 P61 L29 (SB283)	0.0	-1,200.0	0.0	-1,200.0
-ADN 830253 SE Conference Sec56(a) Ch82 SLA03 P105 L14 (SB100)	-134.5	0.0	0.0	-134.5
-ADN 830170 City of Kaktovik Sec20(c) Ch1 SLA03 P14 L2 (HB100)	-28.1	0.0	0.0	-28.1
-ADN 830171 Kaktovik Native Village Sec20(d) Ch1 SLA03 P14 L7 (HB100)	-40.0	0.0	0.0	-40.0
-FY 05 Bargaining Unit Contract Terms: GGU	15.8	6.6	4.4	26.8
-Made in Alaska Program Fund Source Change	-85.0	0.0	85.0	0.0
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	63.5	27.2	22.6	113.3
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	9.5	3.6	13.1
<b>Proposed budget decreases:</b>				
-Discontinuation of Alaska Regional Development Organizations Program (ARDOR)	0.0	0.0	-650.0	-650.0
<b>Proposed budget increases:</b>				
-Fairbanks Lease Cost Increase	63.0	0.0	0.0	63.0
-Local Government Specialist IV to Assist Local Boundary Commission (PCN 08-#011)	75.1	0.0	0.0	75.1
-Maximize Federal Grant Indirect Rate and True Up Cost Allocations	0.0	200.0	0.0	200.0
<b>FY2006 Governor</b>	<b>4,016.7</b>	<b>1,683.7</b>	<b>2,102.6</b>	<b>7,803.0</b>

**Community Advocacy  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	53	54	Annual Salaries	3,100,766
Part-time	0	0	COLA	42,156
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,459,545
			<i>Less 5.18% Vacancy Factor</i>	<i>(238,267)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>53</b>	<b>54</b>	<b>Total Personal Services</b>	<b>4,364,200</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	1	1	0	3
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 II, Option A	1	0	0	0	1
Division Director	1	0	0	0	1
Economist III	0	0	1	0	1
Grants Administrator II	0	2	4	0	6
Grants Administrator III	0	1	1	0	2
Local Govt Spec II	0	0	1	1	2
Local Govt Spec III	4	1	1	7	13
Local Govt Spec IV	4	0	2	0	6
Local Govt Spec V	2	2	0	0	4
Natural Resource Spec III	1	0	0	0	1
Planner III	2	0	0	0	2
Planner IV	0	0	1	0	1
Publications Tech II	2	0	0	0	2
Research Analyst II	1	0	0	0	1
Research Analyst III	0	0	1	0	1
Research Analyst IV	1	0	0	0	1
State Assessor	1	0	0	0	1
<b>Totals</b>	<b>26</b>	<b>7</b>	<b>13</b>	<b>8</b>	<b>54</b>