

State of Alaska FY2007 Governor's Operating Budget

Dept of Commerce, Community, & Economic Development Community Advocacy Component Budget Summary

Component: Community Advocacy

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

1. Local Government Development – Assist local governments to develop and maintain local capacities for efficient and effective local governments
2. RUBA Program – Increase the managerial and financial capacities of rural water and wastewater utilities
3. Land Management Assistance – Assist communities on regional and local land issues
4. Community Development Assistance – Stimulate economic development in different regions
5. Financial Assistance – Provide financial assistance to communities and administer various grant programs
6. Information Resources – Collect and publish local government information and economic development information
7. State Assessor - To promote justice and equity in the distribution of the tax burden and equalize values around the state to be used in conjunction with a variety of other programs, including education and various forms of revenue sharing.

End Results	Strategies to Achieve Results
<p>A: Increase effectiveness of management advice and assistance level provided to communities.</p> <p><u>Target #1:</u> 5% per year increase in number of communities using Division of Community Advocacy's management advice and assistance to avoid interruptions in essential community services.</p> <p><u>Measure #1:</u> Percentage increase.</p>	<p>A1: Improve DCA's monitoring capabilities for rural Alaska to identify communities at risk of service interruptions.</p> <p><u>Target #1:</u> 5% increase per year in number of communities submitting budgets and audit/certified financial statements on time to the division as required by state statutes.</p> <p><u>Measure #1:</u> Percentage increase.</p>
End Results	Strategies to Achieve Results
<p>B: Increase number of Alaska citizens who have access to local government services.</p> <p><u>Target #1:</u> 100% of municipal governments provide essential public services.</p> <p><u>Measure #1:</u> Percentage of municipal governments providing essential public services.</p>	<p>B1: Improve capacity through direct training.</p> <p><u>Target #1:</u> 5% increase per year in the number of communities participating in workshops provided by Division of Community Advocacy.</p> <p><u>Measure #1:</u> Percentage increase.</p> <p>B2: Improve quality of division's available resources to the public.</p> <p><u>Target #1:</u> 5% increase per year in the number of technical assistance publications updated or created.</p> <p><u>Measure #1:</u> Percentage increase.</p>
End Results	Strategies to Achieve Results
<p>C: Increase number of communities demonstrating adequate capacity to manage rural utility systems.</p>	<p>C1: Increase management capacity of rural utilities through on-site assistance</p>

<p><u>Target #1:</u> 5% increase per year in number of rural utilities requesting assistance from the RUBA program to increase their management capacity. <u>Measure #1:</u> Percentage increase.</p>	<p><u>Target #1:</u> 5% increase per year in number of on-site visits to rural utilities to provide technical assistance and training. <u>Measure #1:</u> Percentage increase.</p> <p>C2: Increase management capacity of rural utilities through targeted management assistance.</p> <p><u>Target #1:</u> 5% increase per year in rural utilities which meet all essential management indicators. <u>Measure #1:</u> Percentage increase.</p> <p><u>Target #2:</u> 5% increase per year in rural utilities which meet all sustainable management indicators. <u>Measure #2:</u> Percentage Increase.</p> <p>C3: Improve DCA's monitoring capabilities for rural Alaska to identify communities at risk of service interruptions.</p> <p><u>Target #1:</u> 5% increase per year in the number of regularly monitored communities by division staff. <u>Measure #1:</u> Percentage Increase.</p> <p>C4: Increase number of interventions in communities before crisis develops through improving community capacity.</p> <p><u>Target #1:</u> 5% increase per year in successful interventions in communities monitored by increasing the division's ability to intervene. <u>Measure #1:</u> Percentage increase.</p>
--	---

Major Activities to Advance Strategies

- | | |
|---|---|
| <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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. • 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. |
|---|---|

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$9,253,600	Personnel:	
	Full time	52
	Part time	0
	Total	52

Performance Measure Detail

A: Result - Increase effectiveness of management advice and assistance level provided to communities.

Target #1: 5% per year increase in number of communities using Division of Community Advocacy's management advice and assistance to avoid interruptions in essential community services.

Measure #1: Percentage increase.

Community On-Site Assistance

Year	# of Communities	On-site Visits
2003	20	28
2004	32 +60.00%	50 +78.57%
2005	40 +25.00%	53 +6.00%

Analysis of results and 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 request to continue. The primary challenge to the Division will be to meet the increasing need with a static level of resources. We will do this through creation of alternative delivery systems and prioritization of need.

A1: Strategy - Improve DCA's monitoring capabilities for rural Alaska to identify communities at risk of service interruptions.

Target #1: 5% increase per year in number of communities submitting budgets and audit/certified financial statements on time to the division as required by state statutes.

Measure #1: Percentage increase.

Communities submitting on time reports

Year	# of Communities
2003	98
2004	105 +7.14%
2005	115 +9.52%

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

Target #1: 100% of municipal governments provide essential public services.

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

Percentage of essential public service

Fiscal Year	YTD Total
FY 2004	85%
FY 2005	80%

Analysis of results and challenges: The Department is implementing a more detailed tracking system. The Challenge is to collect and correct information that is self reported by communities.

B1: Strategy - Improve capacity through direct training.

Target #1: 5% increase per year in the number of communities participating in workshops provided by Division of Community Advocacy.

Measure #1: Percentage increase.

Number of communities participating in workshops

Year	Communities
2003	15
2004	22 +46.67%
2005	32 +45.45%

B2: Strategy - Improve quality of division's available resources to the public.

Target #1: 5% increase per year in the number of technical assistance publications updated or created.

Measure #1: Percentage increase.

Publications Created/Updated

Year	# Avail Tech Material
2003	8
2004	11 +37.50%
2004	13 +18.18%

C: Result - Increase number of communities demonstrating adequate capacity to manage rural utility systems.

Target #1: 5% increase per year in number of rural utilities requesting assistance from the RUBA program to increase their management capacity.

Measure #1: Percentage increase.

Communities Participating in RUBA Program

Year	# of Communities
2003	53
2004	70 +32.08%
2005	84 +20.00%

Analysis of results and challenges: The significant increase in costs, primarily fuel oil, over the past two years has threatened communities' ability to continue to operate sanitation, electric, and fuel distribution utilities. Closure of one or more of these utilities in a community threatens the health and safety of residents.

Increases in the management capability of local staff can offset much of the financial impact through efficiency or consolidation.

C1: Strategy - Increase management capacity of rural utilities through on-site assistance

Target #1: 5% increase per year in number of on-site visits to rural utilities to provide technical assistance and training.

Measure #1: Percentage increase.

Increased on-site visit to provide technical assistance

Year	# of On-site visits
2003	108
2004	133 +23.15%
2005	168 +26.32%

C2: Strategy - Increase management capacity of rural utilities through targeted management assistance.

Target #1: 5% increase per year in rural utilities which meet all essential management indicators.

Measure #1: Percentage increase.

Analysis of results and challenges: Tracking of this measure has been implemented in FY06.

Target #2: 5% increase per year in rural utilities which meet all sustainable management indicators.

Measure #2: Percentage Increase.

Analysis of results and challenges: Tracking of this measure has been implemented in FY06.

C3: Strategy - Improve DCA's monitoring capabilities for rural Alaska to identify communities at risk of service interruptions.

Target #1: 5% increase per year in the number of regularly monitored communities by division staff.

Measure #1: Percentage Increase.

Percentage of regularly monitored communities

Fiscal Year	#of Communities Qtrly	YTD Total
FY 2003	46	46
FY 2004	47 +2.17%	47 +2.17%
FY 2005	49 +4.26%	49 +4.26%

C4: Strategy - Increase number of interventions in communities before crisis develops through improving community capacity.

Target #1: 5% increase per year in successful interventions in communities monitored by increasing the division's ability to intervene.

Measure #1: Percentage increase.

Analysis of results and challenges: Tracking of this measure has been implemented in 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 available need to be maximized to provide assistance to residents. The Division 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.

Significant Changes in Results to be Delivered in FY2007

Community Advocacy is making several changes to begin tracking critical indicators and statistically compiling them for analysis which include:

- reclassifying two positions to data collection/analysis job classifications
- developing web based information systems to provide better distribution and access of information collected
- identifying significant indicators that are collectable and significant over long term
- identifying non-state resources that can be accessed to implement training and technical assistance development programs

The purpose of the Rural Utility Business Advisory (RUBA) program is to assure that sanitation systems are properly managed. The success of each entity's ability to manage and train its employees, manage its finances, and manage the day-to-day operations is paramount to the success of each local sanitation system.

If employees are not successful in the day-to-day management of the system and/or its financial management, the sanitation system will eventually have financial problems - not able to pay its bills, pay its employees, pay its payroll taxes, provide system maintenance, etc. These problems have and will result in the eventual failure and closure of the sanitation system in the community - resulting in environmental issues, reverting to the "honey bucket" sanitation system, loss of jobs, severe health and economic impact on the community.

The additional funding from the Environmental Protection Agency (EPA) will allow the continuation of training programs DCA has developed to assist community residents in assuming responsibility of their local sanitation facility and system. The funding will allow the following:

- development of several technical assistance publications currently identified by policy groups
- an increase in the number of training courses and number of communities trained
- collection of data and tracking measures necessary for economic development planning
- identification of communities prior to crisis occurring and minimizing required intervention
- reduced number of communities fuel related disaster requests

The two new positions will work directly with communities that are having difficulties and implement a more proactive approach in working with communities to identify potential problems early on.

In fiscal year 2006 the training was discontinued due to increased personal services and travel costs.

Major Component Accomplishments in 2005

Local Government Development

- Staff implemented the bulk fuel bridge loan program to assist communities to purchase fuel to keep facilities and utilities functioning and provided technical assistance on managing bulk fuel.
- Local Boundary Commission staff provided extensive support to the LBC Commissioners with technical assistance, completing technical reviews of petitions, and initiating proceedings for local government boundary changes and special projects including city incorporations, borough incorporations, consolidations, borough annexations, borough detachments, and city reclassifications.
- The office of the State Assessor completed full value determinations for 44 municipal governments (16 boroughs and 28 cities), completed an estimate of full value for the proposed Deltana Borough, began preliminary work on a full value determination for the proposed Copper River Basin Model Borough and began working on a new full value estimate for the Lake and Peninsula Borough.

Rural Utility Business Advisor (RUBA) Program

- RUBA staff responded to management emergencies in ten rural communities. Response included identifying financial resources available and development of repayment/organization plans to resolve problems.
- RUBA staff became involved in fuel shortage issues in 45 communities. Staff assisted these communities in applying for bulk fuel loans, worked with other communities to share fuel storage to reduce costs, communicated issues/problems to state agencies, and provided technical assistance.

Land Management

- Floodplain Management/National Flood Insurance Program (NFIP) staff provided technical assistance following flood events.
- Coordinated with the many agencies involved in emergency responses to flooding and erosion, delivered training, assisted and educated communities adopting a Flood Damage Prevention Ordinance, presented information on assistance programs available to mitigate flood damages such as buy-out, elevation, and re-location.
- Managed grants and contracts including a \$2 million dollar Legislative grant for Shishmaref, from three funding sources to mitigate future flood damages.
- Completed the update to the Alaska State Map Modernization Plan.
- Produced Public/Private Partnership 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 an important planning tool to help expedite infrastructure development and encourage economic development.

Community 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.
- Division staff continued to support start-up and expansion of small businesses around the State.
- The Made in Alaska program continues to serve over one thousand permit holders with 1,190 products permitted as of early August.

Financial Assistance

- Division staff administers numerous programs that provide financial assistance to communities to supplement local revenue generation. In fiscal year 2005, the division administered a new program, Small Municipal Energy Assistance Program, to assist small municipalities with fuel purchases. The funding came from a special appropriation requested by Governor Murkowski.
- The Grants section receives and administers approximately \$75 million in new grant funds annually. They continue to administer approximately 1300 grants under 15 separate federal and state programs.

Information Resources

- Research and Analysis (R&A) staff continues to provide updated information through web-based products such as the Community Database/Community Economic Development Resource Guide (EDRG, RAPIDS Capital Project, Alaska Economic Information System (AEIS), Community Funding Database, Community Plans Inventory, and Municipal Contact Information.
- Staff is also developing a functional Economic Impact Planning (IMPLAN) model for Alaska.
- R&A is engaged in new product and project development to enable the Division to better meet its constitutional mandate and continue to foster the distribution of data to communities and public.

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

Contact: Michael Black, Director
Phone: (907) 269-4578
Fax: (907) 269-4539
E-mail: michael_black@commerce.state.ak.us

Community Advocacy Component Financial Summary

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,681.5	4,406.7	4,528.9
72000 Travel	388.4	378.6	371.6
73000 Services	909.9	1,641.3	1,672.2
74000 Commodities	159.2	64.0	64.0
75000 Capital Outlay	24.3	14.0	14.0
77000 Grants, Benefits	2,828.5	4,897.6	2,602.9
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	7,991.8	11,402.2	9,253.6
Funding Sources:			
1002 Federal Receipts	1,026.7	1,720.2	2,679.2
1003 General Fund Match	291.1	310.7	691.2
1004 General Fund Receipts	3,532.0	6,571.1	3,697.3
1005 General Fund/Program Receipts	4.0	18.7	18.7
1007 Inter-Agency Receipts	2,230.7	1,919.2	1,292.2
1061 Capital Improvement Project Receipts	746.9	602.3	625.0
1108 Statutory Designated Program Receipts	45.4	60.0	30.0
1111 Fishermans Fund Income	115.0	0.0	0.0
1175 Business License and Corporation Filing Fees and Taxes	0.0	85.0	85.0
1195 Special Vehicle Registration Receipts	0.0	115.0	135.0
Funding Totals	7,991.8	11,402.2	9,253.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	1.5	0.0	0.0
Unrestricted Total		1.5	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	1,026.7	1,720.2	2,679.2
Interagency Receipts	51015	2,230.7	1,919.2	1,292.2
General Fund Program Receipts	51060	4.0	18.7	18.7
Statutory Designated Program Receipts	51063	45.4	60.0	30.0
Receipt Supported Services	51073	0.0	115.0	135.0
Business License Receipts	51173	0.0	85.0	85.0

Estimated Revenue Collections				
Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Capital Improvement Project Receipts	51200	746.9	602.3	625.0
Fishermans Fund Income	51420	115.0	0.0	0.0
Restricted Total		4,168.7	4,520.4	4,865.1
Total Estimated Revenues		4,170.2	4,520.4	4,865.1

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	6,900.5	1,720.2	2,781.5	11,402.2
Adjustments which will continue current level of service:				
-Transfer VISTA travel from Community Advocacy to Alaska Community Service Commission	0.0	-7.0	0.0	-7.0
-Transfer funds, programs, and 4 positions to Office of Economic Development as part of Reorganization	-223.2	-183.0	-680.0	-1,086.2
-Reverse ADN 850158 Palmer Drug Enforcement Position Sec14(e) Ch3 FSSLA2005 P104 L10 (SB46) Lapses 6/30/06	-70.0	0.0	0.0	-70.0
-Reverse ADN 850159 Wasilla Drug Enforcement Position Sec14(e) Ch3 FSSLA2005 P104 L14 (SB46) Lapses 6/30/06	-70.0	0.0	0.0	-70.0
-Reverse ADN 850136 Small Municipality Energy Asst Program Sec2(a) Ch6 & Sec 52m Ch 3 SLA2005 P2 L5 (SB98) Lapses 6/30/06	-2,646.8	0.0	0.0	-2,646.8
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	48.8	18.3	14.6	81.7
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	5.6	2.0	1.7	9.3
-FY 07 Retirement Systems Cost Increase	93.2	34.7	27.8	155.7
Proposed budget increases:				
-Alaska Marine Safety Education Association Grant Increase	0.0	0.0	20.0	20.0
-Increase funding for the Rural Utility Business Advisory (RUBA) Program and add two new positions	363.9	1,092.1	0.0	1,456.0
-Risk Management Self-Insurance Funding Increase	5.2	1.9	1.6	8.7
FY2007 Governor	4,407.2	2,679.2	2,167.2	9,253.6

**Community Advocacy
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	55	52	Annual Salaries	3,004,786
Part-time	0	0	COLA	80,689
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,569,950
			<i>Less 2.72% Vacancy Factor</i>	(126,525)
			Lump Sum Premium Pay	0
Totals	55	52	Total Personal Services	4,528,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk III	2	1	0	0	3
Administrative Manager III	1	0	0	0	1
Business Development Spec II	1	0	0	0	1
Dev Spec II, Option A	1	0	1	0	2
Division Director	1	0	0	0	1
Grants Administrator I	0	0	1	0	1
Grants Administrator II	0	2	3	0	5
Grants Administrator III	0	1	1	0	2
Local Govt Spec III	4	2	1	7	14
Local Govt Spec IV	4	0	1	0	5
Local Govt Spec V	2	2	0	0	4
Natural Resource Spec III	1	0	0	0	1
Planner II	1	0	0	0	1
Planner III	2	0	0	0	2
Planner IV	0	0	1	0	1
Publications Tech II	1	0	0	0	1
Research Analyst II	2	0	0	0	2
Research Analyst III	0	0	1	0	1
Research Analyst IV	1	0	0	0	1
State Assessor	1	0	0	0	1
Statistical Technician I	0	0	1	0	1
Totals	26	8	11	7	52