

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Community & Economic Development  
Municipal Assistance  
Component

## **Component: Municipal Assistance**

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## **Component Mission**

To provide financial assistance to incorporated municipalities so that they may provide necessary public services for their citizens.

## **Component Services Provided**

1. Direct financial assistance through the Safe Communities Program (formerly known as the Municipal Assistance Program).
2. Direct vendor payments on behalf of local governments to entities such as the Alaska Municipal League/Joint Insurance Association Inc. for insurance premiums and Yukon Fuel for bulk fuel purchases.

## **Component Goals and Strategies**

1. To improve the fiscal capacities of Alaska's local governments.
2. To distribute both state and federal financial assistance in an accurate, fair, and timely manner.

## **Key Component Issues for FY2001 – 2002**

Cuts in State Shared Revenues - Despite the drastic cuts made to these programs, the State Revenue Sharing and Safe Communities Programs continue to be important sources of funding for Alaska's local governments, particularly the small rural cities. For many of the rural cities, these funds still represent a significant portion of their operating budgets. In FY 86, these programs totaled \$140,939,000. In FY 01 these programs totaled \$28,493,400, an 80% decrease in annual funding not adjusted for inflation. The funding cuts have had a dramatic impact on Alaska's local governments and their residents. These impacts include:

Municipal Dissolution  
Significant Reduction in Public Services and Public Health  
Deteriorating Infrastructure  
Increased Social Problems  
Insurance Unavailability and Rate Increases  
Increased IRS and ESC problems and levies  
Decline in Urban/Rural Business Activity  
Increased Local Taxes

## **Major Component Accomplishments for FY2000**

Distributed Community Financial Assistance payments in an accurate, fair and timely manner.

## **Statutory and Regulatory Authority**

AS 29.60.350-.375 Safe Communities

**Municipal Assistance**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	17,504.2	15,638.2	15,638.2
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>17,504.2</b>	<b>15,638.2</b>	<b>15,638.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	15,638.2	15,638.2	15,638.2
1054 State Employment & Training Program	1,866.0	0.0	0.0
<b>Funding Totals</b>	<b>17,504.2</b>	<b>15,638.2</b>	<b>15,638.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
State Employment and Training Program	51394	1,866.0	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>1,866.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>1,866.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Municipal Assistance**

**Proposed Changes in Levels of Service for FY2002**

No service changes.

**Summary of Component Budget Changes**

**From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	15,638.2	0.0	0.0	15,638.2
<b>FY2002 Governor</b>	15,638.2	0.0	0.0	15,638.2