

# **State of Alaska FY2017 Governor's Operating Budget**

## **Department of Commerce, Community, and Economic Development Community and Regional Affairs Results Delivery Unit Budget Summary**

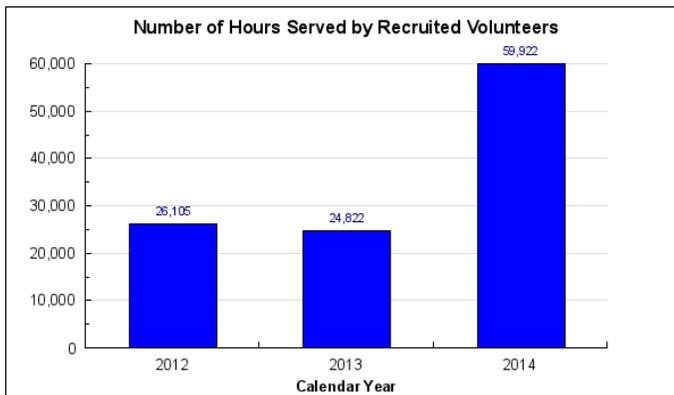
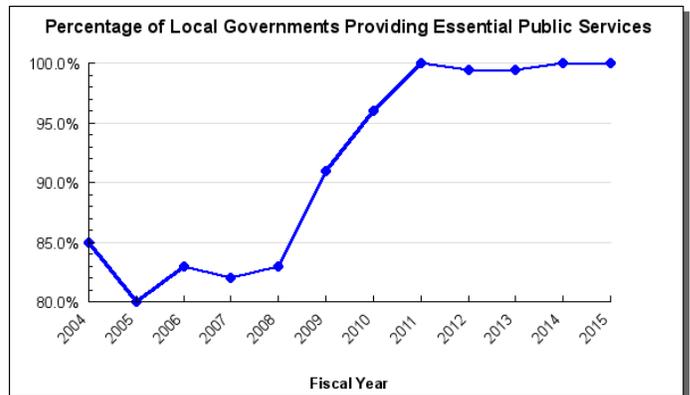
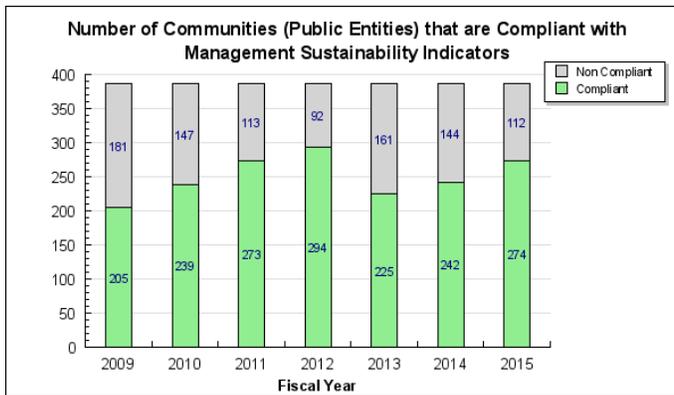
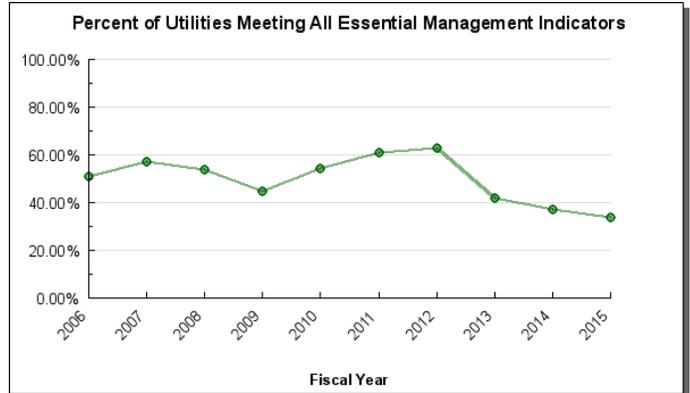
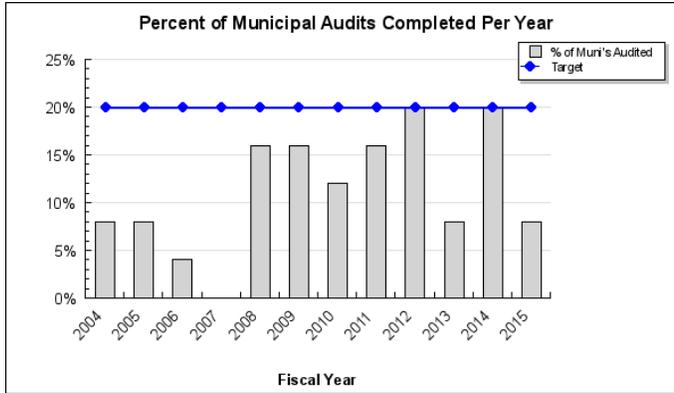
Community and Regional Affairs Results Delivery Unit

Contribution to Department's Mission

Promote strong communities and healthy economies.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



Core Services

- Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services
- Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and

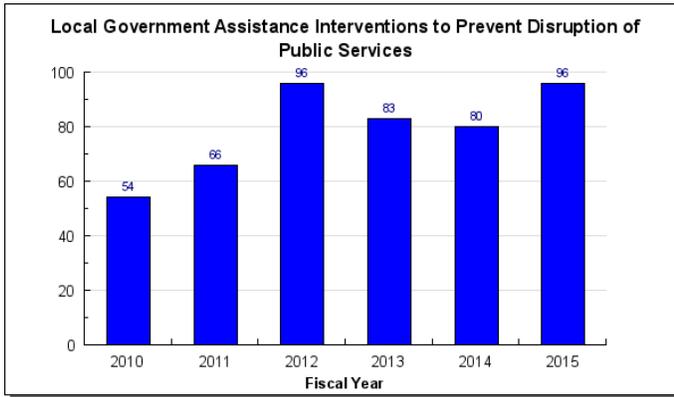
wastewater utilities

- Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues
- Financial Assistance - Administer multiple grant and funding distribution programs
- Information Resources - Collect, analyze and publish local government and economic development information
- Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation
- State Assessor - Technical assistance to municipal assessors on property value assessments to promote equity in the distribution of education funding and other shared revenue programs
- Serve Alaska - Provide National Service and volunteerism opportunities within Alaska

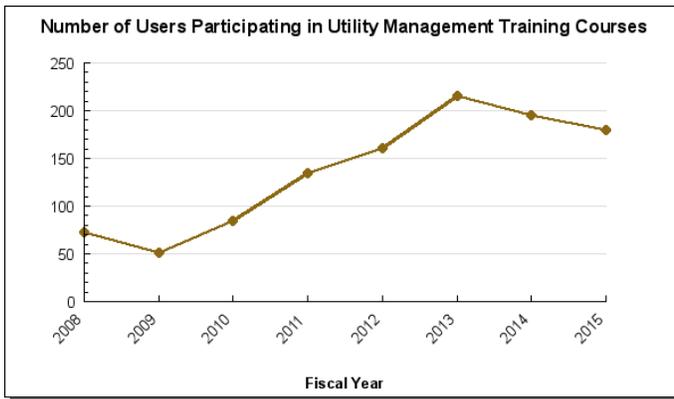
**Measures by Core Service**

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

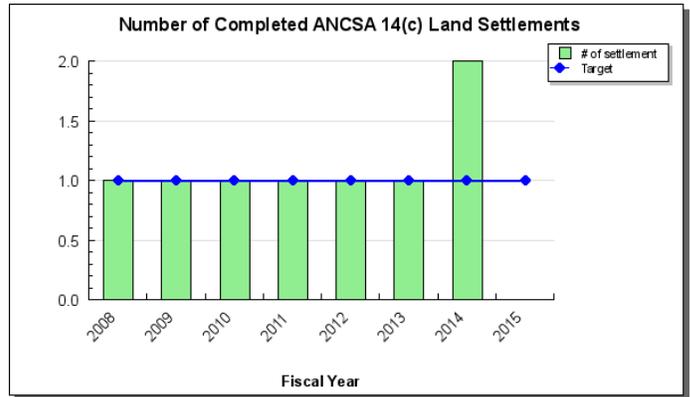
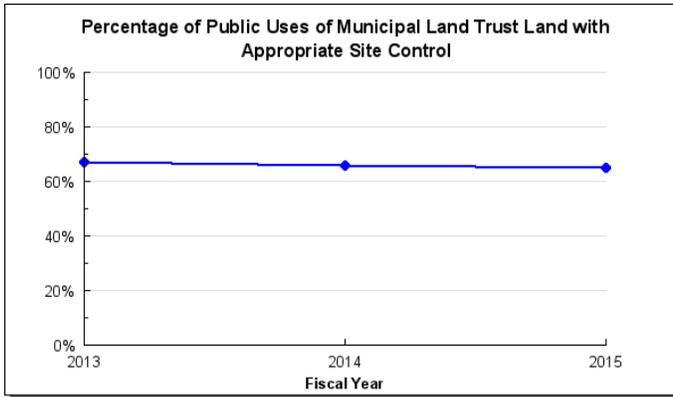
**1. Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services**



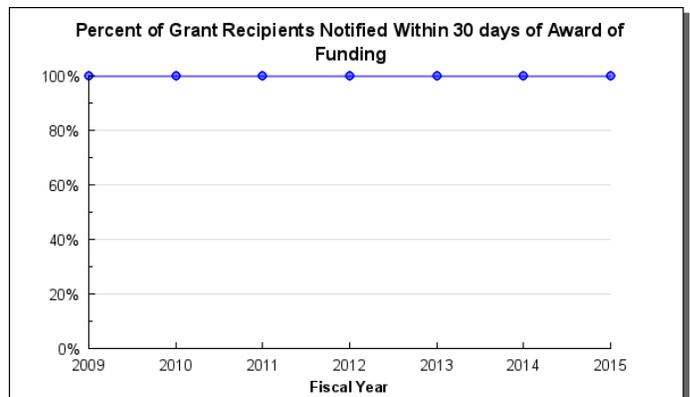
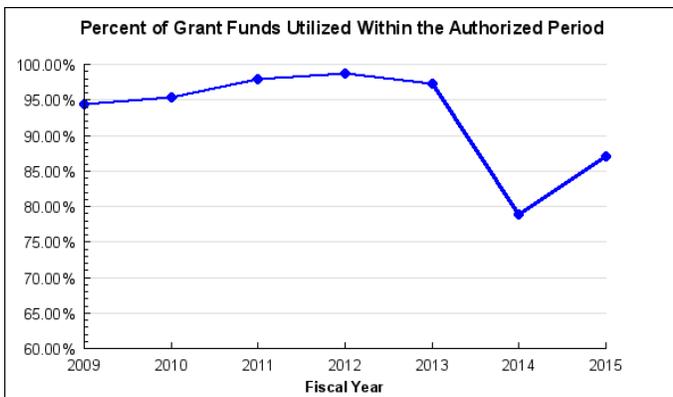
**2. Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities**



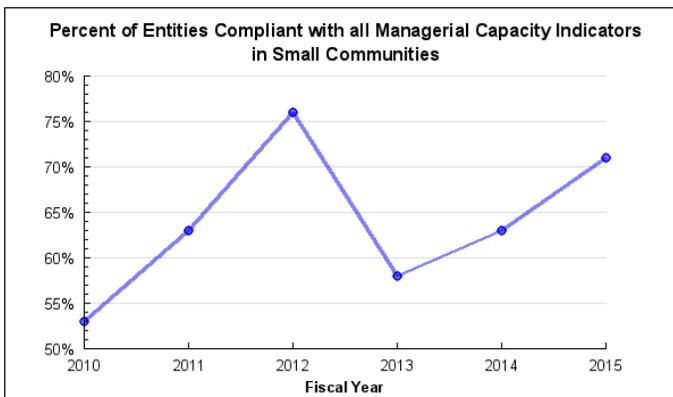
**3. Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues**



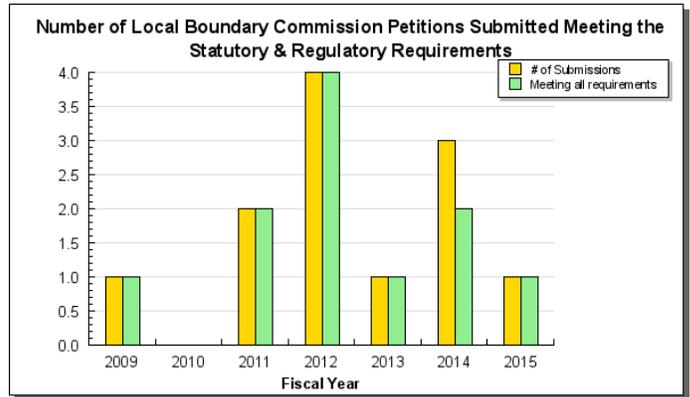
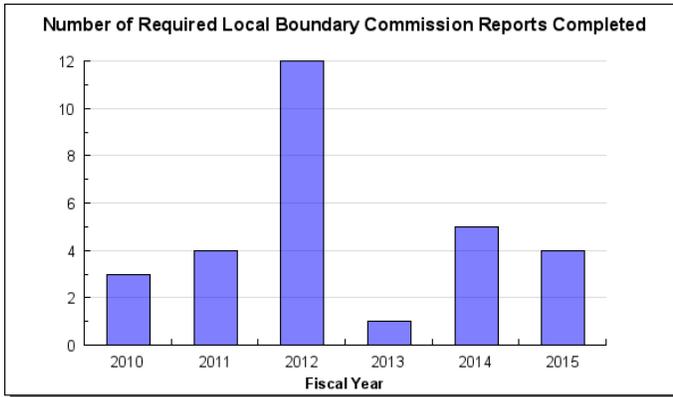
**4. Financial Assistance - Administer multiple grant and funding distribution programs**



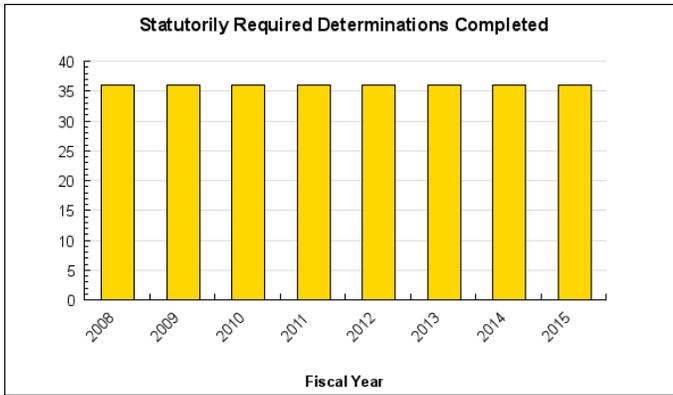
**5. Information Resources - Collect, analyze and publish local government and economic development information**



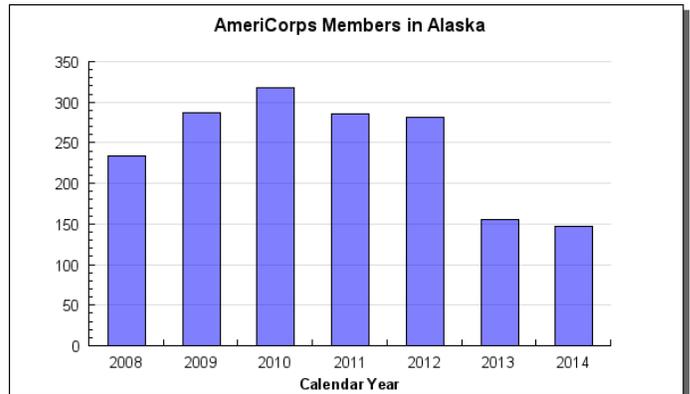
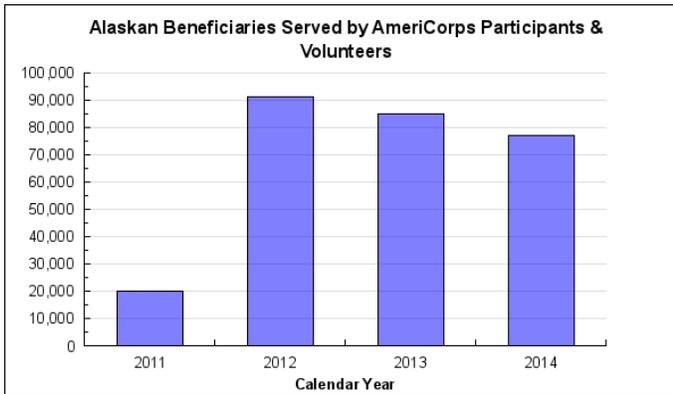
**6. Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation**



**7. State Assessor - Technical assistance to municipal assessors on property value assessments to promote equity in the distribution of education funding and other shared revenue programs**



**8. Serve Alaska - Provide National Service and volunteerism opportunities within Alaska**



**Major RDU Accomplishments in 2015**

**Local Government Assistance**

- Assistance was provided to 214 communities. There were 96 interventions which prevented disruption to essential public services. These interventions included: providing fuel loans to communities ineligible for bank loans and coordination of fuel deliveries to avoid critical shortages; Power Cost Equalization (PCE) on-site training and assistance to communities to file and receive payments that would have expired; assistance with filing for Community Revenue Sharing before the application deadline; assistance with critical financial issues involving the Internal Revenue Service; reinstatement of insurance coverage and a suspended gaming license.

Under the *Fuel Watch* initiative, staff in FY2015 made 564 calls to 293 different entities to verify that there were adequate financial resources and fuel supplies in place for winter.

### **Rural Utility Business Advisor (RUBA)**

- Assisted 199 communities, including 238 on-site trips to 109 different communities.
- RUBA staff presented twelve 32-hour courses on utility management in six different regional hubs. A total of 180 rural utility managers attended these courses, a decrease of 15 over the previous year. These courses are approved by the University of Alaska for credit and are presented in conjunction with regional health corporations and other regional entities.

### **Land Management**

- The Municipal Land Trustee (MLT) conducted site visits of Municipal Trust lands in Council, Pedro Bay, Solomon, and Tatitlek to meet with local village councils to address land use and site control issues.
- Nine communities requested site control for Municipal Land Trust (MLT) land, such as leases for landfill and playgrounds.
- Conducted land management or community planning workshops in Golovin, Kake, Napakiak, Napaskiak, Shageluk, St. Mary's, and with the Denali Borough. Issues include revitalizing planning commissions, streamlining planning functions, addressing chronic title issues, selecting ANCSA 14(c) (3) tracts, and developing a new model land ordinance for small municipalities.
- Participated in statewide 2015 HUD Site Control Conference, and presented on municipal land use planning and resolving site control issues.
- Partnered with the North Slope and Northwest Arctic Boroughs to prepare digital community profile maps for the 19 communities within the boroughs. Continued ongoing efforts to obtain matching funds for a 2012 legislative grant to produce community maps for the Alaska Highway and Denali Borough communities.
- Completed Community Assistance Visits (CAV's) to the City of Kotzebue, the Matanuska-Susitna Borough, and the Haines Borough which included providing an interactive implementation of the flood risk reduction ordinance.
- Received an additional grant of \$28.5 from the Federal Emergency Management Agency (FEMA) to support a temporary employee. This employee will provide training and technical assistance to the following National Flood Insurance Program (NFIP) communities: City of Cordova, Kenai Peninsula Borough, City of Seward, City of McGrath, McGrath Traditional Council, City of Dillingham, Bristol Bay Native Association, Fairbanks North Star Borough, Haines Borough, City of Valdez, City of Galena, City of Nome, City of Delta Junction, and City of Koyukuk. A special project was supported in the City of Koyukuk to collect high-water mark data, gather historical flood history by interviewing elders, and document sites visited for further USACE survey work to complete a historical flood risk analysis report.
- Conducted FEMA Risk Mapping, Assessment, and Planning (Risk MAP) meetings with the communities of Bethel, Emmonak, Cordova, Valdez, and Juneau.
- Initiated the Risk MAP initial contact in four rural Alaska communities: Aniak, Bethel, Emmonak, and Kwethluk.
- Conducted Risk MAP site visits for community meetings to the communities of Cordova, Emmonak, Homer, Seward, and Valdez.
- Facilitated the implementation of grants and technical assistance, under the Alaska Climate Change Impact Mitigation Program (ACCIMP) in Kivalina, Kipnuk, and Amautluak.
- Continued work on two federal grants received through the Coastal Impact Assistance Program (CIAP) to assist the communities of Kivalina, Shishmaref, Shaktoolik, and Newtok to assess, mitigate, and adapt to impacts of natural hazards in their communities.
- Conducted community resiliency planning meetings in Kivalina, Shaktoolik, and Shishmaref, established inter-agency working groups, and conducted working group meetings to develop resiliency plans.
- Provided technical assistance to grantees in the development of 57 projects funded through the Community Coastal Impact Assistance Program (CCIAP).

### **Financial Assistance**

- The Bulk Fuel Loan program issued 77 loans totaling \$13.5 million to 56 Alaska communities.
- The Grant Section administered 2,057 grants with an approximate value of \$2.3 billion. Of the 2,057 grants, 576 were new, totaling \$269 million.
- Grant staff provided four grant application/management workshops in the three regional hubs: Anchorage, Fairbanks and Juneau. A total of 56 local government representatives from 34 communities attended.
- Grant staff provided technical assistance to 440 individual grantees regarding project questions and issues.

- Over \$84 million was distributed to 307 different communities under the Community Revenue Sharing (CRS), Payment in Lieu of Taxes (PILT), National Forest Receipts (NFR), Shared Fisheries Business Tax (SFBT), and the Fisheries Resource Landing Tax (FRLT) programs.

#### **Information Resources**

- Updated and added community information hosted on the Community Database Online (CDO), and updated other web-based products such as the Financial Document Delivery System, Community Photo Library, and the Municipal Officials Directory. The CDO hosts public entity data used by staff to conduct service assessments necessary to understand the existing level of governance and to provide any assistance necessary to them. The CDO also has datasets related to population, taxes, climate, history, culture, utilities, schools, healthcare, economy, transportation and contacts for 321 communities and several places of interest.
- Completed economic disaster recommendation report for Gambell, Savoonga, Diomedede and Wales.
- Reviewed 21 population adjustment requests for determination of population used by the Community Revenue Sharing program.
- Published the bi-annual report on fuel prices across Alaska in January 2015 and July 2015.
- Responded to approximately 50 information requests received from legislative staff, private and public agency officials, and public.

#### **Local Boundary Commission**

- On June 1, 2015, a petition to annex 396 square miles of Nushagak Bay to the City of Dillingham was accepted for filing.
- On May 5, 2015, the Local Boundary Commission (LBC) approved a petition to annex approximately 2.42 square miles to the City of Houston.
- On May 1, 2015, a petition was filed to detach 0.076 square miles from the City of Fairbanks.
- On November 6, 2014, the LBC approved a petition to detach approximately 174 acres of land from the City of Allakaket, and to concurrently annex 12.3 square miles of land to the city.

#### **Office of the State Assessor**

- Completed five trips to communities to provide on-site technical assistance or training.
- Completed assessment audits of procedure and compliance for Anchorage and Unalaska.
- Conducted Board of Equalization training for eight communities.
- Conducted two International Association of Assessing Officers (IAAO) classes for assessment staff.
- Completed full value determinations for 85 municipal governments (19 boroughs and 17 cities in the unorganized borough).
- Prepared and published the 2014 Alaska Taxable, a document that presents a wide range of assessment and taxation information for Alaskan municipalities.

#### **Serve Alaska**

- AmeriCorps members continue to strengthen Alaska's communities. Through the 4,051 public volunteers recruited under the program, served 38 communities and performed more than 169,032 hours of service. Services areas include health, education, civic, and social service.
- Serve Alaska ranked 10<sup>th</sup> in the nation for its volunteer rate of 34.1%. One in four adults volunteered through an organization last year.

#### **Alaska Native Language Preservation & Advisory Council**

- Alaska Native Language Preservation and Advisory Council staff is working with the council to prepare the 2016 report to Governor Walker and the Alaska Legislature.

#### **Key RDU Challenges**

The Local Boundary Commission (LBC) staff consists of two positions who must respond to submitted petitions, which are primarily to form new cities, or to annex land or water to existing cities. The petition process takes about a year to complete because of the many opportunities provided for public comment and input. A great deal of staff's time is spent answering questions and providing information for the public. When several petitions are received at the same time, staff resources, as well as funding for travel of staff and commissioners to hold public hearings and decisional meetings, can be stressed. Many of the petitions received by the LBC are controversial. Sometime LBC decisions are appealed to the courts, and appeals can take years for the judicial system to resolve. The petition to

form a Petersburg borough, received in 2011, is still under appeal to the Alaska Supreme Court.

The number of petitions submitted to the LBC has increased recently because of the expanded interest and inquiries from municipalities and the public. Since the start of FY2013 eight petitions have been submitted, which nearly equals the total (ten) for the previous five years. Several communities have indicated that they would be filing boundary change petitions shortly. The LBC or its staff has no control as to when the petitions arrive, and cannot predict when they will arrive.

The Serve Alaska Commission's primary challenge is increasing public awareness about national service and the opportunities available to organizations. The Commission serves as the conduit for receiving the Corporation for National and Community Service formula and competitive funding, and Commission conducts a Request for Proposal to award funds to AmeriCorps programs in Alaska. Eligible applicants for AmeriCorps funding include local government agencies; Indian tribes; non-profit organizations including religious and labor unions; institutions of higher education; and state agencies. Areas of focus include: disaster services; environmental stewardship; veterans and families; economic opportunity; and education. As federal dollars shrink, the award process will become more competitive. Identifying programs that address each of the focus areas significantly impacts service provided to Alaskans.

### **Significant Changes in Results to be Delivered in FY2017**

The deletion of three permanent positions will diminish the division's program and services in the areas of grants administration, community aid and accountability, planning and business development.

<b>Contact Information</b>
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**Community and Regional Affairs  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2015 Actuals				FY2016 Management Plan				FY2017 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b> Community & Regional Affairs	7,558.9	897.3	1,616.9	10,073.1	7,410.6	1,067.7	2,005.6	10,483.9	7,029.7	1,016.8	2,005.6	10,052.1
Serve Alaska	0.0	0.0	0.0	0.0	216.6	20.0	1,892.8	2,129.4	216.6	20.0	1,892.8	2,129.4
<b>Totals</b>	<b>7,558.9</b>	<b>897.3</b>	<b>1,616.9</b>	<b>10,073.1</b>	<b>7,627.2</b>	<b>1,087.7</b>	<b>3,898.4</b>	<b>12,613.3</b>	<b>7,246.3</b>	<b>1,036.8</b>	<b>3,898.4</b>	<b>12,181.5</b>

**Community and Regional Affairs  
Summary of RDU Budget Changes by Component  
From FY2016 Management Plan to FY2017 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2016 Management Plan</b>	7,617.2	10.0	1,087.7	3,898.4	12,613.3
<b>Proposed budget decreases:</b>					
-Community & Regional Affairs	-380.9	0.0	-50.9	0.0	-431.8
<b>FY2017 Governor</b>	<b>7,236.3</b>	<b>10.0</b>	<b>1,036.8</b>	<b>3,898.4</b>	<b>12,181.5</b>