

# **State of Alaska FY2019 Governor's Operating Budget**

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

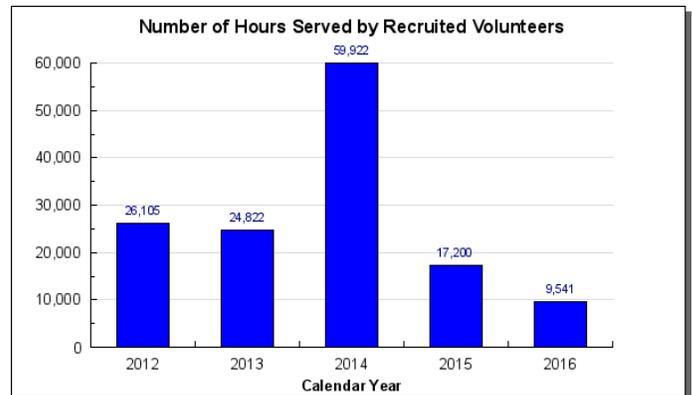
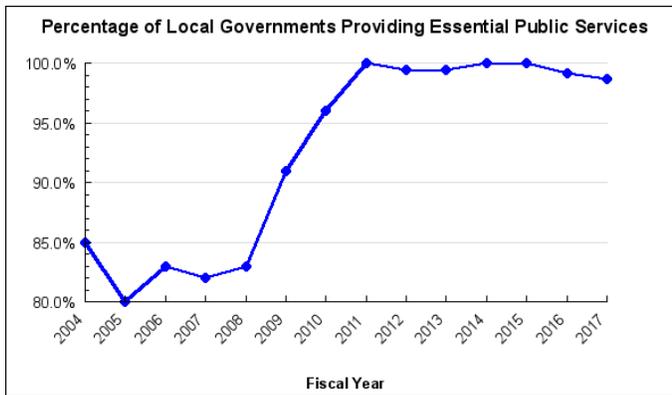
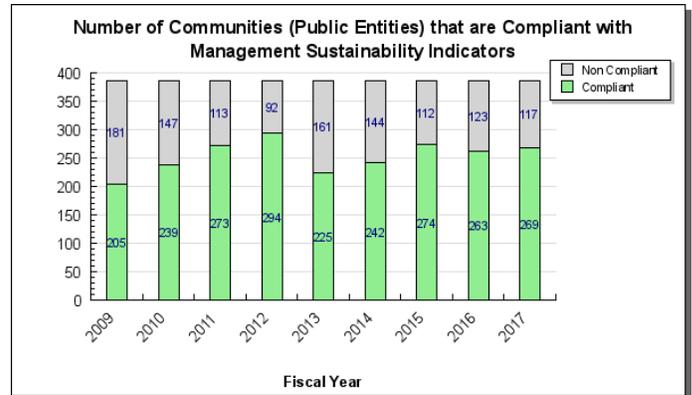
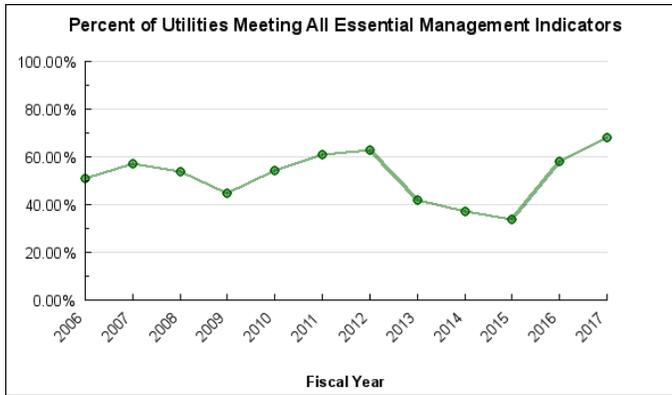
Community and Regional Affairs Results Delivery Unit

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>.)



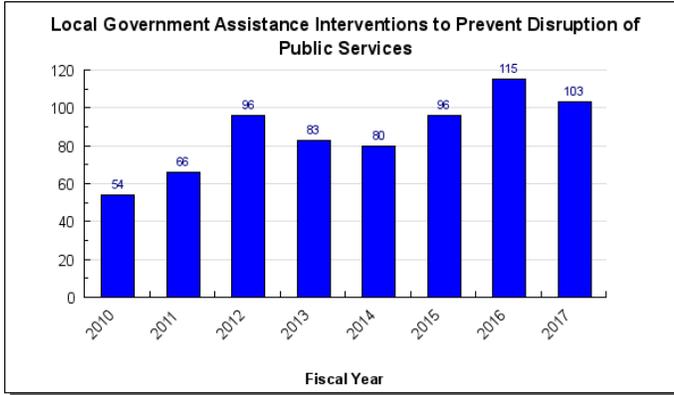
Core Services

- 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

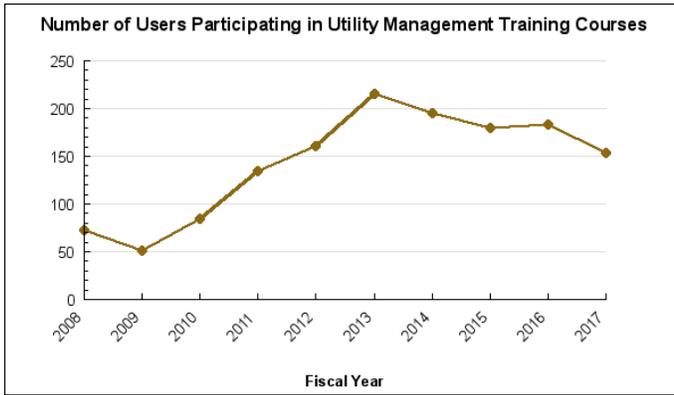
**Measures by Core Service**

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

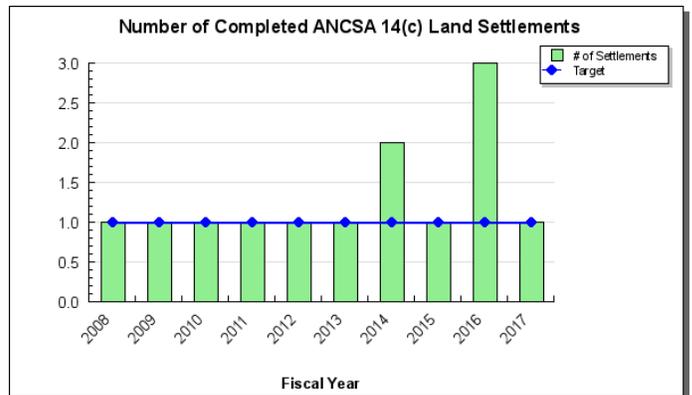
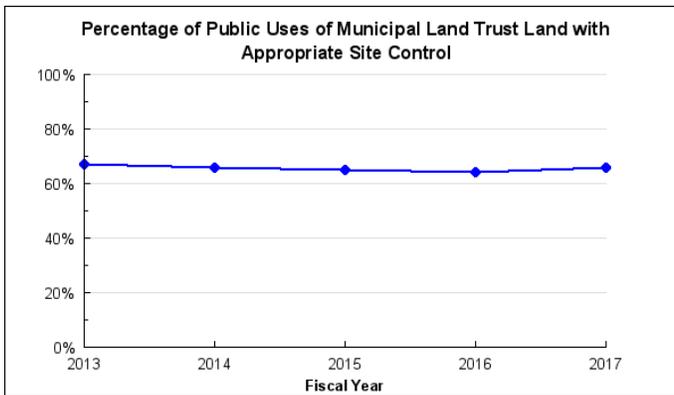
**1. Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services**



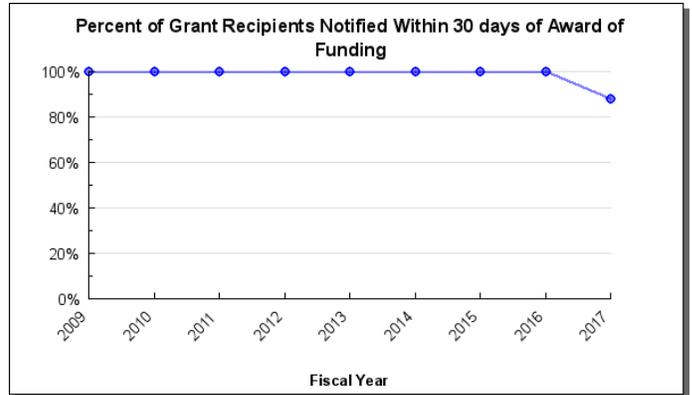
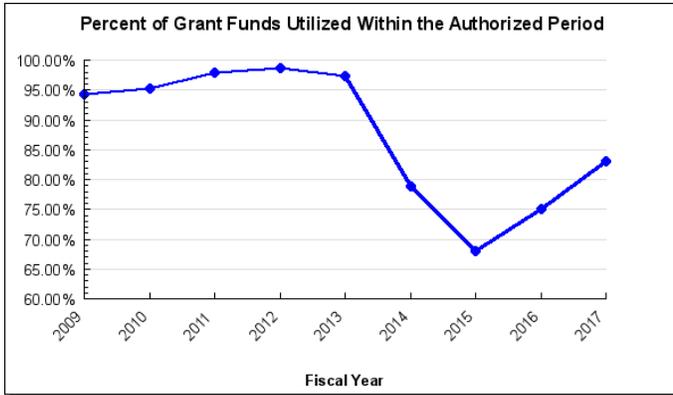
**2. Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities**



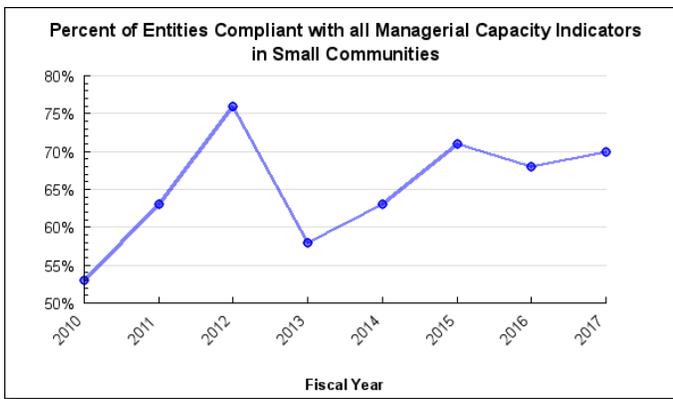
**3. Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues**



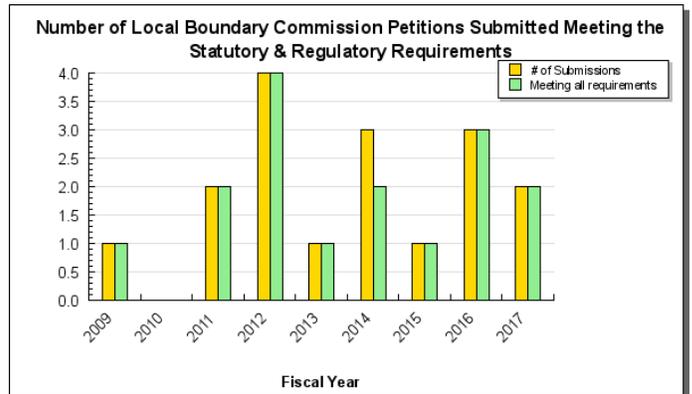
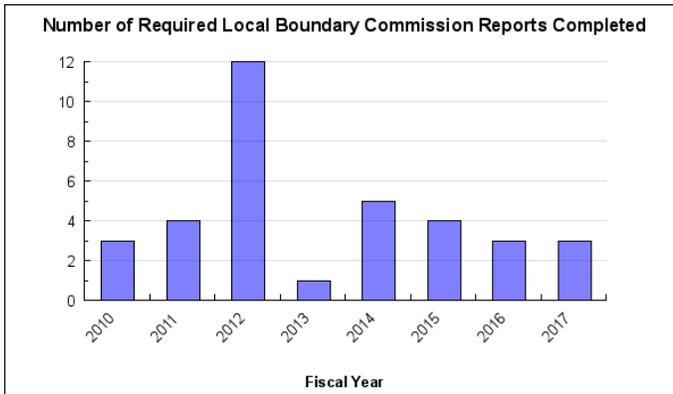
**4. Financial Assistance - Administer multiple grant and funding distribution programs**



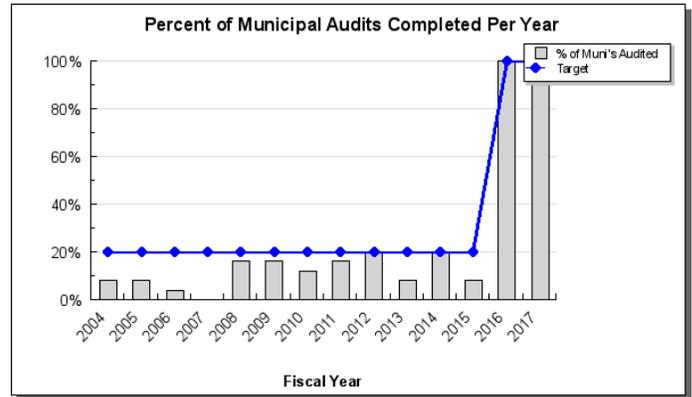
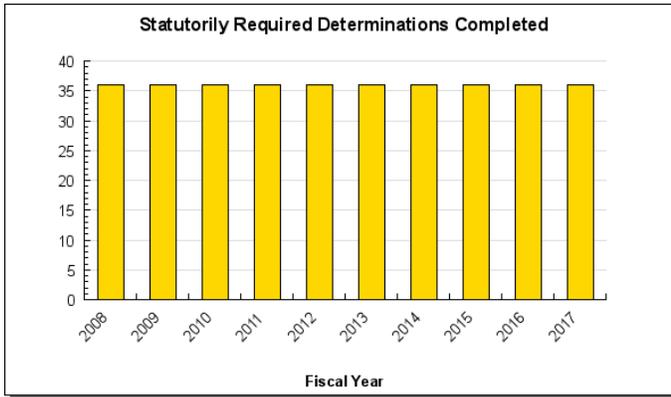
**5. Information Resources - Collect, analyze and publish local government and economic development information**



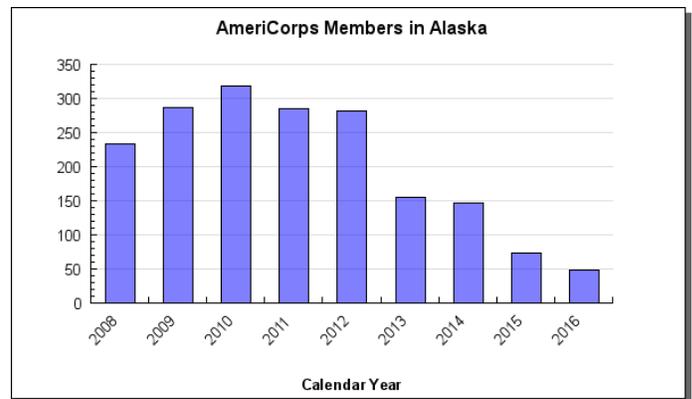
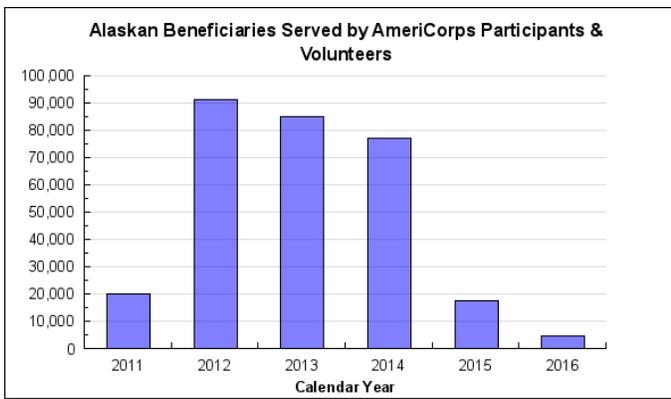
**6. Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation**



**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 2017**

**Local Government Assistance**

- Assistance was provided to 234 communities. There were 103 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 Assistance Program (formerly Community Revenue Sharing) before the application deadline; assistance with critical financial issues involving the Internal Revenue Service; and reinstatement of insurance coverage. Under the *Fuel Watch* initiative, staff in FY2017 made 577 calls to 297 different entities to verify that there were adequate financial resources and fuel supplies in place for winter.

**Rural Utility Business Advisor (RUBA)**

- Assisted 195 communities, including 158 on-site trips to 99 different communities.
- RUBA staff presented ten 32-hour courses on utility management in four different regional hubs. A total of 153 rural utility managers attended these courses. 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**

- Municipal Land Trustee (MLT) staff conducted a site visit of Municipal Trust lands in Minto and met with the local village council to address land use and site control issues.
- Requests for site control for the use of Municipal Trust land included the community hall in Manley Hot Springs, a GCI facility in Kokhanok, a road easement in Chignik Lake, a cemetery in South Naknek, and a tribal office building in Georgetown.

- A settlement agreement for satisfaction of the requirements of Alaska Native Claims Settlement Act (ANCSA) 14(c)(3) for a future city in Cantwell was received from Ahtna, Inc., thoroughly evaluated by staff, and accepted by the Municipal Lands Trustee. On completion of a survey, approximately 800 acres will be taken into trust for the benefit of the future municipality.
- Conducted land management or community planning workshops in Scammon Bay and St. Mary's at the communities' request, with airfare and lodging paid for by the community. Requests for workshops were also received from Nunapitchuk, Upper Kalskag, Kwethluk, and Napakiak. However, these communities could not provide local travel funds to support their requests for training.
- Provided planning and related assistance to 12 organizations to advance community development on issues ranging from seeking survey funds; clarifying city, borough or state platting powers; identifying differences in planning powers between when a first class city becomes a home rule city; understanding tideland platting procedures; describing the state municipal land entitlement process; establishing an addressing system; and understanding dynamics between ANCSA planning and related land issues to local planning and zoning powers.
- Participated in statewide Federal Emergency Management Agency (FEMA) Climate Change workshop and assisted in getting rural sessions at the statewide American Planning Association (APA) municipal planning workshop.
- Facilitated an aerial mapping project for Northway and Tok using funding from a prior-year capital project. The division worked with the regional partner for the project, the Alaska Gateway School District, to identify alternative community match funding when federal funds from the U.S. Natural Resource Conservation Service were unexpectedly unavailable. Alaska Power and Telephone (AP&T) was able provide the needed matching funds, and assisted in issuing a Request for Proposal to complete the mapping. The new aerial photography was completed in July 2017.
- Provided municipal land management assistance to 18 communities to administer enforcement of reverter clauses on city-issued deeds; legal public access across private land; a site for a regional landfill; site control for three Community Development Block Grant-funded projects; conversion of fee land into trust; options for agreements between tribes and municipalities on road maintenance; opportunities to dispose of City properties into private or commercial use; and resolution for trespass of contractors on City land. All assistance begins with verifying title and City property procedures, and frequently requires title corrections or updates in land ordinances.
- Provided ANCSA-related assistance to 12 communities in various phases of the ANCSA planning and reconveyance process. With four partners, facilitated a three-day regional ANCSA workshop in Bethel attended by 18 individuals from 10 organizations. Coordinated with Bureau of Land Management (BLM) on the status and completeness of ANCSA 14(c)(3) reconveyances for six specific communities (Hydaburg, Fort Yukon, Kaktovik, Kiana, Nuiqsut, and Wainwright). Updated the municipal ANCSA database which required title research and comparing data with BLM.
- Completed Community Assistance Visits (CAV's) with the assistance of FEMA staff with the City of Kotzebue and the Northwest Arctic Borough, with both entities following the National Flood Insurance Program (NFIP) recommendation for their requirements in regards to the NFIP program.
- Reviewed the city of Aniak's floodplain ordinance to ensure they are meeting the FEMA standards, and provided guidance on the floodplain permitting form. DCRA staff recommended city staff attend web-based training on floodplain courses.
- Conducted community technical assistance site visits to Newtok, Shaktoolik, Ketchikan, Juneau, Valdez, Palmer, Willow and Wasilla.
- Conducted FEMA Risk Mapping, Assessment, and Planning (Risk MAP) meetings in Ketchikan Gateway Borough, City and Borough of Juneau, City of Valdez, Municipality of Anchorage, Mat-Su Borough and Kenai Peninsula Borough.
- Participated in the Matanuska-Susitna (Mat-Su) Borough Risk MAP meetings within the communities of Willow, Meadow Lakes, Wasilla and Butte. These meetings were for preliminary results of a Flood Insurance Rate Maps (FIRM) for the communities. These meetings were facilitated by FEMA staff.
- Participated in community resilience workshop in Kotzebue which included communities from the Northwest Arctic Borough. The purpose of the workshop was to identify tools and strategies to address the challenges of a rapidly changing coast.
- Conducted interagency planning group meetings for the communities of Newtok, Kivalina and Shaktoolik which focused on implementing the strategic actions from each community's Strategic Management Plan developed in 2016.
- Managed a Federal Cooperating Technical Partnership (CTP) grant with FEMA for the implementation of the Risk MAP Program in Alaska.

- Updated the 2017 Alaska Mapping Business Plan, which describes the Alaska Risk MAP Program, documents Risk MAP studies in Alaska over the past year, and identifies the state priorities for new Risk MAP studies in the coming year.
- Developed a new focus of the Alaska Risk MAP Program on Alaska Native Villages. This new focus will bring Risk MAP study dollars, technical assistance, resources and tools to imminently-threatened Alaska Native villages, to help them understand their natural hazard risk, make decisions about how to respond to those hazards, and take action to reduce risk from those hazards.
- Collaborated with several federal agencies, including the U.S. Department of the Interior, to develop an Adaptive Village Relocation Framework in Alaska.
- At the invitation of the U.S. Army Corps of Engineers, Alaska District, attended a Flood Risk Management Conference in St. Louis, Missouri hosted by the National Silver Jackets team. The Silver Jackets work in teams across the United States to bring together multiple state, federal, and sometimes tribal and local agencies to learn from one another to reduce flood risk and other natural disasters. Worked with members of the Alaska Silver Jackets Team to identify ways to develop comprehensive and sustainable solutions to flood hazard issues in Alaska.

### **Financial Assistance**

- The Bulk Fuel Loan program issued 67 loans totaling \$13.8 million to 64 Alaska communities.
- The Grant Section administered 1,210 grants with an approximate value of \$1.6 billion. Of the 1,210 grants, 29 were new, totaling \$11 million.
- Grant staff provided three grant application/management workshops in three regional hubs: Anchorage, Fairbanks, and Nome. Forty-eight local government representatives from 31 communities attended.
- Approximately \$54 million was distributed to 307 different communities under the Community Assistance Program (CAP), 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 Community Plans Library. 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 the Rural Utility Business Advisor (RUBA) workflow, which allows staff from seven field offices to enter best practice information quarterly using the ESRI application. The information collected is reported on dashboards to quickly find information necessary for the grant reporting. Community specific reports can also be generated for reference by staff.
- Created surveys to assist with collection of data, such as for the Alaska Native Language Preservation and Advisory Council, Serve Alaska, and to track usage of the Community Database Online.
- Published the biannual report on fuel prices across Alaska in July 2016 and January 2017. This publication uses information gathered by conducting a survey of 100 communities statewide.

### **Local Boundary Commission (LBC)**

- In late November 2016, the LBC traveled to Dillingham and Manokotak to conduct a public hearing on two competing annexation petitions. The LBC finalized both petition decisions in January 2017. The LBC approved an annexation with reduced boundaries for Manokotak. The decision was sent to the legislature, and took effect on March 13, 2017. The LBC voted to deny the City of Dillingham's annexation petition in reconsideration. Both petitions are under appeal.
- Staff finished a preliminary list attempting to compile detailed information on all boundary changes since statehood. No such list has existed and will be used to create a dynamic map available to DCRA and to the public on the LBC website.
- Staff accepted a petition for incorporation from voters in the Nikiski area, and conducted a public meeting in February 2017 to provide information on the process. Staff also released a preliminary report recommending denial of the petition in May 2017.
- Staff accepted a petition for annexation from Sand Point, but the petition was withdrawn after the publication of the staff preliminary report in April 2017.

- Several LBC Commissioners traveled to Whale Pass in August 2016 to conduct a public hearing for incorporation. The incorporation was approved by LBC and the voters in Whale Pass. Whale Pass became the newest second class city in Alaska in January 2017.

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

- Completed two trips to communities to provide on-site technical assistance or training.
- Performed a statewide audit of assessment technology systems. The statewide audit provides an analysis of level of technology, or lack thereof, for all jurisdictions in the State of Alaska that levy a property tax. Specifically, the audit examines whether a jurisdiction maintains an adequate digital database that contains the essential real and personal property assessment inventory data, property ownership, and exemption documentation required to generate reliable valuations. The audit also examines the availability of geographic information systems (GIS) for purposes of generating values and communicating the results to the public.
- Conducted Boards of Equalization (BOE) training for members of the BOE in a total of eight communities. Three training sessions were held in-person, and five were conducted via teleconference.
- Conducted two Alaska Association of Assessing Officers (AAAO) classes for local government assessing staff in Alaska.
- Completed full value determinations for 85 municipal governments (19 boroughs and 17 cities in the unorganized borough).
- Completed the design and development of the Alaska Taxable report for the Office of State Assessor using a new software system. The Alaska Taxable publication was previously compiled using Microsoft Excel. The 2016 Alaska Taxable report was published as a more user friendly, cost effective, and robust reporting tool utilizing Geographic Information Systems (GIS) capabilities. It is released in tandem with a smaller publication in the historical format. A supplemental tool was also created to allow for a comprehensive taxation report for each municipality. Redesign of Alaska Taxable was showcased in the Summer 2017 edition of the ArcUser, which is a high-profile industry magazine.

#### **Serve Alaska**

- Alaska ranked 9th in the nation for its volunteer rate of 32.6%, with 37.2 hours per capita, keeping Alaska in the top 10 states in the country.
- Over twenty-five AmeriCorps members in 18 communities were trained on how to open *Volunteer Reception Centers in Times of Disaster*.
- The Serve Alaska Commission voted to fund three new programs through their federal funding allocation: the Salvation Army, United Way of Southeast, and the Alaska Public Defender Agency. These new programs double the AmeriCorps State programs in Alaska.
- A new AmeriCorps program housed at the Anchorage Park Foundation, the Mayor's AmeriCorps Program, started in FY2017. This program placed 10 volunteers in the Municipality of Anchorage in five departments for the summer, and was a great success in its first year.
- Held the second AmeriCorps three-day Academy training for non-profit and faith-based organizations, state government agencies, and the general public. Topics included: Theory of Change, Performance Measures, Collection of Evidence, and Data Collection, all components of a grant application for an AmeriCorps grant. All three of the new programs funded attended this training.
- Serve Alaska received \$90,000 in additional federal funds from the Corporation for National and Community Service (CNCS) to support training and technical assistance for staff and program sites.

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

- Alaska Native Language Preservation and Advisory Council staff continues to work with the council and stakeholders to pursue the preservation of Alaska Native Languages in Alaska.
- Along with the Alaska Election Policy Working Group, participated in planning for future election procedures that encourage voter participation and voter confidence in the voting process, with special interest in Alaska Native language speakers and rural Alaskans.
- Created and distributed a survey to each Alaskan school district superintendent requesting basic information on Alaska Native language programs in schools. Responses were received from 86 Alaskan schools. The Alaska Native language learning programs identified through the survey are now available in a searchable database.
- Provided assistance to Alaska Native tribal and non-profit organizations that are planning programs to revitalize their heritage languages.
- Provided assistance to the LBC staff on Alaska Native language demographic status and issues.
- Met with the Alaska Historical Commission to provide information regarding Alaska Native language place names.

- Corrected listings in the CDO for Alaska Native language place names.

### **Key RDU Challenges**

The Municipal Lands Trustee (MLT) Program holds more than 11,000 acres of land in 32 communities around Alaska in satisfaction of the requirement of Section 14(c)(3) of ANCSA that village corporations convey title to the State in trust for developed sites in the community as well as land for community expansion. The population has been declining in a number of these communities. In five communities, schools on land held in trust by the State of Alaska have closed and sit vacant. Another five schools on MLT land are at risk of closure. Few communities recover from the closure of a school. The ownership of land, particularly land with vacant buildings in communities of few residents, presents a liability to the State of Alaska.

The number of petitions submitted to the Local Boundary Commission (LBC) has increased because of 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 staff consists of two positions. The petition process takes about a year to complete because of the many opportunities provided for public comment and input. 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 strained.

The Office of the State Assessor (OSA) is challenged to support technological changes to electronic data systems in ten communities in the next year. There is a high amount of retirement within the work force of assessment offices and there will be a replacement of over half of the current assessment staff in the next two years. The OSA will be asked to train and educate the new staff as well as help local jurisdictions with control of this amount of change in the work product of the local offices. Seven major jurisdictions are expected to replace or upgrade their Computer Assisted Mass Appraisal (CAMA) systems in the next three years including: Anchorage, Mat-Su, Kenai Peninsula Borough, City and Borough of Juneau, Kodiak Island Borough, and Fairbanks North Star Borough. It is anticipated that four of these jurisdictions will also replace their chief assessment administrator in the same time period.

The Serve Alaska Commission faces challenges of an expanding portfolio with limited staff, and engagement with AmeriCorps members serving in communities spread across Alaska.

### **Significant Changes in Results to be Delivered in FY2019**

Grant administration staff within the division has been reduced from twelve in FY2015 to seven in the FY2019 budget. The grants portfolio managed by the staff is expected to decrease from 1,541 at the end of FY2017 to approximately 800 in FY2019 due to fewer legislative appropriations and the completion and closeout of existing grants. However, the remaining grants managed by the section are related to complicated grant programs that require significant staff assistance.

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

*All dollars shown in thousands*

	FY2017 Actuals				FY2018 Management Plan				FY2019 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	6,057.7	527.7	1,624.7	8,210.1	6,469.6	1,020.8	2,008.3	9,498.7	6,434.0	1,022.0	2,012.9	9,468.9
Serve Alaska	209.4	5.0	802.3	1,016.7	217.7	20.0	1,894.5	2,132.2	217.9	20.0	1,894.8	2,132.7
<b>Totals</b>	<b>6,267.1</b>	<b>532.7</b>	<b>2,427.0</b>	<b>9,226.8</b>	<b>6,687.3</b>	<b>1,040.8</b>	<b>3,902.8</b>	<b>11,630.9</b>	<b>6,651.9</b>	<b>1,042.0</b>	<b>3,907.7</b>	<b>11,601.6</b>

**Community and Regional Affairs  
Summary of RDU Budget Changes by Component  
From FY2018 Management Plan to FY2019 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>FY2018 Management Plan</b>	6,597.3	90.0	1,040.8	3,902.8	11,630.9
<b>One-time items:</b>					
-Community & Regional Affairs	-50.0	0.0	0.0	0.0	-50.0
<b>Adjustments which continue current level of service:</b>					
-Community & Regional Affairs	14.4	0.0	1.2	4.6	20.2
-Serve Alaska	0.2	0.0	0.0	0.3	0.5
<b>FY2019 Governor</b>	<b>6,561.9</b>	<b>90.0</b>	<b>1,042.0</b>	<b>3,907.7</b>	<b>11,601.6</b>