

Drinking Water Capitalization Grant - Subsidy Funding

FY2019 Request: \$2,041,000

Reference No: 49697

AP/AL: Appropriation

Project Type: Water / Sewer / Solid Waste

Category: Health/Human Services

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Andrew Sayers-Fay

Estimated Project Dates: 07/01/2018 - 06/30/2023

Contact Phone: (907)269-6281

Brief Summary and Statement of Need:

The federal Drinking Water Capitalization Grant requires states to issue subsidies (a loan forgiveness process). The subsidy amount required was identified under the grant terms the Environmental Protection Agency has identified for Alaska. This program functioned strictly as a loan program until FY2011 when this provision was added to the federal budget. In order to implement this provision, an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Drinking Water Fund. Future funding requests will remain at a set percentage of each year's capitalization grant.

Funding:	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Total
1100 ADWF	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$12,246,000
Total:	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$12,246,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

- Sec1 Ch1 SLA2017 P4 L11 SB23 \$2,041,000
- Sec1 Ch2 SLA2016 P4 L5 SB138 \$2,526,300
- Sec1 Ch38 SLA2015 P3 L30 SB26 \$2,526,300
- Sec1 Ch18 SLA2014 P51 L12 SB119 \$2,526,300
- Sec1 Ch16 SLA2013 P63 L10 SB18 \$2,692,800
- Sec1 Ch17 SLA2012 P113 L11 SB160 \$4,634,000
- Sec1 Ch5 SLA2011 P81 L9 SB46 \$4,071,900
- Sec1 Ch43 SLA2010 P23 L19 SB230 \$4,071,900

Project Description/Justification:

The federal Drinking Water Capitalization Grant requires states to issue subsidies (a loan forgiveness process). The subsidy amount required was identified under the grant terms the Environmental Protection Agency has identified for Alaska. This program functioned strictly as a loan program until FY2011 when this provision was added to the federal budget. In order to implement this provision, an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Drinking Water Fund. Future funding requests will remain at a set percentage of each year's capitalization grant. For FY2019, the amount is \$2,041,000.

Without authorization this federal year to issue these subsidies, the department will not be eligible to receive this funding and will be unable to award loan funds and principal forgiveness in FY2019.