

State of Alaska FY2020 Governor's Operating Budget

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

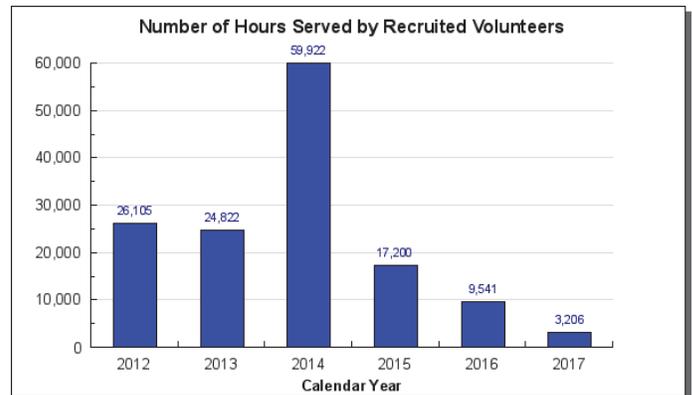
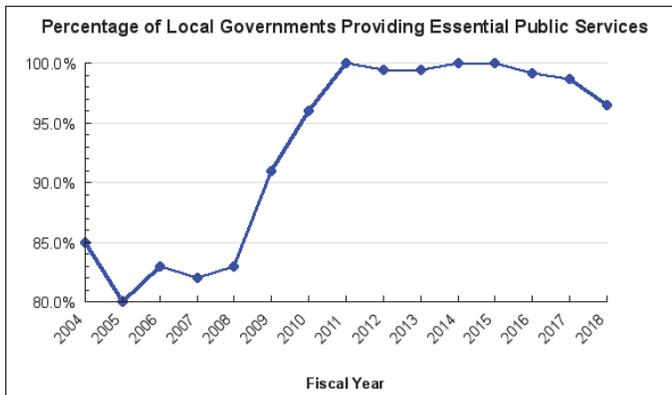
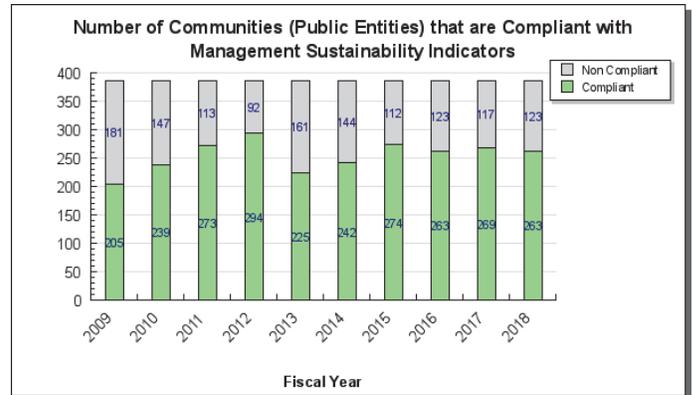
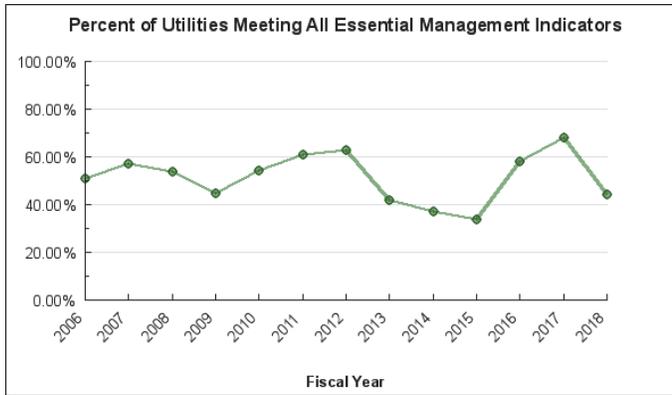
Community and Regional Affairs Results Delivery Unit

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>.)



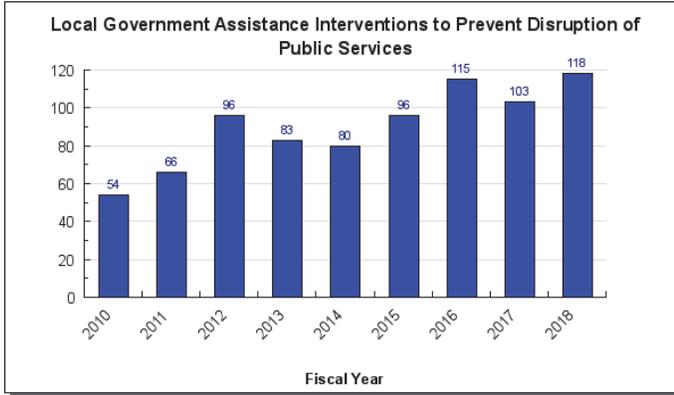
Core Services

- 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

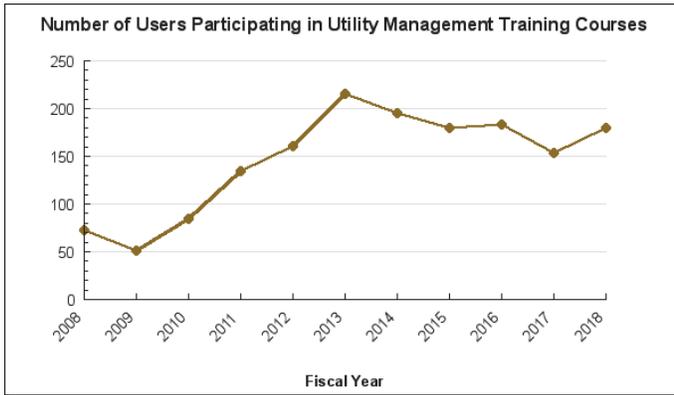
Measures by Core Service

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

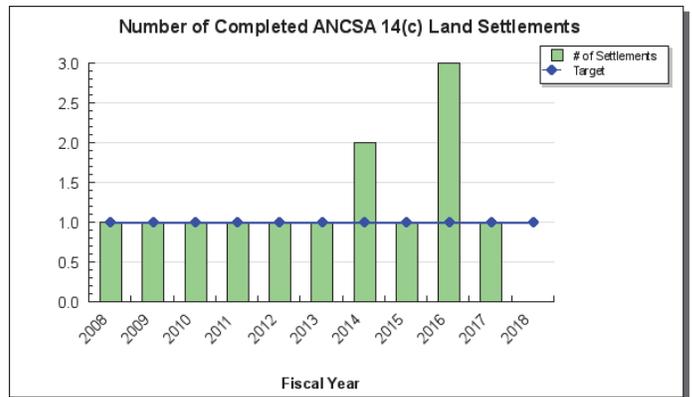
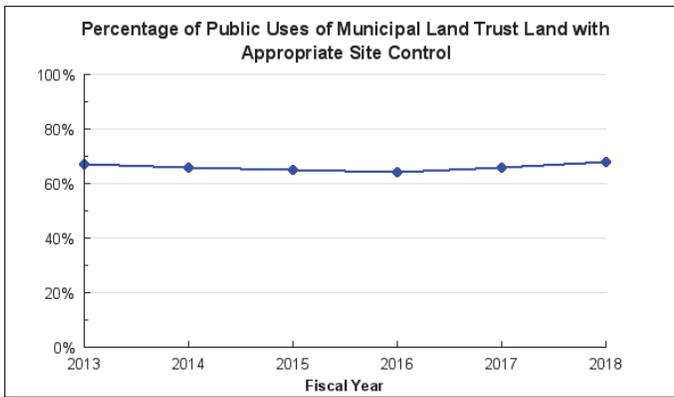
1. Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services



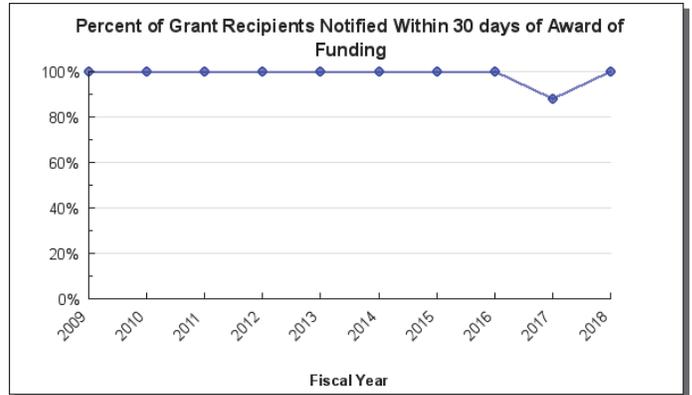
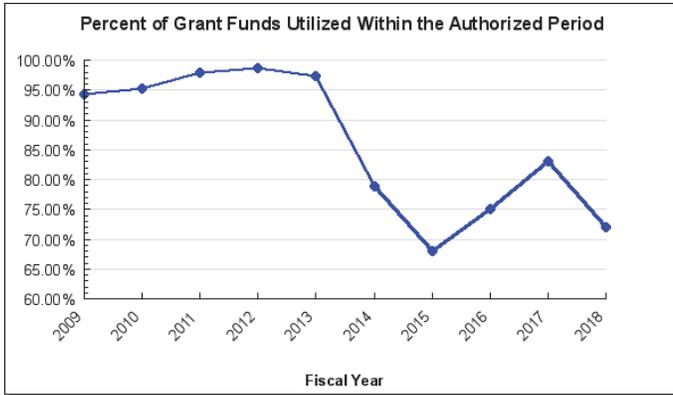
2. Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities



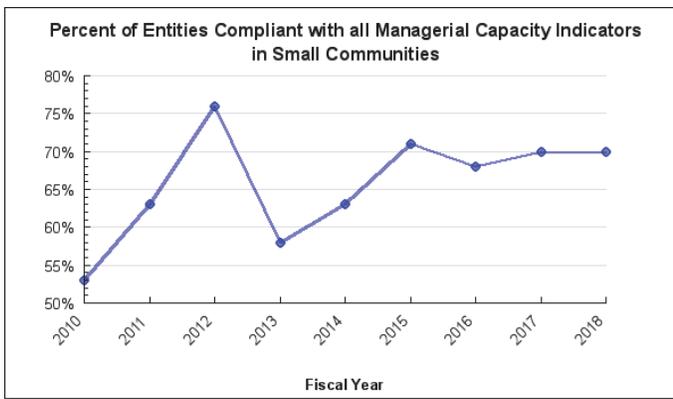
3. Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues



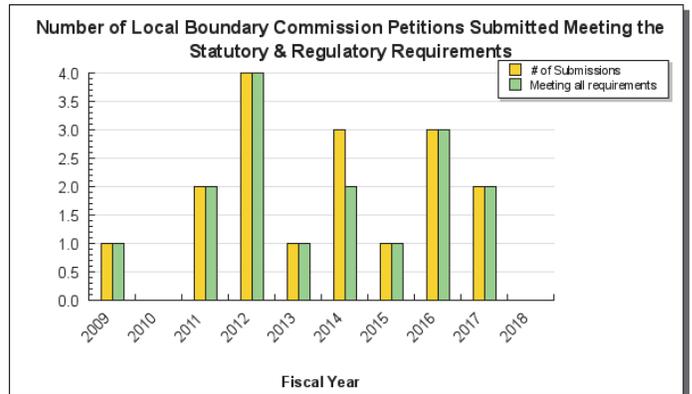
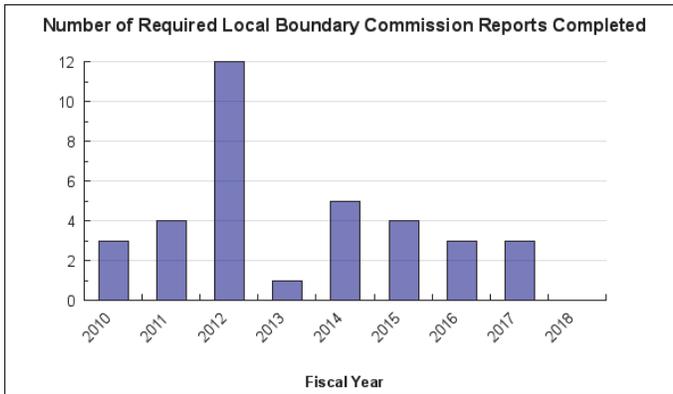
4. Financial Assistance - Administer multiple grant and funding distribution programs



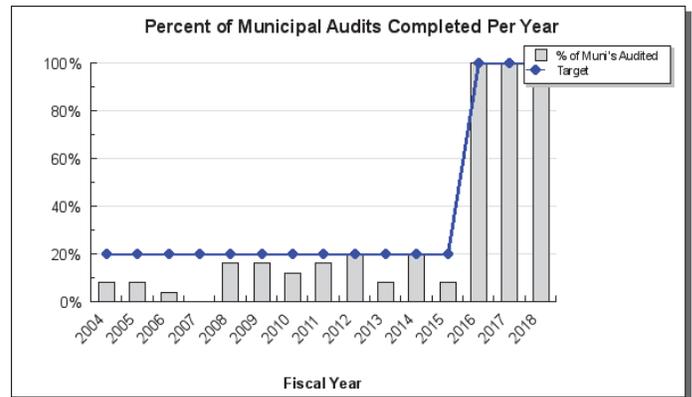
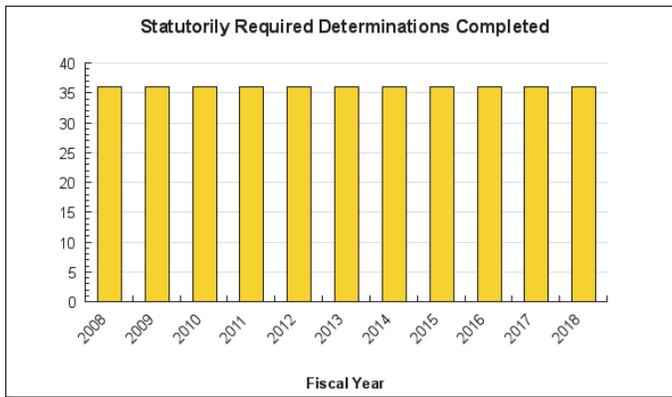
5. Information Resources - Collect, analyze and publish local government and economic development information



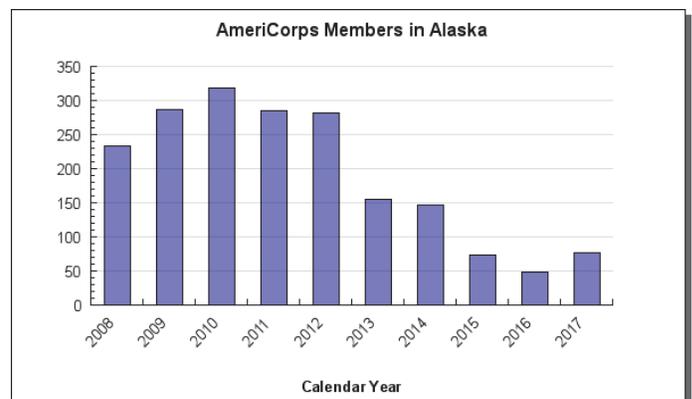
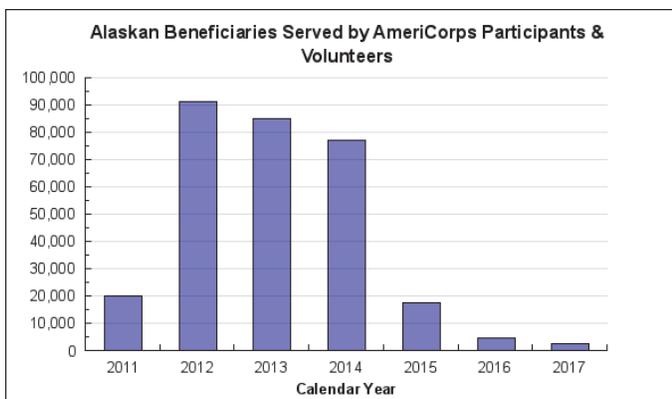
6. Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation



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 2018

Local Government Assistance

- Assistance was provided to 246 communities. There were 118 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 FY2018 made 503 calls to 265 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 200 on-site trips to 102 different communities.
- RUBA staff presented eleven 32-hour courses on utility management in five different regional hubs. A total of 180 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 site visits of Municipal Trust lands in Kokhanok and Pitka's Point to address preference rights claims of local residents who had homes on the land prior to the transfer of the lands to the State in trust.
- Requests for site control for the use of Municipal Trust land included the clinic in Kokhanok, the maintenance station in Evansville, power line easements in Iliamna, and the lift station in Koliganek. Settlement agreements for

satisfaction of the requirements of Alaska Native Claims Settlement Act (ANCSA) 14(c)(3) are under negotiation in Chistochina, Gakona, and Crooked Creek for land to be held in trust for future city governments. A proposal to satisfy the requirements of ANCSA 14(c)(3) with no land held in trust for King Island, a long-vacant village, was approved.

- Requests were received from the cities of Golovin, Stebbins and Klawock for information about the National Floodplain Insurance Program (NFIP). Staff provided the requirements for joining and opting out of the NFIP program to the cities.
- The City of Seward Community Assistance Visit (CAV) that was conducted in August 2016 was closed out by FEMA Region X staff.
- A FEMA training was conducted in Managing Floodplain Development through the National Flood Insurance Program in Anchorage with twenty participants from around the state. A FEMA travel reimbursable grant was provided to the participants.
- Floodplain ordinances for the City and Borough of Sitka and Shishmaref were reviewed for compliance with FEMA requirements for floodplain regulations.
- CAV's were completed with the City of Shishmaref and City of Nome with both entities following the NFIP recommendation in regards to the NFIP program requirements.
- Research was conducted on the status of the ANCSA 14(c)(3) process for 11 communities, in response to requests from four organizations, including one from the North Slope Borough for their eight communities.
- Assistance was provided to six communities in various stages of the ANCSA process: Shageluk, Upper Kalskag, Golovin, Quinhagak, White Mountain, and Ambler
- Staff responded to a request to present an overview of ANCSA to the planning staff of the Matanuska-Susitna Borough.
- A project to complete community profile maps for Northway and Tok began with new aerial photography and orthophotography. The contractor conducted and obtained DCRA review on land title research and working maps were produced. The grant and contract terms were extended until June 30, 2019 to ensure the maps are completed in full compliance with DCRA's map standards.
- Local Government Specialist (LGS) staff assisted in obtaining matching funds from Alaska Power and Telephone, which eventually led to the initiation of a community profile project for Eagle and Eagle Village.
- Land management assistance was provided to 21 communities to resolve issues related to access management, enforcing reversion of property interest, residential and commercial lot disposals, review and updates of real property code ordinances, inventory and audits of city-owned title and existing buildings and land uses, residential encroachments on city land or rights-of-way, residential trespass, deciding land management policies in newly annexed areas, and site control requests before release of grant funds related to a Chignik trail upgrade, Huslia multipurpose building, and Ouzinkie hydroelectric upgrades.
- Planning assistance provided to Napakiak for hazard mitigation and five-year community plan.

Financial Assistance

- The Bulk Fuel Loan program issued 92 loans totaling \$20.3 million to 66 Alaska communities.
- The Grant Section administered 809 grants with an approximate value of \$1.1 billion. Of the 809 grants, 38 were new, totaling \$41 million.
- Grant staff provided three grant application/management workshops in two regional hubs: two in Anchorage, and one in Fairbanks. Thirty-two local government representatives from 27 communities attended.
- Approximately \$57 million was distributed to 240 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

- The 'New' Community Database Online (CDO), a two-year project, is nearing completion and currently in final stages of system testing. The New CDO will provide information in an interactive geospatial format, this new DCRA Information Portal provides a wide variety of community-based information both current and historical and will be a one-stop-shop for information resources about Alaskan Communities and Places of Interest.
- 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.

- The 2017 Alaska Taxable report in the new interactive format has been recognized by Environmental Systems Research Institute (Esri), and written up in their quarterly magazine, and was also highlighted by the International Association of Assessing Officers (IAAO) magazine.
- DCRA was recognized for the new innovating information work products created using the geospatial platform Esri. In July 2018, staff received the Special Achievement Award (SAG) during the Esri User Conference in San Diego.
- DCRA continues to update our web-based products such as the Financial Document Delivery System, Community Photo Library, and Community Plans Library.
Published the bi-annual report on fuel prices across Alaska in January 2018.

Local Boundary Commission (LBC)

- Staff attended a meeting of the Yukon-Koyukuk School District board to answer questions regarding the process of borough incorporation. The school district is exploring the idea for their region.
- Staff traveled to Kodiak Island Borough at the expense of both the City of Kodiak and Kodiak Island Borough to give a presentation on the possibility of the two entities consolidating.
- While no new petitions have been accepted for filing, LBC staff continued to work with several potential petitioners on possible future boundary change proposals. A 15-year backlog of materials that had primarily been stored off-site was eliminated and 60 boxes of papers were organized. The materials included documents from as early as pre-statehood as well as cassettes from the 1970s. They were organized into coherent files, extraneous materials were discarded according to the retention schedule, and a detailed inventory was compiled. 37 boxes of files were sent to the state library in Juneau where any member of the public can access them.
- Staff created new information packets for each type of boundary change the LBC authorizes. They are intended to be a single source of information for the public regarding each boundary change and provide step-by-step instructions, including what to consider before pursuing a boundary change, regulatory references and a sample petition form. The packets also consolidate a number of outdated handouts previously available on the LBC website.
- Kake submitted a petition for filing, but in an informal technical review, staff found that it did not contain all the required information necessary for acceptance. It was returned to the petitioner who may or may not submit it in the future.

Office of the State Assessor

- Completed trips to Ketchikan and the North Slope borough to provide on-site technical assistance or training.
- Performed a statewide audit of assessment technology systems 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 ten communities. Four training sessions were held in-person, and six 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).
- Enhanced the design and development of the Alaska Taxable report for the Office of State Assessor using a new ESRI software system.

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.
- The Serve Alaska Commission voted to fund two new programs through their federal funding allocation: UAA School of Social Work and the Student Conservation Association.
- Three new programs started programming in the past year: The Salvation Army of Alaska, Alaska Public Defender Agency, and United Way of Southeast Alaska.
- Serve Alaska received \$141,000 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

- DCRA staff worked with the Council and stakeholders to pursue the survival of all Alaska Native languages in Alaska. This was accomplished by assessing and evaluating current and future research needs and sources of information related to language programs and language policies, and language planning that promote the survival of Alaska Native languages.
- Created and updated surveys of Alaska Native language learning programs in schools, universities, tribes, and non-profit corporations around the State and beyond, making this information available in a searchable database.
- Continued to design systems for working with Alaska regional non-profit corporations and tribes to count the numbers of fluent speakers, dormant speakers, and advanced learners of each Alaska Native language, making this information available for language policy and planning efforts.
- Worked with the Alaska Native Language Preservation and Advisory Council Staff to produce drafts of the Council's biennial recommendations to the Governor and Legislature, made necessary revisions and then publish the report. DCRA staff also composed other technical papers and reports in order to provide the Council and the public with important information on how best to promote the survival of Alaska Native languages.
- DCRA staff worked with the office of the Governor, Lt. Governor, and the Governor's Tribal Liaisons to develop the wording for the Governor's Administrative Order 300.
- Created and designed publicity campaigns to increase public awareness of the role of the Council, the importance of Alaska Native languages, and on-going language work that promotes the survival of Alaska Native languages.
- Served as the primary public contact for questions and information about the Alaska Native language program and provided resources to a variety of stakeholders, including local and State government entities and the general public.
- Met with the Alaska Historical Commission to provide information regarding Alaska Native language place names.
- Corrected and updated listings in the CDO for Alaska Native language place names of villages and other points of interest.
- Collected correct phrasing, spelling, and audio file recording of a welcoming greeting in each of Alaska's twenty Alaska Native languages, for use in all State of Alaska websites.
- In conjunction with the Alaska Election Policy Work 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.

Key RDU Challenges

The Municipal Lands Trustee (MLT) Program holds more than 11,500 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.

No new petitions were accepted for filing in FY2018; however, one petition has been postponed and will likely be restarted in FY2019. Many other communities have indicated they are likely to file petitions in FY2019.

The LBC staff consists of two positions. The petition process takes at least one year to complete. When several petitions are received at the same time, staff resources, as well as funding for travel to hold public hearings and decisional meetings, can be a challenge.

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 communities anticipate there will be a replacement of over half of the current assessment staff in the next two years. Seven major jurisdictions are expected to replace or upgrade their Computer Assisted Mass Appraisal (CAMA) systems in the next three years.

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 FY2020

Grant administration staff within the division has been reduced from twelve in FY2015 to six in the FY2018 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.

Contact Information
<p>Contact: Melissa Taylor, Acting Division Director Phone: (907) 269-4540 E-mail: melissa.taylor@alaska.gov</p>

**Community and Regional Affairs
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2018 Actuals				FY2019 Management Plan				FY2020 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
Formula Expenditures None.												
Non-Formula Expenditures Community & Regional Affairs	6,297.6	307.2	1,626.5	8,231.3	6,989.9	834.3	2,022.4	9,846.6	7,072.6	842.6	2,068.2	9,983.4
Serve Alaska	180.4	0.0	1,070.8	1,251.2	217.9	20.0	1,894.8	2,132.7	220.9	20.0	1,899.2	2,140.1
Totals	6,478.0	307.2	2,697.3	9,482.5	7,207.8	854.3	3,917.2	11,979.3	7,293.5	862.6	3,967.4	12,123.5

**Community and Regional Affairs
Summary of RDU Budget Changes by Component
From FY2019 Management Plan to FY2020 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>
FY2019 Management Plan	6,620.6	587.2	854.3	3,917.2	11,979.3
One-time items:					
-Community & Regional Affairs	0.0	-300.3	0.0	0.0	-300.3
Adjustments which continue current level of service:					
-Community & Regional Affairs	123.9	309.1	8.3	45.8	487.1
-Serve Alaska	3.0	0.0	0.0	4.4	7.4
Proposed budget decreases:					
-Community & Regional Affairs	0.0	-50.0	0.0	0.0	-50.0
FY2020 Governor	6,747.5	546.0	862.6	3,967.4	12,123.5