

Drinking Water Capitalization Grant - Subsidy Funding

FY2020 Request: \$2,500,000
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: 07/01/2019 - 06/30/2024 **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 Environmental Protection Agency identified the required subsidy amount under the grant terms 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.

Funding:	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>Total</u>
1100 ADWF	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$15,000,000
Total:	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$15,000,000

<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 Ch19 SLA2018 P4 L25 SB142 \$2,041,000
- 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 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. For FY2020, the amount is \$2,500,000.

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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 FY2020.