

Clean Water Capitalization Grant - Subsidy Funding

FY2020 Request: \$1,000,000

Reference No: 49698

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 Clean 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 Clean Water Fund. Future funding requests will remain at a set percentage of each year's capitalization grant.

Funding:	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
1075 Clean Wtr	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000
Total:	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000

<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 L21 SB142 \$587,700
- Sec1 Ch1 SLA2017 P4 L9 SB23 \$587,700
- Sec1 Ch18 SLA2014 P51 L10 SB119 \$563,200
- Sec1 Ch16 SLA2013 P63 L7 SB18 \$704,000
- Sec1 Ch17 SLA2012 P113 L8 SB160 \$2,583,400
- Sec1 Ch5 SLA2011 P81 L6 SB46 \$1,826,274
- Sec1 Ch43 SLA2010 P23 L16 SB230 \$1,826,274

Project Description/Justification:

The federal Clean 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 Clean Water Fund. For FY2020, the amount is \$1,000,000.

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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.