

State of Alaska FY2021 Governor's Operating Budget

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

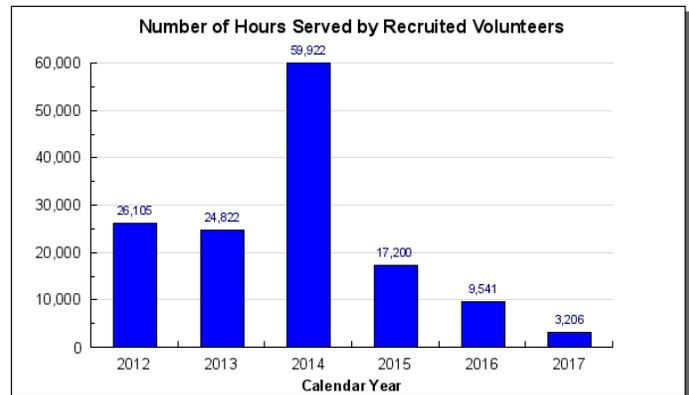
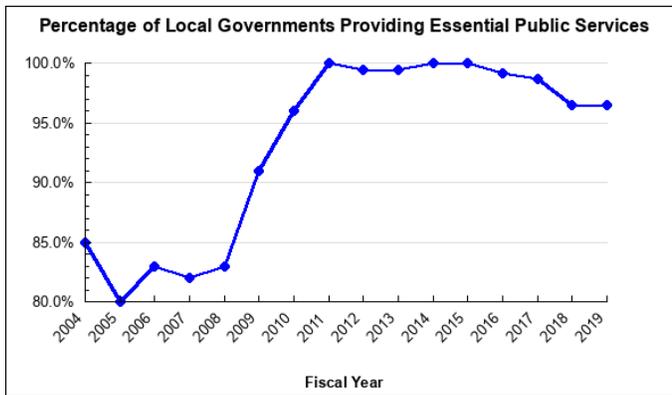
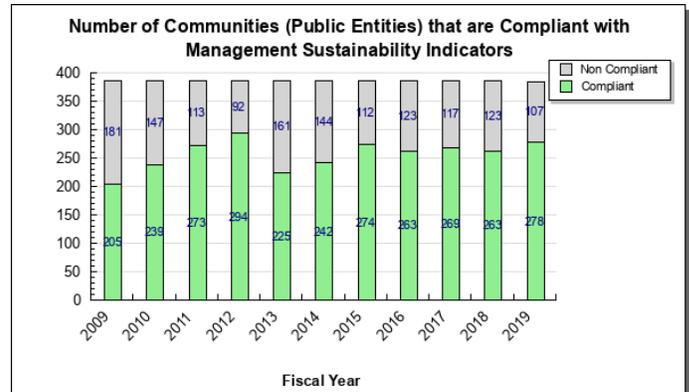
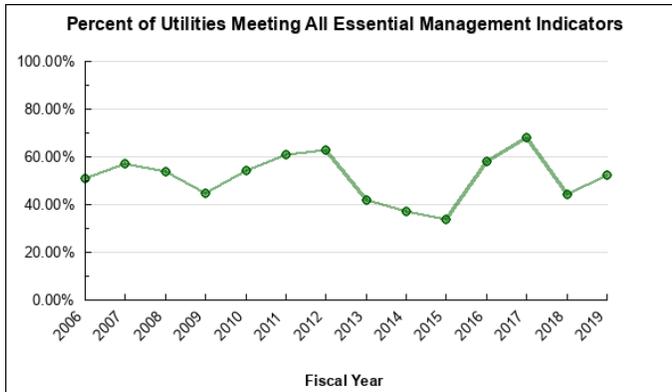
Community and Regional Affairs Results Delivery Unit

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>.)



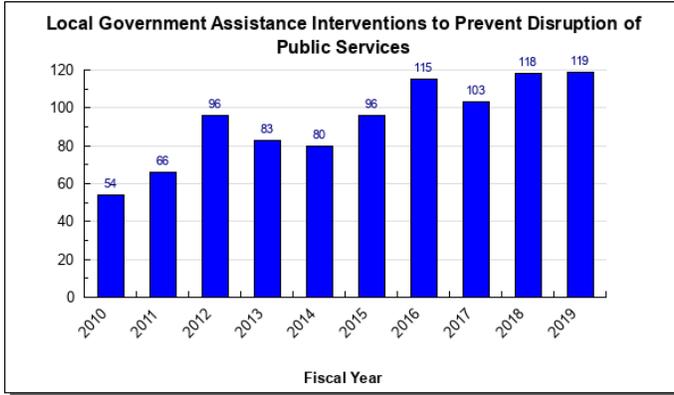
Core Services

- 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

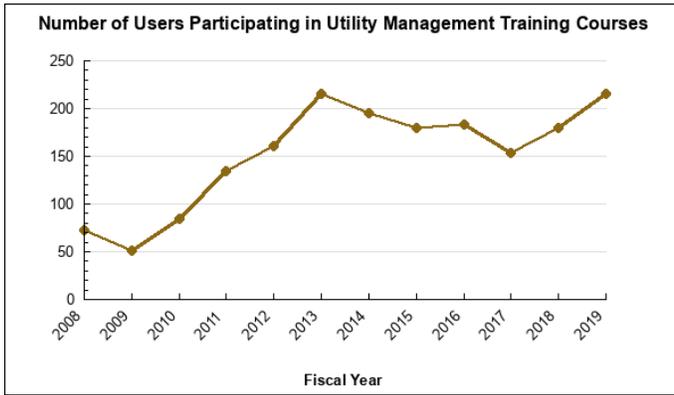
Measures by Core Service

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

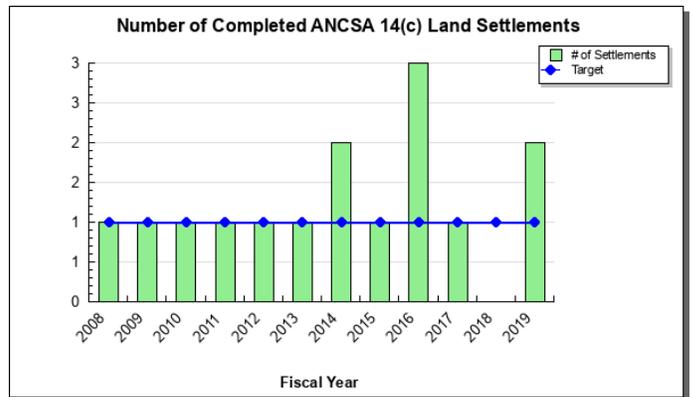
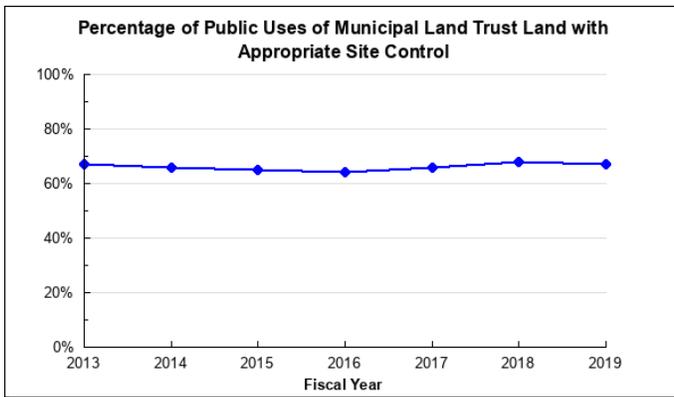
1. Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services



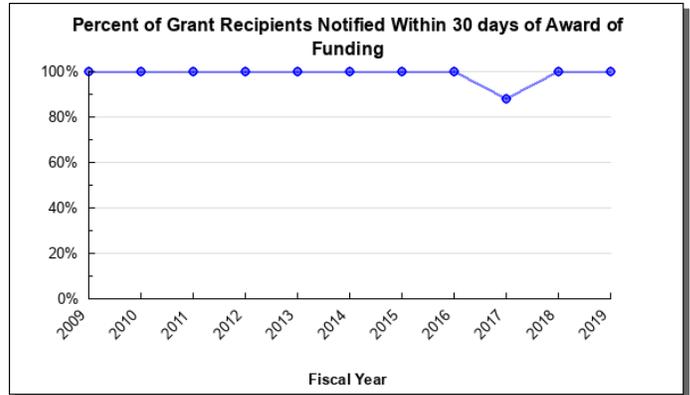
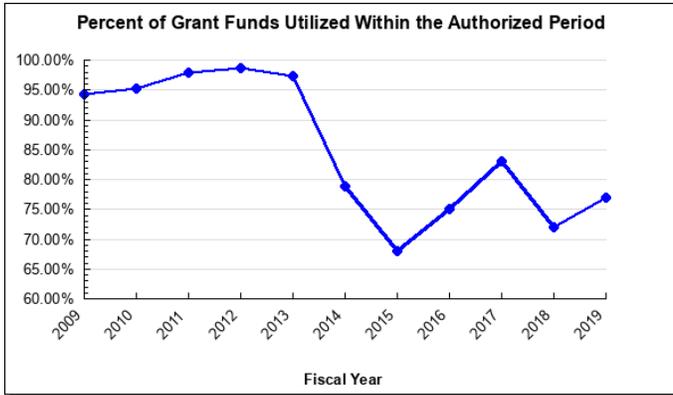
2. Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities



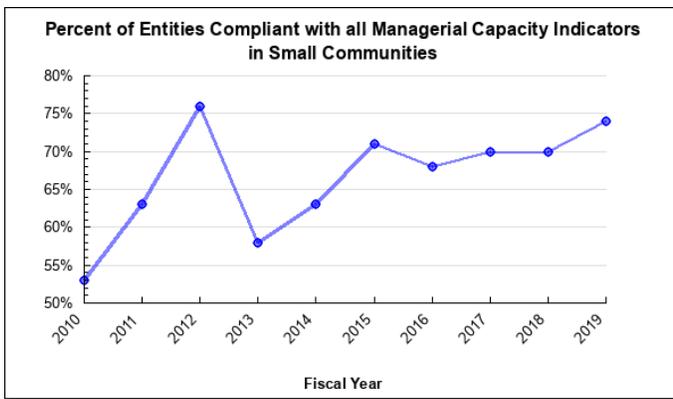
3. Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues



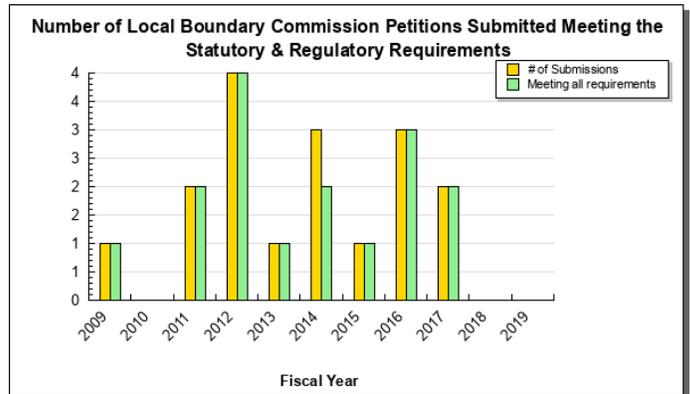
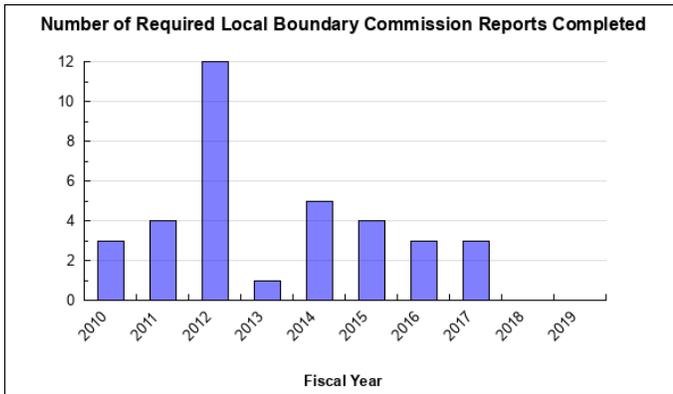
4. Financial Assistance - Administer multiple grant and funding distribution programs



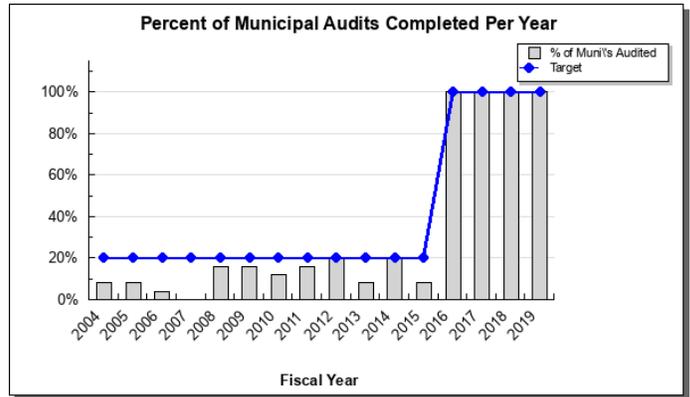
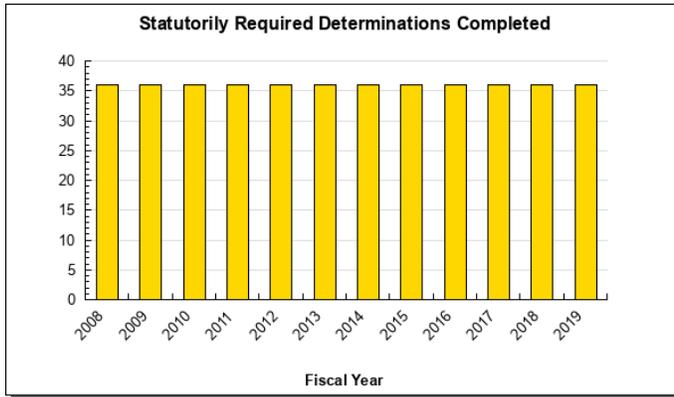
5. Information Resources - Collect, analyze and publish local government and economic development information



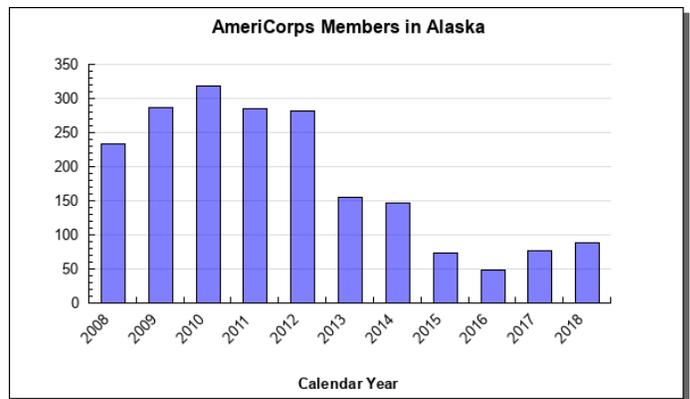
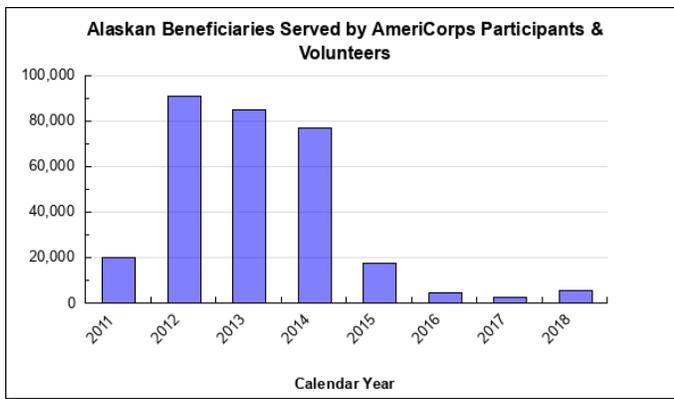
6. Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation



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 2019

Local Government Assistance

Assistance was provided to 246 communities. There were 192 interventions that prevented disruption to essential public services. These interventions included providing 71 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 Payment in Lieu of Taxes (PILT) and Community Assistance Program funds before the application deadline; assistance with critical financial issues involving the Internal Revenue Service; assistance with economic disaster recovery; and reinstatement of insurance coverage. Under the Fuel Watch initiative, staff in FY2019 made 580 calls to 236 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 192 on-site trips.
- RUBA staff presented seven 32-hour courses on utility management in three different regional hubs for a total of 93 participants and presented four additional 24-hour courses on organizational and personal management in three different regional hubs for a total of 57 participants. These courses are presented in conjunction with regional health corporations and other regional entities.

Land Management

- Municipal Land Trustee program staff conducted comprehensive site visits of Municipal Trust lands in Tatitlek, Chenega, and South Naknek to document lands held in trust, review site control needs, and support requests for site control.

- Requests for site control for the use of Municipal Trust land included a new playground in Pitka's Point, the cemetery in South Naknek, a corrective deed in Tatitlek, and residential lots in Minto. Settlement agreements for satisfaction of the requirements of Alaska Native Claims Settlement Act (ANCSA) 14(c)(3) are under negotiation in Crooked Creek, Sleetmute, and Gakona for land to be held in trust for future city governments.
- The Municipal Lands Trust Officer signed a Memorandum of Agreement regarding the Pitka's Point School Demolition and Remediation Project. Structures on the closed school parcel were safely demolished, and extensive soil excavation and remediation efforts commenced.

Financial Assistance

- The Grant Section administered 737 grants with an approximate value of \$761 million. Of the 737 grants, 24 were new, totaling \$38.6 million.
- Grant staff provided three Community Development Block Grant application/management workshops in two regional hubs: two in Anchorage, and one in Fairbanks. Thirty-six local government representatives from 27 communities attended. Grant staff also provided one National Petroleum Reserve in Alaska (NPR-A) grant application workshop conducted in Fairbanks, which 22 local government representatives from nine communities attended.
- Approximately \$51.7 million was distributed to 240 different communities under the Community Assistance Program, PILT, National Forest Receipts, Shared Fisheries Business Tax, and the Fisheries Resource Landing Tax programs.

Information Resources

- The division was awarded a prestigious Special Achievement in Geographic Information System (GIS) Award for their work on the new Community Database Online in July 2018, at the Environmental Systems Research Institute (Esri) User Conference in San Diego, CA. This award is presented to Esri users worldwide to recognize exceptional work with GIS technology. The division has been utilizing GIS to streamline data collection and dissemination to produce better products and reports with information including location, population, education, municipal tax data, community contact information, Alaska Native language programs, transportation, community planning, etc.
- Research and Analysis staff were recognized at the 2019 Esri Developers Summit for work to automate the creation and update process for the Alaska Community Story Maps. The new automation process was highlighted as a success story and other Esri developers expressed interest in learning more about the process that was created so they could use it in their own systems.
- Research and Analysis staff responded to 217 requests for information.
- In April 2019, the division's Research and Analysis section was offered a limited presentation invite to present at Esri's Annual User Conference which attracts over 18,000 people a year.
- On November 28, 2018, the division's new interactive Community Database Online (CDO) was made public with 330 Community and Informational Story Maps, 27 Interactive Maps, Reports and Research Studies and 250 Datasets available for download.
- In FY2019, the Community Profile Map has been visited 10,127 times. The map shows which Alaska communities have completed community profiles maps by the division and allows the user to view and download .pdfs of the different maps.
- The January 2019 bi-annual Fuel Price Report for 100 communities around the state was published in the new interactive format and has been viewed 1,460 times.
- The division hosted two separate four-part training workshops in-person in Juneau on the new CDO.
- The division successfully completed 11 different population appeals in March and April of 2019.
- The division secured \$20,000 in grants from the Denali Commission to continue maintenance of the Bulk Fuel Inventory.
- The division presented the CDO at the Department of Natural Resources' GIS Day in November 2018 and to the Alaska Arc User Group in June of 2019.

Local Boundary Commission (LBC)

- LBC staff presented in Whittier to a group of stakeholders. The Girdwood Governance Group, who hosted the meeting, was interested in detaching from the Municipality of Anchorage, forming a city of Girdwood, and joining a new borough of Prince William Sound Communities. The group funded a preliminary feasibility study, and LBC staff provided information in a question and answer session that covered the LBC process, as well as other topics. The group has put its goals on hold for now.

- LBC staff drafted three new municipal charters to fulfill the department's statutory requirement to provide a model municipal charter to the public: one for a borough, and two for cities, inside and outside organized boroughs. There was previously only one model available dating from 1994.
- LBC staff digitized all city and borough certificates and they are now part of the LBC's digital files. Certificates document each successful boundary change and are the official record and must be kept on site permanently. Having them digitally helps when members of the public request them.
- Significant progress was made in a project to upload all relevant documents for every petition submitted to the LBC since 1990. This involved a great deal of reorganization of the website, as well as much effort corralling documents in paper and digital form.
- LBC staff analyzed the Municipal Land Trust communities to determine which, if any, could potentially meet the standards for city incorporation.
- LBC staff provided a training for Local Government Assistance staff on how LBC information and staff can be useful to them.
- LBC staff created an application for the public to view its comprehensive list of all boundary changes since statehood spatially using the GIS framework. The app is still in beta testing within the division and is not yet public.

Office of the State Assessor

- Completed trips to Kodiak Island Borough and Kenai Peninsula 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 training for members of the boards 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 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).

Serve Alaska

- Alaska ranked 5th in the nation for its volunteer rate of 40.6%, keeping Alaska in the top 10 states in the country. The service has an estimated economic value of \$594.7 million.
- Serve Alaska was able to bring all state AmeriCorps members together in March for a two-day training, the first of its kind. This provided both social and professional ways for members to grow and to share feedback about service in Alaska.
- Serve Alaska offered a two-day training with nationally known Volunteer Management trainer Beth Steinhorn to expand its partnership with non-profit volunteer managers across the state. This training is the first step in working to raise the level of professionalism in the volunteer management field in Alaska to increase volunteer opportunities.
- Serve Alaska received the highest federal appropriation in years for operation with \$563,180 awarded for the calendar year 2019.

Alaska Native Language Preservation & Advisory Council

- 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 promotes the survival of Alaska Native languages.
- Staff updated the new CDO to add 1) Alaska Native spelling of traditional names for Alaska Native places, 2) audio links giving pronunciation of Alaska Native place names; and 3) English spelled and spoken pronunciation hints for Alaska Native communities.
- Staff began work with the Department of Transportation and Public Facilities to explore ways of using more Alaska Native place names in public signage.
- Staff added a division web page that gives updates on all known 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.

- Staff collected Alaska Native language “greetings/welcome” phrases and made these available (in written and audio format) to appear at the top of State of Alaska web pages.
- Staff started a quarterly poster publicity campaign 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.
- Staff, 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 division reorganized local government and community assistance programs in order to accommodate a \$1.0 million general funds reduction in FY2020. Positions are deleted in the FY2021 budget in association with this reorganization. The Made in Alaska, Alaska Product Preference, and Forest Products programs were transferred to the division from the Division of Economic Development, which also required reorganization of the division.

The Municipal Lands Trustee (MLT) program holds over 11,500 acres of land in 42 communities across Alaska in satisfaction of the requirements 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 four communities, schools on land held in trust by the State of Alaska have closed and sit vacant. Another three 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 or contamination risks, presents a liability to the State of Alaska.

The Serve Alaska Commission faces challenges in recruitment and retention of AmeriCorps members serving in communities spread across Alaska. However, a new project coordinator has been hired that will focus on outreach activities to increase awareness of how Serve Alaska can help program grantees and potential grantees achieve their goals.

The Information Technology (IT) section will face some technical support challenges in FY2020, for the new CDO. The CDO was built on a geospatial platform using Esri software but due to turnover and staff reassignment, there is no one in IT that has the knowledge or experience to provide the technical support needed for maintenance and future growth of the system. Due to financial constraints, the division will not be able to continue the Esri Enterprise Advantage Program (EEAP) subscription, which allowed staff to work directly with Esri advisors and experts that helped to design a system that met the division's unique needs. The EEAP, also allowed staff to participate in a wide variety of online instructor-led and customized training on the Esri tools. Available IT resources will also affect other division database projects, including rebuilding five smaller databases used to house, track, report, and present valuable program and community-based information for the division's different programs.

Significant Changes in Results to be Delivered in FY2021

The grants portfolio managed by the grant administration 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. This may prove difficult since grant administration staff within the division has been reduced from twelve in FY2015 to seven in the current budget.

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

All dollars shown in thousands

	FY2019 Actuals				FY2020 Management Plan				FY2021 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	6,478.2	525.5	1,692.1	8,695.8	6,181.9	971.0	1,993.4	9,146.3	6,072.4	972.4	2,006.5	9,051.3
Serve Alaska	187.0	0.0	1,502.7	1,689.7	215.4	20.0	1,887.6	2,123.0	216.3	20.0	1,889.1	2,125.4
Totals	6,665.2	525.5	3,194.8	10,385.5	6,397.3	991.0	3,881.0	11,269.3	6,288.7	992.4	3,895.6	11,176.7

Community and Regional Affairs
Summary of RDU Budget Changes by Component
From FY2020 Management Plan to FY2021 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>
FY2020 Management Plan	5,801.3	596.0	991.0	3,881.0	11,269.3
One-time items:					
-Community & Regional Affairs	0.0	-309.1	0.0	0.0	-309.1
Adjustments which continue current level of service:					
-Community & Regional Affairs	39.3	360.3	1.4	13.1	414.1
-Serve Alaska	0.9	0.0	0.0	1.5	2.4
Proposed budget decreases:					
-Community & Regional Affairs	-200.0	0.0	0.0	0.0	-200.0
FY2021 Governor	5,641.5	647.2	992.4	3,895.6	11,176.7