

**Drinking Water Capitalization Grant**

**FY2021 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:** Amber LeBlanc

**Estimated Project Dates:** 07/01/2020 - 06/30/2025

**Contact Phone:** (907)465-6594

**Brief Summary and Statement of Need:**

The federal Drinking Water Capitalization Grant requires states to issue subsidies (a loan forgiveness process) as part of their revolving loan fund program. The Environmental Protection Agency identified the required subsidy amount under the grant terms for Alaska. The program functioned strictly as a loan program until FY2011 when this provision was added to the federal budget. The grant supports implementation of this provision and properly records the loan forgiveness payment as an expense in the Alaska Drinking Water Fund.

<b>Funding:</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>Total</b>
1100 ADWF	\$2,500,000	\$2,500,000	\$2,500,000				\$7,500,000
<b>Total:</b>	\$2,500,000	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$7,500,000

- |   |   |                                       |   |   |
|---|---|---------------------------------------|---|---|
| <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"/> Ongoing |
| 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
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch3 SLA2019 P3 L16 SB19 \$2,500,000
- 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) as part of their revolving loan fund program. The Environmental Protection Agency identified the required subsidy amount under the grant terms for Alaska. The program functioned strictly as a loan program until FY2011 when this provision was added to the federal budget. The grant supports implementation of this provision and properly records the loan forgiveness payment as an expense in the Alaska Drinking Water Fund. For FY2021, the amount is \$2,500,000.

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Without authorization this federal fiscal year to issue these subsidies, the department is not eligible to receive this funding and is unable to award loan funds and principal forgiveness in FY2021.