

State of Alaska FY2022 Governor's Operating Budget

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

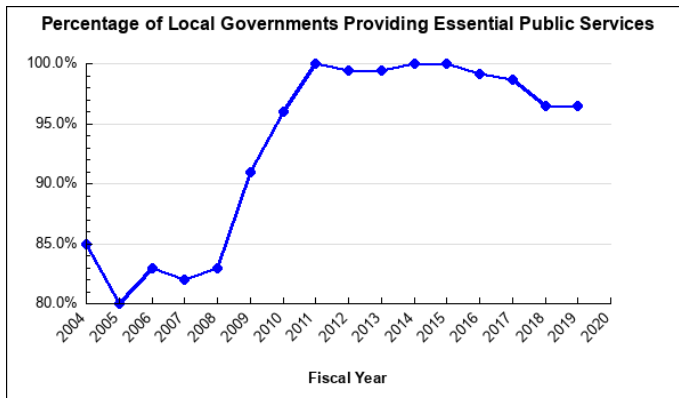
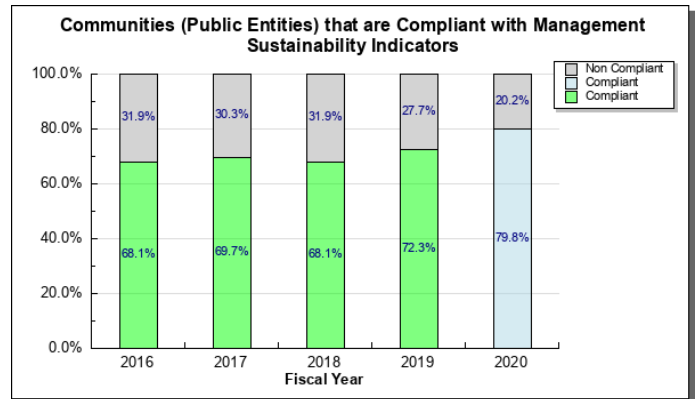
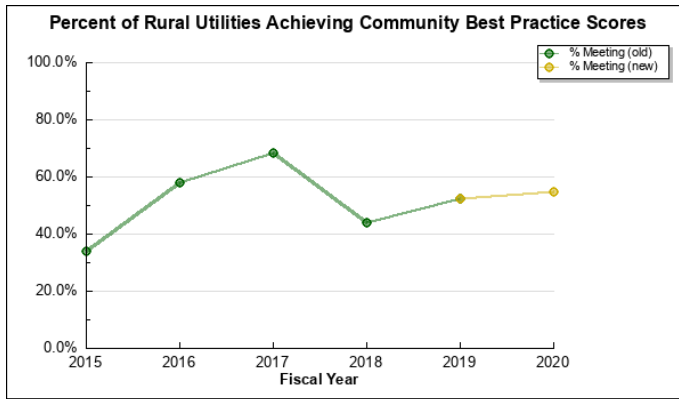
Community and Regional Affairs Results Delivery Unit

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>.)



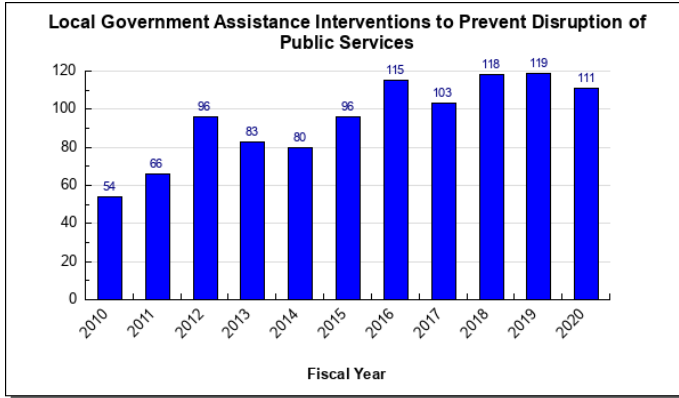
Core Services

- 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

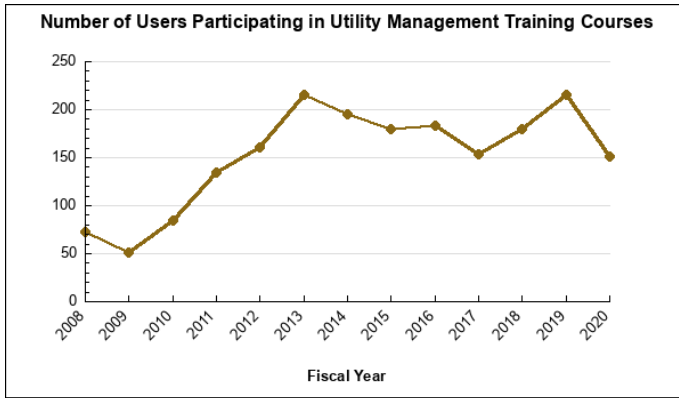
Measures by Core Service

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

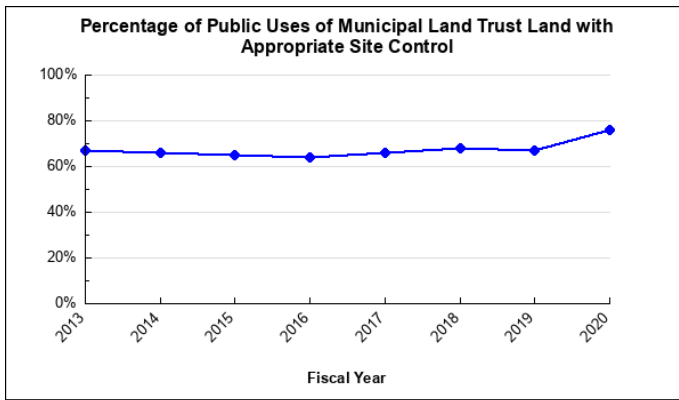
1. Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services



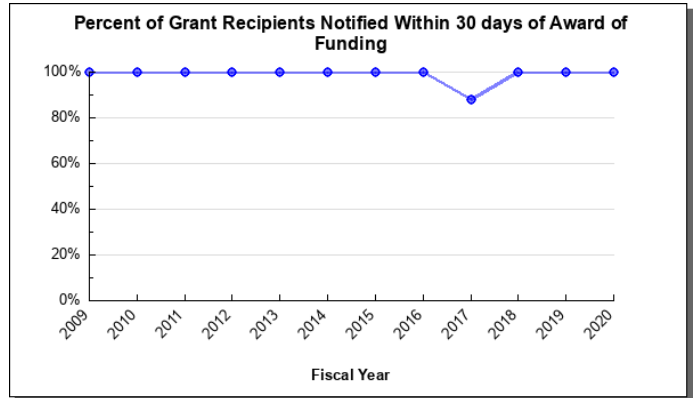
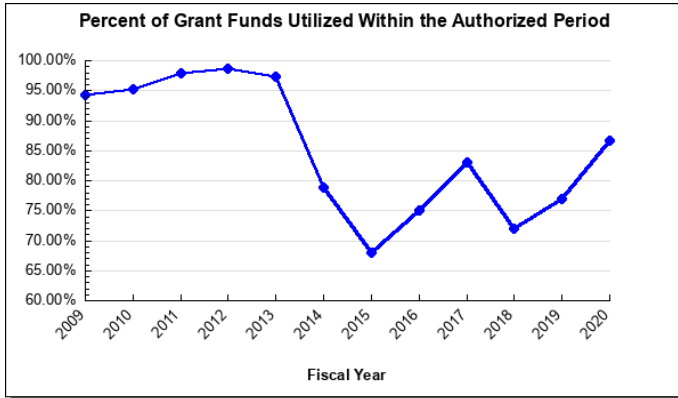
2. Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities



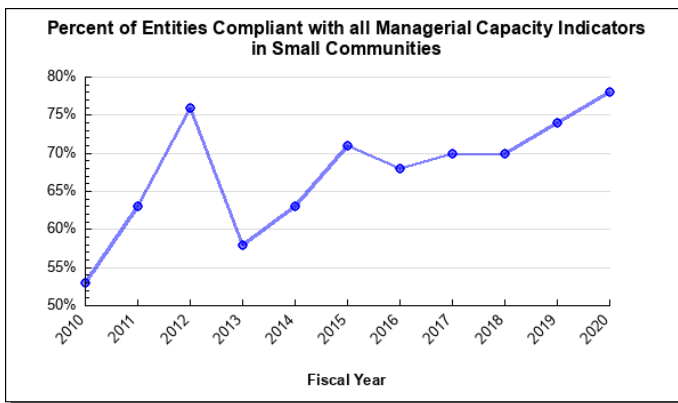
3. Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues



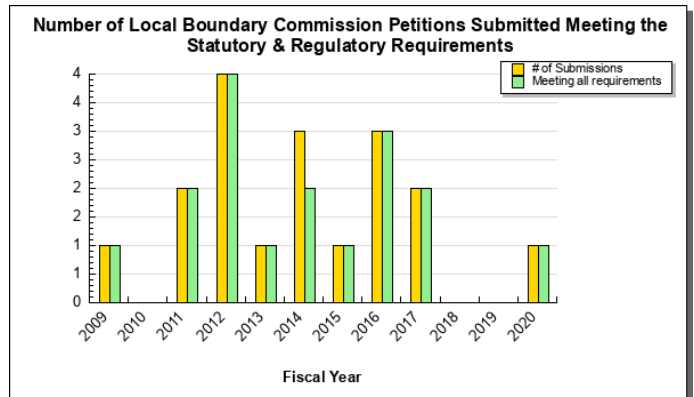
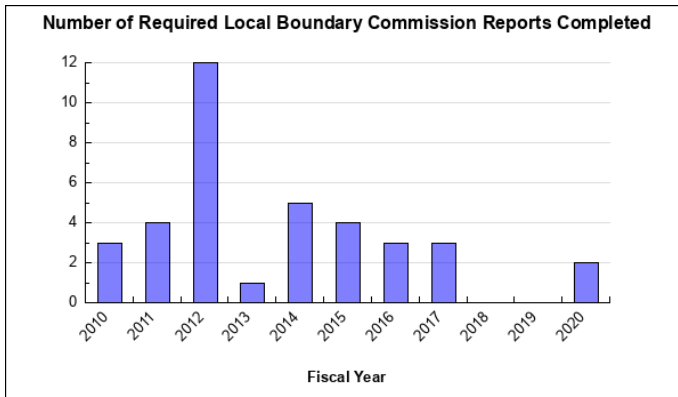
4. Financial Assistance - Administer multiple grant and funding distribution programs



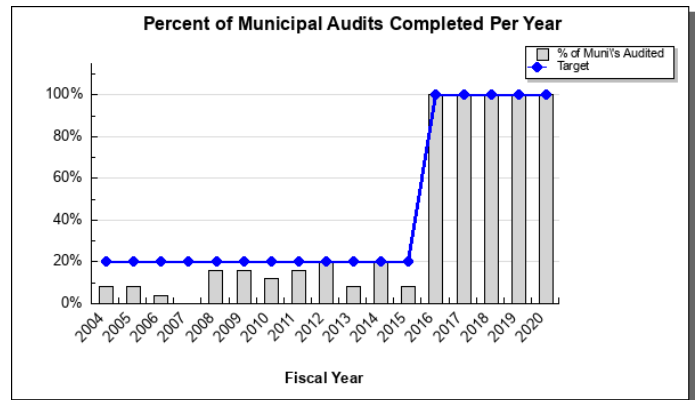
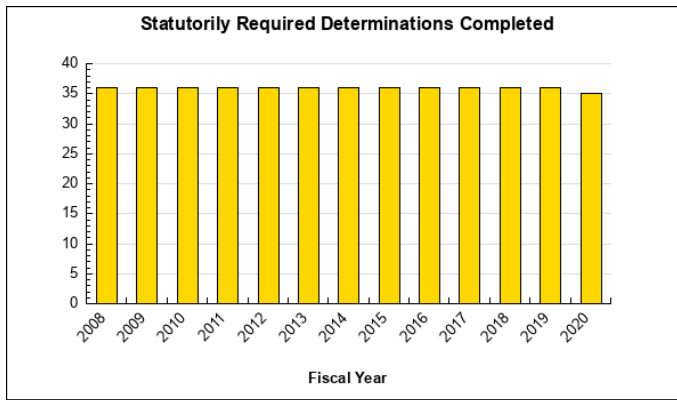
5. Information Resources - Collect, analyze and publish local government and economic development information



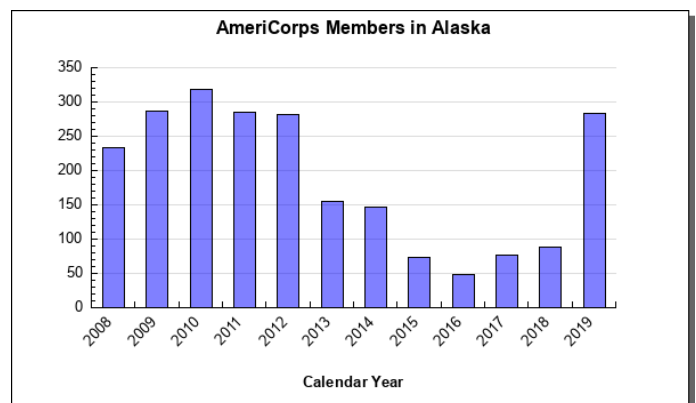
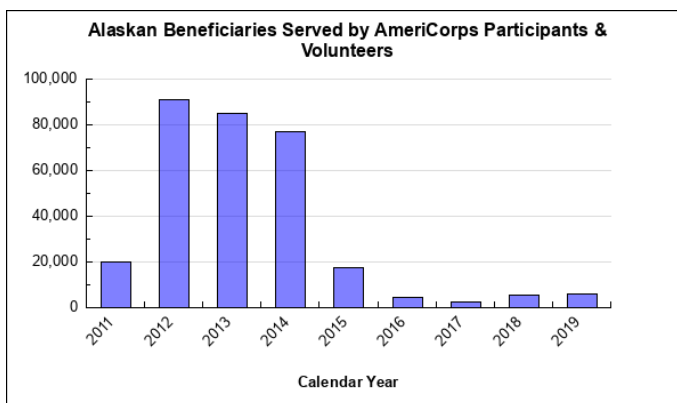
6. Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation



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 2020

Local Government Assistance

- Assistance was provided to 285 communities throughout Alaska.
- There were 111 interventions that prevented disruption to essential public services. This resulted in 14 fuel loans to communities ineligible for bank loans and coordination of fuel deliveries to avoid critical shortages. Additionally, staff provided 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 application deadline; assistance with critical financial issues involving the Internal Revenue Service; assistance with economic disaster recovery; utility freeze up, recovery from natural disasters, and loss of key personnel.
- A Local Government Resource Desk was created mid-year to provide advice and assistance to communities and DCRA staff. In 3 months of documented data, 83 assistance contacts were made with DCRA staff, 414 assistance contacts were made with local governments, 3 assistance contacts were made with other state agencies, 9 assistance contacts were made with private corporations, and 4 assistance contacts were made with the general public. Two formal trainings were provided to local governments.
- In response to the COVID-19 crisis, DCRA staff provided assistance to 217 communities ensuring community services continued and community members and employees were protected.
- Administered federal CARES Act funding to 228 communities.
- Worked with the Research and Analysis section to create, distribute, and analyze a community survey to all communities in Alaska.

Rural Utility Business Advisor (RUBA)

- Assisted 195 communities improve their utility management practices for more sustainable utilities and improve public health services throughout rural Alaska.
- RUBA staff presented seven 32-hour courses on utility management in four different regional hubs for a total of 125 participants. Two QuickBooks financial management classes were taught in Anchorage to 26 participants. These courses are presented in conjunction with regional health corporations and other regional entities.
- Began converting 32-hour courses on utility management to an online learning management system.

Land Management

- The Municipal Land Trustee program completed a final ANCSA 14(c)(3) settlement for the Village of Iliamna, including a complex land swap to satisfy a land dispute. The resulting exchange brought priority lands to the State in trust for a future city that may form in Iliamna.
- Completed requests for site control for the use of Municipal Trust land included a new modular water treatment facility and support infrastructure in Kokhanok, landfills in Chenega and Levelock, a sludge disposal site in Ugashik, an airport in Tatitlek, and a community center in Evansville.

Financial Assistance

- The grants section administered seven federal and five state grant programs with an approximate value of \$578 million.
- The grants section entered into agreements with Department of Public Safety and Department of Environmental Conservation to administer specific federal programs on their behalf.
- Grant staff provided three Community Development Block Grant application/management workshops in two regional hubs: two in Anchorage, and one in Fairbanks. Thirty local government representatives from 23 communities attended.
- The Grant Administrator III became a member of the Council of State Community Development Agencies Western Regional Board of Representative representing fourteen states.
- Approximately \$52 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

- Research and Analysis (R&A) staff responded to 156 requests for information and assistance.
- R&A staff have fulfilled approximately 75 requests for digital community profile data and 29 print profile maps.
- R&A staff analyzed best practice scores for 195 communities to provide data graphs for two biannual reports in July 2019 and January 2020.
- R&A staff conducted seven internal focus group meetings and produced five reports regarding the rebuild of the DCRA legacy systems for internal reporting.
- In FY2020, the Community Profile Map page which displays Alaska communities profile maps was visited over 10,000 times. Users may view and download PDF maps of different communities.
- Both the July 2019 and January 2020 bi-annual Fuel Price Report for 100 communities around the state were published as interactive reports and have been viewed 753 and 624 times, respectively.
- R&A took over the role of ARDOR coordination and produced the annual report in cooperation with the ten regional development organizations.
- R&A staff produced the Commercial Passenger Vessel tri-annual report for the legislature.
- R&A staff developed a 42-question survey, with the assistance of LGA/RUBA management, intended to poll community leaders on their experience working with the LGA/RUBA section. The survey was sent to 351 contacts in 228 communities, with a response rate of 55.3% of communities surveyed and 43.3% of respondents surveyed. 90% of respondents indicated their overall experience with Local Government Specialists (LGS) is either good (29%) or very good (61%). 84% of respondents indicate Utility Management Training is important (26%) or very important (58%)
- R&A staff created new reporting methods for the DCRA Research Desk and produced five reports, capturing six different metrics since February 2020.
- Staff created a CARES Act Funding Dashboard to track the amount of grants awarded to 228 communities. It is updated twice a week and includes three metrics.
- R&A staff coordinated with the Alaska Department of Environmental Conservation to take over the data management from the Class Two Facilities program that ended June 30. R&A received data on for over 1,200 bulk fuel facilities in Alaska.

- ESRI assisted R&A staff with the creation of a new online query tool that allows the public to create custom queries of all the datasets housed in the Community Database Online (CDO).
- R&A staff hosted two separate internal trainings on the CDO and external trainings to the Office of Children Services.
- R&A staff successfully completed 6 different population appeals in March and April of 2020.
- R&A staff secured \$20,000 in grants from the Denali Commission to continue maintenance of the Bulk Fuel Inventory.

Made in Alaska (MIA)

- MIA staff received and approved 176 new applications in the program.
- 554 permit holders renewed in FY2020.
- MIA staff partnered with the Alaska Manufacturing Extension Program to provide new training opportunities and resources to Alaskan manufacturers.

Local Boundary Commission (LBC)

- New Local Government Specialist began work with LBC in October and long-term LGS departed in March. LBC currently has one person serving as full time staff to the commission.
- LBC staff completed interactive map of historic boundary changes in Alaska.
- LBC staff conducted informal technical review on a borough formation petition submitted on behalf of Hoonah.
- LBC responded to numerous other inquiries from communities regarding consolidation, detachment, annexation and dissolution.
- LBC staff conducted technical review, and preliminary and final reports for Soldotna annexation petition.
- LBC held public hearing and decisional meeting on Soldotna petition. Public hearing and meeting failed to meet statutory requirement to be held in the community, due to COVID-19 pandemic restrictions.

Office of the State Assessor

- The Office of the State Assessor offered Boards of Equalization training for members of the boards in all 24 communities with a property tax. All sessions were conducted remotely due to COVID.
- Conducted and coordinated several Alaska Association of Assessing Officers classes for local government assessing staff in Alaska.
- Completed Full Value Determinations for 35 municipal governments (19 boroughs and 17 cities in the unorganized borough). The Full Value Determination allocates the burden of school funding between the state and local governments. Updating models this year reduced the burden on the state by roughly \$6.7 million.
- Published Alaska Taxable, a valuable source of date on how local governments fund their operations.
- Conducted in-depth audits of Petersburg and Wrangell.

Serve Alaska

- Serve Alaska shifted its monitoring practices to being fully remote this year due to the pandemic. Staff created a new monitoring framework and timelines that provided the flexibility to adjust as needed. Serve Alaska was asked to share these resources with other state commissions as a best practice.
- Unable to offer an in-person member training this year, Serve Alaska shifted its plans and offered both AmeriCorps members and sub-grantee program staff increased online training opportunities.
- All of Serve Alaska's sub-grantees were able to maintain service during the pandemic. Serve Alaska created new policies and procedures to allow members to tele-serve as necessary. Two programs were even able to expand the number of members serving next year in schools due to the added benefit the members were able to provide remotely in offering one-on-one tutoring and virtual classroom assistance.

Alaska Native Language Preservation & Advisory Council

- Staff continued to update the new Community Database Online 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 continued work with the Department of Transportation and Public Facilities to explore ways of using more Alaska Native place names in public signage.
- Staff continued to update 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 continued 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 offered training in cross-cultural communication, including relevant particulars of Alaska Native languages and cultures to DCRA and DEC staff.

Risk Mapping, Assessment and Planning (Risk MAP)

- Organized and facilitated inter-agency meetings for the communities of Akiak, Chefnak, Kotlik, Napakiak, and Newtok to address erosion and flooding threats impacting these communities. As a result, each community received grants through FEMA, HUD and the Bureau of Indian Affairs to address hazard mitigation issues, including relocation.
- Coordinated with FEMA to complete flood mapping studies for the City and Borough of Juneau and the Matanuska-Susitna Borough, to increase local knowledge of high flood risk areas and inform local decision-making for flood risk reduction and management.
- Coordinated with FEMA to initiate a new mapping study of the Kenai River in collaboration with the Kenai Peninsula Borough and the cities of Kenai and Soldotna.
- Coordinated with the Division of Geological and Geophysical Surveys and FEMA to conduct an erosion assessment for the City of Emmonak to inform local decision making regarding erosion mitigation.
- Coordinated with the Division of Geological and Geophysical Surveys and FEMA to conduct a landslide hazard study of the City and Borough of Sitka to inform local decision making regarding landslide mitigation.
- Coordinated with FEMA and the City and Borough of Juneau to conduct a landslide/avalanche hazard study to inform local decision-making regarding landslide and avalanche mitigation, particularly in downtown Juneau.
- Coordinated with the Denali Commission to create a website and interactive map of 27 Alaskan communities most threatened by flooding, erosion and permafrost thaw based on the results of the Denali Commission's Statewide Threat Assessment. The website hosts hazard community summaries, information on hazard studies conducted in each community, as well as community plans and profile maps.
- Coordinated with the Denali Commission, Alaska Native Tribal Health Consortium and the Bureau of Indian Affairs on reports to outline the unmet infrastructure needs of environmentally threatened Alaska Native Villages, and on state and federal programs that can support communities considering relocation.

Key RDU Challenges

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. With the completion of a settlement for Cantwell, the MLT program will be receiving over 800 acres of land which will require active management. As a result of staffing changes within the division, a single staff member will be charged with overseeing the evaluation, acceptance, and disposal of all trust land. Several MLT communities have their entire core townships conveyed into trust, so most land management needs fall to the MLT program. The ownership of land, particularly land with vacant buildings or contamination risks, presents a serious liability to the State of Alaska.

The Serve Alaska Commission faces challenges in continued operation during COVID-19, however, staff and sub-grantees have been working together closely to mitigate the impact on members and the community.

Significant Changes in Results to be Delivered in FY2022

DCRA has been instrumental in the management and disbursement of Coronavirus Aid, Relief & Economic Assistance Funds (CARES) that was awarded to 228 Alaskan communities. Due to the amount of money granted to the communities a legislative audit will be conducted. DCRA anticipates dedicating significant staff resources related to the audit.

The Made in Alaska program may suffer lower participation rates due to the significantly reduced tourism industry in Alaska as a result of COVID-19. This may also impact supply order sales and overall program generated revenue.

The RUBA section is converting the in-person utility management courses to an online learning management system, for ease of providing the course, to save money and time on travel, and in response to the COVID-19 public health emergency. The goal is to eventually provide at least 6 courses per year online, and a few courses per year

regionally.

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

All dollars shown in thousands

	FY2020 Actuals				FY2021 Management Plan				FY2022 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	5,490.5	298.6	1,206.9	6,996.0	6,071.4	9,472.5	2,006.0	17,549.9	5,683.8	973.6	2,013.2	8,670.6
Serve Alaska	150.3	0.0	1,187.0	1,337.3	216.4	20.0	1,888.9	2,125.3	217.1	20.0	1,890.1	2,127.2
Totals	5,640.8	298.6	2,393.9	8,333.3	6,287.8	9,492.5	3,894.9	19,675.2	5,900.9	993.6	3,903.3	10,797.8

**Community and Regional Affairs
Summary of RDU Budget Changes by Component
From FY2021 Management Plan to FY2022 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>
FY2021 Management Plan	5,640.6	647.2	9,492.5	3,894.9	19,675.2
One-time items:					
-Community & Regional Affairs	0.0	-360.3	-8,500.0	0.0	-8,860.3
Adjustments which continue current level of service:					
-Community & Regional Affairs	21.7	491.6	1.1	7.2	521.6
-Serve Alaska	0.7	0.0	0.0	1.2	1.9
Proposed budget decreases:					
-Community & Regional Affairs	-540.6	0.0	0.0	0.0	-540.6
FY2022 Governor	5,122.4	778.5	993.6	3,903.3	10,797.8