**Drinking Water Capitalization Grant Subsidy**

**FY2023 Request:** **$2,900,000**
**Reference No:** **49697**

**AP/AL:** Appropriation
**Category:** Health/Human Services
**Location:** Statewide
**Impact House District:** Statewide (HD 1-40)
**Estimated Project Dates:** 07/01/2022 - 06/30/2027

**Project Type:** Water / Sewer / Solid Waste
**House District:** Statewide (HD 1-40)
**Contact:** Randy Bates
**Contact Phone:** (907)465-5307

**Brief Summary and Statement of Need:**
The Department of Environmental Conservation is required to issue subsidies as a condition of the Drinking Water Loan Fund Capitalization Grant.

| **Funding:** | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 | Total |
|---|---|---|---|---|---|---|---|
| 1100 ADWF | $2,900,000 | $2,900,000 | $2,900,000 | $2,900,000 | $2,900,000 | | $14,500,000 |
| Total: | $2,900,000 | $2,900,000 | $2,900,000 | $2,900,000 | $2,900,000 | $0 | $14,500,000 |

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☑ Ongoing
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

**Operating & Maintenance Costs:**

| | Amount | Staff |
|---|---|---|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | |
| Totals: | 0 | 0 |

**Prior Funding History / Additional Information:**
Sec8 Ch1 SLA2021 P71 L31 HB69 $5,800,000
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 Department of Environmental Conservation receives an annual capitalization grant from Environmental Protection Agency (EPA) that funds the Alaska Drinking Water Loan Fund. Under the terms of the grant, the state is required to issue a certain amount of subsidies to grantees in the form of loan forgiveness. This appropriation is required to properly record the loan forgiveness as an expense in the Alaska Drinking Water Loan Fund.