

State of Alaska FY2025 Governor's Operating Budget

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

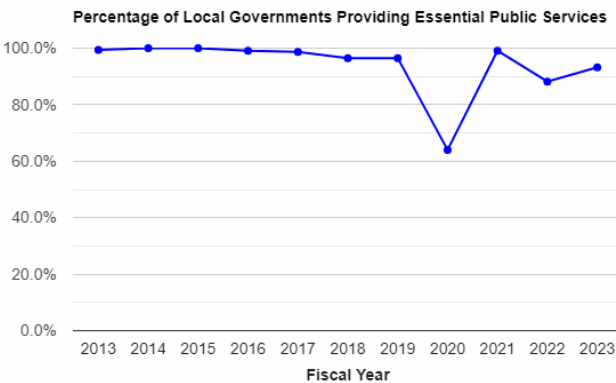
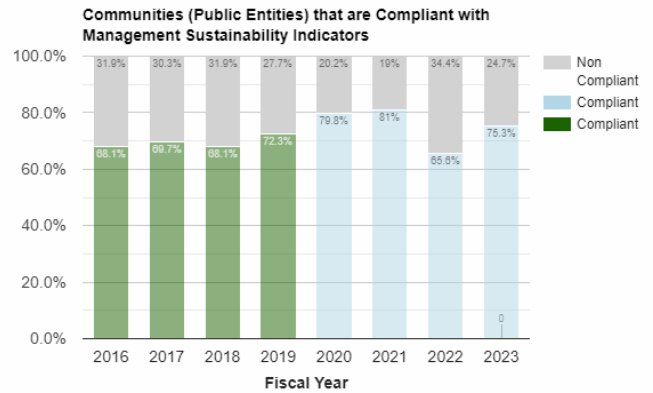
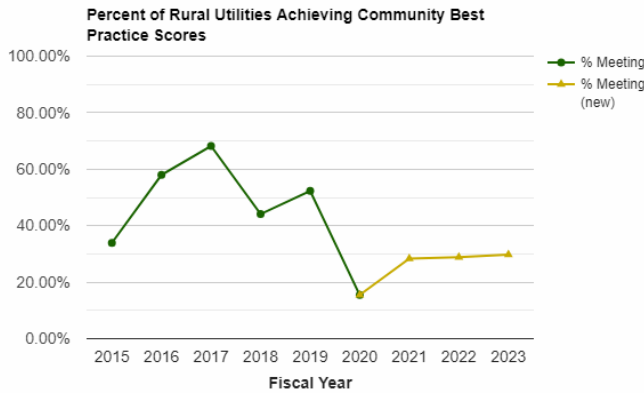
Community and Regional Affairs Results Delivery Unit

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

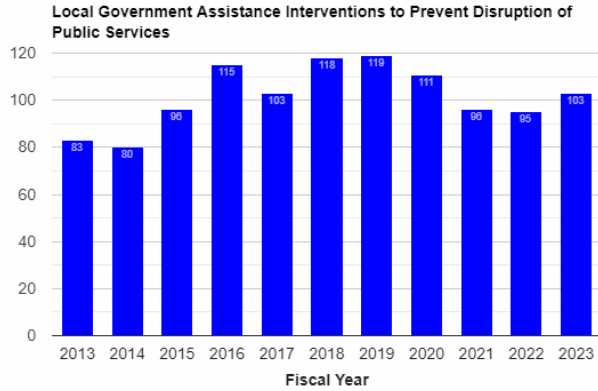
- Local Government Assistance - Training and technical assistance to develop and maintain local capacities for administering essential government services
- Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities
- Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues
- Grants and Funding - 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

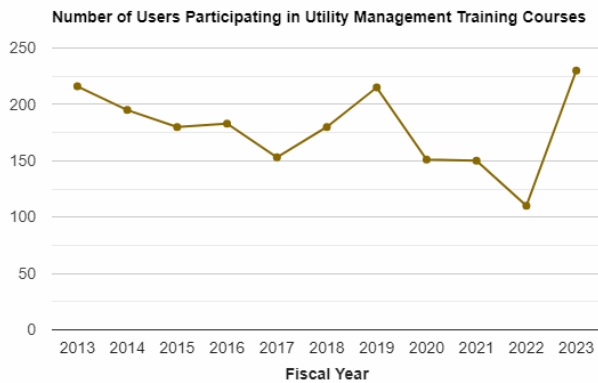
(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Local Government Assistance - Training and technical assistance to develop and maintain local

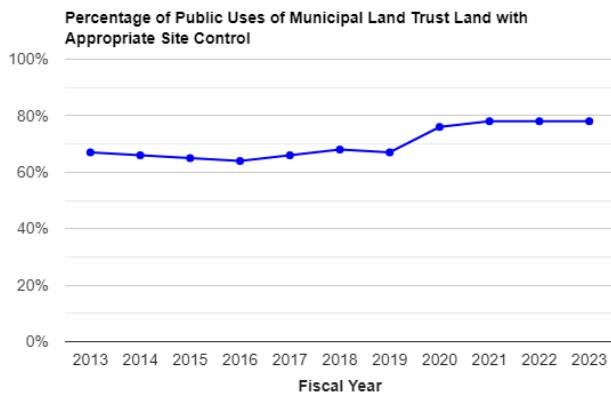
capacities for administering essential government services



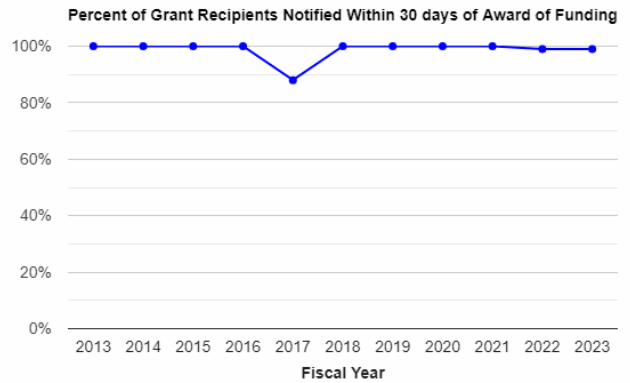
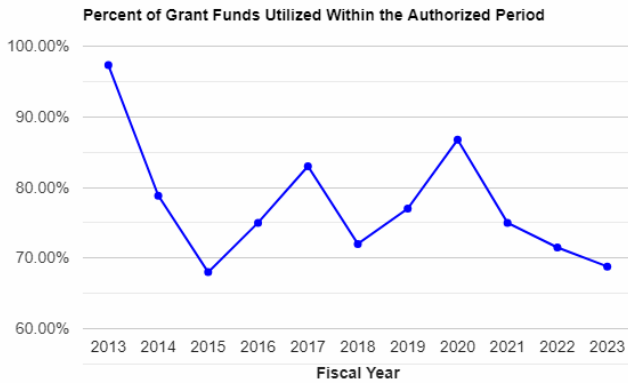
2. Rural Utility Business Advisor (RUBA) - Increase the managerial and financial capacities of rural water and wastewater utilities



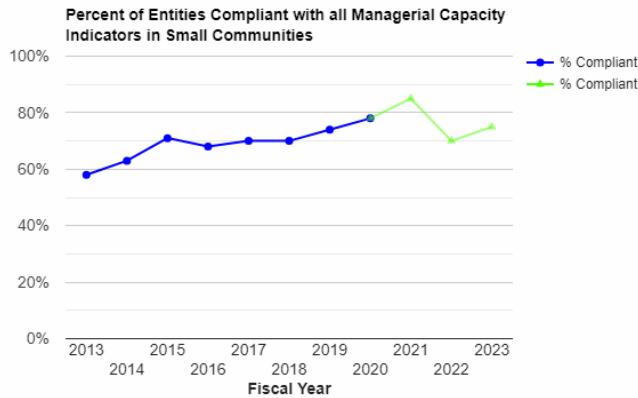
3. Land Management Assistance - Assist and train communities on regional and local basis to address and resolve land and planning issues



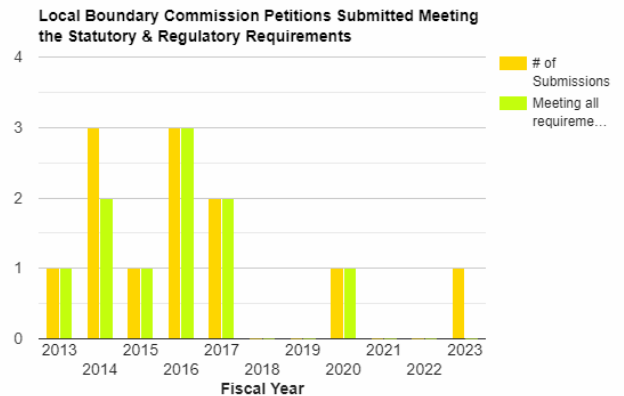
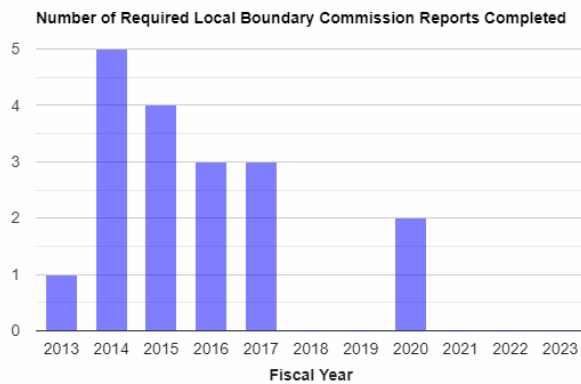
4. Grants and Funding - Administer multiple grant and funding distribution programs



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

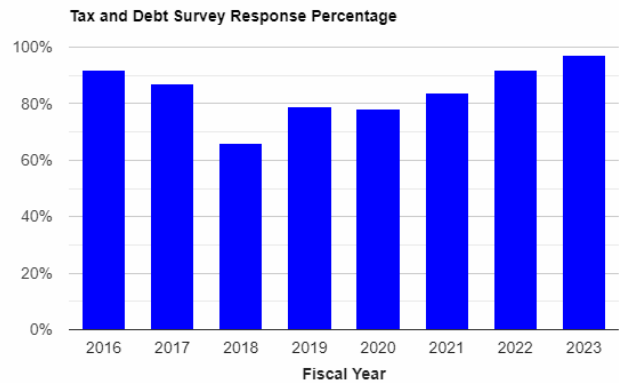
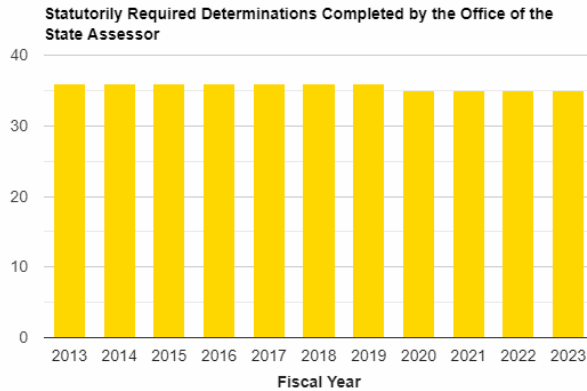


6. Local Boundary Commission staff - Prepare and distribute information and reports on incorporation, dissolution, annexation, or consolidation

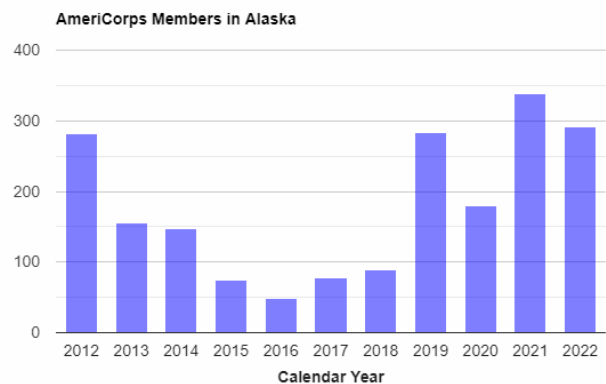
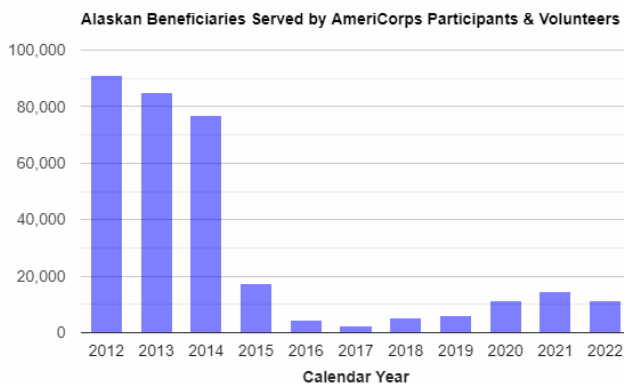


7. State Assessor - Technical assistance to municipal assessors on property value assessments to

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 2023

Local Government Assistance (LGS)

- Local governments throughout Alaska are experiencing a particularly high rate of turnover, leading to a high rate of vacancies and newly-hired staff in need of training. Local Government Specialist (LGS) staff continue to provide remote and hands-on assistance and support to communities experiencing these transitions.
- The Local Government Resource Desk aids and support at a high level on a broad range of topics. The desk also provides support and resources for both LGS staff and the communities they work with.
- Assistance was provided to 245 communities throughout Alaska. Including:
 - 1,981 unique contacts
 - 41 interventions that prevented disruption to essential public services.
 - 62 fuel loans for a total of \$19,520,046.78 to communities ineligible for bank loans and coordination of fuel deliveries to avoid critical shortages.
- In FY2023, Local Government Assistance staff provided support and assistance to rural Alaskan communities in many areas, including: ensuring they submitted applications and paperwork to receive Community Assistance Program funds; Internal Revenue Service's delinquency issues; creating and tracking annual budgets; workers' compensation insurance issues; disaster response and recovery following Typhoon Merbok and spring breakup flooding; training newly hired municipal and tribal staff, support running municipal and tribal elections; and much more.

Rural Utility Business Advisor (RUBA)

- In FY2023, five courses were taught online, and seven courses were taught in-person for a total of 12 courses. 190 participants completed the training courses.
- 195 utilities were analyzed in the months of July and January on six managerial and financial best practices criteria. The resulting score directly affects water and wastewater utility infrastructure project funding.

- RUBA staff managed the conversion of the “Becoming a QuickBooks Power User” 24-hour utility financial management class to an online learning platform. One class was provided in-person, and three classes were provided online. A total of 40 participants completed the training courses.
- Staff collaborated with Research and Analysis to create a Utility Management Best Practices Dashboard, which provides easily accessible information about each score community and their past and current scores as well as comparisons over time.
- In response to the creation of a priority community list in need of enhanced and urgent water and wastewater utility projects, RUBA created a shared work plan on which RUBA and Department of Environmental Conservation (DEC) staff can share progress, plan next steps, and brainstorm new tactics and supports.
- 3,315 contacts were made with communities in the form of technical assistance, meetings, and information sharing of RUBA related opportunities.

Land Management

- The Municipal Land Trust (MLT) issued authorizations providing site control for the following Kokhanok projects: five residential lease assignments to homeowners; a new residential lease granted for an existing home; and approved authorization for geotechnical and archaeological surveys. Several other preapplication meetings were held with residents or village councils for proposed site control, with the review and adjudication of pending applications for utilities (Twin Hills and Minto), residential use (Kokhanok and Minto), amendment and renewal of public airport lease (Chenegua) and the transfer of a closed Lake and Peninsula School to the Pedro Bay Village Council.
- Coordinating an effort with the Department of Natural Resources to approve a streamlined process for dedicating for public use existing surveyed road rights-of-way and other easements.
- Conducted field inspection of municipal trust lands located in Cantwell that are pending transfer to the State of Alaska in trust.
- The MLT Dashboard was launched reflecting the status for all State MLT communities, along with significant progress towards updating GIS importing community profile map data in to the MLT Community Navigator.
- Provided training to several MLT communities regarding regulations and land management in their community.
- Completed multiple site control evaluations for the CDBG program, along with general assistance to rural cities in identifying land ownership and status.

Grants and Funding Section:

- Administered nine federal and four state grant programs with an approximate value of \$1,629,740,512.
- Distributed approximately \$55,122,902 to 240 different communities under the Community Assistance Program (CAP), Payment in Lieu of Taxes (PILT), National Forest Receipts/Secure Rural Schools, Shared Fisheries Business Tax, and Fisheries Resource Landing Tax programs.
- Received approval on Substantial Amendment #3 for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) 2018 Cook Inlet Earthquake, which fully allocated all CDBG-DR funds.
- Administered a total of 174 active Designated Legislative grants and made 38 new Designated Legislative Grant awards totaling \$47,512,587.
- Continued to administer agreements for Department of Public Safety and Department of Environmental Conservation (DEC) for specific federal programs on their behalf managing approximately \$42 million in grants.
- Administered six Coronavirus Capital Project grants approved by the U.S. Treasury totaling \$62,799,968.
- Awarded \$18,044,000 in National Petroleum Reserve – Alaska (NPR-A) funds in support of four communities.
- Provided virtual and in-person Community Development Block Grant application/management workshops in which 24 local government representatives participated.
- Represented DCRA and DCCED on the Council of State Community Development Agencies Western Regional Board of Representative representing fourteen states.
- Distributed \$30,694,746 for the Seafood Processors Pandemic Response and Safety Block Grant Program to 58 seafood processors for costs incurred preparing for, preventing exposure to, and responding to the COVID-19 pandemic.
- Distributed \$150,000 to four for-profit, Alaska-based businesses that have been awarded a Federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) Phase I or Phase II grant.

Information Resources

The Mapping, Analytics, and Data Resources (MADR) program focuses on ensuring that accurate and up-to-date information resources concerning Alaska communities are continually available to communities and the public. In FY2023, the MADR team:

- Responded to over 95 requests for information and assistance and fulfilled approximately 81 requests for digital community profile data and 27 printed profile maps.
- Continued to update and maintain the Community Database Online (CDO) which provides a myriad of community-based datasets, maps, interactive applications, and dashboards. The CDO received over 862 views per day in FY2023, which is an increase in 207 views a day from last year.
- Collaborated with the Department of Education, the Division of Elections, and local interior Alaska communities to redraw the boundaries for Yukon Flats and Yukon-Koyukuk Regional Education Attendance Areas (REAA) following the legislative decision to move the community of Rampart from one REAA to the other. This is the first time an REAA boundary has been redrawn independent of borough formation since their establishment in the 1970's.
- Worked closely with the Alaska Broadband Office (ABO) to help contract with Ecopia AI to digitize all building footprints in Alaska based upon ariel imagery to determine all broadband serviceable locations (BSL) in the state. This work led to the identification of over 250,000 BSLs, which translated to over \$1 billion in funding to the State of Alaska for broadband development and deployment.
- Entered a formal contract with the ABO to engage in mapping, data analysis, and data collection activities. The MADR staff is currently developing an In-State Challenge Portal which will be live in early 2024.
- Assisted in the creation of multiple division reports. These include surveying, coordinating, and drafting the 2022 ARDOR Annual Report; collecting and analyzing cruise ship passenger tax data from multiple sources to produce the triannual Commercial Passenger Vessel report; data gathering, surveying, and drafting two Alaska Fuel Price Reports; and analyzing Best Practice scores for 195 communities to provide graphs and maps for the biannual RUBA Best Practice Report.
- Led the effort to demo, vet, and develop a Request For Proposal for the purchase of a new grant management system (GMS) including interviewing stakeholders, developing a system requirement list, and reviewing and scoring respondents. A new GMS was selected in May 2023.
- Collaborated with DCCED's Information Technology team to build a new external portal to track contractors' activities with Alaska communities so that activities may be monitored, and data would be interoperable with staff's internal staff tracking and activity reports (STARS) database.
- Partnered with the Commissioner's Office and the Small Business Administration (SBA) to help identify and select areas impacted by the closure of the Bristol Bay crab fishery in October 2022. This effort resulted in the declaration of an SBA Economic Injury Disaster which has made loans available to impacted Alaskan businesses.
- Attended the Department of Transportation's Planning Data Summit to share GIS best practices and engage in data sharing activities.
- Purchased the software GovDelivery by Granicus to implement a new listserv and communication device for the division. As of June 30, 2023, there were over 2,600 subscribers.
- Partnered with DCCED IT to upgrade and migrate DCRA's SQL and GIS server to an Azure Cloud environment.
- Developed no less than five new data collection instruments utilizing the Survey 123 application.

Made in Alaska (MIA)

- The Made in Alaska program is committed to growing the local Alaskan economy by supporting local manufacturing business across the state. In FY2023, the MIA staff continued this commitment to grow the program and reviewed and approved 337 new permits. These represent businesses from 42 different communities ranging from Anchor Point to Wasilla.
- Made in Alaska staff and a scoring committee awarded AlaSkins with 2022 Manufacturer of the Year award in July 2023. AlaSkins was the Made in Alaska business that best demonstrated the ability to overcome challenges, grow their business, and be a leader in the community.
- MIA partnered with Onboard Media to help guests on all Alaska-bound Carnival and Celebrity Cruises identify and shop for Made in Alaska products. Onboard Media representatives were on all Carnival and Celebrity Cruise ships and featured a diverse group of locally owned and operated businesses, including unique Made in Alaska products, in the shopping materials guests received during their voyage. Guests were given customized port guides at each port-of-call, reminding them to "look for the label" when they shopped.
- MIA staff partnered with the Alaska Manufacturing Extension Program to provide new training opportunities and resources to Alaskan manufacturers.

Local Boundary Commission (LBC)

- Held three meetings of the Local Boundary Commission.
- LBC staff provided support to Department of Law in drafting regulations changes related to new legislation adopted in 2023.
- Performed two informal technical reviews for borough incorporation petitions.
- Responded to inquiries from 16 communities regarding various municipal boundary change questions.
- The Local Boundary Commission will focus on reviewing the Hoonah (Xunaa) Borough Incorporation petition through 2024. It is the first borough incorporation petition submitted since the incorporation of the Petersburg Borough in 2013. The Local Boundary Commission is also reviewing new regulations to allow first class cities with populations under 400 to reclassify as second-class cities through an abbreviated process.

Office of the State Assessor

- Provided advice to local government assessing staff in Alaska on issues such as exemptions and equitable methods of assessing market value.

Serve Alaska

- Serve Alaska was able to convene approximately 85 AmeriCorps members in March 2023. This convening provided training for AmeriCorps members, as well as a chance for them to network with each other. This is an important event to both inspire members to continue their service as well as provide them skills for their service and beyond to help with workforce development.
- Serve Alaska helped two new organizations through the planning grant process. These organizations are expected to apply for funding for FY24 to begin programming August 2024.
- Serve Alaska hosted an AmeriCorps Leadership, including the CEO of AmeriCorps, as well as partners from Native Americans in Philanthropy, Native Forward, and Center for Native American Youth. This visit was used to highlight both challenges in operating national service in Alaska, as well as highlight innovations happening across the state. The visit was extremely successful with hopes of expanding programs to more rural communities in upcoming years.

Alaska Native Language Preservation and Advisory Council

- Continued updates to the new Community Database Online to add Alaska Native spelling of traditional names for Alaska Native places, audio links giving pronunciation of Alaska Native place names; and English spelled and spoken pronunciation hints for Alaska Native communities.
- Coordinated with and analyzed information from the Division of Elections personnel on Native language ballots and translations.
- Worked with Alaska Historical Commission to explore ways of using more Alaska Native place names in public signage.
- Staff worked with Alaska Native language program staff across University of Alaska units.
- Staff compiled more detailed information on school language immersion programs.
- Provided training in cross-cultural communication, including relevant particulars of Alaska Native languages and cultures to DCRA and DEC staff.
- Responded to requests from teachers of Alaska Native languages and questions of funding opportunities, modern writing systems, teaching methods, and how and where to access existing lesson plans.

Risk Mapping, Assessment, and Planning (Risk MAP)

- Through a Cooperative Technical Partnership with FEMA Region 10, developed and maintained partnerships with state and federal agencies and stakeholders to identify future mapping and hazard assessment needs and to collaborate on community resilience efforts in Alaska.
- Provided coordination and technical support to several agencies, organizations, and communities on communities impacted by environmental threats including the Northwest Arctic Borough, City of Kotzebue, Buckland, Deering, Kivalina, Kobuk, the Kenai Peninsula Borough, and the Fairbanks North Star Borough.
- Completed an ArcGIS StoryMap on the Kenai Peninsula Borough's Risk MAP study to inform residents of the status of flood hazards studies in the Borough.
- Partnered with FEMA on the Community Assistance Recovery Support Function of FEMA's Interagency Recovery Coordination for DR-4672, Typhoon Merbok, which focuses on the long-term disaster recovery of several of the most impacted communities, including Chevak, Toksook Bay, Saint Michael, Stebbins, Koyuk, Tuntutuliak, Nightmute, Hooper Bay, Koyuk, Golovin, Scammon Bay, and Nunam Iqua.
- Completed an ArcGIS StoryMap on "A Phased Approach to Village Relocation: Guidance for incremental, community-driven village relocation" to provide guidance to communities who are considering village relocation.

- Partnered with the Alaska Department of Natural Resources Division of Geological and Geophysical Surveys and the Alaska Native Tribal Health Consortium on the Alaska Coastal Resilience Partnership project, “Building Capacity and Conducting Coastal Risk Assessments in Remote Alaska Native Communities.”
- At the request of the village of Point Lay, organized and facilitated quarterly meetings of the Point Lay Research and Project Advisory Group, whose purpose is to provide a regular forum to share updates on National Science Foundation Navigating the New Arctic research and infrastructure projects in Point Lay, planned and in progress, and to discuss issues related to permafrost thaw, coastal erosion, and climate adaptation.
- Provided technical support to the communities of Napakiak, Deering, and Kwigillingok with conducting community resilience surveys, identifying hazard mitigation projects and developing Infrastructure Protection Plans.
- Co-developed a draft strategic plan with NOAA Office of Coastal Management and the Alaska Native Tribal Health consortium’s Center for Environmentally Threatened Communities on a Risk Assessment Program for rural communities in Alaska.
- Partnered with the Alaska Native Tribal Health Consortium on the “Unmet Needs of Environmentally Threatened Alaska Native Villages: Assessment and Recommendations” report.
- Provided education and outreach on natural hazard Issues and resilience solutions at several local and national events including the Point Lay Research and Project Advisory Committee, the Alaska Tribal Resilience Learning Network, Bureau of Indian Affairs Tribal Climate Resilience Retreat on Relocation, Managed Retreat, or Protect-in-Place, and FEMA’s 2023 Mitigation Summit in Seattle, Washington.
- Assisted the Newtok Village Council with the update to “Newtok to Mertarvik Master Implementation Plan”. Organized and facilitated a quarterly meeting of the Newtok Relocation Steering Committee comprised of key relocation funders. Held a work session with the Newtok Village Council to finalize the tribal council’s “Relocation Needs” document which federal funders will use to allocate funding to the village relocation effort.
- Initiated and led meetings with communities, and state and federal agencies to address and resolve community planning issues related to natural hazards such as erosion, flooding, permafrost degradation.

Key RDU Challenges

DCRA continues to struggle with recruitment even with the changes made to the minimum qualifications for many of our positions which are now competency based.

DCRA continues to expand on-line training courses to encourage community engagement and receive required budget information that is required to increase a community’s best practice score, which in turn makes them eligible for federal funds.

Significant Changes in Results to be Delivered in FY2025

The Local Government Assistance Section is requesting two new Local Government Specialist positions to identify future mapping and hazard needs, collaborate on resilience efforts, provide communication outreach and natural hazard issues and solutions in Alaska, and provide technical assistance to 144 environmentally threatened communities.

The Grants and Funding section is requesting a Program Coordinator position to manage \$38.4 million in disaster recovery funds to address unmet needs, long term recovery, and mitigation activities following Typhoon Merbok in 2022, which impacted 55 communities in Western Alaska.

The Serve Alaska Program is requesting to make the non-permanent Program Coordinator 1 position permanent to continue to meet ongoing program requirements while reducing the impact of recruiting and retaining a non-permanent position.

The MADR Program is requesting a new Research Analyst 3 to assist the Community Resilience Program by functioning as a centralized contact responsible for being the primary source for activities and data collection related to the planning and response of these 144 environmentally threatened communities.

Beginning in February 2022, the Made in Alaska program began a lengthy renewal investigation with a permit holder who was violating the regulations of the program. Through the process of trying to administratively deny a non-compliant Made in Alaska permit holder, staff highlighted some vulnerabilities in the relevant statute. Recommendations have been made to the Governor to amend the Made in Alaska statute to clarify prohibitive

conduct and penalties as it relates to the program. This change will strengthen the administration of the Made in Alaska program and protect Alaskan consumers from fraudulent merchandise.

Contact Information

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

All dollars shown in thousands

	FY2023 Actuals				FY2024 Management Plan				FY2025 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	5,998.2	662.6	40,510.4	47,171.2	6,691.8	1,342.0	129,859.7	137,893.5	6,716.0	1,873.9	2,679.9	11,269.8
Serve Alaska	193.2	0.0	1,948.5	2,141.7	231.1	20.0	1,916.3	2,167.4	236.4	20.0	5,930.8	6,187.2
Totals	6,191.4	662.6	42,458.9	49,312.9	6,922.9	1,362.0	131,776.0	140,060.9	6,952.4	1,893.9	8,610.7	17,457.0

Community and Regional Affairs
Summary of RDU Budget Changes by Component
From FY2024 Management Plan to FY2025 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>
FY2024 Management Plan	6,334.4	588.5	1,362.0	131,776.0	140,060.9
One-time items:					
-Community & Regional Affairs	-125.0	-301.2	0.0	-127,263.7	-127,689.9
Adjustments which continue current level of service:					
-Community & Regional Affairs	350.9	296.5	31.9	83.9	763.2
-Serve Alaska	5.3	0.0	0.0	4,014.5	4,019.8
Proposed budget increases:					
-Community & Regional Affairs	0.0	0.0	500.0	0.0	500.0
Proposed budget decreases:					
-Community & Regional Affairs	0.0	-197.0	0.0	0.0	-197.0
FY2025 Governor	6,565.6	386.8	1,893.9	8,610.7	17,457.0