Clean Water Capitalization Grant Subsidy - IIJA, Division J, Title VI | **FY2027 Request: $7,224,600** | **Reference No: 63863**

AP/AL: Appropriation
Category: Health/Human Services
Location: Statewide
Impact House District: Statewide (HD 1 - 40)
Estimated Project Dates: 07/01/2026 - 06/30/2031

Project Type: Water / Sewer / Solid Waste
House District: Statewide (HD 1 - 40)
Contact: Gene McCabe
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Brief Summary and Statement of Need:
The Department of Environmental Conservation (DEC) is required to issue subsidies as a condition of the Clean Water Loan Fund Capitalization Grant. The Infrastructure Investment and Jobs Act (IIJA) provides hundreds of millions in federal funds that will be awarded to Alaska for water and wastewater projects. The DECcurrently anticipates $423.7 million in federal capitalization grants to the Alaska Clean Water and Alaska Drinking Water State Revolving Loan Funds (SRF) over the next five fiscal years. The DECis required to subsidize a percentage of loans made from the fund. Capital appropriations are required to record that subsidy in the State's accounting system.

Funding:	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	Total
1075 Cln Wtr Fd	$7,224,600	$7,224,600	$7,224,600	$7,224,600	$7,224,600		$36,123,000
Total:	$7,224,600	$7,224,600	$7,224,600	$7,224,600	$7,224,600	$0	$36,123,000

☐ 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:
Sec1 Ch12 SLA2025 P3 L32 SB57 $6,669,400
Sec1 Ch8 SLA2024 P10 L33 SB187 $6,112,800
Sec14 Ch1 SLA2023 P88 L3 HB39 $11,382,615
Sec11 Ch11 SLA2022 P88 L5 HB281 $9,241,939
Sec8 Ch1 SLA2021 P71 L29 HB69 $2,000,000
Sec1 Ch3 SLA2019 P3 L14 SB19 $1,000,000
Sec1 Ch19 SLA2018 P4 L21 SB142 $587,700
Sec1 Ch1 SLA2017 P4 L9 SB23 $587,700
Sec1 Ch18 SLA2014 P51 L10 SB119 $563,200
Sec1 Ch16 SLA2013 P63 L7 SB18 $704,000
Sec1 Ch17 SLA2012 P113 L8 SB160 $2,583,400
Sec1 Ch5 SLA2011 P81 L6 SB46 $1,826,274
Sec1 Ch43 SLA2010 P23 L16 SB230 $1,826,274

Project Description/Justification:

The Department of Environmental Conservation receives an annual capitalization grant from Environmental Protection Agency (EPA) that funds the Alaska Clean 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 will be used as subsidy for traditional loans from the additional funds made available through the federal Infrastructure Investment and Jobs Act and is required to properly record the loan forgiveness as an expense in the Alaska Clean Water Loan Fund.