

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance




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MEMORANDUM

DATE: March 26, 2010

TO: Legislative Budget and Audit Committee

FROM: David Teal
Director 

SUBJECT: Preparation for the March 30, 2010 LB&A Meeting

OMB submitted the following RPLs for consideration at the March 30, 2010, Legislative Budget and Audit Committee meeting. Both are for American Recovery and Reinvestment Act of 2009 (ARRA) funding. These RPLs, along with Legislative Finance comments, are posted on our web site at <http://www.legfin.state.ak.us/>

RPL#	Agency	Program	Amount	Fund Source
08-0-0114 <i>Capital</i>	Department of Commerce Community and Economic Development	Community Development Block Grant Program	\$67,436	ARRA funds – Capital
45-0-1140 <i>Capital</i>	University of Alaska	Combined Request for ARRA Funding	\$53,541	ARRA funds - Capital

cc: Senator Meyer
Representative Dahlstrom
Representative Hawker
Representative Neuman
Representative Thomas
Representative Doogan
Representative Stoltze
Representative Tuck

Senator Hoffman
Senator Huggins
Senator Menard
Senator Stedman
Senator Olson
Josh Applebee
Tim Grussendorf
Miles Baker

Linda Hay
Pauly Swanson
James Armstrong
Pat Davidson
John Bitney

**Department of Commerce, Community & Economic Development
Community & Regional Affairs**

Subject of RPL: Community Development Block Grant Program	ADN/RPL #: 8-0-0114
Amount requested: \$67,436	Appropriation Authority: Sec 7, Ch 17, SLA 2009, Pg 12, Line 10
Funding source: ARRA Federal Funding - Capital	Statutory Authority: AS 44.33.020

PURPOSE

The U.S. Department of Housing and Urban Development has allocated additional American Recovery and Reinvestment Act (ARRA) federal funding to the State of Alaska's Community Development Block Grant (CDBG) program. The funding was originally allocated at the federal level to a recipient within the State of Alaska. The recipient returned the funding and it has been allocated to the State of Alaska's ARRA CDBG program. It will be used for a capital project awarded to a CDBG grantee. The funds will be used to benefit low-to-moderate income residents.

PREVIOUS LEGISLATIVE CONSIDERATION

\$679,936 was originally appropriated (Sec 7, Ch 17, SLA 2009, Pg 12, Line 10) during the 26th Legislative Session for the ARRA CDBG program. This increase will bring the State of Alaska's ARRA CDBG program total to \$747,372.

TIMING ISSUES

These funds were originally allocated at the federal level to another recipient. It was not anticipated that the State of Alaska would need additional authorization and therefore was not included in the current budget. The Department of Commerce, Community & Economic Development received notification that the additional funding was available on February 23, 2010. These funds are imminent; a signed copy of the amendment from the U.S. Department of Housing and Urban Development (HUD) was received by the Division of Community and Regional Affairs and is awaiting signature at the department level. Funding will be available as soon as the amendment is signed. The funding will lapse if not under a grant agreement with an eligible entity by September 30, 2010 and must be expended by September 30, 2012. If the funds are delayed or disapproved, funding will not be available for use by an Alaskan community. The State of Alaska's ARRA CDBG program follows the federal HUD cycle for ARRA funding.

BUDGETARY ISSUES

The CDBG program contributes to the department's mission of promoting strong communities by providing funding to benefit low-to moderate income residents. 100% of the funds will be made available for a grant to eligible CDBG grantee and will be administered through existing staff. This funding is a one time request and does not have a general fund match requirement.

Agency Contact: Jo Ellen Hanrahan, (907)465-2506

Legislative Finance Contact: Amanda Ryder, (907) 465-5411

University of Alaska

Subject of RPL: Combined request for ARRA Funding	ADN/RPL #: 45-0-1140
Amount Requested: \$53,541	Appropriation Authority: Sec. 4, Ch. 17, SLA 2009, Page 9, Lines 12-16
Funding Source: Federal Stimulus: ARRA 2009 – Capital	Statutory Authority: AS 14.40.40

PURPOSE

The requested federal stimulus receipt authority will allow the University of Alaska to accept the following awards:

DOI-BLM: Rare Plant Study, Alaska in the amount of \$24,990 for the period 03/15/2010 through 03/14/2013, award L10AC16419.

USGS: Novel ANSS Alaska Seismic Station Upgrade in the amount of \$28,551 for the period of 8/28/2009 through 9/15/2011, award G09AC00496-amended.

PREVIOUS LEGISLATIVE CONSIDERATION

The projects were not previously considered. They are new multi-year federal awards received after February 25, 2010 and have not been requested as part of the University's budget.

TIMING ISSUES

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, which authorized short-term federal spending, designed to stimulate the American economy. Federal stimulus receipt authority was not included in the FY10 budget because ARRA funding was not available for application until February 17, 2009.

BUDGETARY ISSUES

These projects are directly aligned with the University of Alaska's long term plans and missions for the University of Alaska Fairbanks: "The University of Alaska Fairbanks, the nation's northernmost Land, Sea and Space Grant University and international research center, advances and disseminates knowledge through teaching, research and public service with an emphasis on Alaska, the circumpolar North and their diverse peoples. UAF – America's Arctic University – promotes academic excellence, student success and lifelong learning", and the University of Alaska Anchorage: "The mission of the University of Alaska Anchorage is to discover and disseminate knowledge through teaching, research, engagement, and creative expression,"

Agency Contact: Michelle Rizk, (907) 450-8187

Legislative Finance Contact: Danith Watts, (907) 465-5435

No State General Funds will be used, nor is any match required. The federal stimulus funds will be expended during the period FY10 through FY13. This request adds an additional \$53,541 to the University's existing federal economic stimulus authority for competitive, discretionary, and incentive grants capital project appropriation contained within Sec. 4, Ch. 17, SLA 2009.

A copy of the award documents are attached.

***Legislative Fiscal Analyst Comment:* This RPL requests approval to spend additional stimulus funds received through a competitive process; no stimulus funds will be diverted from other Alaska projects and no general funds are required. As of February 25, 2010, the University of Alaska has been awarded and the Legislative Budget & Audit Committee has approved 61 grants totaling \$180.5 million in stimulus funds for capital, plus \$1.385 million for operating related to Federal College Work Study and Federal Pell Grants. There are also 35 proposals pending totaling \$68 million for federal ARRA funds.**