

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE Division of Legislative Finance



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MEMORANDUM

DATE: October 7, 2011

TO: Legislative Budget and Audit Committee

FROM: David Teal, Director

SUBJECT: Preparation for the October 14, 2011 LB&A Meeting

OMB submitted the following RPLs for consideration at the October 14, 2011 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our web site at <http://www.legfin.state.ak.us/>. If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

RPL#	Agency	Subject	Amount	Fund Source
05-2-0070	Department of Education and Early Development	Harper Arts Touring Program	\$65,000	SDPR Operating
06-2-0212	Department of Health & Social Services	Alaska's Strategic Prevention Framework State Incentive Grant	\$1,007,322	Federal Receipts Operating
08-2-0104	Department of Commerce, Community, & Economic Development	State Trade & Export Promotion Grant Program	\$156,700	Federal Receipts Operating
10-2-5045	Department of Natural Resources	Permitting Coordination Applications	\$950,000	SDPR Operating
25-2-7760	Department of Transportation & Public Facilities	Alaska Construction Career Day Events	\$30,000	SDPR Operating

**Department of Education & Early Development
Commissions and Boards
Alaska State Council on the Arts**

Subject of RPL: Harper Arts Touring Program	ADN/RPL #: 05-2-0070
Amount requested: \$65,000	Appropriation Authority: Sec 1, Ch 3, FSSLA 2011, Pg 12, Lines 22-23
Funding source: \$65,000 SDPR (1108) Operating	Statutory Authority: AS44.27.050-052

PURPOSE

The Rasmuson Foundation is engaging the services of the Alaska State Council on the Arts (ASCA) in the administration of the Harper Arts Touring program. The Harper Arts Touring program helps stimulate access to high quality performing arts in communities throughout Alaska, including traveling arts and cultural exhibits. The program helps encourage tours of Alaska's performing arts, and builds capacity of organizations in small communities.

PREVIOUS LEGISLATIVE CONSIDERATION

There was no previous legislative consideration.

TIMING ISSUES

The ASCA was notified of the unanticipated Rasmuson Foundation grant after the regular session ended, and the associated funding agreement was finalized and signed August 31 (see attachment). The funds are currently in-hand and are available through June 30, 2012.

Due to the nature of how the ASCA cultivates partnerships through private entities, there are continuous opportunities to apply for private funding grants. However, the unanticipated timing and funding level of receipts is challenging in order to exactly align authorization.

BUDGETARY ISSUES

The Department of Education and Early Development is respectfully requesting \$65,000 additional SDPR authorization for the Harper Arts Touring grant. The funding will be allocated to the following expenditure line items: 73000 (Services) \$15,000 and 77000 (Grants) \$50,000. There is no general fund match requirement, and no new positions are needed for this request.

	AuthorizationTotal
FY12 Budgeted SDPR	180,000
Less Grants:	
Arts in Education	(140,000)
Grants in process from the following: ConocoPhillips, Rasmuson, GCI- notifications due during October	(40,000)
Available Balance	0
RPL-Harper Arts Touring Program	65,000
Total Revised Authorization	245,000

Approval of this request will give the ASCA the ability to receive and expend grant funds by disbursing them to eligible non-profit organizations in Alaska for the purpose of making the performing arts available in their communities.

Agency Contact: Anna Kim, (907) 465-2875
Legislative Finance Contact: Danith Watts, (907) 465-5435

This funding opportunity aligns with the ASCA's long term plans and mission to foster the development of the arts for all Alaskans through education, partnerships, grants and services.

***Legislative Fiscal Analyst Comment:* The terms of the attached contract limit pass-through grants to \$50,000. An additional \$15,000 provided by the Rasmuson Foundation is to cover administrative costs of the Alaska State Council on the Arts. Funding approved by the Foundation was not anticipated in the FY12 budget. The FY12 budgeted amount for SDPR of \$180,000 is already committed. Approval of this RPL will bring the overall FY12 SDPR to \$245,000.**

ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT by and between the RASMUSON FOUNDATION (the "Foundation"), an Alaska nonprofit corporation, and the ALASKA STATE COUNCIL ON THE ARTS (ASCA), is entered into as of JULY 1, 2011 (the "Effective Date").

RECITALS

- A. The Foundation is organized and operated for charitable purposes, including the support of other charitable organizations and programs that promote and preserve Alaska's cultural heritage.
- B. ASCA is an agency of state government to further the arts and culture of Alaska.
- C. The Foundation's Board of Directors has established the Arts and Culture Initiative under which grants will be made through a grant application and awards process to non-profit organizations in Alaska for the purpose of making the performing arts available in their communities.
- D. The Foundation and ASCA have engaged in discussions with regard to ASCA's administration of the Initiative's Arts in Education program and Harper Arts Touring Fund, in furtherance of the goals and objectives of the Initiative.
- E. The Foundation wishes ASCA to provide, and ASCA wishes to provide, administrative services as the Foundation's agent in connection with the Initiative, in accordance with the terms and conditions of this Agreement.
- F. NOW, THEREFORE, the parties hereby agree as follows:

AGREEMENT

I. Project Overview

The Arts in Education Fund was created to encourage the integration of art into the lives and experiences of students, teachers, and communities; to increase the role of cultural institutions in Alaska in making arts experiences available in pre-K – grade 12 schools; and to give artists/teachers opportunities to learn new ideas and practices to bring energy and creativity into the classroom.

Four grant programs have been funded by the Rasmuson Foundation to work toward these goals: Artists in the Schools (to augment existing program); Cultural Collaborations; Arts Excursions, and Art Teacher Fellowships.

Harper Arts Touring Fund was established to stimulate access to high quality performing arts in communities throughout Alaska; to encourage tours of Alaska's performing arts; to build the capacity of organizations in small communities to present; and to build audiences for cultural events. The purpose of the Fund has been expanded

to include traveling art and cultural exhibits. The Fund provides grants to subsidize travel and freight expenses associated with the presentation of touring performers or arts/cultural exhibits in communities without regular access to these types of programs.

The Foundation will provide funding for grants under the Initiative and above listed programs. ASCA will administer these programs as the Foundation's agent in accordance with the terms and conditions of this Agreement, including developing guidelines and criteria for grant awards, soliciting and reviewing grant applications, making grant award recommendations to the Foundation, administering the grant awards process, disbursing grant awards, tracking performance and gathering measurement data that will be useful for the Foundation.

The Foundation will pay ASCA an administrative fee in exchange for ASCA's administration of the Initiative. A detailed description of the Initiative, including the responsibilities of the parties in connection with the implementation and administration of the Initiative, is set out in Exhibit A, attached hereto and incorporated herein by this reference.

II. Funding

The pool of *grant funds* available for this contract will not exceed the total of ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$170,000) (the "Grant Funds"). These funds are divided into two categories: A) the Arts in Education Fund; totaling \$120,000; and, B) Harper Arts Touring Fund; totaling \$50,000.

If funds are remaining from the prior year contract, the Grant Funds paid by the Foundation to ASCA will equal the difference between the balance remaining in the fund, as held by ASCA, and the total fund limit established by this contract.

Within thirty (30) days after the agreement is signed by both parties, the Foundation shall pay the Grant Funds to ASCA. ASCA shall use the Grant Funds for the sole purpose of achieving the goals and objectives of the Initiative. The Foundation may, in its sole and absolute discretion, agree to renew its commitment to provide Initiative funding for additional one-year terms based on the Foundation's review of the achievement of the goals and objectives of the Initiative, as described in Exhibit A.

III. Project Duration

The Foundation will contract with ASCA to implement the initiative programs on a year-to-year basis. Contract renewals will be based on performance and through mutual agreement.

IV. Administration of Initiative

ASCA agrees to administer the programs in accordance with the terms and conditions of this Agreement and Exhibit A. Specifically, ASCA shall:

1. Make awards only to organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and that are classified as (1) public charities (i.e., non-private foundations) under Section 509(a) 1 or 2 of the Code or (2) units of government, in selected cases.

2. Award Grant Funds exclusively for charitable purposes as described in Section 501(c)(3) of the Code. ASCA shall not award any portion of the Grant Funds to participate in any political campaign on behalf of or in opposition to any candidate for public office, or for use in carrying on propaganda or otherwise attempting to influence legislation, or for any non-charitable purpose. Ensure that all of its employees and/or independent contractors providing services in connection with the Fund furnish such services in a professional and timely manner with the highest quality of care and accuracy.
3. Prepare and maintain complete and accurate books and records relating to its performance in connection with the Fund during the term of this Agreement, and its receipt and disbursement of the grant funds, and for a period of three (3) years thereafter. ASCA shall make records available to the Foundation or its representative for its inspection and copying at all reasonable times upon the Foundation's request.
4. Grants recommended by the ASCA and approved by the Foundation will be paid by ASCA. The pool of grant funds available for the initiative will be established by the Foundation on a yearly basis and for this contract will not exceed \$170,000.

V. Administrative Fee Terms

During the term of the agreement, the Foundation will pay ASCA an administrative fee in an amount not to exceed THIRTY-FIVE THOUSAND DOLLARS (\$35,000). This fee is divided into two parts: A) Arts in Education Fund Administration Fee; totaling \$20,000; and, B) Harper Arts Touring Fund Administration Fee; totaling \$15,000.

The Administration Fee shall be payable to ASCA in installments. An initial payment of \$7,000 will be made within thirty (30) days of receipt of the signed administrative services contract. Subsequent payments of \$10,500 each will be made in two installments within thirty (30) days of the Foundation's receipt of the reports required in Section 6: A and B below, and receipt of an invoice. A final payment of \$7,000 will be made within thirty (30) days of receipt and acceptance of the final program report, as outlined in Section 6: D.

VI. Reporting Requirements

1. **Content.** ASCA shall furnish program reports to the Foundation describing ASCA's activities in administering each program Fund. Each report shall describe in detail the recipient of and amount of each Fund award disbursed during the reporting period. Further, each report shall describe projects undertaken with Fund awards. Each report shall include copies of all press releases and other public announcements of the Fund(s) and/or awards made under the Fund(s). The final program report shall include a summary of all activities and grant funds distributed during the contract period.
2. **Timing.** Each report shall be due following the schedule below:

- a. October 15, 2011 (for the period 7/1/11 through 9/30/11).
- b. January 15, 2012 (for the period 10/1/11 through 12/31/11).
- c. April 15, 2012 (for the period 1/1/12 through 3/31/12).
- d. July 15, 2012 (final report) (for the period 4/1/12 through 6/30/12).

VII. Review by Foundation

Representatives of the Foundation shall at all times have the right to review ASCA's activities in administering the Funds. The Foundation may, at its own expense, conduct a program audit of ASCA's records relating to the Funds on an annual or more frequent basis.

VIII. Term

The term of this Agreement shall be from the Effective Date to June 30, 2012, or until such time as ASCA shall have disbursed all Grant Funds in accordance with the terms and conditions of this Agreement, whichever occurs earlier. The parties may mutually agree in writing thereafter to extend this Agreement for additional one-year terms. In the event of any such extension, the parties shall mutually agree in writing on the goals and objectives of any such extension, and shall amend Exhibit A hereto to reflect such goals and objectives.

IX. Termination

Either party to this Agreement may terminate this Agreement at any time effective upon written notice to the other party. In that case, ASCA shall be entitled only to that portion of the quarterly Administrative Fee earned at the time written notice of termination is given, pro-rated on a daily basis.

X. Subsequent Contracts

Subsequent contracts will be based on successful completion of annual objectives. The scope of work and deliverables will be set by mutual agreement no later than one month before annual contract completion.

XII. Release; Indemnification; Limitation of Liability

1. **Release.** The Foundation shall not be responsible in any way for any acts or omissions of ASCA, its officers, directors, employees, agents, affiliates, or subcontractors in connection with the Initiative or the performance of any obligation of ASCA under this Agreement. The Foundation assumes no liability with respect to any damage to persons or property arising out of or in connection with ASCA's administration of the Initiative or entering into this Agreement.

- 2. Indemnification.** ASCA agrees to defend, hold harmless, and indemnify the Foundation and its officers, directors, agents, employees, successors and assigns against any and all damages or claims for damages, actions, loss, liability, costs and expenses, including without limitation attorneys' fees, arising or allegedly arising from or in connection with any acts or omissions of ASCA, its officers, directors, employees, agents, affiliates, or subcontractors, including without limitation, breach of any warranty or covenant contained herein, or personal injury, death or damage to property.
- 3. Limitation of Liability.** The Foundation will not, under any circumstances, be liable to ASCA for any consequential, special, incidental, or exemplary damages or economic loss related to the Initiative, or otherwise arising out of this Agreement.

XIII. Nature of Agreement

This Agreement shall not create the relationship of employer and employee or a partnership. ASCA and its employees, agents or contractors will not hold themselves out as officers or employees of the Foundation by reason of this Agreement, and will not make any claim of right, privilege or benefit which would accrue to an employee. Each party shall be responsible for maintaining books and records for its own business and shall pay all costs of conducting its business, including but not limited to the expense and responsibility for any and all applicable insurance, city, county, state and federal licenses, permits, taxes and assessments of any and all regulatory agencies, boards or municipalities. Each party is responsible for payment of its own taxes, including business and occupation taxes, income taxes, employment taxes, social security and other payroll taxes as related to the employees of each, and shall indemnify and hold harmless the other party from paying such taxes.

XIV. Assignment

This Agreement may not be assigned or transferred by either party without the prior written consent of the other party. The terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs and successors in interest.

XV. Notices

Any notices permitted or required under this Agreement shall be deemed given upon the date of personal delivery or forty-eight (48) hours after deposit in the United States mail, postage fully prepaid, return receipt requested, to a party at the following address, or at such other address as a party may, from time to time, designate by notice given in compliance with this section:

If to the Foundation:

Rasmuson Foundation
Attn: Jayson Smart
301 W. Northern Lights Blvd, Suite 400
Anchorage, AK 99503

If to ASCA:

Alaska State Council on the Arts
Attn: Charlotte Fox
161 Klevin St., # 102 Anchorage, AK
99508

XVI. Governing Law

This Agreement shall be governed and interpreted according to the laws of the State of Alaska.

XVII. Amendments

This Agreement may be amended, supplemented or modified only by a writing signed by both parties hereto.

XVIII. Entire Agreement

This Agreement, together with exhibits hereto, constitutes the entire agreement of the parties with respect to the subject matter hereof, and is not subject to amendment or modification except as provided herein.

XIX. Severability

Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision.

XX. Counterparts

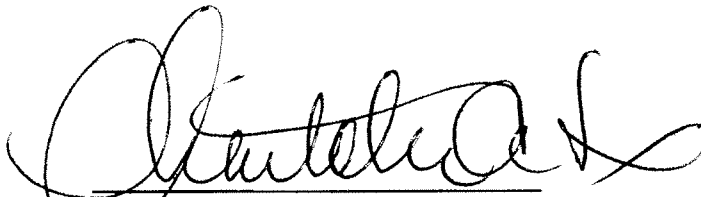
This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the date indicated below.



Diane Kaplan
President and CEO
Rasmuson Foundation

Date 8/31/11



Charlotte Fox
Executive Director
Alaska State Council on the Arts

Date 8/31/11

EXHIBIT A – FUNDING GUIDELINES AND SCOPE OF WORK

The Arts Education Fund

This Fund was established by the Rasmuson Foundation as part of their Arts and Culture Initiative, in recognition of the important role arts education plays in life-long learning and student success. The Fund will focus on advancing the following three goals:

- Increase the role of cultural institutions in making arts experiences available in schools and neighborhoods;
- Inspire collaborations between educators, artists and cultural institutions to increase student access to arts and cultural experiences.
- Give artists/teachers opportunities to learn new ideas and practices to bring energy and creativity into the classroom.

The Rasmuson Foundation will implement the program under contract with the Alaska State Council on the Arts. This contract will cover administration of the following grant programs of the Rasmuson Foundation's Arts In Education Fund:

Cultural Collaborations Program

Three grant programs for collaborative projects that enable schools, arts organizations, local arts agencies, artists and civic groups to establish, expand, enhance or increase access to arts and cultural programs for young people.

Access Grants of up to \$1,000 to support high-quality, short-term arts and cultural activities for grades K-12 at a school site during the school day.

Project Grants of up to \$6,000 to support high-quality, longer-term, experientially based arts and cultural projects or programs for youth outside of the school day.

Arts Excursion Grants for Alaskan K-12 schools, both public and private, to assist with student participation in arts and cultural events at venues outside of the school site.

Art Teacher Fellowships

Grants of up to \$3,000 awarded to Alaska educators who are also artists, in grades K-12 to provide them the opportunity to immerse themselves in their own creative work, interact with other professional artists, and stay current with new practices.

In addition, the Arts Education Fund will provide funds to augment the grant resources available for the Alaska State Council on the Arts' **Artists in the Schools Program**.

Harper Arts Touring Fund

This Fund was established to stimulate access to high quality performing arts in communities throughout Alaska; to encourage tours of Alaska's performing arts; to build the capacity of organizations in small communities to present; and to build audiences for cultural events. The purpose of the Fund has been expanded to include traveling art

and cultural exhibits. The Fund provides grants to subsidize travel and freight expenses associated with the presentation of touring performers or arts/cultural exhibits in communities without regular access to these types of programs.

Grants made under the Harper Arts Touring Fund shall be administered under the following guidelines:

Eligible Projects

Arts and cultural presentations including but not limited to: theater, dance, opera/musical theater, music, performances for young audiences, literary readings/storytelling, folk & traditional arts, media arts, and visual art and historical cultural exhibitions are eligible provided they meet at least one of the following criteria:

1. Arts and cultural presentations/exhibits in “underserved” Alaskan communities.
2. Presentations/exhibits of an Alaskan based artist or arts organization to communities in Alaska.
3. Presentations/exhibits specifically designed to attract new audiences or reach underserved populations.
4. Multi-community tours within Alaska that include categories 1, 2 or 3 above that are coordinated by a lead presenting organization, provided the lead organization partners with a local organization in each community.

If a performer/exhibit is traveling from outside of Alaska, then block-booking with at least two Alaskan communities is required.

The proposed activity must be marketed to and open to the public. Where possible, it should include an educational component.

Eligible Expenses

Performing Arts activities:

- Artist travel and related freight costs associated with the presentation of touring performers within Alaska.

Exhibits:

- Freight costs and/or artist travel associated with exhibit touring.

Ineligible Expenses

- Travel/freight for fundraising or benefit concerts/exhibits;
- Production expenses (i.e., costs associated with preparing a production/exhibit for tour including artist fees, set and crate fabrication, and;
- Underwriting for an organization’s ongoing programming budget.

Grant Amounts

Organizations may apply for up to \$3,500 per individual community where a touring presentation/exhibit is taking place. The Foundation encourages arts/exhibit presenters to “block book” performances/exhibits with other rural and underserved communities, and will support grant applications from a single entity on behalf of multiple community presentations. No single application can exceed \$10,500.

Selection Criteria

The following selection criteria shall be used by ASCA to evaluate grant applications under this program:

1. The degree to which the activity increases access to the arts for underserved populations and/or communities. Priority will be given to applicants whose projects serve geographic areas without regular access to the arts.
2. The artistic quality of the proposed artists/exhibits. Special consideration will be given to organizations that present Alaskan artists or exhibits reflecting the work of Alaskan artists.
3. The capacity of the applicant to successfully present the activity.
4. The applicant's plan for attracting audiences and building community participation.
5. The number of communities served by the proposed tour.
6. For repeat applicants: the diversity of art forms presented from year-to-year; and a track record that demonstrates an increased ability to plan events 3-6 months in advance.

Scope of Work/Deliverables

The Alaska State Council on the Arts (ASCA) agrees to coordinate the grant programs of the Rasmuson Foundation's Arts Education Fund and Harper Arts Touring Fund and accomplish the following objectives during the period July 1, 2011 through June 30, 2012:

- 1) Working closely with the Rasmuson Foundation's Program Staff, the Alaska State Council on the Arts will administer the Arts Education Fund, and Harper Arts Touring Fund. Tasks include but are not limited to:
 - a) Research and identify best practices and make program recommendations to Rasmuson staff.
 - b) Broadly publicize the programs, encouraging school, organization, and community participation.
 - c) Broadly distribute applications and guidelines for the grant programs, and make available on the ASCA website.
 - d) Assist applicants with the grant application process.
 - e) Manage the grant review and award process for each program.
 - f) For all grant programs, develop assessment tools. Integrate these tools into the application and reporting process, and collect data for reporting to the Foundation.
- 2) Distribute grants from the pool of funds designated by the Rasmuson Foundation. For the contract period, a total of \$170,000 is allocated to the grant programs as follows:
 - a) A total of up to \$60,000 may be utilized to support:
 - i) Cultural Collaborations and Arts Excursions
 - ii) Artist Teacher Fellowships

- b) Artists in the Schools Residencies: \$60,000
- c) Harper Arts Touring activities: \$50,000
- 3) A minimum of 25% of funds designated for Artists in Schools and Cultural Collaborations programs (exclusive of the Administrative Fee) must be allocated to schools and programs in “rural” communities throughout the State. This includes locations outside of the major metropolitan areas including Anchorage, Mat-Su, Fairbanks, Juneau and the Kenai Peninsula.
- 4) Offer guidance and professional development opportunities for the field
- 5) Any changes in the distribution of funds or scope of work must be approved in advance by Rasmuson Foundation. A request for such change must be made in writing to the Foundation’s Program Staff.
- 6) ASCA will acknowledge Rasmuson Foundation in all publications, press releases, and other public information distributed about the Arts Education Fund and Harper Arts Touring Fund. In addition, ASCA will ensure grant recipients acknowledge the involvement of Rasmuson Foundation when appropriate. Acknowledgement language for the various programs is as follows:

Artists in Schools

The Artists in Schools program is made possible through a partnership between National Endowment for the Arts and Alaska State Council on the Arts with additional funding from Rasmuson Foundation

Cultural Collaborations, Teacher Fellowships, Arts Excursions

The “NAME” program was made possible with funding by Rasmuson Foundation through the Arts in Education Fund and is administered under contract by Alaska State Council on the Arts.

Harper Arts Touring activities

The “NAME” program was made possible with funding by Rasmuson Foundation through the Harper Arts Touring Fund, and is administered under contract by Alaska State Council on the Arts.

Department of Health and Social Services
Division of Behavioral Health
Community Action Prevention & Intervention Grants

Subject of RPL: Alaska's Strategic Prevention Framework State Incentive Grant	ADN/RPL #: 06-2-0212
Amount requested: \$1,007,322	Appropriation Authority: Sec 1, Ch 3, HB 108, FSSLA 2011, Pg 18, Line 21
Funding source: Federal Receipts Operating	Statutory Authority: AS 47.30.470-500 Mental Health; AS 47.37 Uniform Alcoholism and Intoxication Treatment Act; 7 AAC 78 Grant Programs

PURPOSE

The Department of Health and Social Services (DHSS), Division of Behavioral Health requests additional federal receipt authority to receive the carryover and supplemental award for the Strategic Prevention Framework State Incentive Grant (SPF SIG) from the Department of Health & Human Services Administration.

The purpose of the Alaska Strategic Prevention Framework is to reduce alcohol use and abuse among youth, families, and adults by reducing risk factors and increasing protective factors in individuals, schools, families, neighborhoods and communities throughout the State. If this request is approved, the additional federal funds will be targeted at FY2012 grants to regional and community programs, the development of a Community Prevention Support Team, and the enhancement of prevention data systems.

PREVIOUS LEGISLATIVE CONSIDERATION

The FY2012 authorized budget includes \$2,135,724 federal receipt authority for year three of the SPF SIG five year federal grant award. Previous RPLs for this project have not been considered.

TIMING ISSUES

In July of 2009, the Division of Behavioral Health received a notice of award for a 5-year, \$10.7 million grant for the Alaska Strategic Prevention Framework project. At the time, the Division had sufficient federal authority to receive an annualized award of \$2,135,724.

In May of 2011, the Division requested and was granted carryover funds totaling \$757,322. In August of 2011, the Division was also awarded \$250,000 supplemental grant funds for FY2012. Approval of this request would increase the total FY2012 federal authorization for this project to \$3,143,046 for year three of the five year grant.

Legislative Fiscal Analyst Comment: Upon noting that the Department spent only \$1.4 million of the \$2.1 million available in FY11, and that this RPL increased FY12 authorization to \$3.1 million, Legislative Finance asked the agency if they expected to spend all money available in FY12. According to the Department, funding was underspent in the first two years because it took time to develop the program. Now that the program is in place, the Department expects to fully expend the amount authorized for this program in FY12.

BUDGETARY ISSUES

This request consists of \$757,322 carryover plus \$250,000 federal supplemental funds totaling \$1,007,322. Our FY2012 budgeted federal authority for this project is 2,135,724 for federal grant funds we expect to receive for year three of this five year grant. This grant is budgeted in the Community Action Prevention & Intervention Grants component which has \$3,247,900 total federal authority budgeted of which, \$1,112,176 is budgeted for other federal grants. No general funds will be used and no match is required for this project.

Agency Contact: Nancy Rolfzen, (907) 465-1630
Legislative Finance Contact: Amanda Ryder, (907) 465-5411

**Department of Commerce, Community & Economic Development
Division of Economic Development**

Subject of RPL: Small Business Administration, State Trade and Export Promotion Grant Program	ADN/RPL #: 08-2-0104
Amount requested: \$156,700	Appropriation Authority: Sec 1, Ch 3, FSSLA 2011, Pg 6, Line 6
Funding source: \$156,700 Federal (1002) FY2012 Operating	Statutory Authority: AS 44.33.020

PURPOSE

The Department of Commerce, Community and Economic Development (DCCED), Division of Economic Development (DED) was awarded federal funding of \$330,000 from the Small Business Administration's State Trade and Export Promotion Grant Program (STEP). The purpose of the grant is to increase Alaska exports and enhance export value to China by educating and empowering small business entrepreneurs. This program will focus on key export sectors including seafood, wood products and minerals, and devote export assistance to small, Native-owned and disadvantaged businesses. Proposed activities include export promotion through trade missions and trade shows, marketing opportunities and mentorships, translation services, and a web portal for bilateral business transactions.

PREVIOUS LEGISLATIVE CONSIDERATION

No previous legislative consideration of this specific request has occurred.

TIMING ISSUES

The opportunity for the Division of Economic Development to obtain this funding was unanticipated and occurred after the legislative session. The funds were awarded to the department in September 2011.

BUDGETARY ISSUES

The funding for this project will be available on October 1, 2011 through September 30, 2012. The Division has \$173,300 of federal authorization in FY2012 to apply towards the STEP grant. It is anticipated that the full grant will be spent in FY2012. In addition to the \$173,300 federal authorization currently available, federal receipt and expenditure authority in the amount of \$156,700 is needed.

If additional authority for this project is not granted, the opportunity to increase Alaska Small and Medium Enterprise (SME) capacities for export activities will be delayed, or quite possibly, never be developed.

This funding fits into long-term plans, missions, and measures of the Division and within the goal of creating a climate for jobs and economic growth. This project will help develop new opportunities for Alaska's Small & Medium Enterprise (SME) capacities and develop a growing market for Alaska export commodities and manufactured goods. Funds for this project are not being expended at this time.

The grant requires a 25% match of the total project which will be met through existing state staff time and contractors. No additional funds are being requested for match purposes and there will be no-impact on general funds or fees for services.

Although it is anticipated that all funds will be spent in FY2012, there may be some activities completed in FY2013. There is a possibility that a second round of federal funding may be available, but that is dependent on federal funding issues and the outcome of the first year of funding.

Agency Contact: Jo Ellen Hanrahan, (907) 465-2506
Legislative Finance Contact: Lacey Sanders, (907) 465-5410

A proposed item distribution is listed below:

Grant program function	Federal funds
Line 72000 – Travel	
Trade shows and missions	\$ 97,000.00
Inbound trade missions	\$ 13,700.00
SBA required training	\$ 2,000.00
Total travel	\$ 112,700.00
Line 73000 – contractual	
Program promotion	\$ 2,000.00
Website business portal	\$ 135,300.00
Training and counseling	\$ 60,000.00
Website translation	\$ 20,000.00
Total contractual	\$ 217,300.00
Total	\$ 330,000.00

Legislative Fiscal Analyst Comment: There are no technical concerns with this RPL.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

September 7, 2011

Ms. Wanetta Ayers
Department of Commerce
State of Alaska

Reference: State Trade and Export Promotion Grant Program,
Program Announcement OIT-STEP-2011

Dear Ms. Ayers:

I am pleased to tell you that in the process of reviewing applications for funding under the State Trade and Export Promotion Grant Program, we have found that we will be able to provide Federal funding *up to the amount requested in your state's original submission*, \$330,000.00. Therefore, if you are able to execute the STEP Program effort per your original technical and budget proposals and to meet the 25% matching funds requirement, email confirmation email to sim.stokes@sba.gov, by close of business, September 12, 2011.

Please keep in mind that this letter does not guarantee award of a grant or any specific final negotiated Federal funding level. However, your timely response to it will facilitate and accelerate negotiation of a final budget for your state's 2011 STEP project, upon which a notice of award may be issued.

If you have any questions or concerns, please feel free to contact Mr. Stokes for assistance.

Sincerely,

/s/

Dario J. Gomez
Associate Administrator
Office of International Trade



NOTICE OF AWARD

U.S. Small Business Administration

1. AUTHORIZATION (Legislation/Regulation)

Small Business Jobs Act of 2010, Section 1207

2. Grant/Cooperative Agreement No.:

SBAHQ-11-IT-0052

3. RECIPIENT: (Name, Organizational Unit, Address)

COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT, A
Attn: Wanetta Ayers
P.O. BOX 110803

JUNEAU AK 998110803

8. TITLE OF PROJECT/PROGRAM (limit to 53 spaces)

OIT STEP

4. PROJECT PERIOD (Mo./Day/Yr.)

From 09/30/2011

(Mo./Day/Yr.)

Through 09/29/2012

5. BUDGET PERIOD (Mo./Day/Yr.)

From 09/30/2011

(Mo./Day/Yr.)

Through 09/29/2012

6. FEDERAL CATALOG NO.

59.061

7. ADMINISTRATIVE CODES

1506001ZJA00AKB

9. AWARD AMOUNT

Amount of SBA Financial Assistance

\$330,000.00

10. DIRECTOR OF PROJECT (Program or Center Director, Coordinator or Principal Investigator)

NAME Ayers

Wanetta

Last

First

Initial

ADDRESS same as above

11. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project)

BUDGET
YEAR

TOTAL
DIRECT COST

BUDGET
YEAR

TOTAL
DIRECT COST

a.

\$0.00

b.

\$0.00

12. Approved Budget (Excludes SBA Direct Assistance)

☐ SBA Funds
Only

☒ Total project costs including all other financial
participation.

	Federal Share	Non-Federal Share
a. Personal Service_____	0.00	36,506.25
b. Fringe Benefits_____	0.00	18,493.75
c. Consultants_____	153,600.00	0.00
d. Travel_____	89,700.00	33,000.00
e. Equipment_____	0.00	0.00
f. Supplies_____	5,000.00	4,000.00
g. Contractual_____	60,000.00	2,000.00
h. Other_____	21,700.00	16,000.00
i. TOTAL DIRECT COSTS_____	\$330,000.00	\$110,000.00
j. Indirect cost_____	0.00	0.00
(Rate). 0 % of S & W/TADC		
k. OTHER APPL. COSTS_____	0.00	0.00
l. TOTAL APPROVED BUDGET	\$330,000.00	\$110,000.00

*Must meet all matching or cost participation requirements
subject to adjustment in accordance with SBA policy

13. Remarks (Other Terms & Conditions Attached)

☒ Yes

☐ No

See Required Submissions

14. THIS AWARD IS SUBJECT TO THE FOLLOWING COST PRINCIPLES AND OMB UNIFORM ADMINISTRATIVE REQUIREMENTS:

☐ 2 CFR Part 220 - Cost Principles for Educational Institutions

☒ 2 CFR Part 225 - Cost Principles for State and Local Governments

☐ 2 CFR Part 230 - Cost Principles for Non-Profit Organizations

☐ FAR Subpart 31.2 - Principles for Determining Cost Applicable to
Awards with For-Profit Organizations

☒ 13 C.F.R. Part 143 - Uniform Administrative Requirements for Grants
and Cooperative Agreements to State and Local Governments

☐ 2 CFR Part 215 - Uniform Administrative Requirements for Grants
and Agreements with Institutions of Higher Education, Hospitals and
other Non-Profit Organizations.

☒ OMB Circular - A - 133 - Audits of States, Local Governments, and
other Non-Profit Orgs.

15. THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE

16. CRS - EIN 92-6001185		17. COUNTY NAME ANCHORAGE		18. CONGRESSIONAL DISTRICT NO. AK-	
19a. CITY CODE 03000		b. COUNTY CODE 020		c. STATE CODE 02	
d. PROGRAM CODE 506001		e. AMT. ACTION FIN. ASST. 330,000.00		f. TYPE OF ORGANIZATION State Government	
20a. 1111020100DA5060012030041		b. SBAHQ-11-IT-0052		c. DATE ISSUED 09/21/2011	
21. AGENCY OFFICIAL (Signature, Name and Title) Debra Kinsey		22. DATE ISSUED 09/27/2011		23. RECIPIENT OFFICIAL (Signature, Name and Title) Wanetta Ayers	
24. DATE					

THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING.

- A. The program legislation and / or regulation cited in block 1.
- B. This award notice including terms and conditions, if any, noted under block 13, Remarks.
- C. SBA Federal Assistance Regulations or Manual issuances in effect at the beginning date of the budget period.
- D. The applicable program announcement, if any.
- E. SBA Policy Guidelines in effect as of the beginning date of the budget period.
- F. SBA Administrative Regulations / Guidelines in effect as of the beginning date of the budget period.

In the event that there are any conflicting or otherwise inconsistent policies applicable to this award, the above order of precedence shall prevail. Acceptance of ALL terms and conditions is acknowledged by the Recipient's Signature in block 23.

U.S. Small Business Administration

NOTICE OF AWARD

ITEM NO. (A)	ITEM OR SERVICE (Include Specifications and Special Instructions) (B)	QUANTITY (C)	UNIT (D)	ESTIMATED COST	
				UNIT PRICE (E)	AMOUNT (F)
	DUNS Number: 809387467 Delivery: 09/20/2011 Delivery Location Code: 506001 Small Business Administration Office of International Trade 409 3rd St., S.W. Washington DC 20416 USA Payment: Office of International Trade 409 3rd Street SW Washington DC 20416 Accounting Info: 1111.020100DA.506001.20300.4110.610001.0000000 Period of Performance: 09/30/2011 to 09/29/2012				
0001	2011 Step Grant AK B Obligated Amount: \$330,000.00 The total amount of award: \$330,000.00. The obligation for this award is \$330,000.00.	330000	DO	1.00	330,000.00

**Department of Natural Resources
Administration and Support
Office of Project Management and Permitting**

Subject of RPL: Increased authority for additional permitting coordination applications in FY2012	ADN/RPL #: 10-2-5045
Amount requested: \$950,000	Appropriation Authority: Sec 1, Ch 3, FSSLA 11, Page 29, Line 25
Funding source: \$950,000 SDPR (1108) FY2012 Operating	Statutory Authority: AS 27.05.010, AS 38.05

PURPOSE

The Department of Natural Resources, Office of Project Management and Permitting (OPMP) is requesting an increase of \$950,000 Statutory Designated Program Receipt (SDPR) authority. This increase will allow OPMP to:

- 1) Collect revenue from the project applicants and operators of large mine projects;
- 2) Disburse the funds in the form of Reimbursable Services Agreements (RSAs) to the Departments of Environmental Conservation, Fish and Game, Law, Health and Social Services, and other agencies that participate in the review and permitting process of Donlin Creek Mine, Chitna Coal, Kensington Mine, Bokan Mountain, and Seabridge Gold/KSM project; and
- 3) Secure a contract for Health Impact Assessments (HIA) as requested by the mining companies so that the project applicants/operators could mitigate any health concerns in a timely manner. HIAs analyze and assess the potential health impacts from proposed projects during the permitting process.

The current SDPR authority is inadequate to allow OPMP to recover costs incurred for the review and permitting process of large mine projects. The requested increase is a result of additional projects and permitting activities through June 30, 2012, increase in overhead and indirect costs, and contractual services needs for HIAs.

If this RPL is not approved, OPMP and other State agencies would be unable to recover the costs incurred for the review and permitting process of the projects. Additionally, OPMP would be unable to secure a contract for HIA, causing substantial delay in the project permitting processes and the mitigation of any health concerns for those projects.

PREVIOUS LEGISLATIVE CONSIDERATION

The FSSLA 2011 Legislature appropriated an FY2012 base SDPR budget of \$2,991,500 for the OPMP to accommodate these types of projects. This request reflects the increased permitting needs of the Department for FY2012 (please see the chart below).

TIMING ISSUES

OPMP underestimated the project permitting expenditure needs in the FY2012 budget process. This request would allow OPMP to collect additional SDPR revenue and provide the necessary permitting services for both new projects that are coming on line in FY2012, as well as increased efforts for budgeted and existing projects that were unanticipated.

Without increased SDPR, OPMP will be unable to collect revenues needed to accomplish unanticipated additional permitting work in FY2012 (please see the chart below).

BUDGETARY ISSUES

The current SDPR authority is inadequate to receive the anticipated revenue collection from project applicants and operators in FY2012. Since October 2010, there has been additional activity in the permitting process of current mining projects, including request for Health Impact Assessments. OPMP is also in the process of negotiating new Memorandum of Understandings (MOUs) with Canadian mining companies (e.g., Ucore Rare Metals, Inc. for the Bokan Mountain project and Seabridge Gold for the KSM project).

Projects	Existing SDPR Authority	Requested Additional SDPR Authority	Total SDPR Authority Needed
Donlin Creek	538,400	562,000	1,100,400
Kensington	276,100	54,900	331,000
Chuitna Coal	158,900	150,100	309,000
Bokan Mountain	0	29,000	29,000
Seabridge Gold /KSM	0	29,000	29,000
Health Impact Assessments	0	125,000	125,000
Other Projects	2,018,100	0	2,018,100
TOTAL	\$2,991,500	\$950,000	\$3,941,500

This request fits into long-term plans, missions and measures of the OPMP and is required under the grant terms and conditions. OPMP has 21 agreements in place and is expecting to have 150 RSAs for this fiscal year. Work on many of these projects is already in progress.

There is no excess SPDR authority from other components in the FY2012 budget. OPMP will be working on FY2013 projects and anticipates an increment in the FY2013 Governor's Budget to address this issue.

There are no general fund impacts associated with this request.

Legislative Fiscal Analyst Comment: This request for additional authority is based on currently known projects and permitting activities. If there are new projects and permitting activities throughout the remainder of the fiscal year, additional authorization may be needed.

Department of Transportation & Public Facilities
Administration & Support
Equal Employment & Civil Rights

Subject of RPL: Alaska Construction Career Day Events	ADN/RPL#: 25-2-7760
Amount Requested: \$30,000	Appropriation Authority: Sec 24, Ch 7, HB 108, Page 79, Lines 7-14
Funding Source: \$30,000 SDPR (1108) Operating	Statutory Authority: AS 19.05.040, 19.10.200, 36.30.040

PURPOSE

The Department of Transportation and Public Facilities, Equal Employment & Civil Rights component requests authority to receive and expend funds from private vendors and contractors to assist with hosting the FY12 Alaska Construction Career Day events (CCD) across Alaska.

The construction industry is facing a severe shortage of skilled workers. If not addressed, the shortage will increase, affecting quality, safety, and our industry's overall ability to compete in building the infrastructure necessitated by an ever-growing population.

The construction industry does not have a visible and positive image among youth. CCD exposes our youth to a friendlier and more professional industry that cares about them and their future. It encourages them to consider construction careers thereby increasing the possibility of minorities, women and disadvantaged individuals in our community participating in Federal-aid highway construction. This will benefit the overall construction industry giving them the ability to compete in building infrastructure.

PREVIOUS LEGISLATIVE CONSIDERATION

None.

TIMING ISSUES

The CCD events will be held in April, 2012. This small component does not have the capacity to carry the cost of the events pending the receipt of a supplemental.

The events require an enormous amount of logistical pre-planning. Approval is needed immediately to purchase equipment and hire an events coordinator to assist with CCD. If this RPL is not approved preparation for the CCD will be scaled back therefore adversely affecting success of the events. Construction Career Day is part of the mandated Federal On-The-Job Training (OJT) program.

BUDGETARY ISSUES

Equal Employment & Civil Rights currently has no SDPR authority but requests this authority to solicit approximately \$30,000 from private vendors and contractors to contribute to the costs of this event. This request will in no way create an obligation for future general funds or a new State position. These funds are solely for a non-State employee events coordinator, equipment, and supplies to ensure a successful event.

This Statutory Designated Program Receipts (SDPR) authorization will appropriately budget the revenues and expenditures for the Alaska Construction Career Day events.

An increment will be requested in the FY2013 Governor's budget for SDPR negating the need for additional RPL requests.

Agency Contact: Laura Baker, (907) 465-3911
Legislative Finance Contact: Kelly Cunningham, (907) 465-3821

Legislative Fiscal Analyst Comment: This is the fifth year of the Alaska Construction Career Day (CCD), which has targeted high school students at public and private schools, rural areas, the Alaska Military Youth Academy, King Career Center, AVTEC and Job Corps. In past years, the CCD has been offered in Palmer, Fairbanks, and Soldotna. Depending on FY12 funding availability, the CCD will be held this year in Palmer, Soldotna and possibly Ketchikan.

Expenses for the CCD have been covered through donations and federal funds. By adding SDPR authorization to the budget, this RPL will allow the Department to account for donations appropriately. FY13 authorization levels will be discussed with OMB.