

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE Division of Legislative Finance



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MEMORANDUM

DATE: December 10, 2014
TO: Legislative Budget and Audit Committee
FROM: David Teal, Director
SUBJECT: Preparation for the December 16, 2014 LB&A Meeting

OMB submitted the following FY15 RPLs for consideration at the December 16, 2014 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our web site at <http://www.legfin.akleg.gov>.

RPL#	Agency	Subject	Amount	Fund Source
05-5-0211 Operating	Education and Early Development	Margaret A. Cargill Foundation AK Arts Education Planning Partnership Project	\$120,000	Statutory Designated Program Receipts (1108)
08-5-0194 Capital	Commerce, Community and Economic Development	Cordova Community Center Facility	\$1,500,00	Exxon Valdez Oil Spill Trust (1018)
18-5-0360 Capital	Environmental Conservation	Tsunami Marine Debris Cleanup	\$1,500,00	Federal Receipts (1002)

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.

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

Subject of RPL: Margaret A. Cargill Foundation' Alaska Arts Education Planning Partnership Project	ADN/RPL #: 05-5-0211
Amount requested: \$120,000	Appropriation Authority: Sec 1, Ch 16, SLA 2014, pg 12, ln 25
Funding source: \$120,000 Statutory Designated Program Receipts (1108) Operating	Statutory Authority: AS 44.27.050-.052

PURPOSE

The purpose of this Arts Education Planning Partnership project, which is funded in whole by the Margaret A. Cargill Foundation, is to identify partners and develop a plan for increasing the number and tenure of confident, competent K-12 generalist and specialist teachers of the arts in Alaska. In particular, the Alaska State Council on the Arts (ASCA) will explore the best methods of support for pre-service and early career professional development in arts discipline-based, arts integration and culturally responsive arts teaching methodologies for new teachers. This project will be conducted in partnership with a school district, an institute of higher education, and a nonprofit organization.

Teachers in rural schools are often required to teach multiple content areas outside of their specialization, and without a high enough student population to support their positions, arts specialists are extremely limited in rural school districts. Though some schools and districts bring teaching artists in for residencies, there may or may not be any local arts infrastructure to help identify opportunities for classroom teachers to engage with experts in the arts.

Alaska has statewide arts standards, but only 21 of 53 school districts identify themselves as having adopted arts curriculum in any discipline. Without curriculum to guide their practice, generalists have no scope and sequence for teaching the arts as a content area. Without training, the practice of arts integration is not easily accessible for teachers who do not identify themselves as artists, or as creative.

According to early results of ASCA's second arts education census for Alaska's schools, arts integration, digital/media arts, and native arts are at the top of superintendents' list of interest in arts training for teachers. Statewide, Alaska Native people (of which there are 16 distinct cultural and language groups) make up 20% of the population in Alaska, while 90% of all teachers in Alaska are white. This presents a major challenge in support of culturally specific arts education, particularly when new teachers are often unsure of how to navigate the norms and traditions of the culture(s) in their school and community, or how to identify experts in traditional art forms.

As a state agency that depends upon networks and cross-sector partnerships to advance ASCA's work, ASCA recognizes the challenges for pre-service and early career teachers in Alaska as challenges of connection to networks, to training opportunities and resources, to communities, and to a cohort. Teachers before and after induction to practice in Alaska will be more likely to teach in and through the arts if they feel connected to their students, to their local communities/cultures, and to a learning community in support of arts pedagogy. This project will help ASCA work on these challenges.

PREVIOUS LEGISLATIVE CONSIDERATION

There has been no prior legislative consideration for this project.

TIMING ISSUES

In March 2014, the Margaret A. Cargill Foundation (MACF) approached ASCA to gauge interest in serving as an intermediary grantee for an arts education grant program they were developing for Alaska. Over the ensuing months, ASCA staff discussed the ways in which existing arts education programs might align with their grant program. ASCA was ultimately one of a small number of Alaska-based entities invited to submit a proposal, which was completed in June 2014.

On November 21, 2014, ASCA received notice that it had been awarded an Arts Education Planning grant in the amount of \$120,000. The grant activities are set to begin in December 2014 and conclude by June 30, 2015, though an extension in the timeline of activities is likely.

ASCA is requesting \$120,000 statutory designated program receipts (SDPR) authorization for FY2015. This program is likely to become a multi-year program; in such case ASCA will request additional authorization as necessary to continue the program. Due to ASCA cultivating partnerships through private entities, there are continuous opportunities to apply for private funding grants. Given the variable nature of the unanticipated timing and funding level of grant receipts, it is difficult to precisely align authorization.

BUDGETARY ISSUES

The additional \$120,000 SDPR authorization for the Margaret A. Cargill Foundation grant awarded for the Alaska Arts Education Planning Partnership Project will be allocated to: personal services \$10,000, travel \$38,000, services \$39,000 and grants \$33,000. There is no general fund match requirement and no new positions are needed.

SDPR Budget	Authorization Total
FY2015 Budgeted SDPR	\$421,200
FY2015 Grants:	
Rasmuson Foundation Grants Under Contract	380,000
Other Grants in Process (Conoco Phillips and Rasmuson)	41,200
Margaret A Cargill Foundation Grants Under Contract	120,000
TOTAL Grants	\$541,200
SDPR RPL Request	\$120,000

Approval of this request will enable ASCA to receive and expend grant funds that will be disbursed to eligible organizations and professional service providers in Alaska for the purpose of facilitating an arts education planning process for Alaska's school districts. 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 department plans to use \$10,000 of this SDPR to support a portion of the costs of an existing Fine Arts Administrator position. Because this position manages a number of grants, if this funding is no longer available, DEED expects to use funding from other grants for this position.

There are no technical concerns with this RPL.

Agency Contact: Rhona Biles, Budget Analyst IV, 465-8651

LFD Contact: Alexei Painter, 465-5434

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

Subject of RPL: Cordova Community Center Facility	ADN/RPL #: 08-5-0194
Amount requested: \$1,500,000	Appropriation Authority: SLA 2010, Ch. 43, Sec. 10 page 87, line 20
Funding source: Exxon Valdez Oil Spill Trust (1018), Capital	Statutory Authority: AS 37.14.400; AS 37.13.405

PURPOSE

As a critical part of the legacy of the Exxon Valdez Oil Spill (EVOS), a need will exist in the near future for a facility that will provide space for several important Exxon Valdez Oil Spill Trustee Council (EVOSTC) administrative functions. These administrative functions are currently handled primarily in the Anchorage EVOSTC office with funding provided through the Alaska Department of Fish and Game (DF&G). In the future the role of the Anchorage office in carrying out these functions will be greatly reduced if not eliminated. Instead these EVOSTC administrative functions will be served by the new Cordova facility which includes: a conference center with multi-media capabilities for EVOS-related meetings, workshops, scientific conferences, and oil spill response training; a public education facility, including a museum and library to contain materials and permanent exhibits about EVOS and its impacts to resources and services as well as their recovery and status; and an information center that will provide information about the past and ongoing restoration work conducted by the EVOSTC.

In November 2010 the EVOSTC approved \$7,008,393 for this project, with the intent of providing 1/3 of the funds needed to construct the facility. These funds, along with \$11,607 Statutory Designated Program Receipts to be collected from the City of Cordova for state grant administration expenses and \$500,000 in estimated interest earnings on the EVOS funds, were appropriated by the LB&A Committee in 2010 under RPL 08-1-0248. Project costs have risen in the subsequent years, and in February 2013 the EVOSTC approved an additional \$1,300,000 in funding to maintain EVOS funding at the intended level of 1/3 of total project costs.

Legislative Fiscal Analyst Comment: The \$1.5 million request includes \$1.3 million approved by the EVOSTC and \$200,000 of earnings associated with this funding.

PREVIOUS LEGISLATIVE CONSIDERATION

General Fund appropriations to the Department of Commerce, Community and Economic Development (DCCED) for the Cordova Center project were authorized as follows:

- Sec. 33 Chapter 159 SLA 2004 (SB 283): Grants to Municipalities, \$25,000 to the City of Cordova for community center construction (P92, L27);
- Sec. 1 Chapter 3 SLA 2005 (SB 46): Grants to Municipalities, \$1,000,000 to the City of Cordova for the Cordova Center (P15, L9);
- Sec. 10 Chapter 43 SLA 2010 (SB 230): Grants to Municipalities, \$2,500,000 for the Cordova Center Completion (P87, L20);

Agency Contact – Jeanne Mungle: 465-2506, email: jeanne.mungle@alaska.gov
LFD Contact – Amanda Ryder: 465-5411

- Sec. 10 Chapter 43 SLA 2010 (SB230): Grants to Municipalities – Public Library Construction, \$2,000,000 for the Cordova Center and Library (P109, L7);
- Sec. 1 Chapter 16 SLA 2013 (SB 18): Grants to Municipalities, \$1,000,000 to the City of Cordova for Community Center Construction Completion (P12, L32);
- Sec. 1 Chapter 18 SLA 2014 (SB119): Grants to Municipalities, \$4,000,000 to Cordova for Community Center Construction Completion.

Commercial passenger vessel receipts (OMB fund code 1206) were appropriated in Sec. 4 Chapter 15 SLA 2009 (SB 75) in the amount of \$1,000,000 for Cordova Center Construction and Equipment (P44, L15).

RPL 08-1-0248 appropriated \$7,508,393 in EVOS funding (OMB fund code 1018) to the Cordova Center project in response to EVOSTC Resolution 13-05.

TIMING ISSUES

At their February 21, 2013 meeting, the EVOSTC approved funding for this project with Resolution 13-05.

Following approval by the LB&A, the Alaska Department of Revenue will make the funds available in the EVOS Investment fund; DF&G will transfer the funds from the EVOS Investment Fund to the EVOS Settlement Fund; and DCCED will establish the appropriation in the EVOS Settlement Fund and will enter into a grant agreement with the City of Cordova. Grant payments to the City of Cordova for construction of the facility will be paid from the appropriation in the EVOS Settlement Fund.

Groundbreaking on the Cordova Center began in the summer of 2010, and project work has continued through the present. In addition, securing these funds will facilitate the project obtaining the balance of the anticipated funding needs from private donations. Additional delays may contribute to increased total project costs.

BUDGETARY ISSUES

This funding fits into long-term plans, missions, and measures of the affected program. The line item distribution for the proposed funding to DCCED will be the Grants line. EVOS funding is usually only provided to the resource agencies DF&G, DNR, and DEC for projects authorized by the EVOSTC. These resource agencies do not have grant authority, so EVOS funding for the grant to the City of Cordova for this project must be disbursed by DCCED following the funding transfer from DF&G.

This funding is not from or related to General Funds (GF). It is, however, a necessary component of the project funding for which GF was appropriated.

Interest earnings associated with the funds received of approximately \$200,000 are included with this request.

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

**Department of Environmental Conservation
Environmental Health Results Delivery Unit
Environmental Health Director Program Component**

Subject of RPL: Tsunami Marine Debris Cleanup	ADN/RPL #: 18-5-0360
Amount requested: \$ 1,500,000	Appropriation Authority: Sec 4, Ch 16, SLA 2013, pg 105, ln 28
Funding source: Federal Receipts (1002) Capital	Statutory Authority: AS 46.03.020

PURPOSE

The Department of Environmental Conservation (DEC) anticipates receiving up to \$1,500,000 from the National Ocean & Atmospheric Administration (NOAA) for marine debris cleanup activities related to the tsunami that struck Japan in March 2011. The Department expects to receive this funding allotment to be received by January 1, 2015.

PREVIOUS LEGISLATIVE CONSIDERATION

The Division of Environmental Health received \$1,000,000 federal receipt authority in FY2013. A total of \$1,000,000 in federal funds has been received and obligated to-date, fully utilizing the receipt authority available for tsunami-generated marine debris cleanup efforts.

TIMING ISSUES

On February 7, 2013 the Department of Environmental Conservation signed a Memorandum of Agreement with NOAA outlining the process by which NOAA may provide funding to the State of Alaska to conduct marine debris activities on state, tribal, or federal lands or waters, in response to the Great East Japan Earthquake of March 2011. That agreement provides a mechanism by which NOAA may transfer funds from the Government of Japan to the State of Alaska to fund marine debris cleanup activities.

The Division of Environmental Health submitted a request for \$1,500,000 in federal funds from the NOAA in September 2014. Funds are expected to be awarded and received in two payments: \$900,000 in December, 2014, and \$600,000 in February, 2015. Immediately after the Notice of Award is received from NOAA, division staff will begin the formal procurement process in order to obligate these funds to contractors experienced in marine debris cleanup activities. Contracts will be finalized in April 2015 and cleanup activities will occur between May and September 2015.

The Division of Environmental Health lacks sufficient federal authority in FY2015 to receive the anticipated award. Federal authority in the amount of \$1,500,000 is requested as a capital projected starting in FY2015 and lapsing under AS 37.25.020.

BUDGETARY ISSUES

Increased federal receipt authority will allow the department to continue performing in accordance with Administrative Order No. 263, requiring the Department of Environmental Conservation to coordinate and publically distribute information about the Japanese tsunami marine debris and the subsequent cleanup efforts.

Agency Contact: Jeff Rogers, Budget Manager, 465-5235
LFD Contact: Alexei Painter, 465-5434

No general funds are required for this work and no new positions are required at this time. The majority of these anticipated funds will be expended on contractual services to conduct marine debris cleanup activities during the summer 2015 season.

Legislative Fiscal Analyst Clarification: The department provided the following response when asked about the statement in the last paragraph that “no new positions are required at this time.”

The Department does not operate a Marine Debris program. Under Administrative Order 263, the Department has been directed to “serve as the agency to coordinate [marine debris] efforts.” The Department has hired an unbudgeted non-permanent program coordinator to work on marine debris issues. That position will continue to serve that function until available federal funding is fully spent, but there is currently no need or intention to make that position permanent. If the State chooses to establish a permanent Marine Debris program in the Department in the future, there could be a need for permanent personnel.

Legislative Fiscal Analyst Comment: The funds have not yet been awarded to the department by NOAA. Although the Legislature may wish to wait for the funding to be awarded prior to approving an RPL, waiting for FY15 supplemental funding is likely to result in a delay in the department’s ability to issue contracts for cleanup activities.