

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Finance




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[www.legfin.akleg.gov](http://www.legfin.akleg.gov)

### MEMORANDUM

DATE: December 4, 2020

TO: Legislative Budget and Audit Committee

FROM: Alexei Painter, Director 

SUBJECT: Preparation for the December 10, 2020 LB&A Meeting

OMB submitted the following FY21 RPLs for consideration at the December 10, 2020 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	Allocation/Program	Amount	Fund Source
08-2021-0278	DCCED	Alaska Seafood Marketing Institute / Market Access Program Federal Carryforward and Cochran Missions	\$850,000	Federal Receipts (1002) <b>Operating</b>
08-2021-0279	DCCED	Alaska Oil and Gas Conservation Commission / Oilfield Inspection and Mechanical Integrity Testing	\$26,302	Federal Receipts (1002) <b>Operating</b>
08-2021-0296	DCCED	AEA Alternative Energy & Efficiency Programs – Fivemile Creek Hydroelectric Project in Chitina AK	\$3,000,000	Federal Receipts (1002) <b>Capital</b>
08-2021-0319	DCCED	Additional Federal Authority for Community Block Grants	\$2,536,801	Federal Receipts (1002) <b>Capital</b>
07-2021-1173	DLWD	Workforce Investment Board / Increase Federal Authority for Existing Grants	\$2,190,200	Federal Receipts (1002) <b>Operating</b>

The following RPL was withdrawn from consideration due to existing federal authority:

<b>RPL#</b>	<b>Agency</b>	<b>Allocation/Program</b>	<b>Amount</b>	<b>Fund Source</b>
07-2021-1174	DLWD	Increase Federal Authority to Receive Additional Funding from the Workforce Innovation and Opportunity Act (WIOA).	\$2,838,600	Federal Receipts (1002) <b>Operating</b>

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 Commerce, Community & Economic Development**  
**Alaska Seafood Marketing Institute**  
**Alaska Seafood Marketing Institute**

<b>Subject of RPL:</b> Market Access Program Federal Carryforward and Cochran Missions	<b>ADN/RPL #:</b> 08-2021-0278
<b>Amount requested:</b> \$850,000	<b>Appropriation Authority:</b> Sec 1 Ch 8 SLA 2020 pg 6 Ln 32
<b>Funding source:</b> Federal Receipts (1002) FY2021 Operating	<b>Statutory Authority:</b> AS 16.51.010

## **PURPOSE**

The Alaska Seafood Marketing Institute (ASMI) requests additional federal receipt authority to allow receipt of extended grant funds and potential Cochran Mission reimbursement.

ASMI receives an annual federal award from the U.S. Department of Agriculture (USDA) for the Market Access Program (MAP). In response to the COVID-19 pandemic, the USDA has extended the FY2020 award to allow remaining funds to be spent in FY2021. A total of \$781,588 of federal revenue from the FY2020 award will be available in FY2021. These federal funds were not spent in FY2020 due to the COVID-19 pandemic which led to canceled tradeshow, events, and promotional opportunities throughout the world. The USDA's decision to extend these funds through June 30, 2021 will allow ASMI's global contractors to promote Alaska seafood during and post-pandemic and take advantage of increased interest in healthy protein sources.

ASMI also anticipates that up to two missions under the Cochran Fellowship Program will occur in FY2021. The Cochran Fellowship Program provides short-term training opportunities to agricultural professionals from middle-income countries, emerging markets, and emerging democracies. The program helps strengthen and enhance trade linkages between eligible countries and agricultural interest in the United States and will help increase demand for Alaska's seafood in new markets. The cost per mission varies but are approximately \$60,000 each.

## **PREVIOUS LEGISLATIVE CONSIDERATION**

Federal funds for ASMI's operating budget were appropriated in the FY2021 operating budget (HB205).

## **TIMING ISSUES**

ASMI's annual MAP appropriation is awarded on a fiscal year basis. The extension of the FY2020 MAP award is valid through June 30, 2021. Missions under the Cochran Fellowship Program are reimbursed by the USDA's Foreign Agricultural Service.

Authorization to expend funds is needed now so that ASMI can plan marketing campaigns, events, and promotional activities to fully expend the available federal funds before they expire.

## **BUDGETARY ISSUES**

The amount of additional federal receipts available in FY2021 exceeds the amount of federal receipt authority appropriated to ASMI.

ASMI was appropriated \$4,500,000 in federal receipt authority in FY2021. ASMI's FY2021 MAP award totals \$4,453,700, and the FY2020 MAP award extension totals \$781,588. Missions under the Cochran Fellowship Program are approximately \$60,000 each. The department requests additional federal receipt authority totaling \$850,000 to allow receipt of the FY2021 MAP funds and allow sufficient receipt authority to collect reimbursement for up to two Cochran missions.

ASMI has not received general funds since FY2018. Non-federal funds in ASMI are collected from voluntary fish taxes received as Statutory Designated Program Receipts.

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

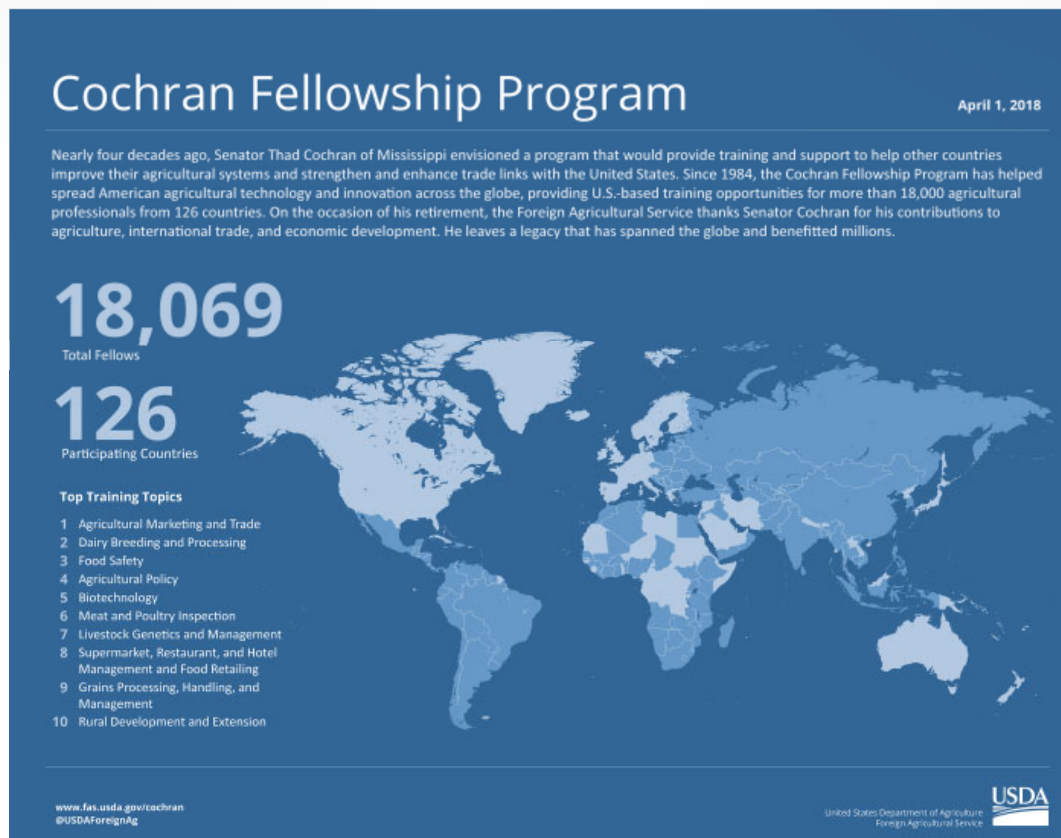
United States Department of Agriculture  
Foreign Agricultural Service

# Cochran Fellowship Program

The Cochran Fellowship Program provides short-term training opportunities to agricultural professionals from middle-income countries, emerging markets, and emerging democracies. The goals are:

- to help eligible countries develop agricultural systems necessary to meet the food and fiber needs of their domestic populations; and
- to strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

Approximately 600 Cochran fellows come to the United States each year, generally for 2-3 weeks, to work with U.S. universities, government agencies, and private companies. They receive hands-on training to enhance their technical knowledge and skills in areas related to agricultural trade, agribusiness development, management, policy, and marketing. USDA announces eligible countries and topics each year based on current trade issues.



<[https://www.fas.usda.gov/sites/default/files/2018-03/cochran-graphic\\_0.png](https://www.fas.usda.gov/sites/default/files/2018-03/cochran-graphic_0.png)>

**United States Department of Agriculture  
Foreign Agricultural Service**

# Market Access Program (MAP)

Through the Market Access Program (MAP), FAS partners with U.S. agricultural trade associations, cooperatives, state regional trade groups and small businesses to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities.

MAP reaches virtually every corner of the globe, helping to build markets for a wide variety U.S. farm and food products. FAS provides cost-share assistance to eligible U.S. organizations for activities such as consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research and technical assistance. When MAP funds are used for generic marketing and promotion, participants must contribute a minimum 10-percent match. For promotion of branded products, a dollar-for-dollar match is required.

Each year, FAS announces the MAP application period and criteria in the Federal Register. Applicants apply for MAP through the **Unified Export Strategy (UES)** <https://www.fas.usda.gov/unified-export-strategy> process, which allows eligible organizations to request funding from multiple USDA market development programs through a single, strategically coordinated proposal. FAS reviews the proposals and awards funds to applicants that demonstrate the potential for effective performance based on a clear, long-term strategic plan.

Directory of Market Development Program Participants <http://apps.fas.usda.gov/pcd/partnerssearch.aspx>

## MAP Regulations

7 CFR Part 1485 - Grant Agreements for the Development of Foreign Markets for U.S. Agricultural Commodities <http://www.ecfr.gov/cgi-bin/retrieveecfr?gp=1&sid=3891aad92d2a95a8f7f3949e6e99fb33&ty=html&h=l&n=7y10.1.2.3.35&r=part>

## News

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### USDA Accepting Applications for FY 2021 Export Programs

<http://fas.usda.gov/newsroom/usda-accepting-applications-fy-2021-export-programs>

**Department of Commerce, Community and Economic Development  
Alaska Oil and Gas Conservation Commission**

<b>Subject of RPL:</b> Oilfield Inspections and Mechanical Integrity Testing	<b>ADN/RPL #:</b> 08-2021-0279
<b>Amount requested:</b> \$26,302	<b>Appropriation Authority:</b> Ch 8 SLA 2020 pg 5 line 25
<b>Funding source:</b> Federal Receipts (1002) Operating	<b>Statutory Authority:</b> AS 31.05.093

### **PURPOSE**

The Alaska Oil and Gas Conservation Commission (AOGCC) requests an additional \$26,302 in federal authorization for FY2021. The additional authorization will be used to receive federal grant funding from the U.S. Environmental Protection Agency (EPA) to perform high priority oilfield inspections and mechanical integrity testing (MIT) of Class II injection and disposal wells in compliance with the Underground Injection Control program (UIC) authorized under the Safe Drinking Water Act 1443(b). The funding is authorized by the 2020 Consolidated Appropriations Act (P.L 116-194).

### **PREVIOUS LEGISLATIVE CONSIDERATION**

The AOGCC has been authorized \$120,000 in federal funds in FY2021 for the UIC program in the operating budget.

This is the second time AOGCC has been awarded a Multipurpose Grant from the EPA. In FY2020 the AOGCC was offered multipurpose grant funding for the UIC program in the amount of \$51,196. The AOGCC accepted this and ADN/RPL 08-2020-0105 was approved by the Legislative Budget and Audit Committee (LB&A).

### **TIMING ISSUES**

The AOGCC was first notified in June 2020 that these funds were available, so the funding was not anticipated for the FY2021 budget. The EPA awarded the grant funds September 2020 and the AOGCC anticipates expenditure of the funds by the end of FY2021. A delay or disapproval would allow EPA to distribute the funding to other states or state agencies. EPA would not defer their grant to allow AOGCC to accept it in the future.

### **BUDGETARY ISSUES**

The additional funds will support the UIC program, which the AOGCC oversees on behalf of the EPA. This is a direct relation to the AOGCC's mission of "the protection of health, safety, fresh ground waters". Funding will only be used for Personnel Services on hours worked with direct relation to the UIC program. No general funds will be used, and no match is required for this work. Continuing federal receipts authority will be requested in future budget years and will be utilized during each state fiscal year.

The AOGCC currently has an EPA agreed performance measure to witness 50 percent of MIT's and the additional funding will help ensure that the AOGCC meets that goal. AOGCC regulations require the operator give AOGCC inspectors notice and the opportunity to witness certain tests. AOGCC decides to witness the test or not

depending on availability of inspectors and other inspection program priorities. AOGCC does not have a statutory/regulatory mandated witnessing goal.

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

The AOGCC FY20 budget currently has federal expenditure authority of \$120.0. Based on FY19 actuals of \$119.0, all of this authority is necessary for the existing UIC grant. This additional federal grant will supplement the existing authorization and provide a total of \$146.3 of federal receipt authority for the UIC program.





**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10**

1200 Sixth Avenue, Suite 155  
Seattle, WA 98101-3188

OFFICE OF THE REGIONAL  
ADMINISTRATOR

June 18, 2020

Commissioner Jessie Chmielowski  
Alaska Oil & Gas Conservation Commission  
333 West 7th Avenue  
Anchorage, Alaska 99501

Dear Commissioner Chmielowski:

On behalf of the U.S. Environmental Protection Agency, I am pleased to inform you of the availability of \$26,302 for Alaska Oil & Gas Conservation Commission as part of the Fiscal Year 2020 Multipurpose Grant (MPG) program. Recognizing states' lead role in implementing our nation's environmental laws, EPA invites states to direct these resources towards high priority activities that complement programs under established environmental statutes.

The Further Consolidated Appropriations Act, 2020 (P.L. 116-94) provided \$13 million from the State and Tribal Assistance Grant appropriation for the Multipurpose Grant program. While Congress notes that the grant may be used by states to address emerging contaminants such as per- and polyfluoroalkyl substances (PFAS), the EPA is directed to "continue to give maximum flexibility to States and Tribes so that they, not the Agency, may determine where funds from this grant program are of most value."

As the agency did with the FY18-19 MPG, EPA encourages, but does not require, the use of Performance Partnership Grants (PPGs) to further maximize states' flexibility by reducing administrative burden. Additional information on the grant program, timelines, and PPGs are detailed in the attached guidance.

In order to initiate the grant negotiation process, we ask you to please respond to let us know a) if you intend to accept the funds, and b) who in your Department we should work with to begin the workplan discussion. This year, we are offering an optional Notice of Intent template, which we hope will streamline the award process. Please send this information by Thursday, July 2<sup>nd</sup> to Gail Akiyama at [Akiyama.Gail@epa.gov](mailto:Akiyama.Gail@epa.gov).

EPA is also sending a letter to the other Departments in your state that implement the federal environmental programs outlined in our guidance (e.g., Departments of Agriculture, Environment, and Health). Should your Department decline MPG funds this year, your allotment will be divided and offered in equal amounts to the other Departments within your state. Conversely, should one of your sister Departments decline its share of MPG funds, the available amount for Alaska Oil & Gas Conservation Commission will increase. Your prompt response by July 2<sup>nd</sup> will assist us in finalizing grant amounts. We aim to have all grants awarded by the end of the calendar year.

As we celebrate this month EPA's 50<sup>th</sup> anniversary, we are pleased to be able to offer this funding as an example of our partnership with you, and the work we do, together, to provide clean air, water, and land for our nation's citizens. Please let me know if you have any questions, or you can direct your staff to Gail Akiyama at 206-553-5043 or [Akiyama.Gail@epa.gov](mailto:Akiyama.Gail@epa.gov).

Respectfully yours,

Chris Hladick  
Regional Administrator

Enclosures

**Department of Commerce, Community and Economic Development  
Alaska Energy Authority**

<b>Subject of RPL:</b> AEA Alternative Energy & Efficiency Programs – Fivemile Creek Hydroelectric Project in Chitina AK	<b>ADN/RPL #:</b> 08-2021-0296
<b>Amount requested:</b> \$3,000,000	<b>Appropriation Authority:</b> Sec 1 Ch 17 SLA 2012 Pg 6 Ln 3-5
<b>Funding source:</b> Federal Receipts (1002) Capital	<b>Statutory Authority:</b> AS 42.45 Rural and Statewide Energy Programs AS 44.83 Alaska Energy Authority 3 AAC 107 Grant Programs

## **PURPOSE**

The Alaska Energy Authority (AEA) requests additional federal receipt authority to allow acceptance of federal Denali Commission funds for a project in Chitina, Alaska. This project falls under the Alternative Energy and Energy Efficiency program.

The Chitina project is 250-kW run-of-river hydroelectric project on Fivemile Creek. The project components include dam, intake structure, penstock, turbine house, power controls and access road. The project will be integrated into Chitina's existing electrical system. The federal Denali Commission funds supplement renewable energy grant funding for this project and reduces the cost of energy by displacing diesel with renewable energy.

## **PREVIOUS LEGISLATIVE CONSIDERATION**

N/A

## **TIMING ISSUES**

The federal funding opportunity was not anticipated within the FY2021 budget cycle. The project is currently active. The first phase of the project scope is for the collection of hydrology data, final design, permitting, NEPA analysis, and an economic and financial analysis. The second phase is for the construction and commissioning of the hydroelectric project. The construction completion date is estimated to be October 2022 and close out by December 31, 2022.

The federal Denali Commission award supporting this request is attached. Funding was awarded to AEA on October 5, 2020 with an effective date of September 1, 2020 through December 31, 2022.

Approval is needed to complete the project on time, meeting key project milestones and within the current budget parameters. The consequences of a delay or disapproval of this request could result in loss of funding to complete the project.

## BUDGETARY ISSUES

The federal funds will match renewable energy grant funding previously appropriated for this project. The Renewable Energy Fund (REF) grant program was created by the legislature and helps Alaskans reduce and stabilize the cost of energy. To date, over \$268 million has been invested in the REF by the State with 90 operational projects, 30 in development.


The estimated project cost is \$7.4 million (\$4 million of renewable energy grant funds, \$2.9 million federal Denali Commission funds and a \$500,000 in-kind land match from the Chitina Native Corporation). There are no general fund matching requirements for these funds. This is an active project currently managed by in-house staff. No additional positions are needed.

The timeline for expenditure of the federal funding is currently through project completion October 2022 and final close out estimated to be December 31, 2022.

The original capital appropriation currently has no uncommitted federal receipts remaining. Federal authority in this appropriation is already committed for a U.S. Department of Agriculture Biomass project and a U.S. Department of Energy Statewide Energy Program award. Additional federal receipt authority is required to allow the Fivemile Creek project to move forward.

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

The original project in FY13 was \$4.8 million, of which \$2 million was federal funds, for various AEA Alternative Energy and Energy Efficiency projects. This RPL increases the federal amount for this project to \$5 million. The Fivemile Creek Hydroelectric Project is within the scope of the original capital project.

 <p><b>Financial Assistance Award</b></p> <p><b>DENALI COMMISSION</b>          510 L Street, Suite 410          Anchorage, Alaska 99501          (907) 271-1414 (phone)          (907) 271-1415 (fax)          www.denali.gov</p>		<b>Award Number</b>	01618-00																																																																													
		<b>Award Title</b>	Fivemile Creek Hydroelectric Project - Chitina, Alaska																																																																													
		<b>Performance Period</b>	September 1, 2020 through December 31, 2022																																																																													
<b>Authority</b> 112 Stat 1854	<b>CFDA Number</b> 90.100	<b><u>Recipient Organization &amp; Address</u></b> Alaska Energy Authority (Inc) 813 W Northern Lights Blvd Alaska Energy Authority Phone: 907-771-3000 <b>Recipient DUNS #</b> 054072608 <b>TIN #</b> 926001185																																																																														
<b>Denali Commission Finance Officer Certification</b>																																																																																
<b><u>Cost Share Distribution Table</u></b> <table border="1" style="width: 100%; border-collapse: collapse; text-align: right;"> <thead> <tr> <th rowspan="2">Accounting Code</th> <th colspan="2">New Funding</th> <th colspan="2">Prior Period Funding</th> <th rowspan="2">Total</th> </tr> <tr> <th>Denali Commission</th> <th>Other Contributors</th> <th>Denali Commission</th> <th>Other Contributors</th> </tr> </thead> <tbody> <tr> <td>95670000</td> <td>\$2,880,000.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$2,880,000.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Renewable Energy Fund</td> <td></td> <td>\$3,516,240.00</td> <td></td> <td>\$0.00</td> <td>\$3,516,240.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$2,880,000.00</b></td> <td><b>\$3,516,240.00</b></td> <td><b>\$0.00</b></td> <td><b>\$0.00</b></td> <td><b>\$6,396,240.00</b></td> </tr> </tbody> </table>					Accounting Code	New Funding		Prior Period Funding		Total	Denali Commission	Other Contributors	Denali Commission	Other Contributors	95670000	\$2,880,000.00		\$0.00		\$2,880,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	Renewable Energy Fund		\$3,516,240.00		\$0.00	\$3,516,240.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00	<b>Total</b>	<b>\$2,880,000.00</b>	<b>\$3,516,240.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,396,240.00</b>
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<b>Signature of Authorized Official - Denali Commission</b>  Electronically Signed		<b>Typed Name and Title</b> Joseph Stovall Chief Operating Officer		<b>Date</b>  10/05/2020																																																																												

## AWARD ATTACHMENTS

Alaska Energy Authority (Inc)

01618-00

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1. Terms and Conditions
  2. Attachment A
  3. Budget and Funding Summary

**Financial Assistance Award Terms and Conditions  
Between the Denali Commission and Alaska Energy Authority  
For Fivemile Creek Hydroelectric Project – Chitina, Alaska  
Award No. 1618**

**1. Project Summary**

- a. Scope of Work: Phase 1: Hydrology data collection, final design, permitting, and economic and financial analysis of ~250-kW run-of-river hydroelectric project on Fivemile Creek to power Chitina, Alaska. Phase 2: Construction and commissioning of project.
- b. Deliverables: Fivemile Creek hydrograph, design documents, permits, and economic and financial analysis; complete functional hydroelectric power project integrated with Chitina's existing electrical system.
- c. Budget: The Commission is making \$2,880,000 available for the project via this Financial Assistance Award (FAA). This amount includes all direct, indirect, and pre-award costs (if any) authorized pursuant to 2 CFR 200.458. The State of Alaska via the Renewable Energy Fund is contributing an additional \$3,516,240. All Commission funding is intended to be used for the scope of work identified in this FAA only. Any funds remaining after the full scope of work has been completed shall be returned to the Denali Commission consistent with 2 CFR 200.319.
- d. Delivery Method: AEA will subcontract the hydrology data collection, design, permitting, economic and financial analysis, and construction.
- e. Performance Period: The Period of Performance for this FAA is September 1, 2020 through December 31, 2022. In accordance with 2 CFR 200.309 Recipients can only incur obligations or costs against this FAA during the Period of Performance, unless specifically authorized in the Special Provisions (Section 14 of this document). If a project cannot be completed within the approved Period of Performance, an extension request must be made in accordance with the Commission's *Recipient Guidelines and Requirements* (RGR) document dated September 2018, available at [www.denali.gov](http://www.denali.gov).

More detailed information on scope, deliverables, budget, funding, project delivery method and/or management plan, schedule and key milestones are included in Attachment A dated August 24, 2020.

**2. Project Reporting and Commission Site Visits**

Progress reports and a close-out report are required under this FAA. Progress Reports shall be submitted at the frequency stipulated in the Special Provisions.

The Closeout Report shall be completed within 90-days of the end of the Period of Performance. All reports must be submitted using the Denali Commission's on-line Project Database System, available at [www.denali.gov/dcpdb](http://www.denali.gov/dcpdb).

Commission staff or agents of the Commission may make visits to the project site and/or home office to monitor progress during and/or after the Period of Performance. The Recipient shall coordinate and make information available as necessary to facilitate any such site visits.

Refer to the *Recipient Guidelines and Requirements* document for further information related to reports and site visits.

### **3. Payments**

Payments under this FAA will be made in accordance with 2 CFR 200.305 by electronic transfer in response to a Standard Form 270 (SF-270) "Request for Advance or Reimbursement", submitted by the Recipient. At a minimum, all 270's must include summary cost information on labor, materials, contracts/consultants, and indirect costs. Detailed documentation is required for any single expenditure greater than \$50,000. If Pre-award Costs and/or Advance Payments are authorized under this FAA, the Special Provisions will indicate so. Requests for reimbursements may be made as needed. Refer to the *Recipient Guidelines and Requirements* document for further information about submitting SF-270's.

### **4. Modifications**

In accordance with 2 CFR 200.308, the Recipient shall report deviations in project scope, budget, delivery method, management plan, schedule, or changed site conditions, and request prior approvals from the Program Manager. The Recipient shall also submit written requests to the Program Manager for the replacement of Key Staff identified in the Special Provisions. Refer to the *Recipient Guidelines and Requirements* document for further information about modifying a Financial Assistance Award.

### **5. Financial Management, Record Keeping, Internal Controls, and Audits**

The Recipient must have financial management and record keeping systems that are consistent with 2 CFR 200.302. If the Recipient is a State organization it must expend and account for FAA funds in accordance with applicable State laws and procedures for expending and accounting for the State's own funds.

The Recipient must establish and maintain effective internal controls with respect to this FAA that are consistent with 2 CFR 200.303.

In accordance with 2 CFR 200.501, Recipients that expend \$750,000 or more of federal funds in a year shall have a single or program-specific audit conducted for that year.



Refer to the *Recipient Guidelines and Requirements* document for further information about financial management, record keeping, internal controls and audits.

## **6. Direct and Indirect Costs**

All direct costs must be allowable and reasonable. Indirect costs must be allocable based on accepted accounting policies and practices. Indirect costs must be specifically included as a line item or identified with appropriate notes in the approved FAA budget. Refer to 2 CFR 200 Subpart E (Cost Principles) and the *Recipient Guidelines and Requirements* document for further information on direct and indirect costs.

## **7. Sub-Awards and Contracts**

All sub-awards and contracts issued by the Recipient under this FAA must comply with 2 CFR 200.331 and Appendix II to 2 CFR 200. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

## **8. Acknowledgement of Support**

The Recipient shall name the Denali Commission as a financial contributor and project/program partner in all media correspondence related to the work supported by this FAA. If Commission funds are used for construction, the Recipient shall also display a sign at the construction site that acknowledges the Commission's support. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

## **9. Real and Personal Property**

In accordance with 2 CFR 200.311, 313, and 316 the Denali Commission may require the Recipient to execute a security interest or other public notice of record to indicate that real or personal property acquired or improved, in whole or in part, with Federal funds is subject to a Federal interest. Any such requirements under this FAA, including post project reporting in accordance with 2 CFR 200.329, will be stipulated in the Special Provisions.

## **10. Conflict of Interest**

In accordance with 2 CFR 200.112, the Recipient must disclose in writing any potential conflicts of interest to the Commission. In addition, 2 CFR 200.318 requires that Recipients maintain written standards of conduct covering conflicts of interest and governing the performance of their employees engaged in the selection, award, and administration of contracts. Refer to the *Recipient Guidelines and Requirements* document for further information on this subject.

### **11. Denali Commission Policies**

Recipients may be required to comply with certain published Denali Commission policies which can be found in the *Recipient Guidelines and Requirements* document. Applicable policies are referenced in the Special Provisions of this FAA, and specific requirements/deliverables (if any) are stipulated in Appendix A.

### **12. Laws and Regulations**

Recipients are required to comply with all applicable Federal laws and regulations. General categories of potentially applicable laws and regulations are summarized below. Refer to the *Recipient Guidelines and Requirements* document for further information on specific laws and regulations that may apply.

- a. Debarment and Suspension
- b. Whistle-blower Protection
- c. Non-Discrimination
- d. Lobbying and Propaganda
- e. Environmental
- f. Drug-Free Workplace
- g. Travel
- h. Human Rights
- i. Animal Welfare
- j. Executive Compensation

### **13. Other Provisions**

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient or sub-recipients for the actions of the Recipient or sub-recipients resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this FAA, including sub-awards, contracts, or sub-contracts issued in connection with this FAA.
- b. To the maximum extent practicable, considering applicable laws, the Recipient shall accomplish the project contemplated by this FAA using local Alaska firms and labor.
- c. All terms and conditions contained in this FAA apply to any sub-recipient under this FAA.
- d. Failure to comply with the provisions of this FAA or maintain satisfactory performance may result in additional FAA conditions pursuant to 2 CFR 200.207. This includes but is not limited to: temporarily withholding of payments pending the correction of the deficiency; disallowance of project costs; wholly or partially suspending or terminating the FAA. In addition, failure to comply with the provisions of this FAA may also have a negative impact on the Recipient's eligibility for future Federal awards.

#### **14. Special Provisions**

Progress Reports: Shall be submitted on a quarterly basis. The first reporting period is September 1, 2020 to December 31, 2020, and quarterly thereafter in accordance with the Commission's *Recipient Guidelines and Requirements*.

Pre-award Costs: N/A

Key Staff: Tim Sandstrom, AEA Project Manager; Amy Adler, Financial Manager

Advance Payments: N/A

Federal Property Interests and Reporting Requirements: Apply per 2 CFR 200.329. Reporting will be biennially, to begin at the end of the performance period.

Insurance: The Denali Commission shall be named additional insured on AEA's General Liability Insurance Policy, the General Liability Insurance Policy of the prime architectural/engineering firm(s) retained to design the project, the General Liability Insurance Policy of the first tier construction firm(s) who will construct the project, and the Liability Insurance Policy of all other independent professional service firms (e.g. land surveyors, geotechnical engineers ) with a primary role on the project.

Bonds: The contracts awarded by AEA for construction of the facilities and improvements will include Payment and Performance bonds in accordance with 2 CFR 200.325.

NEPA Documentation: AEA shall provide NEPA documentation consistent with the Denali Commission policies and procedures published in 45 CFR Part 900 on October 1, 2016. The Documentation shall cover the new hydroelectric dam, access road, penstock, power plant, and all other related construction supported via this Financial Assistance Award. No construction activities may commence until the NEPA process is complete and the Commission has reviewed and approved all NEPA documentation.

Cooperative Agreement: The Recipient agrees to cooperate and collaborate with the Denali Commission during the project. The Commission will participate in those specific activities stipulated in Attachment A.

**15. Program Manager, Financial Manager & Other Contact Information**

<b>Denali Commission</b>	<b>Recipient</b>
Tom Wolf Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-1414 Fax: 907-271-1415 E-mail: <a href="mailto:twolf@denali.gov">twolf@denali.gov</a>	Tim Sandstrom Project Manager 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: 907-771-3082 Fax: 907-771-3044 E-mail: <a href="mailto:tsandstrom@aidea.org">tsandstrom@aidea.org</a>
Janet Davis Grants Management Officer 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3036 Fax: 907-271-1415 E-mail: <a href="mailto:jdavis@denali.gov">jdavis@denali.gov</a>	Amy Adler Financial Manager 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: 907-771-3013 Fax: 907-771-3044 E-mail: <a href="mailto:aadler@aidea.org">aadler@aidea.org</a>

***Financial Assistance Award 1618  
Between the Denali Commission and Alaska Energy Authority  
For Fivemile Creek Hydroelectric Project – Chitina, Alaska  
Attachment A  
August 24, 2020***

- a. Scope of Work: The first phase of the scope entails the collection of hydrology data, final design, permitting, NEPA analysis, and an economic and financial analysis of an approximately 250-kW run-of-river hydroelectric project on Fivemile Creek to serve the community of Chitina, AK. The project components include the dam, intake structure, penstock, turbine house, power controls and access road. The project will be integrated into Chitina's existing electrical system. The Denali Commission shall review and approve the 65 percent level design documents before AEA proceeds with the final design. AEA will prepare a Categorical Exclusion checklist and/or Environmental Assessment for the project during the design phase that is consistent with NEPA guidelines and the Commission's Recipient Guidelines and Requirements.

The second phase entails the construction and commissioning of the hydroelectric project. The second phase will not proceed until after AEA and Commission review and approve the final design, environmental documents, and economic and financial analysis. The selected Contractor shall secure all required construction permits and construct the new facilities.

- b. Deliverables:

- Phase 1:
  - Fivemile Creek Hydrograph
  - Design Documents
  - Draft Environmental Assessment or Categorical Exclusion
  - Permits
  - Economic and Financial Assessment
- Phase 2:
  - New integrated hydroelectric project located on Fivemile Creek
  - A final report detailing the entire project and outcomes

- c. Budget: See attached Budget and Funding Summary dated 24 August 2020.

- d. Delivery Method: Hydrology data collection, permitting and design will be completed by contractors selected through a competitive procurement process. Upon AEA and Commission approval of final design and the economic and financial assessment, AEA will competitively bid the project construction. Design and Construction Administration services will be provided by a licensed engineering firm under an amendment to their design contract for the project.

The Denali Commission shall review and approve the final design documents and participate in the engineering consultant and general contractor selection processes.

- e. Schedule: Key project milestones are summarized below.

Select environmental permitting and engineering design contractor: October 2020

Collect Hydrology Data: September 2021 (first year); September 2022

Draft Environmental Assessment or Categorical Exclusion: February 2021

Economic and Financial Assessment: February 2021

Complete Design: February 2021

Select General Contractor: April 2021

Construction Complete: October 2022

Award Closeout: December 2022

BUDGET					
Line	Item	Funded By	Provided By	Amount	Basis/Notes
1	<b>Planning and Design</b>				
2	Project Management	AEA	AEA	\$31,800	300 hours @ 106/hr burdened labor rate
3	Hydroelectric Project Engineer (SME)	AEA	AEA	\$10,480	80 hours @ 131/hr burdened labor rate
4	PM and SME Travel	DC	AEA	\$2,000	1 trip - Design
5	Economic and Financial Analysis	AEA	Contractor	\$10,000	~67 hrs @ \$150/hr burdened labor rate + expenses + subconsultants
6A	Design, Permitting, Construction Admin	AEA	Contractor	\$197,611	~1317 hrs @ \$150/hr burdened labor rate + expenses + subconsultants
6B	Design, Permitting, Construction Admin	DC	Contractor	\$167,389	~1116 hrs @ \$150/hr burdened labor rate + expenses + subconsultants
7	<b>Subtotal</b>			<b>\$419,280</b>	
8	<b>Construction</b>				
9	Project Management	AEA	AEA	\$53,000	500 hours @ 106/hr burdened labor rate
10	Hydroelectric Project Engineer (SME)	AEA	AEA	\$20,960	160 hours @ 131/hr burdened labor rate
11	PM and SME Travel	DC	AEA	\$5,500	Assume 3 trips during construction and project close out
12A	Construction <sup>b</sup> (dam, access road, powerhouse, penstock)	AEA	Contractor	\$3,091,401	~4,280 hrs @ \$76/hr blended burdened labor rate + expenses + subconsultants
12B	Construction <sup>b</sup> (dam, access road, powerhouse, penstock)	DC	Contractor	\$2,618,599	~3,625 hrs @ \$76/hr blended burdened labor rate + expenses + subconsultants
13A	Construction Administration	AEA	Contractor	\$92,038	~600 hrs @ \$150/hr burdened labor rate + expenses + subconsultants
13B	Construction Administration	DC	Contractor	\$77,962	~500 hrs @ \$150/hr burdened labor rate + expenses + subconsultants
14	<b>Subtotal</b>			<b>\$5,959,460</b>	
15	<b>Total</b>				
16	AEA Indirect Costs <sup>a</sup>			\$17,374	10% of lines 2-4 & 8-10; 10% of first \$25,000 of lines 6B + 13B; 10% of first \$25,000 of line 12B
17	<b>Total - Planning and Design and Construction</b>			<b>\$6,396,114</b>	

**Additional Notes**  
a. AEA does not have a federally negotiated indirect rate; use the 10% de-minimus rate in 2 CFR 200.414. The amount of this line is an estimate only; the 10% indirect rate will be applied to actual eligible reimbursable direct costs submitted by AEA to the Denali Commission pursuant to this FAA  
b. Project cost estimates based on 35% level design and include 20% contingency

FUNDING					
Line	Source	Provided By	Award or Reference	Amount	Notes
18	Denali Commission	DC	This Action	\$2,880,000	
19	Renewable Energy Fund	AEA	This Action	\$3,400,000	For grantee: final design, permitting, construction, and commissioning
20	Renewable Energy Fund	AEA	This Action	\$116,240	For AEA Project Management and SME
21	<b>This Action</b>			<b>\$6,396,240</b>	

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

<b>Subject of RPL:</b> Increase Community Block Grants for Federal Coronavirus Community Development Block Grants (CDBG-CV)	<b>ADN/RPL #:</b> 08-2021-0319
<b>Amount requested:</b> \$2,536,801	<b>Appropriation Authority:</b> Sec 5 Ch 8 SLA 2020 Pg 64 Ln 19
<b>Funding source:</b> Federal Receipts (1002) Capital	<b>Statutory Authority:</b> AS 44.33, AS 37.05.315

## **PURPOSE**

The Department of Commerce, Community, and Economic Development requests authority to increase FY2021 Community Development Grants (reference number 38946, Appropriation Type DF82) to include federal Coronavirus Community Development Block Grants (CDBG-CV).

The department has been awarded a total of \$6,190,522 under the federal CARES Act for Community Development Block Grants (CDBG) to Alaska communities. This funding was received in three distributions: the first was \$1,855,168; the second was \$1,798,553; and the third was \$2,536,801. The department had sufficient federal receipt authority remaining from older Community Block Grants appropriations to receive the first two distributions; however, the department does not have sufficient federal receipt authority to receive the full amount of the third distribution.

Community Development Block Grants are awarded to Alaskan communities to support community development, planning, and economic development, including the development of essential community facilities and services. Uniquely, CARES Act Community Development Block Grants can be used by communities to reimburse costs of eligible activities incurred for pandemic response, regardless of the date. Distributing these funds to Alaskan communities to support their response to the novel coronavirus and support critical governmental functions is essential.

**Legislative Fiscal Analyst Comment:** Eligible CDBG applicants are any municipal government entity as defined in AS 29 (i.e. home rule, first, second, and third class boroughs, unified municipalities, and first and second class cities, which exercise powers consistent with the proposed project, except the Municipality of Anchorage). More information on the CDBG application process can be found at: <https://www.commerce.alaska.gov/web/dcra/GrantsSection/CommunityDevelopmentBlockGrants.aspx>.

## **PREVIOUS LEGISLATIVE CONSIDERATION**

Authorization to receive \$6,000,000 in federal receipts for Community Block Grants was included in the FY2021 budget.



## **TIMING ISSUES**

The department's annual application period for Community Development Block Grants closes December 4, 2020. Communities typically submit funding requests that exceed available funding; that trend is anticipated to be amplified by the coronavirus emergency. Increasing the amount of the FY2021 Community Block Grants appropriation will allow the division to review coronavirus-related funding requests received during the normal solicitation period for distribution from the CDBG-CV funding. Increasing the authorization now will allow for faster distribution of funds to communities to support their continued response to the novel coronavirus.

## **BUDGETARY ISSUES**

If the additional authority is approved, the department will record the third CARES Act Community Development Block Grant distribution to the 2021 project and will be able to distribute these critical funds to communities.

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

To enable legislative tracking, Legislative Finance will assign federal Covid-19 fund code 1265 to federal appropriations associated with Covid-19.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

September 11, 2020

The Honorable Mike Dunleavy  
Governor of Alaska  
P.O. Box 110001  
3rd floor  
Juneau, AK 99811-0001

OFFICE OF THE GOVERNOR  
MAIL ROOM  
SEP 29 2020

Dear Governor Dunleavy:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department immediately allocated \$2 billion on March 27, 2020, the same day President Trump signed the Act, based on the fiscal year 2020 CDBG formula; this constituted the first round of CDBG-CV funds. Next, \$1 billion was required by the Act to be allocated to States and insular areas within 45 days of enactment of the Act; HUD accomplished this on May 11, 2020, and this constituted the second round of CDBG-CV funds. Finally, the remaining \$2 billion in CDBG-CV funds was required by the Act to be allocated to states and local governments at the discretion of the Secretary on a rolling basis; HUD accomplished this on September 11, 2020, and this constituted the third round of CDBG-CV funds. Additionally, up to \$10 million will be set aside for technical assistance.

Accordingly, this letter informs you that your jurisdiction's allocation for the third round is \$2,536,801. Your cumulative amount for all allocation rounds is \$6,190,522.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2019 and FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the HUD Secretary to grant waivers and alternative requirements of statutes and regulations the HUD Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative

requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

The CDBG CARES Act Federal Register Notice (FR-6218-N-01) was released on August 10, 2020. The notice describes the allocations and grant procedures applicable to the CDBG-CV grants. It also describes the program flexibilities, waivers, and alternative requirements that apply to the CDBG-CV grants as well as the fiscal year 2019 and 2020 CDBG grants. As further such flexibilities become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and the requirement that each grantee have adequate procedures to prevent the duplication of benefits (DOB). HUD will provide guidance and technical assistance on DOB, the prevention of fraud, waste, and abuse, and on documenting the impact of this program for beneficiaries.

Reminder, all CPD Grantees must ensure they maintain active Dun and Bradstreet Numbering System (DUNS) numbers in the System for Award Management (SAM) system. Entities must have an active and unexpired DUNS before execution of grant agreements to avoid delays in the obligation of funds- which will delay your ability to drawdown funds in the Integrated Disbursement & Information System (IDIS). Grantees are required to maintain an active SAMs registration by re-activating their DUNS number annually in the SAM system for the entire drawdown period of their grants. DUNS numbers can be registered and renewed each year at the following website: <https://www.sam.gov/SAM/>.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov).

Sincerely,



John Gibbs  
Acting Assistant Secretary  
for Community Planning and Development  
U.S. Department of Housing and Urban Development

**Department of Labor and Workforce Development  
Commissioner and Administrative  
Workforce Investment Board**

<b>Subject of RPL:</b> Increase Federal Authority for Existing Grants	<b>ADN/RPL #:</b> 07-2021-1173
<b>Amount requested:</b> \$2,190,200	<b>Appropriation Authority:</b> Sec 1 Ch 8 SLA 2020 pg 21 Ln 13
<b>Funding source:</b> Federal Receipts (1002) FY2021 Operating	<b>Statutory Authority:</b> AS 23.15.550

## **PURPOSE**

Alaska Workforce Investment Board (AWIB) expects an increase in existing federal grants beyond its authorization, resulting in the need for an additional \$2,190,205 in federal authorization to expend these additional federal funds. This will enable the AWIB to provide essential services to Alaskan's for apprenticeship, job training, and workforce development, as well essential support services for participants.

There is no maintenance of effort or required match from the state for any of these federal funds.

## **PREVIOUS LEGISLATIVE CONSIDERATION**

Federal funds for AWIB's operating budget were appropriated in the FY2021 operating budget (HB205).

## **TIMING ISSUES**

Approval of this RPL will allow the department to receive this increased federal grant amount and immediately begin to provide essential services to Alaskan's for apprenticeship, job training, and workforce development, as well as essential support services for participants.

## **BUDGETARY ISSUES**

The amount of additional federal receipts available in FY2021 exceeds the amount of federal receipt authority appropriated to AWIB.

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

AWIB has received the additional federal funding but is unable to spend it due to limitations on their current federal receipt authorization. Funds will be collected through a reimbursement process.