State of Alaska
FY2011 Governor's Operating Budget

Department of Commerce, Community, and Economic Development

Department of Commerce, Community, and Economic Development

Mission

To promote a healthy economy, strong communities, and protect consumers in Alaska.

Core Services

- Coordinate, develop and promote programs for sustainable economic growth.
- Regulate and enforce to protect the consumer and to provide a stable business climate.
- Assist in the development of sustainable energy systems and reduce the cost of energy in rural Alaska.
- Assist communities to achieve maximum local self-government and foster volunteerism statewide.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

		CURRENT CAPACITY							
	PRIORITYPROGRAMS	GF	FED	OTH	TOTAL	PFT	PPT	NP	% GF
1	Economic Growth - Jobs for Alaskans	12,974.7	31,953.5	25,456.0	70,384.2	175	2	4	36.3%
2	Sustainable Energy	18,084.5	571.9	29,308.4	47,964.8	58	0	2	50.6%
3	Strong Communities	4,191.5	32,749.6	8,788.2	45,729.3	71	0	1	11.7%
4	Consumer Protection	461.8	650.0	29,616.2	30,728.0	225	0	6	1.3%
	FY2010 MANAGEMENT PLAN	**35,712.5**	**65,925.0**	**93,168.8**	**194,806.3**	**529**	**2**	**13**	100.0%

Rationale:

Promote strong communities in Alaska through community assistance and volunteerism.

Promote economic development and sustainable energy.

Protect the consumer and provide for a stable business climate.

Priority Programs - Key Performance Indicators

(Additional performance information is available on the web at http://omb.alaska.gov/results.)

Economic Growth

- ↑ In-state spending by Alaska Aerospace Corporation totaled $13.5 million in FY2009; $1.9 million more than FY2008, but less than the $27.3 million in FY2007.
- ↑ 583 jobs were created or maintained in the Alaska commercial fishing industry in FY2009 through revolving loans, exceeding the goal of 400.
- ↑ 812 permanent jobs were created or retained in Alaska by Alaska Industrial Development and Export Authority financing in FY2009, exceeding the target of 500.
- ↓ 70 jobs in rural Alaska were created or maintained with Rural Development Initiative Funds and Small Business Economic Development loans in FY2009, 20 fewer jobs than targeted.
- ↓ The value of Alaska seafood exports to Alaska Seafood Marketing Institute program destination countries decreased by 0.82% from 2007 to 2008, not meeting the target of a 0.5% increase.
- ↓ Tourism's five-year, 30% growth to over 1.7 million summer visitors showed a slight 0.4% decrease in 2008, a steeper loss is anticipated for 2009.

Sustainable Energy

- ↑ As of August 2009, 24% of electric generation is from renewable sources.
- ↑ As of July 30, 2009, 43% of the Renewable Energy Fund projects were under way.
- ↑ 96.5% of the 92 eligible electric utilities received Power Cost Equalization payments in FY2009; increasing from 94.3% in FY2008.
- ↑ 55.5% of rural power system upgrades were completed by the end of FY2009, with 47 more communities to be completed.
- ↑ 91% of the rural bulk fuel facilities were updated by the end of FY2009. Nine communities, or 11%, remain to be completed.
- → 11.35% delinquency rate on the $1.3 million outstanding Bulk Fuel Revolving Loans for FY2009 not meeting the 5% or less.

Strong Communities

- ↑ 91% of municipal governments are estimated to have provided essential public services in FY2009, increasing from 83% in FY2008 but not meeting the target of 100%.
- → Alaska ranks fourth in the nation on service and volunteerism.
- ↓ Of 466 communities eligible for assistance, about 150 are known to be non compliant with management sustainability indicators.
- ↓ 92.02% of communities qualified for financial resource programs in FY2009; a decrease of 4.42% from FY2008.

Consumer Protection

- → No domestic insurance companies became insolvent during FY2009.
- → In FY2009, 98.6% of Regulatory Commission orders were reviewed by an assistant attorney general and 100% of the final decisions were issued on or before the statutory deadline.
- ↓ 2.51% decrease in the number of commercial and professional services licenses from 117,250 in FY2008 to 114,307 in FY2009; reducing the choice consumers have in selecting a licensed provider.

Major Activities to Advance Strategies
• Technical and financial assistance to strengthen rural communities and Alaska businesses. • Diversify Alaska's economic base to benefit all Alaskans. • Market Alaska's commercial opportunities and geographic advantages to the global business community. • Maintain a fair and consistent regulatory environment.

Key Department Challenges

The department continues to realign and focus assets to concentrate on the three core functions:

- community development,
- business regulation/consumer protection, and
- economic development.

Community Development: Sustainability of communities is a major issue due to the increased cost of insurance and the cost to build barriers to erosion and flooding. The formation of regional governments and building management capacity and fiscal strength in smaller communities are crucial issues.

Business Development/Consumer Protection: Providing consumer protection and business/industry regulation remains a key challenge. Due primarily to its small population and remote location, Alaska lacks a healthy, competitive insurance market. While a few major carriers have entered the Alaska market during the last few years, the marketplace remains less competitive than we would like to see. Although reforms have reduced the cost of workers' compensation insurance in recent years, market domination by a few carriers makes it difficult for employers to obtain affordable policies for this statutorily mandated coverage.

Economic Development: Economic development in Alaska faces many challenges, including high transportation costs, access to suppliers and markets, a limited labor pool and restrictions on developing mining, timber and other natural resources.

Mining -- Attracting investments in mineral projects is a key challenge that affects our staffing and budget. Stable and reasonable taxation is critical to attracting mining companies to the state because it can alter the financial viability of projects.

Fisheries development and marketing -- The Alaska seafood industry participates in an intensely competitive worldwide market. Development of aquaculture production outside Alaska pushes market supply upward and prices downward. Competition from farmed salmon and other aquaculture products continues to be a primary concern. A major task for this industry and state government is to develop an effective response to these competitive forces.

Tourism -- The tourism industry suffers during times of slowing economic growth; a worldwide recession is expected to reduce Alaska tourism significantly. Anecdotal evidence reveals that visitors to Alaska have shown restraint in spending. Rural Alaska remains highly undeveloped in tourism and transportation infrastructure, and communities lack established mechanisms for managing and promoting tourism. There is an ongoing need for customer service training in rural areas. The industry continues to need assistance from the state and private industry to develop strategies to attract more tourists to the state.

Challenges Facing Components within the Department

STRONG COMMUNITIES

Community and Regional Affairs

Sustainability of communities is a major issue due to: 1) increasing operating costs for major budget items such as transportation and insurance, 2) staff turnover as residents migrate to seek higher paying jobs, and 3) the potential for reduction in federal funding to communities. The division expects increases in technical assistance and financial intervention requests to continue as communities seek to address these issues. Funding available to local governments - either from locally generated sources, state and federal shared revenue or grants - needs to maximize efficiencies and provide services to residents.

ECONOMIC DEVELOPMENT AND SUSTAINABLE ENERGY

Qualified Trade Association Contract

Alaska spends less on tourism marketing than competing states, countries and cities. New taxes and fees on the tourism industry put pressure on the ability of businesses to contribute to Qualified Trade Association (QTA)'s marketing efforts. The cost to market (media placement, paper, postage) has increased substantially. Alaska's message to "take a vacation in Alaska" is not being heard. Instead people are choosing to travel to destinations that are being featured on TV, in magazines, discussed online and in other media.

The costs of gas – and concerns about the global economy – affect many consumers' ability to travel for vacation purposes. The recent increase in energy costs has caused higher airfare prices and diminished flight capacity to Alaska. Research shows that consumers are traveling less, are not using all their vacation time, are traveling closer to home and personal savings are lower than the previous generation. These trends do not bode well for Alaska long-haul travel. In addition, continuing passport regulation changes and pandemic flu outbreaks have the potential to reduce visitation to Alaska.

Investments

Lack of infrastructure, plus the high cost of doing business in rural Alaska, present tremendous challenges to local residents as they attempt to expand economic activity in their regions. Alaska Division of Investments's (ADI) challenge is to locate existing and new small businesses in rural parts of the state that can increase their chances of success by accessing capital through the Small Business Economic Development and Rural Development Initiative programs. Both of these programs help businesses create jobs and stimulate local economies.

Alaska Aerospace Corporation

The challenge in the coming year continues to be to increase the infrastructure at the Kodiak Launch Complex (KLC) in order to support additional launch customers and to increase the number of launches from the KLC per annum. Alaska Aerospace Development's (AADC) anchor tenant, the Missile Defense Agency (MDA), utilizes the infrastructure of Launch Pad 1 (LP 1) and/or LP 2 for their launch operations. An additional Launch Pad (LP 3) is needed in order to service additional customers.

Alaska Industrial Development and Export Authority

Increased workloads for staff resulting from:
-Constriction in the secondary capital market that results in business seeking funding in both the development finance and loan participation programs; and
-Expansion of the Ketchikan Shipyard and the Skagway Ore Terminal will lead to an increase in economic development and job growth in both Ketchikan and Skagway.

Ability to attract and evaluate diverse economic development projects for the state.

Alaska Energy Authority Owned Facilities

Develop an integrated resource plan for railbelt electric generation and transmission, including the potential creation of a new business venture that will coordinate existing railbelt utility operations as recommended by the recently completed Railbelt Electric Grid Authority (REGA) study.

Alaska Energy Authority (AEA) continues to work with the Intertie Operating Committee (IOC) on issues related to the operation and maintenance of the Anchorage to Fairbanks Intertie and necessary intertie repairs to the foundations and the intertie static VAR system. AEA is negotiating a new Intertie operating agreement with the participating utilities.

Alaska Energy Authority Rural Energy Operations

Scheduling and managing Bulk Fuel and Rural Power System Upgrade projects (requested by the Denali Commission) with an unpredictable capital funding stream.

Providing training in an environment of high staff turnover (in bulk fuel and utility clerk job classes) and last-minute cancellations by training participants, which makes it difficult for AEA to fill available training slots.

Alaska Energy Authority Technical Assistance

The construction of substantial infrastructure projects in the villages (for example: water/sewer facilities and school upgrades and replacements) are over-taxing some of the older power systems which results in system overload, shorter equipment life and more frequent power outages. Without remote monitoring, technical assistance and periodic training, performance and efficiency gains of newly upgraded powerhouses slowly erodes over time. Limited resources for the Technical Assistance program over the past few years only allows on-site visits to approximately 12 to 18 out of 100 rural villages that AEA serves. This hinders our ability to provide technical assistance, operator training and minor repairs to reduce power outages and prevent significant equipment damage.

Alaska Seafood Marketing Institute

The global economic downturn is the biggest challenge for the Alaska seafood industry at this time. Tight credit markets have a negative impact on Alaska seafood customers and on suppliers holding inventory. The seafood industry is suffering from reduced seafood sales at restaurants and retail grocery stores in the U.S. and overseas as consumers

tighten their belts. The falling U.S. dollar value makes Alaska seafood products more competitively priced in foreign markets, but reduces the buying power of promotional dollars expended overseas.

CONSUMER PROTECTION

Insurance Operations

We had over 37,000 licensees at the end of FY09. The increase in licensees is straining our already limited legal resources. Appeals of denied license suspensions or revocations, and other licensing matters consume an enormous amount of both attorney and hearing officer time. Even matters that do not involve litigation, such as the legal analysis involving license applicant with felony convictions, often require considerable attorney time to review and analyze. There has been an increase in the number of licensing challenges in recent years, most of which take the form of administrative actions.

The State of Alaska lacks a healthy, competitive insurance marketplace. The workers compensation market is dominated by relatively few carriers which puts our state at risk of losing a viable option for employers to obtain statutorily mandated coverage. The homeowner's market is fast becoming noncompetitive with two carriers writing a majority of the business. This, in turn, creates pressure on the real estate industry as sales of property and re-financing depend on the availability of insurance coverage to satisfy the lenders. One key element to be developed will be regulatory modernization to keep Alaska consistent with regulatory practices across the country. In Workers Compensation there are three insurers writing a majority of the market.

Corporations, Business and Professional Licensing

Legislation was passed (Chapter 84, SLA 08) allowing Alaska to participate in a Prescription Drug Monitoring program (PDMP) with oversight by the Board of Pharmacy. The U.S. Department of Justice recently approved the State of Alaska to receive a $400.0 federal implementation grant to continue in establishing a program. The division, in support to the Alaska Board of Pharmacy is responsible to procure, implement, and maintain a prescription drug monitoring program in the State of Alaska. The greatest challenge is to obtain a system capable to receiving communications from health care providers throughout the state, and provide the necessary training and support to report and use Alaska's new PDMP system.

The present Secretary of State Knowledge Base (SOSKB) System used to support the Corporations program has created significant problems because of its limited capabilities, frequent interruptions because of older technology, and vendor proprietary support issues. The system has already cost the state considerably more than originally expected. The older technology has already contributed to the backlog of processing corporate filings. The division is challenged with procuring a system to replace the SOSKB that will enhance corporate filings without bringing the program to a stop.

Significant Changes in Results to be Delivered in FY2011

STRONG COMMUNITIES

Community and Regional Affairs

Community and Regional Affairs Division (DCRA) will administer over $24 million in Federal Coastal Impact Assessment program (CIAP) funds that will go out in up to $125 different grants. The division will work with communities and eligible entities to develop, submit, implement and report on projects in accordance with all federal requirements. The FY11 budget requests includes a new position to lead and coordinate CIAP strategies in the department.

DCRA anticipates increased interventions with at risk communities, and a potential reduction in the number of communities that are non-compliant with management sustainability indicators resulting from an increased focus on technical assistance for the 386 communities with populations between 25 and 2500. Sustainability indicators are not being met in 40% or 153 of these communities. Not only is state and federal infrastructure and investment at risk in these communities, but the communities are not eligible for financial assistance if they are not meeting basic sustainability requirements. The FY11 budget request includes funding for additional Local Government Specialists to provide expertise and training that will strengthen community's capacity to provide essential services.

DCRA plans to reduce the backlog of community assistance requests regarding negotiation and finalization of ANCSA 14(c) conveyances. In 1971 when ANCSA was passed, there were 95 unincorporated ANCSA communities that had a

land conveyance obligation to the state in Trust under section 14(c) (3). Currently there are still over 50 communities that have not completed the conveyance and the obligation still exists. Currently the Municipal Lands Trustee program holds title to over 13,500 acres of in 47 different communities. As communities develop and need to make use of land, the program must negotiate appropriate conveyances for land. Frequently these conveyances are required as part of a capital construction project. The FY11 budget request includes a planner position to address the backlog and to allow for knowledge transfer to occur prior to retirement of a long term staff.

CONSUMER PROTECTION

Banking and Securities

Banking and Securities anticipates performing statutorily required exams and to continue National Accreditation. In a period of economic downturn there is a corresponding increase in fraud and scams rendering it critical for the division to apply due diligence in examining Banks, Securities, and Consumer Finance entities. Given the national and state trends in non-current and past due loans, it is very important to continue with more in-depth reviews of our state-chartered financial institutions which total over $2 billion in assets.

Insurance

The division plans to resume onsite market conduct examinations, strengthen investigative and outreach activities, and focus on staff training and professional development in order to fulfill our mission of consumer protection and assuring the financial solvency of insurers doing business in Alaska. These are all areas in which we had to cut resources in order to cover our increased fixed expenses.

Regulatory Commission of Alaska

The American Recovery and Reinvestment Act (ARRA) includes an initiative designed to assist state regulatory commissions in performing their regulatory responsibilities with regard to ARRA electricity-related activities and investments, titled the *State Electricity Regulators Assistance program*. Stated objectives of the *State Electricity Regulators Assistance program* initiative are to 1) help state regulatory commissions better manage the increase in dockets and other regulatory actions expected to result from ARRA electricity-related activities; 2) facilitate timely consideration by state commissions of ARRA electricity-related investments; and 3) create jobs. The funding will allow the RCA to increase regulatory staff necessary to facilitate timely regulatory consideration of ARRA electricity-related activities and investments.

Major Department Accomplishments in 2009

STRONG COMMUNITIES

Community and Regional Affairs

Local Governance Training Courses: DCRA staff presented 39 training classes throughout the state to over 461 local government staff on topics as various as bookkeeping, land planning, utility management, and tax assessment.

On-Site Travel to Communities: Regional Office Staff completed 216 on-site visits to 145 different communities to provide on-site training and assistance to municipal, tribal, and utility staff and governing body members.

Grant Administration: The grant section administered over 1,400 grants with a value in excess of $766 million.

Full Value Determinations: Completed full value determination for fifty-five municipalities which includes thirteen boroughs, twenty-six cities within boroughs and sixteen cities in the unorganized borough.

ECONOMIC DEVELOPMENT

Office of Economic Development

Re-established Alaska Film Office

Completed summer 2008 and fall/winter 2008/2009 visitor updates for the Alaska Visitor Statistics program.

Through the Tourism Mentorship Assistance program, the Office of Economic Development (OED) helped nine new tourism businesses get started, with the direct help from experienced Alaska tourism business owners and operators.

Qualified Trade Association Contract

Increased interest in Alaska as a visitor destination, conducted programs aimed at increasing international visitors, and positioned Alaska as a year-round destination.

Investments

Establishing a Business in Alaska ~ 14th Edition -ADI completed the long awaited update to the 14th Edition of "*Establishing a Business in Alaska*" in November 2009. The 181 page booklet is "intended as a guide to the many sources of detailed information and assistance that an entrepreneur will need" to begin a business in the State of Alaska.

Commercial Fishing Fuel Efficiency Upgrade Loans - Regulations for the Commercial Fishing Loan program's engine fuel efficiency upgrade became effective on September 27, 2008. Forty-seven engine fuel efficiency upgrade loans, totaling $2.2 million, have been approved since September 27th.

Alaska Regional Development Organizations (ARDOR) Partnership - ADI designed a new training program to allow ARDOR staff to originate loan applications for programs administered by ADI. ADI worked with the Kenai Peninsula Economic Development District (KPEDD) ARDOR to develop this pilot project and the initial training took place in Anchorage in late September. By providing staff at the ARDOR's with training for ADI's loans, this program has the potential to greatly increase awareness of these beneficial loan programs in rural areas of the state. This will also benefit ARDORs by promoting economic development in their respective regions.

Alaska Aerospace Corporation

The Alaska Aerospace Corporation (AAC) successfully executed the first year of a new contract for providing services to its anchor tenant, MDA. Kodiak Launch Complex (KLC) continues launching tests of the nation's missile defense system. The eighth Flight Test Ground-Base Midcourse Defense, FTG-05, was launched from KLC on December 5, 2008. AAC continues to work with the U.S. Air Force for two launches scheduled in FY10.

AIDEA

Completed the installation of a second ship lift and grounding grid for the Ketchikan Shipyard. Work has begun on the next phase of the project, additional uplands improvements, as part of fulfilling a Federal Transit Administration (FTA) grant. Both projects will expand the shipyard's capacity to build and repair marine craft on a year round basis. Additionally, work is underway to address long-term deferred maintenance projects at the shipyard such as cathodic protection via a state appropriation. The Ketchikan Shipyard is an AIDEA-owned development finance project that provides 120 to 150 direct jobs in Ketchikan.

Completed the first phase of upgrades to the Skagway Ore Terminal (SOT). AIDEA completed a facility-use agreement with Sherwood Copper Corporation (now Capstone Mining Corporation). AIDEA also financed an expansion of the Capstone facility in late 2008, increasing Capstone's use to 40% of the facility. AIDEA also participated with the Municipality of Skagway on its Skagway Port Development Plan in 2008, and is currently working with the Municipality and on the Yukon Gateway Project.

Completed AIDEA's Strategic Management Plan and created initiatives to: enhance efficiency and effectiveness; diversify and grow AIDEA's assets to support economic development; improve existing programs and add targeted new economic development financing tools; expand the deployment and impact of AIDEA's economic development financing; and to integrate AIDEA into overall state economic development efforts.

Alaska Energy Authority

As of 10/31/2009 there were 69 Bulk Fuel Loans Outstanding that were originally disbursed or released in either FY08 or FY09, for a total of $14,885,331.32. Additionally there are 20 loans in FY10 that have been disbursed or released for a total of $4,910,578.60. We also have four new requests that have come in during FY10 that are not to the point of commitment in the amount of $662,228.70.

AEA completed five bulk fuel system upgrades and six rural power system upgrades and implemented the Renewable Energy Fund legislation and managed projects selected through the program.

Alaska Seafood Marketing Institute
ASMI's access to the corporate offices of grocery retailers, restaurant operators and foodservice distributors around the world has successfully increased the value of its corporate partnerships, and achieved increased use and awareness of the Alaska Seafood brand and companion brands. ASMI also cultivates media contacts to increase positive exposure for Alaska and Alaska Seafood. The relationships built by ASMI have built brand equity for Alaska Seafood. For example, the Alaska Seafood brand has become one of the top three food brands on the menus of the top 500 U.S. restaurant chains.

CONSUMER PROTECTION

Insurance
Entered into a settlement with a health insurance company that sold a limited benefits policy that failed to contain benefits mandated by Alaska law. The company was required to put an end to the practice and pay restitute to about 145 consumers who purchased policies from the company.

Continued to monitor the settlement of Healthmarkets, a major national market conduct exam, in which Alaska served as one of two lead states. The success continues to demonstrate to congress and outside interests clamoring for an increasing federal role in the regulation of insurance that the state regulation of insurance is the ideal model by which the industry should be regulated. The resulting settlement has brought reform to the company, a substantial nationwide penalty, and increased protection for the companies' policyholders. The division continues to monitor the companies progress, in concert with other states, and anticipates beginning work on an audit that will verify compliance with the settlement agreement.

Corporations, Business and Professional Licensing
Planning, establishing initial requirements and taking the first steps to enhancing existing systems or arranging to procure new systems were initiated. These systems include: a) a new application for Corporation filings; b) a new Investigative case management tracking system; c) expanded excess to the confidential Guide Hunts database program; d) online renewal capabilities for programs not currently available.

Serve Alaska
Increased the number of AmeriCorps Members with a disability (26 or 9.1% of the enrollment).
AmeriCorps members served 275,400 hours in meeting critical community needs in education, public safety, health and the environment.

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2009 Actuals				FY2010 Management Plan				FY2011 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
Revenue Sharing	0.0	31,006.9	3,023.4	34,030.3	0.0	25,803.4	3,600.0	29,403.4	0.0	27,203.4	3,600.0	30,803.4
Alaska Energy Authority	9,400.0	0.0	28,160.0	37,560.0	16,767.3	0.0	20,892.7	37,660.0	12,626.4	0.0	23,673.6	36,300.0
Non-Formula Expenditures												
Executive Admin and Dev	1,328.8	0.0	3,611.5	4,940.3	1,358.6	0.0	3,997.9	5,356.5	1,361.0	0.0	4,010.3	5,371.3
Comm Assist & Ec Dev	2,421.7	1,799.0	6,055.6	10,276.3	4,372.1	2,533.9	5,986.3	12,892.3	4,879.1	2,533.9	6,184.7	13,597.7
Qualified Trade Assoc. Contract	9,000.0	0.0	0.0	9,000.0	9,000.0	0.0	0.0	9,000.0	9,000.0	0.0	0.0	9,000.0
Investments	0.0	0.0	4,170.5	4,170.5	0.0	0.0	4,580.3	4,580.3	0.0	0.0	4,582.3	4,582.3
Alaska Aerospace Corp	0.0	17,993.3	661.4	18,654.7	0.0	26,283.9	2,330.1	28,614.0	0.0	26,368.0	2,353.4	28,721.4
AIDEA	0.0	0.0	9,339.4	9,339.4	0.0	0.0	8,869.5	8,869.5	0.0	0.0	11,506.3	11,506.3
Alaska Energy Authority	661.8	33.7	4,620.2	5,315.7	838.7	571.9	4,000.7	5,411.3	932.0	571.9	6,314.8	7,818.7
Alaska Seafood Marketing Inst	750.0	3,361.5	10,877.9	14,989.4	2,669.8	5,500.0	9,503.1	17,672.9	3,669.8	5,500.0	9,542.4	18,712.2
Banking and Securities	0.0	0.0	2,723.8	2,723.8	0.0	250.0	3,136.4	3,386.4	0.0	0.0	3,264.3	3,264.3
CDQ Program	0.0	0.0	0.0	0.0	0.0	0.0	57.6	57.6	0.0	0.0	0.0	0.0
Insurance	0.0	0.0	6,126.3	6,126.3	0.0	0.0	6,608.6	6,608.6	0.0	0.0	6,816.6	6,816.6
Corp, Bus & Prof Licenses	0.0	0.0	9,418.5	9,418.5	0.0	400.0	10,558.5	10,958.5	0.0	400.0	10,507.6	10,907.6
Reg Comm of Ak	0.0	0.0	6,572.2	6,572.2	0.0	0.0	8,182.2	8,182.2	0.0	192.1	8,350.6	8,542.7
DCED State Facilities Rent	585.0	0.0	517.6	1,102.6	585.0	0.0	760.2	1,345.2	585.0	0.0	760.2	1,345.2
Serve Alaska	0.0	0.0	0.0	0.0	121.0	4,581.9	104.7	4,807.6	121.7	3,283.3	104.7	3,509.7
AK State Community Services Com	110.5	2,200.8	0.1	2,311.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	**24,257.8**	**56,395.2**	**95,878.4**	**176,531.4**	**35,712.5**	**65,925.0**	**93,168.8**	**194,806.3**	**33,175.0**	**66,052.6**	**101,571.8**	**200,799.4**

Funding Source Summary

All dollars in thousands

Funding Sources	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
1002 Federal Receipts	56,395.2	64,425.0	65,660.5
1003 General Fund Match	591.0	824.0	824.7
1004 General Fund Receipts	18,838.4	29,957.0	27,418.8
1005 General Fund/Program Receipts	2.8	18.7	18.7
1007 Inter-Agency Receipts	13,006.0	13,407.7	16,041.0
1036 Commercial Fishing Loan Fund	3,696.5	3,786.3	3,788.1
1040 Real Estate Surety Fund	278.1	280.0	280.7
1061 Capital Improvement Project Receipts	3,951.0	4,480.1	6,940.3
1062 Power Project Loan Fund	1,056.5	1,056.5	1,056.5
1070 Fisheries Enhancement Revolving Loan Fund	400.0	564.3	564.5
1074 Bulk Fuel Revolving Loan Fund	53.7	53.7	53.7
1089 Power Cost Equalization Fund	28,160.0		
1101 Alaska Aerospace Development Corporation Receipts	452.4	522.9	522.9
1102 Alaska Industrial Development & Export Authority Receipts	4,766.5	5,445.6	5,674.2
1107 Alaska Energy Authority Corporate Receipts	230.3	1,067.1	1,067.1
1108 Statutory Designated Program Receipts	95.9	474.8	474.8
1141 RCA Receipts	6,547.4	8,182.2	8,210.6
1156 Receipt Supported Services	27,619.9	27,434.1	27,699.9
1164 Rural Development Initiative Fund	28.0	52.5	52.5
1169 PCE Endowment Fund		20,892.7	23,673.6
1170 Small Business Economic Development Revolving Loan Fund	25.0	50.7	50.7
1175 Business License and Corporation Filing Fees and Taxes	5,138.4	4,939.3	4,942.4
1195 Special Vehicle Registration Receipts	135.8	136.9	136.9
1200 Vehicle Rental Tax Receipts	4,825.6	4,912.8	4,912.8
1208 Bulk Fuel Bridge Loan Fund	218.0	219.1	219.1
1209 Alaska Capstone Avionics Revolving Loan Fund	19.0	122.3	122.3
1212 Federal Stimulus: ARRA 2009		1,500.0	392.1
Totals	**176,531.4**	**194,806.3**	**200,799.4**

Position Summary

Funding Sources	FY2010 Management Plan	FY2011 Governor
Permanent Full Time	529	528
Permanent Part Time	2	2
Non Permanent	13	15
Totals	**544**	**545**

FY2011 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Denali Commission Federal-State Partnership Grant	0	0	3,000,000	3,000,000
Alaska Energy Authority Energy Projects	0	16,000,000	10,000,000	26,000,000
Alaska Climate Change Impact Mitigation Program	500,000	0	0	500,000
Alaska Visitors Statistics Program	500,000	0	0	500,000
Banking and Securities Imaging	0	0	609,000	609,000
Community and Regional Affairs System Replacement and Consolidation	0	0	326,000	326,000
Community Development and Assistance	307,500	725,000	2,153,500	3,186,000
Community Block Grants	70,000	5,900,000	0	5,970,000
Alaska Energy Authority Electrical Emergencies Program	250,000	0	0	250,000
NPR-A Impact Grant Program	0	14,822,800	0	14,822,800
Newtok Traditional Council - Newtok Evacuation Shelter and Access Road	4,000,000	0	0	4,000,000
Arctic Winter Games Team Alaska - Games Participation	250,000	0	0	250,000
Arctic Power	160,000	0	0	160,000
Covenant House Alaska - Facility Construction	3,000,000	0	0	3,000,000
The Alaska Community Foundation - Jesse Lee Home Restoration	1,500,000	0	0	1,500,000
Alaska Partnership for Economic Development - Alaska Forward Initiative	0	0	100,000	100,000
Municipality of Anchorage: Port of Anchorage Expansion	0	0	10,000,000	10,000,000
Cruise Ship Related Projects	0	0	21,910,000	21,910,000
Department Total	**10,537,500**	**37,447,800**	**48,098,500**	**96,083,800**

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2010 Management Plan to FY2011 Governor

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2010 Management Plan	**35,712.5**	**65,925.0**	**93,168.8**	**194,806.3**
Adjustments which will continue current level of service:				
-Executive Admin and Dev	2.4	0.0	12.4	14.8
-Comm Assist & Ec Dev	6.2	0.0	4.3	10.5
-Investments	0.0	0.0	2.0	2.0
-Alaska Aerospace Corp	0.0	84.1	23.3	107.4
-AIDEA	0.0	0.0	150.6	150.6
-Alaska Energy Authority	-2,687.6	0.0	2,780.9	93.3
-Alaska Seafood Marketing Inst	0.0	0.0	39.3	39.3
-Banking and Securities	0.0	0.0	64.9	64.9
-Insurance	0.0	0.0	8.0	8.0
-Corp, Bus & Prof Licenses	0.0	0.0	-50.9	-50.9
-Reg Comm of Ak	0.0	0.0	28.4	28.4
-Serve Alaska	0.7	-1,498.6	0.0	-1,497.9
Proposed budget decreases:				
-Comm Assist & Ec Dev	-90.1	0.0	0.0	-90.1
-Alaska Energy Authority	-1,360.0	0.0	0.0	-1,360.0
-Banking and Securities	0.0	-250.0	-101.0	-351.0
-CDQ Program	0.0	0.0	-57.6	-57.6
Proposed budget increases:				
-Comm Assist & Ec Dev	590.9	0.0	194.1	785.0
-Revenue Sharing	0.0	1,400.0	0.0	1,400.0
-AIDEA	0.0	0.0	2,486.2	2,486.2
-Alaska Energy Authority	0.0	0.0	2,314.1	2,314.1
-Alaska Seafood Marketing Inst	1,000.0	0.0	0.0	1,000.0
-Banking and Securities	0.0	0.0	164.0	164.0
-Insurance	0.0	0.0	200.0	200.0
-Reg Comm of Ak	0.0	192.1	140.0	332.1
-Serve Alaska	0.0	200.0	0.0	200.0
FY2011 Governor	**33,175.0**	**66,052.6**	**101,571.8**	**200,799.4**

Department Totals - Operating Budget
Department of Commerce, Community, and Economic Development

Description	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
Department Totals	176,531.4	187,688.0	194,806.3	194,806.3	200,799.4	5,993.1	3.1%
Objects of Expenditure:							
71000 Personal Services	44,167.2	49,042.4	49,042.4	48,838.3	51,087.1	2,248.8	4.6%
72000 Travel	2,468.8	2,272.5	2,300.5	2,300.5	2,477.5	177.0	
73000 Services	51,156.0	65,193.6	65,283.9	65,488.0	70,461.3	4,973.3	7.6%
74000 Commodities	2,866.4	3,502.2	3,502.2	3,502.2	3,496.2	-6.0	-0.2%
75000 Capital Outlay	1,014.8	738.1	738.1	738.1	738.1	0.0	0.0%
77000 Grants, Benefits	74,858.2	66,939.2	73,939.2	73,939.2	72,539.2	-1,400.0	-1.9%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Funding Source:							
1002 Fed Rcpts	56,395.2	64,422.7	64,425.0	64,425.0	65,660.5	1,235.5	1.9%
1003 G/F Match	591.0	824.0	824.0	824.0	824.7	0.7	0.1%
1004 Gen Fund	18,838.4	24,457.0	29,957.0	29,957.0	27,418.8	-2,538.2	-8.5%
1005 GF/Prgm	2.8	18.7	18.7	18.7	18.7	0.0	0.0%
1007 I/A Rcpts	13,006.0	13,404.4	13,407.7	13,407.7	16,041.0	2,633.3	19.6%
1036 Cm Fish Ln	3,696.5	3,784.5	3,786.3	3,786.3	3,788.1	1.8	0.0%
1040 Surety Fnd	278.1	280.0	280.0	280.0	280.7	0.7	0.3%
1061 CIP Rcpts	3,951.0	4,480.1	4,480.1	4,480.1	6,940.3	2,460.2	54.9%
1062 Power Proj	1,056.5	1,056.5	1,056.5	1,056.5	1,056.5	0.0	0.0%
1070 Fish En Ln	400.0	564.1	564.3	564.3	564.5	0.2	0.0%
1074 Bulk Fuel	53.7	53.7	53.7	53.7	53.7	0.0	0.0%
1089 Power Cost	28,160.0	0.0	0.0	0.0	0.0	0.0	0.0%
1101 AERO Rcpts	452.4	522.9	522.9	522.9	522.9	0.0	0.0%
1102 AIDEA Rcpt	4,766.5	5,443.6	5,445.6	5,445.6	5,674.2	228.6	4.2%
1107 AEA Rcpts	230.3	1,067.1	1,067.1	1,067.1	1,067.1	0.0	0.0%
1108 Stat Desig	95.9	474.8	474.8	474.8	474.8	0.0	0.0%
1141 RCA Rcpts	6,547.4	8,179.6	8,182.2	8,182.2	8,210.6	28.4	0.3%
1156 Rcpt Svcs	27,619.9	27,329.3	27,434.1	27,434.1	27,699.9	265.8	1.0%
1164 RDIF	28.0	52.5	52.5	52.5	52.5	0.0	0.0%
1169 PCE Endow	0.0	20,892.7	20,892.7	20,892.7	23,673.6	2,780.9	13.3%
1170 SmBusEDRLF	25.0	50.7	50.7	50.7	50.7	0.0	0.0%
1175 BLic&Corp	5,138.4	4,938.0	4,939.3	4,939.3	4,942.4	3.1	0.1%
1195 VehRcpts	135.8	136.9	136.9	136.9	136.9	0.0	0.0%
1200 VehRntlTax	4,825.6	4,912.8	4,912.8	4,912.8	4,912.8	0.0	0.0%
1208 BF Brdg LF	218.0	219.1	219.1	219.1	219.1	0.0	0.0%
1209 Capstone	19.0	122.3	122.3	122.3	122.3	0.0	0.0%
1212 Fed ARRA	0.0	0.0	1,500.0	1,500.0	392.1	-1,107.9	-73.9%

Department Totals - Operating Budget

Department of Commerce, Community, and Economic Development

Description	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
Totals:							
General Funds	24,257.8	30,212.5	35,712.5	35,712.5	33,175.0	-2,537.5	-7.1%
Federal Funds	56,395.2	64,422.7	65,925.0	65,925.0	66,052.6	127.6	0.2%
Other Funds	95,878.4	93,052.8	93,168.8	93,168.8	101,571.8	8,403.0	9.0%
Positions:							
Permanent Full Time	523	525	525	529	528	-1	-0.2%
Permanent Part Time	2	2	2	2	2	0	0.0%
Non Permanent	16	12	12	13	15	2	15.4%

Component Summary General Funds Only

Department of Commerce, Community, and Economic Development

Results Delivery Unit/ Component	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
Executive Administration and Development							
Commissioner's Office	99.1	100.1	100.1	100.1	101.6	1.5	1.5%
Administrative Services	1,229.7	1,258.5	1,258.5	1,258.5	1,259.4	0.9	0.1%
RDU Totals:	**1,328.8**	**1,358.6**	**1,358.6**	**1,358.6**	**1,361.0**	**2.4**	**0.2%**
Community Assistance & Economic Development							
Community & Regional Affairs	1,864.3	3,769.5	3,769.5	3,769.5	4,214.5	445.0	11.8%
Office of Economic Development	557.4	602.6	602.6	602.6	664.6	62.0	10.3%
RDU Totals:	**2,421.7**	**4,372.1**	**4,372.1**	**4,372.1**	**4,879.1**	**507.0**	**11.6%**
Qualified Trade Association Contract							
Qualified Trade Assoc Contract	9,000.0	9,000.0	9,000.0	9,000.0	9,000.0	0.0	0.0%
RDU Totals:	**9,000.0**	**9,000.0**	**9,000.0**	**9,000.0**	**9,000.0**	**0.0**	**0.0%**
Alaska Energy Authority							
AEA Rural Energy Operations	267.5	187.6	187.6	187.6	280.9	93.3	49.7%
AEA Technical Assistance	100.7	100.7	100.7	100.7	100.7	0.0	0.0%
AEA Power Cost Equalization	9,400.0	11,267.3	16,767.3	16,767.3	12,626.4	-4,140.9	-24.7%
Alternative Energy & Efficiency	293.6	550.4	550.4	550.4	550.4	0.0	0.0%
RDU Totals:	**10,061.8**	**12,106.0**	**17,606.0**	**17,606.0**	**13,558.4**	**-4,047.6**	**-23.0%**
Alaska Seafood Marketing Institute							
Alaska Seafood Marketing Inst	750.0	2,669.8	2,669.8	2,669.8	3,669.8	1,000.0	37.5%
RDU Totals:	**750.0**	**2,669.8**	**2,669.8**	**2,669.8**	**3,669.8**	**1,000.0**	**37.5%**
DCED State Facilities Rent							
DCED State Facilities Rent	585.0	585.0	585.0	585.0	585.0	0.0	0.0%
RDU Totals:	**585.0**	**585.0**	**585.0**	**585.0**	**585.0**	**0.0**	**0.0%**
Serve Alaska							
Serve Alaska	0.0	121.0	121.0	121.0	121.7	0.7	0.6%
RDU Totals:	**0.0**	**121.0**	**121.0**	**121.0**	**121.7**	**0.7**	**0.6%**
Alaska State Community Services Commission							
AK State Community Services Com	110.5	0.0	0.0	0.0	0.0	0.0	0.0%
RDU Totals:	**110.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**
General Funds:	24,257.8	30,212.5	35,712.5	35,712.5	33,175.0	-2,537.5	-7.1%
Federal Funds:	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds:	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Funds:	**24,257.8**	**30,212.5**	**35,712.5**	**35,712.5**	**33,175.0**	**-2,537.5**	**-7.1%**

Component Summary All Funds

Department of Commerce, Community, and Economic Development

Results Delivery Unit/ Component	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
Executive Administration and Development							
Commissioner's Office	811.4	920.8	921.1	921.1	933.9	12.8	1.4%
Administrative Services	4,128.9	4,433.9	4,435.4	4,435.4	4,437.4	2.0	0.0%
RDU Totals:	**4,940.3**	**5,354.7**	**5,356.5**	**5,356.5**	**5,371.3**	**14.8**	**0.3%**
Community Assistance & Economic Development							
Community & Regional Affairs	7,705.7	9,758.9	9,759.5	9,759.5	10,326.5	567.0	5.8%
Office of Economic Development	2,570.6	3,132.4	3,132.8	3,132.8	3,271.2	138.4	4.4%
RDU Totals:	**10,276.3**	**12,891.3**	**12,892.3**	**12,892.3**	**13,597.7**	**705.4**	**5.5%**
Revenue Sharing							
Payment in Lieu of Taxes	10,065.2	10,100.0	10,100.0	10,100.0	10,100.0	0.0	0.0%
National Forest Receipts	20,941.7	15,703.4	15,703.4	15,703.4	17,103.4	1,400.0	8.9%
Fisheries Taxes	3,023.4	3,600.0	3,600.0	3,600.0	3,600.0	0.0	0.0%
RDU Totals:	**34,030.3**	**29,403.4**	**29,403.4**	**29,403.4**	**30,803.4**	**1,400.0**	**4.8%**
Qualified Trade Association Contract							
Qualified Trade Assoc Contract	9,000.0	9,000.0	9,000.0	9,000.0	9,000.0	0.0	0.0%
RDU Totals:	**9,000.0**	**9,000.0**	**9,000.0**	**9,000.0**	**9,000.0**	**0.0**	**0.0%**
Investments							
Investments	4,170.5	4,578.3	4,580.3	4,580.3	4,582.3	2.0	0.0%
RDU Totals:	**4,170.5**	**4,578.3**	**4,580.3**	**4,580.3**	**4,582.3**	**2.0**	**0.0%**
Alaska Aerospace Corporation							
AK Aerospace Corp	5,146.4	4,438.0	4,440.3	4,440.3	4,491.5	51.2	1.2%
AAC Facilities Maintenance	13,508.3	24,173.7	24,173.7	24,173.7	24,229.9	56.2	0.2%
RDU Totals:	**18,654.7**	**28,611.7**	**28,614.0**	**28,614.0**	**28,721.4**	**107.4**	**0.4%**
Alaska Industrial Development and Export Authority							
AIDEA	9,114.0	8,604.4	8,607.5	8,607.5	11,244.3	2,636.8	30.6%
AIDEA Facilities Maintenance	225.4	262.0	262.0	262.0	262.0	0.0	0.0%
RDU Totals:	**9,339.4**	**8,866.4**	**8,869.5**	**8,869.5**	**11,506.3**	**2,636.8**	**29.7%**
Alaska Energy Authority							
AEA Owned Facilities	230.3	1,067.1	1,067.1	1,067.1	1,067.1	0.0	0.0%
AEA Rural Energy Operations	4,359.6	3,184.1	3,184.1	3,184.1	5,591.5	2,407.4	75.6%
AEA Technical Assistance	100.7	100.7	100.7	100.7	100.7	0.0	0.0%
AEA Power Cost Equalization	37,560.0	32,160.0	37,660.0	37,660.0	36,300.0	-1,360.0	-3.6%
Alternative Energy & Efficiency	625.1	1,059.4	1,059.4	1,059.4	1,059.4	0.0	0.0%
RDU Totals:	**42,875.7**	**37,571.3**	**43,071.3**	**43,071.3**	**44,118.7**	**1,047.4**	**2.4%**
Alaska Seafood Marketing Institute							
Alaska Seafood Marketing Inst	14,989.4	17,672.5	17,672.9	17,672.9	18,712.2	1,039.3	5.9%
RDU Totals:	**14,989.4**	**17,672.5**	**17,672.9**	**17,672.9**	**18,712.2**	**1,039.3**	**5.9%**
Banking and Securities							
Banking and Securities	2,723.8	3,287.4	3,386.4	3,386.4	3,264.3	-122.1	-3.6%
RDU Totals:	**2,723.8**	**3,287.4**	**3,386.4**	**3,386.4**	**3,264.3**	**-122.1**	**-3.6%**
Community Development Quota Program							

Component Summary All Funds

Department of Commerce, Community, and Economic Development

Results Delivery Unit/ Component	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
CDQ Program	0.0	57.6	57.6	57.6	0.0	-57.6	-100.0%
RDU Totals:	**0.0**	**57.6**	**57.6**	**57.6**	**0.0**	**-57.6**	**-100.0%**
Insurance							
Insurance Operations	6,126.3	6,606.2	6,608.6	6,608.6	6,816.6	208.0	3.1%
RDU Totals:	**6,126.3**	**6,606.2**	**6,608.6**	**6,608.6**	**6,816.6**	**208.0**	**3.1%**
Corporations, Business and Professional Licensing							
Corp, Bus & Prof Licensing	9,418.5	10,954.8	10,958.5	10,958.5	10,907.6	-50.9	-0.5%
RDU Totals:	**9,418.5**	**10,954.8**	**10,958.5**	**10,958.5**	**10,907.6**	**-50.9**	**-0.5%**
Regulatory Commission of Alaska							
Reg Comm of AK	6,572.2	8,179.6	8,182.2	8,182.2	8,542.7	360.5	4.4%
RDU Totals:	**6,572.2**	**8,179.6**	**8,182.2**	**8,182.2**	**8,542.7**	**360.5**	**4.4%**
DCED State Facilities Rent							
DCED State Facilities Rent	1,102.6	1,345.2	1,345.2	1,345.2	1,345.2	0.0	0.0%
RDU Totals:	**1,102.6**	**1,345.2**	**1,345.2**	**1,345.2**	**1,345.2**	**0.0**	**0.0%**
Serve Alaska							
Serve Alaska	0.0	3,307.6	4,807.6	4,807.6	3,509.7	-1,297.9	-27.0%
RDU Totals:	**0.0**	**3,307.6**	**4,807.6**	**4,807.6**	**3,509.7**	**-1,297.9**	**-27.0%**
Alaska State Community Services Commission							
AK State Community Services Com	2,311.4	0.0	0.0	0.0	0.0	0.0	0.0%
RDU Totals:	**2,311.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**
General Funds:	24,257.8	30,212.5	35,712.5	35,712.5	33,175.0	-2,537.5	-7.1%
Federal Funds:	56,395.2	64,422.7	65,925.0	65,925.0	66,052.6	127.6	0.2%
Other Funds:	95,878.4	93,052.8	93,168.8	93,168.8	101,571.8	8,403.0	9.0%
Total Funds:	**176,531.4**	**187,688.0**	**194,806.3**	**194,806.3**	**200,799.4**	**5,993.1**	**3.1%**
Permanent Full Time:	523	525	525	529	528	-1	-0.2%
Permanent Part Time:	2	2	2	2	2	0	0.0%
Non Permanent:	16	12	12	13	15	2	15.4%
Total Positions:	**541**	**539**	**539**	**544**	**545**	**1**	**0.2%**