



Bill Walker  
GOVERNOR

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 10, 2016

## ADMINISTRATIVE ORDER NO. 281

I, Bill Walker, Governor of the State of Alaska, under the authority of Article III, Constitution of the State of Alaska, find and direct the following:

### OBJECTIVES

My objectives in issuing this Administrative Order are to:

1. Create economic vitality in Alaska with opportunities for every community in Alaska to grow and prosper.
2. Streamline and better focus the State's economic development institutions, specifically the Alaska Housing Finance Corporation (AHFC), the Alaska Energy Authority (AEA), and the Alaska Industrial Development and Export Authority (AIDEA);
3. Identify enterprise or other models of development that can be applied to housing, power generation and transmission, water and wastewater, broadband, health, and natural resource industries and infrastructure to simultaneously increase quality, access, and reduce costs of providing services;
4. Engage with stakeholders in a transparent and open process to develop strategies for economic development that optimizes the use of State powers and resources and strengthens the relationships among public, tribal, nonprofit, and private enterprise stakeholders;
5. Efficiently use the assets of public corporations of the State;
6. Engage with stakeholders in a transparent and open process to find efficiencies and reduce costs associated with the State's public corporations;
7. Protect the interests of bondholders, assets of the State, and affected entities to ensure an orderly process and maximum protection of State finances; and
8. Identify State lands and facilities having a potential for economic development.

### BACKGROUND AND PURPOSE

The steady decline in oil production and an outlook for a prolonged period of low oil prices is driving structural fiscal and economic change in Alaska. Waiting for the circumstance to self-correct is not an option. The State must deal with its new economic reality in a bold and thoughtful manner in order to ensure future prosperity.

A step forward in this effort is to evaluate the current structure and focus of AHFC, AEA,

and AIDEA consistent with the objectives outlined in this Order. These three public corporations of the State were established decades ago and designed to support specific activities in furtherance of State objectives. Although these corporations have delivered a great deal of benefit to this state, it is time to consider whether they are currently optimally structured to dynamically facilitate future economic growth and diversification.

In order to serve the state more efficiently, we must consider shifting these corporations to a model in which the combined authorities, powers, and resources of the State are optimally working alongside partners to advance the development of infrastructure and industry.

To that end, this Order establishes a process to analyze information, formulate and recommend strategy, and identify options to implement the strategy. Through this process, the boards, executive management, and stakeholders of AHFC, AEA, and AIDEA, as well as the public and the Alaska State Legislature, will be invited to engage in considering recommendations to change policy and statute in order to achieve the objectives of this order.

## ORDER

To further the objectives and purposes set out above, under the authority of Article III, Sections 1 and 23 of the Constitution of the State of Alaska, I, Bill Walker, Governor of the State of Alaska, order that:

1. The Commissioners of the Department of Revenue and the Department of Commerce, Community, and Economic Development identify and allocate the resources necessary to consult with and work with the boards of directors and management of AHFC, AEA, and AIDEA, as well as stakeholders to develop a plan of recommendations to achieve the objectives and purposes set forth in this Order. As needed, the Commissioner of the Department of Administration will coordinate and assure completion of the plan of recommendations.
2. In developing the plan of recommendations, the Commissioners of the Department of Revenue and the Department of Commerce, Community, and Economic Development shall
  - a. Provide options to enhance the State's economic development strategies and tools in order to:
    - i. Efficiently use the assets of AHFC, AEA, and AIDEA;
    - ii. Consolidate the State's existing enterprise and development related statutory authority, powers, and resources;
    - iii. Expand the authority, powers, and resources of the State for enterprise-driven initiatives using industry best practice financing and development techniques; and
    - iv. Enhance the use of enterprise-based approaches to further develop housing, power generation and transmission, water and wastewater, and broadband, health, and natural resource industries and infrastructure in Alaska that simultaneously increase quality, access, and reduce cost.

- b. Develop an inventory of any assets owned by AHFC, AEA, and AIDEA that could be appropriately sold to a third party while maintaining important public purpose benefits;
  - c. Provide options to reduce or eliminate non-essential and redundant activities, functions, and programs within AHFC, AEA, and AIDEA;
  - d. Provide options to transfer and consolidate essential routine and complementary functions between AHFC, AEA, AIDEA, and other agencies and departments of the State;
  - e. Ensure a positive process that engages the stakeholders of the corporations and the State;
  - f. Ensure a positive process that protects the State's assets and the interests of bondholders; and
  - g. Perform due diligence appropriate for the recommendations.
3. The Commissioner of the Department of Natural Resources shall provide the Commissioners of the Department of Revenue and Department of Commerce, Community, and Economic Development an inventory of State lands appropriate for economic development purposes.
4. The Commissioner of the Department of Administration shall provide the Commissioners of the Department of Revenue and Department of Commerce, Community, and Economic Development an inventory of State facilities appropriate for enterprise development, consolidation, or other forms of efficiencies.

#### OTHER PROVISIONS

1. This Order is for administrative purposes only. It neither creates any third-party rights nor modifies the statutory and regulatory authority of any State agency.
2. Nothing in this Order affects the authorities or responsibilities of AHFC, AEA, or AIDEA.
3. Nothing in this Order authorizes disclosure of confidential information.

This Order takes effect immediately.

DATED at Juneau, Alaska, this 10th day of March, 2016

/s/Bill Walker  
Governor