



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT

OVERVIEW & BUDGET
PRESENTED TO THE
SENATE FINANCE SUB-COMMITTEE

Mike Navarre, Commissioner

February 6, 2018



Mission & Core Services

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

- **Consumer Protection**
- **Economic Growth**
- **Strong Communities**
- **Affordable Energy**

Department Home

<https://www.commerce.alaska.gov/web/>

Duties of the Department

<http://www.legis.state.ak.us/basis/statutes.asp#44.33.010>

Alaska Constitution - Article X § 14

<https://ltgov.alaska.gov/services/alaskas-constitution/>

FY2019 Budget & Statutes

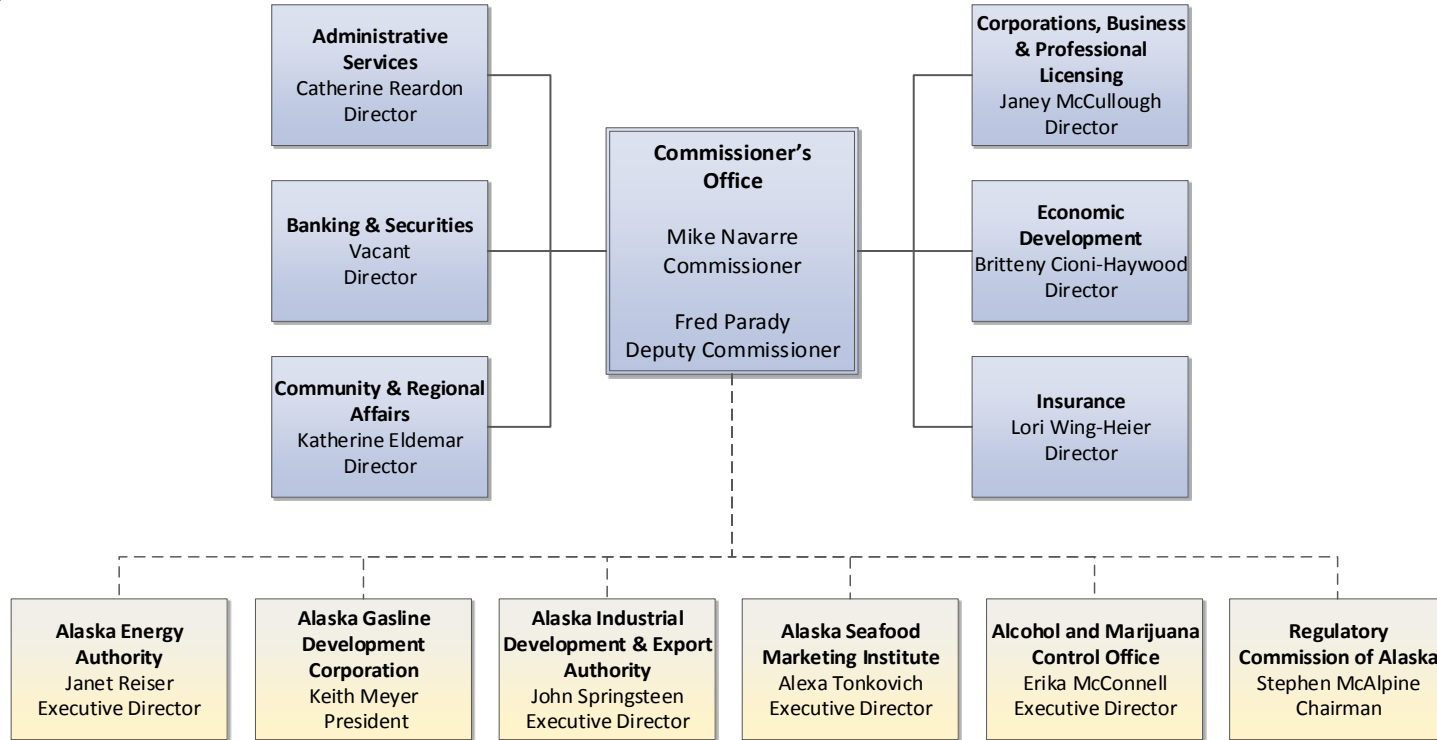
<https://www.omb.alaska.gov/html/budget-report/departments-table.html?dept=DCCED&fy=19&type=Proposed>

FY2019 Performance Measures

<https://www.omb.alaska.gov/html/performance/program-indicators.html?p=10>



Department Organization



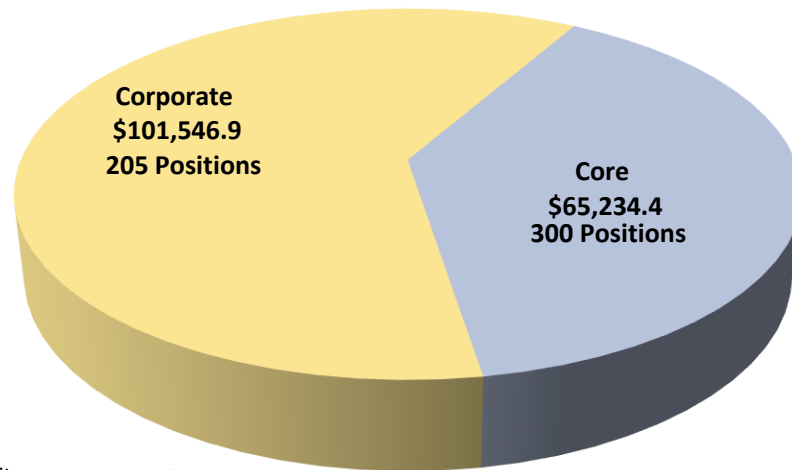
In FY2019 the department will be comprised of 500 permanent full-time and 5 non-permanent budgeted staff in 3 core and 5 remote locations.



Department Makeup

Corporate Agencies and Core Divisions

FY2019 Governor: \$166,781.3



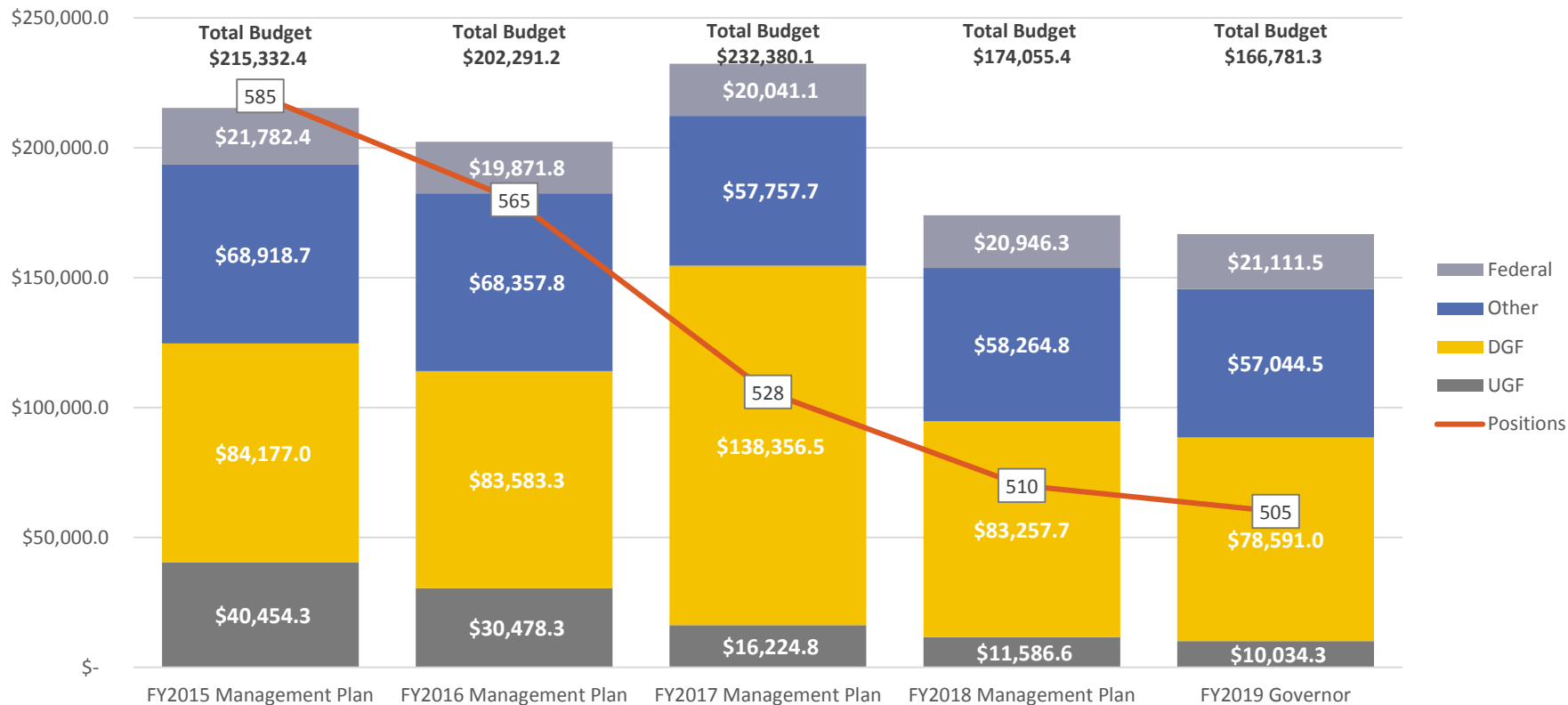
- Alaska Energy Authority
- Alaska Gasline Development Corporation
- Alaska Industrial Development and Export Authority
- Alaska Seafood Marketing Institute
- Alcohol & Marijuana Control Office
- Regulatory Commission of Alaska

- Administrative Services
- Banking and Securities
- Community and Regional Affairs
- Corporations, Business and Professional Licensing
- Economic Development
- Insurance



FY2019 Budget: \$166,781.3

UGF: \$10,034.3 DGF: \$78,591.0 Other: \$57,044.5 Federal: \$21,111.5





Since FY2015...

Deleted
96
positions



Added
16
positions

Reductions in UGF / fund supported programs

- 14 Administrative Services
- 3 transferred to OIT
- 2 transferred to Shared Services
- 12 Community and Regional Affairs
- 12 Economic Development
- 2 Tourism Marketing
- 1 Investments
- 8 Insurance
- 12 Alaska Gasline Development Corporation
- 24 AIDEA & AEA
- 6 Regulatory Commission of Alaska

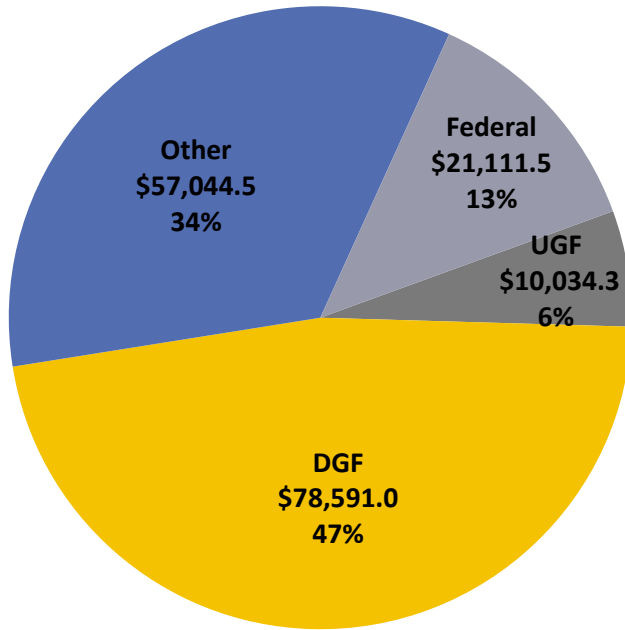
Growth in licensing programs in response to increased demand

- +1 Banking and Securities (ANCSA)
- +7 Corporations, Business and Professional Licensing
- +8 Alcohol and Marijuana Control Office



Fund Groups & Self-Supported Agencies

FY2019 Budget: \$166,781.3

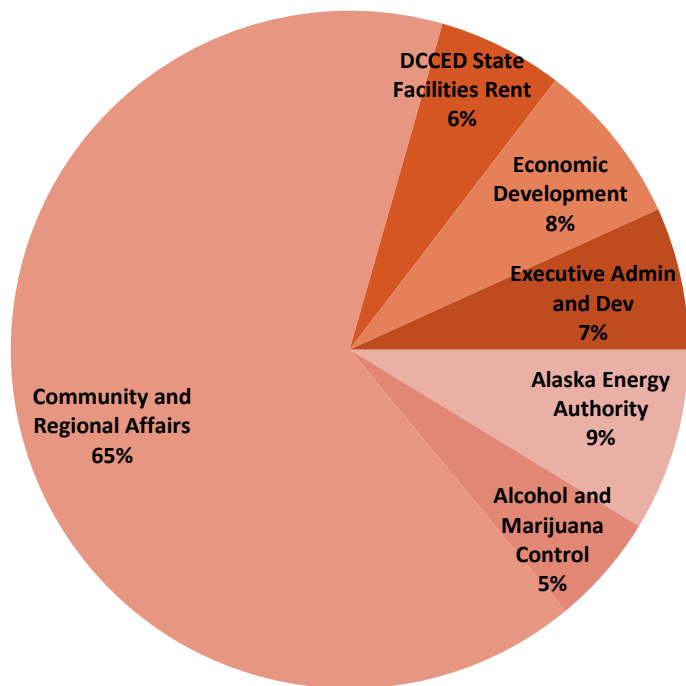


FY2017 Self-Supporting Programs After Paying for Program Operations		
Self-Supported	Self-Supported Program	Net Collections Contributed to the General Fund in FY2017
✓	Banking and Securities	\$12,254.5
✓	Corporations, Business and Professional Licensing	\$7,983.6
✓	Insurance	\$7,170.2
✓	Investments	Revolving Loan Funds
✓	Regulatory Commission of Alaska	Regulatory Cost Charge
✓	Alaska Industrial Development and Export Authority	AIDEA Receipts
Total Contribution to the General Fund in FY2017		\$27,408.3



Unrestricted General Funds

DCCED's UGF has decreased by 75% since FY2015, from \$40.5 million to \$10 million.



- \$6,561.9 local government support
- \$532.8 support for marijuana regulation
- \$874.5 rural energy programs in the Alaska Energy Authority
- \$784.6 business assistance and development through the Division of Economic Development
- \$1,280.5 financial management; information technology; rent; centralized services; Commissioner's Office
- \$0.0 for seafood marketing in FY2019



FY2019 Operating Budget

RDU / Component	Total	UGF	DGF	Other	Federal	PCNs (PFT + NP)	All Funds from FY2015	UGF from FY2015	PCNs from FY2015
Executive Administration	\$5,954.6	681.3	-	5,273.3	-	40	-12%	-56%	-32%
Commissioner's Office	\$1,012.0	35.3	-	976.7	-	5	-13%	-68%	-38%
Administrative Services	\$4,942.6	646.0	-	4,296.6	-	35	-12%	-55%	-31%
Banking and Securities	\$3,964.0	-	3,964.0	-	-	25	9%	-	4%
Community and Regional Affairs	\$11,601.6	6,561.9	286.9	845.1	3,907.7	53	-20%	-18%	-18%
Community & Regional Affairs	\$9,468.9	6,344.0	286.9	825.1	2,012.9	51	-14%	-19%	-19%
Serve Alaska	\$2,132.7	217.9	-	20.0	1,894.8	2	-38%	2%	0%
Revenue Sharing	\$14,128.2	-	-	3,100.0	11,028.2	-	-3%	-	-
Fisheries Taxes	\$3,100.0	-	-	3,100.0	-	-	-14%	-	-
National Forest Receipts	\$600.0	-	-	-	600.0	-	0%	-	-
Payment in Lieu of Taxes	\$10,428.2	-	-	-	10,428.2	-	0%	-	-
Corporations, Business & Professional Licensing	\$13,899.9	-	13,513.3	386.6	0.0	93	12%	-	8%
Economic Development	\$1,605.1	784.6	336.6	310.6	173.3	5	-93%	-96%	-74%
Investments	\$5,259.1	-	5,259.1	0.0	-	38	-2%	-	-3%
Insurance	\$7,462.5	-	7,163.0	299.2	0.3	46	-2%	-	-15%
Alcohol and Marijuana Control Office	\$3,817.1	532.8	3,260.6	23.7	-	21	118%	-	62%
Alaska Gasline Development Corporation	\$10,386.0	-	-	10,386.0	-	26	-23%	-	-32%
Alaska Energy Authority	\$42,031.2	874.5	35,832.3	3,822.4	1,502.0	-	-28%	-81%	-
AEA Owned Facilities	\$980.7	-	-	980.7	-	-	-8%	-	-
AEA Rural Energy Assistance	\$6,695.5	874.5	1,477.3	2,841.7	1,502.0	-	7%	-29%	-
AEA Power Cost Equalization	\$32,355.0	0.0	32,355.0	-	-	-	-22%	-	-
Alternative Energy & Efficiency	\$2,000.0	0.0	2,000.0	0.0	-	-	-78%	-100%	-
Alaska Industrial Development & Export Authority (AIDEA)	\$15,627.5	-	-	15,627.5	-	82	-10%	-	-23%
AIDEA	\$15,290.5	-	-	15,290.5	-	82	-11%	-	-23%
AIDEA Facilities Maintenance	\$337.0	-	-	337.0	-	-	29%	-	-
Alaska Seafood Marketing Institute	\$20,569.9	-	-	16,069.9	4,500.0	20	-23%	-100%	0%
Regulatory Commission of Alaska	\$9,115.2	-	8,975.2	140.0	-	56	-6%	-100%	-10%
DCCED State Facilities Rent	\$1,359.4	599.2	-	760.2	-	-	0%	0%	-
Grand Total	\$166,781.3	10,034.3	78,591.0	57,044.5	21,111.5	505	-23%	-75%	-14%



Budget Changes

	Total	UGF	DGF	Other	Fed	PCNs
FY2019 Adjusted Base	\$ 171,944.5	\$ 10,508.9	\$ 82,796.5	\$ 58,277.6	\$ 20,361.5	508
Banking and Securities						
Financial Examiner I/II for Alaska Native Claims Settlement Act Filings and Support	\$ 103.4	\$ -	\$ 103.4	\$ -	\$ -	1
Licensing and Regulatory Management Database Hosting and Support	\$ 180.4	\$ -	\$ 180.4	\$ -	\$ -	
Investments						
Reduce Uncollectable Inter-Agency Receipt Authority	\$ (29.6)	\$ -	\$ -	\$ (29.6)	\$ -	
Delete Community Quota Revolving Loan Fund Authority due to Fund Sunset June 30, 2017	\$ (38.3)	\$ -	\$ (38.3)	\$ -	\$ -	
Alcohol and Marijuana Control						
Restore Marijuana Regulation	\$ 1,574.4	\$ 525.4	\$ 1,049.0	\$ -	\$ -	
Alaska Gasline Development Corporation						
Reflect Consolidated Alaska Gasline Development Corporation Funding	\$ -	\$ -	\$ -	\$ -	\$ -	



Budget Changes *(continued)*

	Total	UGF	DGF	Other	Fed	PCNs
AEA Rural Energy Assistance						
Rural Alaska Energy Needs and Infrastructure	\$ 750.0	\$ -	\$ -	\$ -	\$ 750.0	
AEA Power Cost Equalization						
Reverse Power Cost Equalization and Endowment Funding for FY2018	\$ (37,855.0)	\$ -	\$ (37,855.0)	\$ -	\$ -	
Restore Power Cost Equalization and Endowment Funding for FY2019	\$ 32,355.0	\$ -	\$ 32,355.0	\$ -	\$ -	
Alaska Industrial Development and Export Authority						
Delete Vacant Alaska Energy Authority Positions (08-0232, 08-0407, 08-0479, 21-7011)	\$ (542.0)	\$ -	\$ -	\$ (542.0)	\$ -	-4
Reduce Uncollectable Inter-Agency Receipt Authority from the Alaska Energy Authority	\$ (661.5)	\$ -	\$ -	\$ (661.5)	\$ -	
Alaska Seafood Marketing Institute						
Complete Seafood Marketing Transition to Industry Contributions	\$ (1,000.0)	\$ (1,000.0)	\$ -	\$ -	\$ -	
FY2019 Governor	\$ 166,781.3	\$ 10,034.3	\$ 78,591.0	\$ 57,044.5	\$ 21,111.5	505



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