

Senate Finance Budget Subcommittee
FY20/FY21 Key Issues
Department of Commerce, Community, & Economic
Development

1. Commissioner's Office

- a. \$125.0 UGF: What is Select USA, and do you have a signed contract/agreement with them? What is the contract amount? What is the term of the contract? What services do you expect them to provide to DCCED? What consulates and dignitaries do you expect to host in FY21? What benefit to Alaskans will this contract/agreement provide? Is the full \$125.0 of UGF directed towards Select USA? How does the contract/agreement with Select USA differ from the newly created Alaska Development Team's activities?
- b. \$148.0 I/A: What divisions are paying less and more for Commissioner's Office services in FY21? Was this covered in FY20 under an unbudgeted Reimbursable Services Agreement (RSA)? Please explain the change in the cost allocation plan and any changes in the delivery of services from the Commissioner's Office to the divisions?
- c. Describe how the FY20 travel budget reduction challenges have been met in FY21?

2. Administrative Services

- a. What divisions/corporations are paying less for Administrative Services in FY21? Was this "hollow authorization" in FY20? Please explain the change in the cost allocation plan and any changes in the delivery of services from the Administrative Services to the divisions/corporations?

3. Community & Regional Affairs

- a. -\$200.0 UGF: Is there a sunset date on the FAA Reauthorization Act of 2018 to provide funding to Little Diomedes or any other Alaska communities that receive subsidies? Please provide a list of Alaska communities that receive a federal subsidy, how much is the subsidy, and when does the authorization sunset for each community?
- b. Describe the impacts of the \$1.0 million reduction in funding in FY20? What activities are no longer being provided to Alaskans?

4. Economic Development

- a. -\$546.6 UGF: Provide a detailed description of what the Alaska Development Team's (ADT) objectives are and an organizational chart? Has the ADT begun activities in FY20 yet? If so, where is the funding coming from? What activities are expected to be completed in FY21? How will this benefit Alaskans? What are the expected funding levels in each fiscal year? How will the ADT fund their activities in three years? Explain the reasoning for creating a 501(c)(3) model and how that will transition enable ADT to achieve their objectives?

5. Investments

- a. -\$137.5: Explain what the Alaska Capstone Avionics fund activities and objectives are? Describe the loan program? How many loans are outstanding? When was the last loan issued from the fund? When do you expect all outstanding loans to be fully repaid? How does this program increase air safety in Alaska? Are their federal requirements to have Alaska aircraft equipped with capstone avionics, explain why or why not? If this program

sunsets, how will that impact air safety in Alaska?

6. Insurance Operations

- a. -\$20.1 CIP Rcpts + \$20.1 SDPR (fund source switch): What capital project was the funding derived from previously? Describe the types of certifications and education the SDPR receipts fund? How does this benefit Alaskans?
- b. -\$70.7 Rcpt Svcs: What scanning project was completed? When did the project begin? Where were the receipts derived from?
- c. In FY20, \$277 thousand was added to the budget for Insurance Market Initiatives, can you describe the impacts of the funding? What is the impact and how does it benefit Alaskans?
- d. RPL 08-9-0121, \$199.7 Fed Rcpts - Centers for Medicare & Medicaid Services Flexibility Grant: Describe the grant objectives, what has been implemented to date, and the future benefits to Alaskans as a result of this grant?

7. Alaska Oil & Gas Conservation Commission

- a. What challenges were created by the transfer from the Dept. of Revenue to Dept. of Commerce? What impact has this had on your ability to meet your mission? Have any services been interrupted during the transition?

8. Alcohol & Marijuana Control Office

- a. Describe what the Marijuana Control Office activities are? What challenges have you encountered? Do local communities have control of licensing, etc. in their communities, describe those issues? What challenges or issues do you project going forward?
- b. Describe how the marijuana tax revenues are distributed? Can you comment on the effectiveness of the programs the marijuana tax funds?

9. Alaska Gasline Development Corporation

- a. Describe what the status of the AKLNG project as it stands today? What is the status of the FERC permit? What challenges remain with obtaining the FERC permit? Describe the major reduction in funding? How does that impact your efforts going forward? Is Alaska competing against itself with the AKLNG project and the LNG project that would ship natural gas using ice-breaking tankers?

10. Alaska Energy Authority Owned Facilities

- a. -\$200.0 AEA Rcpts: Describe what reimbursements were derived from the Railbelt Utilities for administration of AEA assets? Is AEA still administering the AEA assets? What activities have changed? How does this impact AEA and Alaskans? What impact to staff development will this have? Is there in-house training available as a replacement?

11. Alaska Energy Authority Rural Energy Assistance

- a. -\$50.0 GF/Prgm: What conferences will be eliminated and where? Who attends the conferences? What impact to rural Alaskans will this have, if any?
- b. -\$300.0 Fed Rcpts: Has the rural energy program activities been reduced or what impact does this have in training residents and their ability to sustain their energy and infrastructure projects? What impacts to rural Alaska do you expect with a reduction in funding? Describe why the federal receipts have been reduced? Is the funding no longer available? How will this impact the training available going forward, will there be less training? Can you provide the training schedule for FY21/FY22? How will the training schedule be impacted?

12. Alaska Energy Authority Power Cost Equalization

- a. Describe how the Power Cost Equalization Endowment Fund Program works? What

programs receive funding from the endowment earnings? How does this benefit Alaskans? Describe how the Regulatory Commission of Alaska (RCA) calculates the “PCE Floor.” What changes effect the “floor” in calculating how much funding is available for other programs? Provide a listing of communities, how much they receive in FY20 and are projected to receive in FY21?

13. Statewide Project Development, Alternative Energy & Efficiency

- a. -\$600.0 Ren Energy: Describe how the program benefits Alaskans? What impact will the reduction in funding have on energy grants? How many grants were issued in FY20 and FY21? Is funding sufficient to complete the projects that are in progress? Have any applications been submitted in FY20 yet? Describe some of the completed projects and the impacts on Alaskans and their communities?

14. Alaska Industrial Development & Export Authority

- a. -\$200.0 CIP Rcpts & \$200.0 AIDEA Rcpts (Fund Source Switch): Describe the status of the Ambler Road project? How much has AIDEA invested in Ambler Road project to date? How will AIDEA recoup those investments? Describe the challenges of completing the Ambler Road project?
- b. -\$152.5 I/A Rcpts: Describe the cost savings and activities handled by AIDEA that outside contractors performed in the past? What economic development work did the outside contractors perform? What source/entity were the inter-agency receipts derived from previously?
- c. Are there any other projects anticipated through AIDEA’s “Alaska Ship Home-porting for Improvements Program” related to the Vigor Alaska Ship & Drydock in Ketchikan?
- d. Provide a status of some of the Alaska projects that AIDEA has financed? Is there an annual amount calculated for investment in Alaska projects or how is that determined? Does AIDEA invest in projects outside of Alaska?
- e. How does AIDEA’s efforts dovetail with the new Alaska development Team’s efforts going forward?

15. Alaska Seafood Marketing Institute

- a. FY20 Travel budget reduction of -\$209.6: What impacts has the budget reduction had to ASMI? How has ASMI met the challenges of reduced travel while carrying out their mission?

Senator David Wilson, Chair
Senate Finance Budget Subcommittee
Commerce, Community and Economic Development