



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

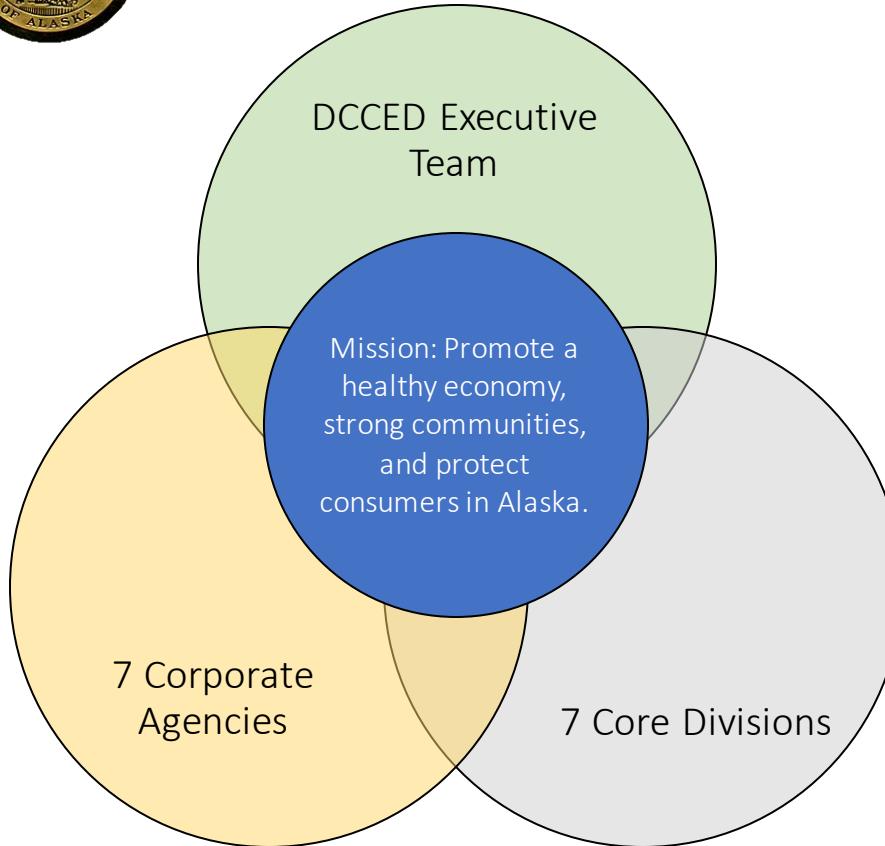
FY2024 BUDGET OVERVIEW

Hannah Lager
Acting Administrative
Services Director

House Finance
Subcommittee
February 2, 2023



Mission & References



Department Home

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

Duties of the Department

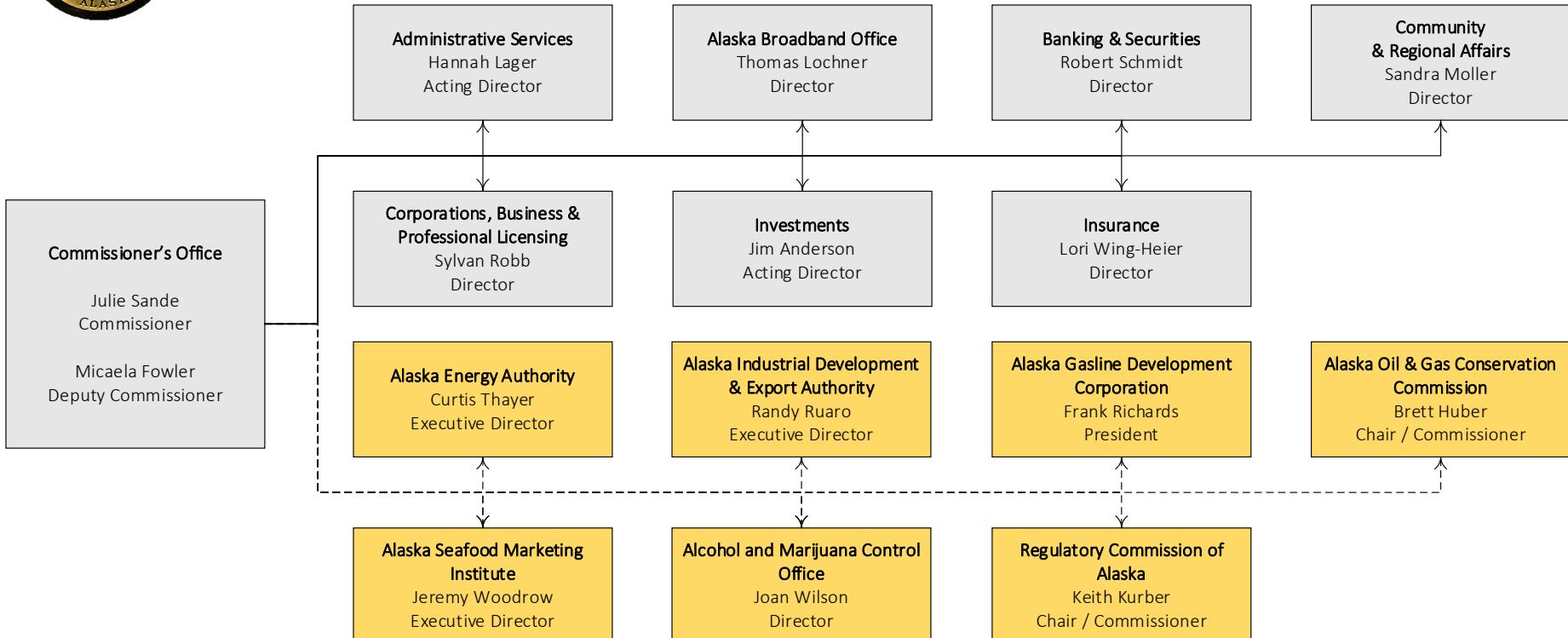
<https://www.akleg.gov/basis/statutes.asp#44.33.020>

Alaska Constitution - Article X § 14

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



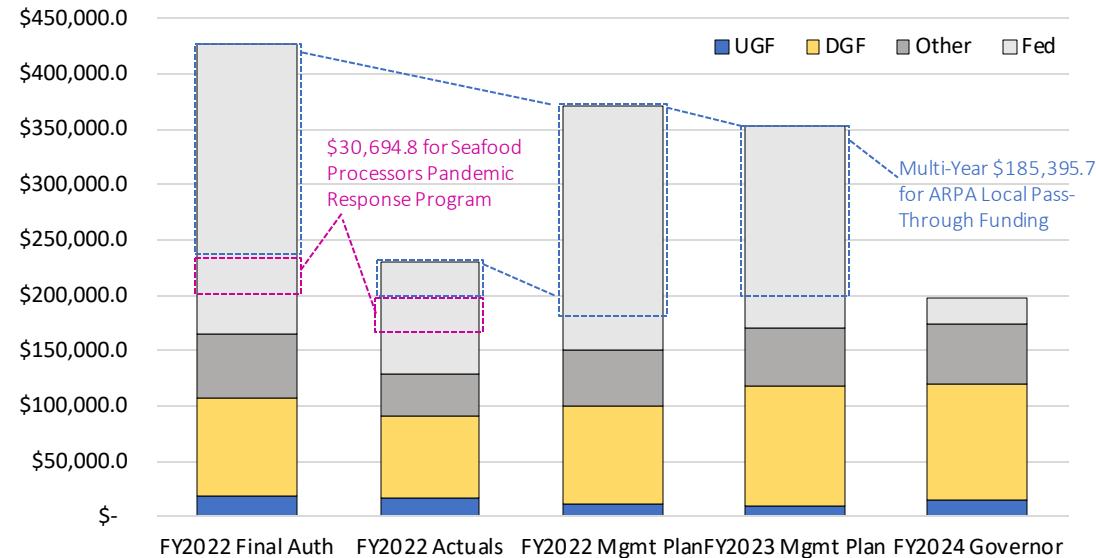
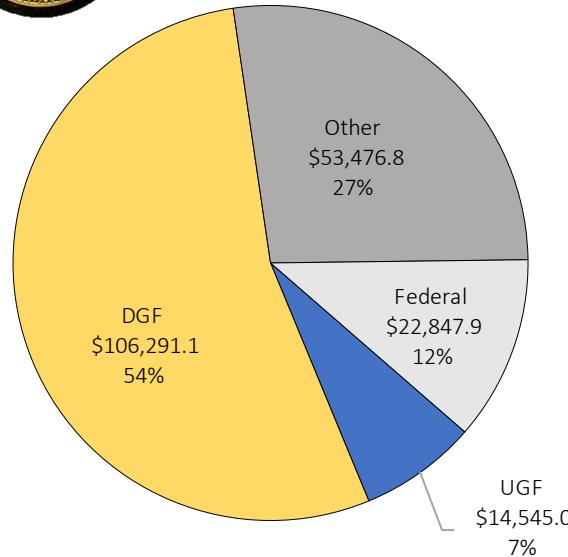
Department Structure



The Alaska Railroad Corporation is housed within DCCED but exempt from the Executive Budget Act.



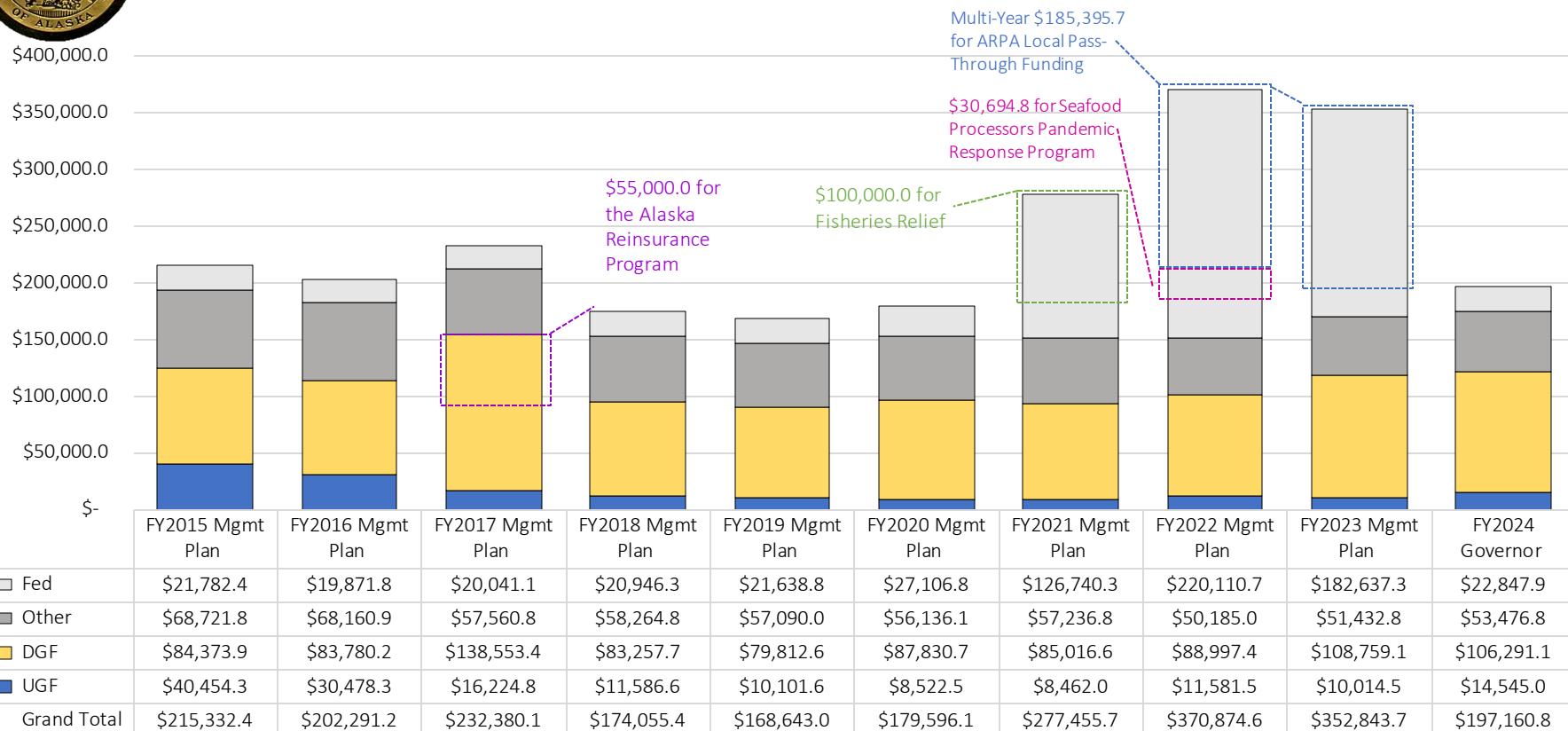
FY2024 Budget



	FY2022 Final Auth	FY2022 Actuals	FY2022 Mgmt Plan	FY2023 Mgmt Plan	FY2024 Governor	\$ Difference	% Difference
Federal	\$ 262,190.6	\$ 99,826.2	\$ 220,110.7	\$ 182,637.3	\$ 22,847.9	\$ -159,789.4	-87.5%
Other	\$ 56,963.3	\$ 38,013.9	\$ 50,185.0	\$ 51,432.8	\$ 53,476.8	\$ 2,044.0	4.0%
DGF	\$ 89,331.7	\$ 73,709.7	\$ 88,997.4	\$ 108,759.1	\$ 106,291.1	\$ -2,468.0	-2.3%
UGF	\$ 18,700.2	\$ 17,767.8	\$ 11,581.5	\$ 10,014.5	\$ 14,545.0	\$ 4,530.5	45.2%
Total	\$ 427,185.8	\$ 229,317.6	\$ 370,874.6	\$ 352,843.7	\$ 197,160.8	\$ -155,682.9	-44.1%

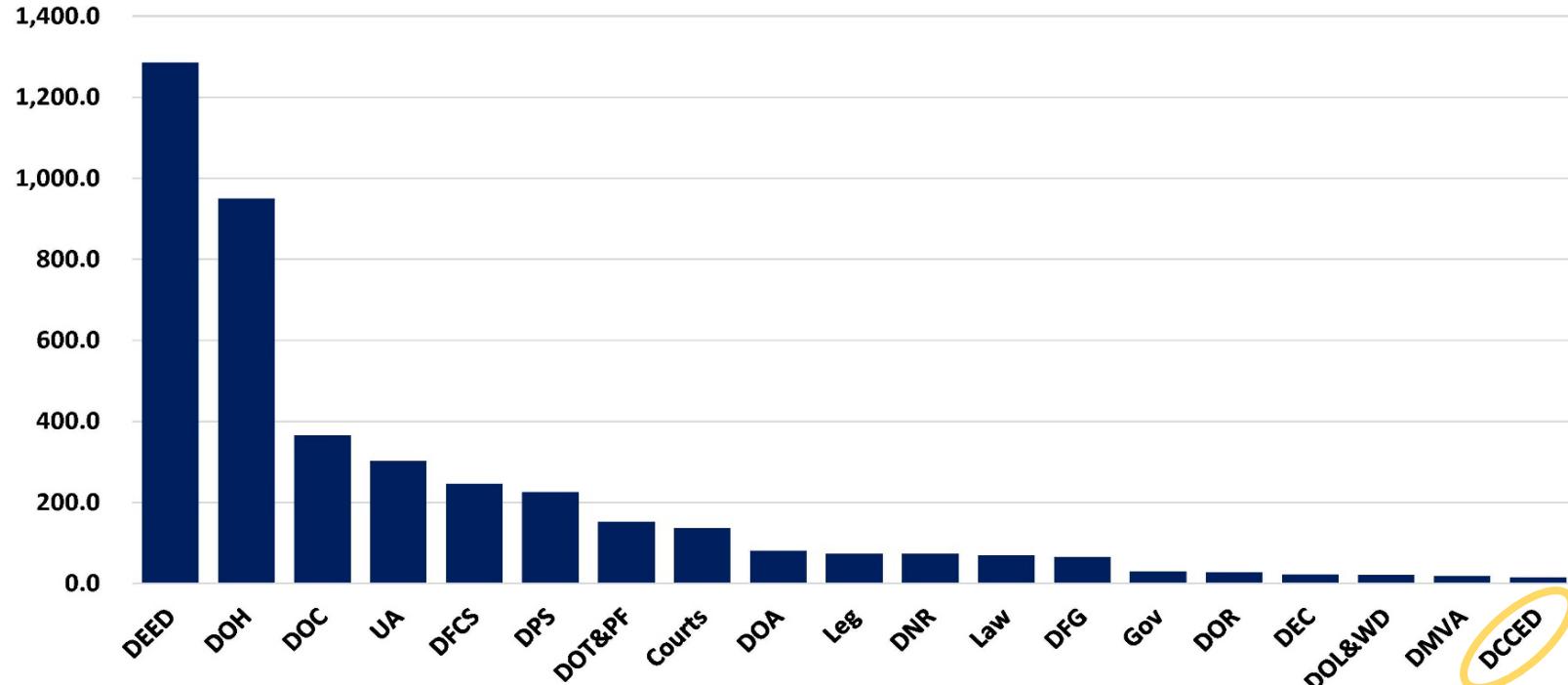


Department Budget Lookback





FY2024 Operating UGF by Department



(Source: OMB's House Finance Committee Overview)

(Dollars in Millions) 9



Major Sources of Revenue Generation

Division	Revenue to the General Fund	Source
Banking and Securities	18,553.1	Licensing receipts Fines and forfeitures
Corporations, Business, and Professional Licensing	5,413.2	Corporations registration receipts*
Insurance	62,454.4	Insurance premium taxes
	7,059.4	Insurance licensing receipts
Alaska Industrial Development and Export Authority (AIDEA)	6,805.0	AIDEA dividend received in FY2022
Total Contributed to General Fund in FY2022	100,285.1	

* Business licensing receipts were suspended through FY2022 and were reinstated effective February 1, 2023. Projected revenues in FY2024 are in excess of \$5 million.



Commissioner's Office

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

FY2024 Governor Budget

\$2,131.7: \$507.2 UGF, \$1,574.5 OTH,
\$50.0 FED (6 PFT, 4 NPFT)



Commissioner
Julie Sande

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Federal Receipts for Future Grant Opportunities	+50.0	1002 Federal Receipts (FED)	Authority to pursue and accept new federal grants.
Budget Executive Secretary 3 for Administrative Support	+153.8 +1 PFT	1007 Inter-Agency Receipts (OTH)	Executive administration support.
Budget Boards and Regulations Advisor	+256.1 +1 NP FT	1007 Inter-Agency Receipts (OTH)	Department's liaison for boards and regulations inquiries, monitor board activity across the department, provide new board member orientation and training.
Total FY2024 Operating Budget Changes	+459.9 +1 PFT, +1 NP FT		



Alaska Broadband Office

Facilitate access to the full benefits of broadband with improved quality of service and lower costs.

FY2024 Governor Budget
\$1,564.7 OTH (4 PFT)



Director Thomas Lochner

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Year 2 Fiscal Note for Broadband Division	+256.2	1061 CIP Receipts (OTH)	Ramping up broadband activities in year 2.
Budget Tribal Liaison for Broadband Support	+236.2 +1 PFT	1061 CIP Receipts (OTH)	Coordinate funding and opportunities throughout the state, help assure alignment between tribal entities and state efforts.
Broadband Grants Management Support	+159.1	1061 CIP Receipts (OTH)	Funding for two positions that will be created in the Division of Community and Regional Affairs.
Statutory Designated Program Receipts for Participation in Broadband	-	1108 Statutory Designated Program Receipts (OTH)	Language to allow potential future private participation in broadband projects.
Federal Receipts for Broadband in Alaska	-	1002 Federal Receipts (FED)	Language in case federal receipts are available earlier than anticipated.
Total FY2024 Operating Budget Changes	+651.5 +1 PFT		



Banking and Securities



Protect consumers of financial services and promote safe and sound financial systems.

FY2024 Governor Budget

\$4,863.5: \$4,813.5 DGF, \$50.0 OTH
(27 PFT)



Director Robert H. Schmidt

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Increased Legal Costs and Financial Examiner 4 for Investigations and Enforcement	+481.0 +1 PFT	1005 General Fund Program Receipts (DGF)	Recognize the level of enforcement needed to protect Alaskans, and the level of support needed to support increased legal billings.
Statutory Designated Program Receipts for Third-Party Reimbursed Travel	+50.0	1108 Statutory Designated Program Receipts (OTH)	Allow the division to collect reimbursements for travel paid by third parties.
Total FY2024 Operating Budget Changes	+531.0 +1 PFT		



Community and Regional Affairs

Promoting strong communities and healthy economies.
DCRA provides training and technical assistance to local governments, assists communities with land management and planning, houses the State Assessor's Office and the Alaska Native Language Preservation and Advisory Council, administers grants, and distributes funding.

FY2024 Governor Budget

Community and Regional Affairs

\$10,381.3: \$5,899.2 UGF, \$588.5 DGF, \$1,333.1 OTH, \$2,560.5 FED (50 PFT)

Serve Alaska

\$2,158.0: \$227.1 UGF, \$20.0 OTH, \$1,910.9 FED (2 PFT, 1 NPFT)

Revenue Sharing

\$14,128.2: \$3,100.0 OTH, \$11,028.2 FED



Director Sandra Moller

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Local Government Specialist Flex Positions for Rural Utility Business Advisor Program	+2 PFT	-	Use existing authority to leverage additional federal funds from the EPA to provide training and technical assistance to rural Alaska.
Grants Administration Manager for Grants Program Management	+1 PFT	-	Leadership and support for the grants section. Over the past two years, several new grant programs have been established through legislative appropriations and federal funds related to COVID-19 recovery that have resulted in over 870 new grants for a staff of eight grant administrators.
Grants Administrators for Broadband Grants Management	+350.0 +2 PFT	1007 Inter-Agency Receipts (OTH)	Administer broadband grants in coordination with the Alaska Broadband Office.
Total FY2024 Operating Budget Changes	+350.0 +5 PFT		



Community and Regional Affairs (*continued*)

Grants to Named Recipients in the FY2024 Operating Budget:

Grantee	Amount (\$)	Funding Source
Alaska Legal Services Corporation	+400.0	1004 General Fund (UGF)
Alaska Legal Services Corporation	+301.2	1221 Civil Legal Services Fund (DGF)
Alaska Marine Safety Education Association	+196.9	1216 Boat Receipts (DGF)
Life Alaska Donor Services	+80.0	1202 Anatomical Gift Awareness Fund (DGF)
Native Village of Napaimute for the Kuskokwim Ice Road	+185.0	1004 General Fund (UGF)



Corporations, Business, and Professional Licensing



Inspiring public confidence through balanced regulation of competent professional and business services.

FY2024 Governor Budget

\$16,605.6:

\$2,305.1 UGF, \$13,228.6 DGF,
\$1,071.9 OTH (103 PFT)



Director Sylvan Robb

Professional Licensing

- 45 programs, including 22 boards
- 104,383 professional licenses
- 6.7% increase in FY2022
- 20.3% increase since FY2019

Business Licensing

- 99,554 business licenses
- 1,656 endorsements
- 9.3% increase in FY2022

Corporations

- 92,078 registered corporations
- 13.4% increase in FY2022



Corporations, Business, and Professional Licensing (continued)

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Reverse prior-year replacement of licensing receipts with general funds	-1,100.0	1004 General Funds (UGF)	General funds have offset revenue collections for professions that would have otherwise been in deficit position in prior years.
Stabilize volatile licensing fees by offsetting investigative costs with general funds	-2,200.0 +2,200.0	1156 Receipt Supported Services (DGF) 1004 General Funds (UGF)	Offsetting investigative costs for licensees will remove a significant source of rate instability from future fee setting calculations and reflect that investigations are a public safety measure.
Restore computer refresh funding	+40.0	1156 Receipt Supported Services (DGF)	One-time CARES laptop purchase allowed the agency to not refresh computers for one year.
Year 2 Dentist Specialty Licensing	+211.0	1156 Receipt Supported Services (DGF)	Inspection of dental radiological equipment performed by the Department of Health.
Prior year fiscal note reversals	-18.7	1156 Receipt Supported Services (DGF)	Technical adjustments (HB99, HB265, HB111)
Total FY2024 Operating Budget Changes	-867.7		



Insurance Operations



Regulating the insurance industry to protect Alaskan consumers.

The Division of Insurance is responsible for the licensing and compliance of insurers and insurance products in Alaska.

FY2024 Governor Budget

\$9,135.4: \$8,561.7 DGF, \$294.2 OTH, \$279.2 FED (45 PFT)



Director Lori Wing-Heier

FY2023 Supplemental Proposals	Amount (\$)	Funding Source	Impacts
Extend state match for the Alaska Reinsurance Program (multi-year)	0.0	1248 ACHI Fund	<i>Language</i> to extend a prior-year multi-year award to match the extended term of the federal waiver.
Total FY2023 Supplemental Proposals	\$0.0		
<hr/>			
FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Insurance actuarial costs (multi-year)	+1,000.0	1156 RSS (DGF)	Support for actuarial costs incurred by the division.
Automated form filing software acquisition and maintenance	+50.0	1156 RSS (DGF)	Purchase software to improve insurance form filing review using artificial intelligence and data analytics.
Federal receipts for the Reinsurance program	-	1002 Federal (Fed)	<i>Language</i> allowing receipt of federal funds for the Reinsurance Program.
Total FY2024 Operating Budget Changes	+1,050.0		



Alcohol and Marijuana Control Office



Enforce alcohol and marijuana commerce laws and provide clear, consistent standards for licensure to protect the public from harm.

FY2024 Governor Budget

\$4,469.6: \$38.3 UGF, \$4,431.3 DGF
(24 PFT, 1 NP)



Director Joan Wilson

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Replace critical office equipment	+20.0	1005 GF Program Receipts (DGF)	Replace aging copier and add scanners to advance electronic file retention.
Training from national alcohol and cannabis regulatory organizations	+20.0	1005 GF Program Receipts (DGF)	Industry-standard training and information sharing to ensure Alaska's alcohol and marijuana regulation and oversight is appropriate, efficient, and on-pace with current industry activity.
Year 2 Fiscal Note for SB9 Alcohol Regulation	+175.2 +1 PFT	1005 GF Program Receipts (DGF)	Continued implementation of the SB9 (2022's Title 4 rewrite), including one Special Investigator position.
Total FY2024 Operating Budget Changes	+215.2 +1 PFT		



Alaska Energy Authority

Reducing the cost of energy in Alaska.

AEA is increasing access to affordable, renewable energy throughout the state through technical assistance and training, rural powerhouse, tank farm, and renewable energy programs, the Power Cost Equalization program, the Power Project loan fund, and AEA-owned energy infrastructure.

FY2024 Governor Budget

Operating Components (Non-Formula):

\$9,837.0: \$1,215.3 UGF, \$2,829.4 DGF, \$4,583.7 OTH, \$1,208.6 FED

Power Cost Equalization (Formula):

\$48,283.7 DGF



Executive Director
Curtis Thayer



Alaska Energy Authority (continued)

FY2023 Supplemental Proposals	Amount (\$)	Funding Source	Impacts
Health Insurance & COLA Costs	+363.1	1004 UGF (UGF)	Salary and benefit changes that were inadvertently omitted from last year's budget.
Total FY2023 Supplemental Proposals	\$363.1		
FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Health Insurance & COLA Costs	+363.1	1004 UGF (UGF)	Salary and benefit changes that were inadvertently omitted from last year's budget.
Infrastructure Investment and Jobs Act (IIJA) Staff Support for Capital Projects	+958.0	1061 CIP Receipts (OTH)	Authority to pay for five positions in AIDEA and associated costs to work on IIJA projects already appropriated.
Power Cost Equalization Technician Support and Administrative Cost Increases	+233.9	1169 PCE Endowment (DGF)	PCE training and inventory of community buildings, plus increased shared and administrative costs.
Reverse Power Cost Equalization Funding in FY2023	-48,049.8	1169 PCE Endowment (DGF)	Technical reversal of prior year <i>language</i> .
Power Cost Equalization Funding for FY2024	+48,049.8	1169 PCE Endowment (DGF)	<i>Language</i> for FY2024 PCE payments.
Total FY2024 Operating Budget Changes	+1,555.0		



Alaska Industrial Development and Export Authority



Promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment.

FY2024 Governor Budget

\$18,619.6 OTH (83 PFT, 5 NPFT)



Executive Director
Randy Ruaro

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Inter-agency receipt to reflect Alaska Energy Authority personal services costs	+900.0	1007 Inter-Agency Receipts (OTH)	True-up funding in the personal services module to match actual and planned funding sources.
Align Capital Improvement Project Receipts with Historical and Planned Usage	+900.0	1061 CIP Receipts (OTH)	True-up funding in the personal services module to match actual and planned funding sources.
Infrastructure Investment and Jobs Act (IIJA) Staff for the Alaska Energy Authority	+676.6 +5 NP FT	1007 Inter-Agency Receipts (OTH)	Positions and receipt authority to support federally-funded activity.
Total FY2024 Operating Budget Changes	+2,476.6 +5 NP FT		



Alaska Gasline Development Corporation

Advance the development, financing, construction and operation of a North Slope natural gas pipeline project, in-state natural gas pipelines and other transportation mechanisms capable of delivering natural gas and other non-oil hydrocarbons for the maximum benefit of Alaskans.

FY2024 Governor Budget

\$3,086.1 UGF (12 PFT)



President Frank Richards

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Support Ongoing Operations of the Alaska Gasline Development Corporation	-3,086.1 +3,086.1	1235 AGDC-LNG (OTH) 1004 General Fund (UGF)	The Alaska Gasline Development Corporation (AGDC) is currently wholly supported by the Alaska Liquefied Natural Gas Fund (AK LNG fund - 1235, AS 31.25.110). The last appropriation to the AK LNG fund was in 2016. The fund balance is declining and is expected to be fully depleted by the end of FY2023. General funds are needed to continue advancing the AK LNG project.
Total FY2024 Operating Budget Changes	Net Zero		



Divisions With No Significant FY2024 Changes

Administrative Services

Provide management information and support services for the Department's programs.

\$4,814.5: \$667.5 UGF, \$4,147.0 OTH (29 PFT)

State Facilities Rent

\$1,359.4: \$599.2 UGF, \$760.2 OTH



Acting Director
Hannah Lager

Investments



Promoting economic development in Alaska.

\$5,539.9 DGF (37 PFT)



Acting Director
Jim Andersen



Corp. Entities With No Significant FY2024 Changes



Alaska Oil and Gas Conservation Commission

Protecting the public interest in exploration and development of Alaska's valuable oil, gas, and geothermal resources through the application of conservation practices designed to ensure greater ultimate recovery and the protection of health, safety, fresh ground waters and the rights of all owners to recover their share of the resource.

\$8,486.1: \$8,166.1
DGF, \$150.0 OTH,
\$170.0 FED
(32 PFT)



Commissioner
Brett Huber

Alaska Seafood Marketing Institute

Increasing the economic value of Alaska's seafood resources.

\$21,707.8:
\$16,067.3 OTH,
\$5,640.5 FED
(20 PFT)



Executive
Director
Jeremy
Woodrow

Regulatory Commission of Alaska

Assuring safe, efficient, and reliable utility and pipeline service is provided at just and reasonable rates to consumers in Alaska.

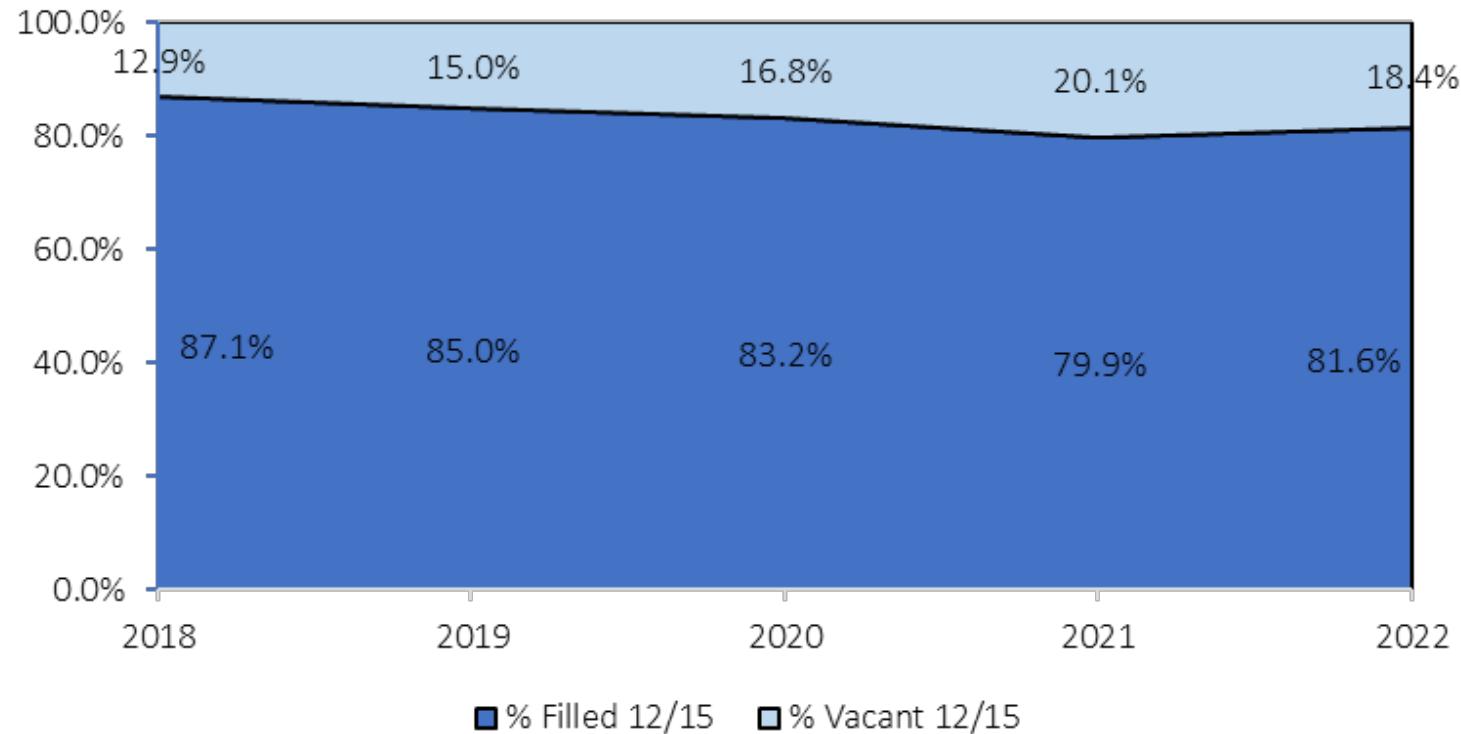
\$9,988.7: \$9,848.4
DGF, \$140.3 OTH
(58 PFT, 3 NPFT)



Commissioner
Keith Kurber



DCCED Vacancy History

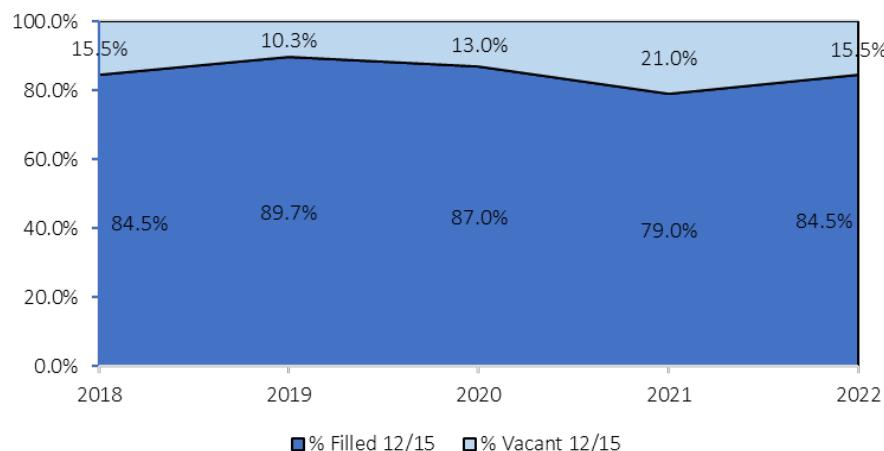


Excludes Alaska Gasline Development Corporation, which does not use the state's payroll system.

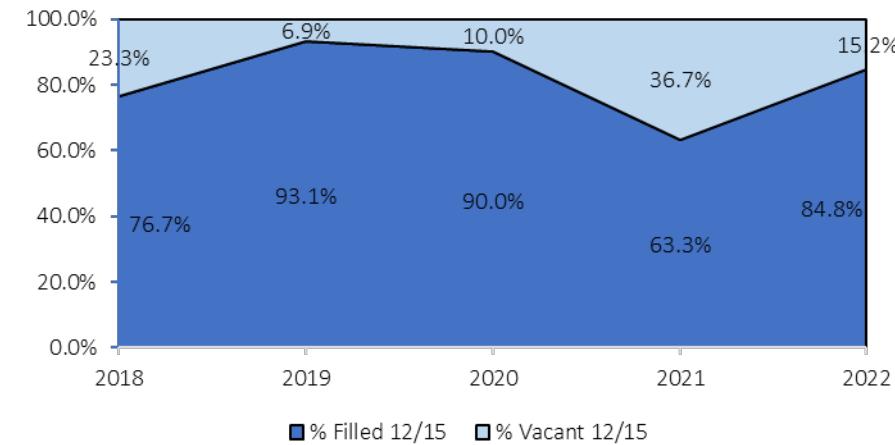


DCCED Vacancy History – CBPL

Corporations, Business, and Professional Licensing



Occupational Licensing Examiners Only





Hannah Lager
Acting Administrative Services Director
Hannah.Lager@alaska.gov