

Department of Commerce, Community & Economic Development
To the Senate Labor and Commerce Committee
January 29th, 2009

MISSION:

Promoting a healthy economy and strong communities

This goal is accomplished through four overarching goals: working with communities and the private sector in creating jobs for Alaskans, strengthening Alaska's rural communities, marketing Alaska's goods and services throughout the world and maintaining a fair and consistent business, thus providing a regulatory environment in the state.

- **Commerce** Regulate existing industry to protect consumers and help create a stable business climate
- **Community** Assist local communities with self-governance and sustainability
- **Economic Development** Coordinate, promote and develop economic growth by new or expanding businesses

Divisions

- Office of the Commissioner
- Administrative Services
- Banking and Securities (regulate industry and protect consumers)
- Community and Regional Affairs (Constitutionally Established under Article X, Section 14 to assist local governments)
- Insurance (regulate industry and protect consumers)
- Investments (business development and fishing loans)
- Corporations, Business and Professional Licensing (license 67,000 businesses and 50,000 professionals in more than 120 occupations, and register 1,500 corporations)
- Office of Economic Development (Tourism, Mining, Fisheries, Timber, Small Business)

6 Agencies:

- Alaska Seafood Marketing Institute (ASMI)
- Alaska Aerospace Development Corporation
- Alaska Industrial Development & Export Authority/Alaska Energy Authority (AIDEA/AEA)
- Alaska Railroad Corporation
- Regulatory Commission of Alaska
- Serve Alaska (formerly Alaska State Community Services Commission)

Number of Employees: 558 (525 Full-time employees)

Located in:

- Anchorage – 297
- Bethel - 3
- Dillingham -1
- Fairbanks- 11
- Juneau- 202
- Kotzebue - 1
- Nome - 2
- Seattle (ASMI) - 7
- Tok – 4
- Kodiak – 28
- Petersburg – 1
- Soldotna – 1

OPERATING	FY2009	FY2010	Change	% Change
All Funds	195,643,500	187,618,100	-8,025,400	-4.1%
Gen Funds	38,161,900	19,627,000	-18,534,900	-48.6%

Issues/Programs of Interest to Labor and Commerce Committees:

- **Energy**
 - AEA, PCE and local utility assistance
 - Energy Plan
 - Renewable Energy Fund
 - DCRA issues with local government assistance in management of utilities
 - Division of Investments Bulk Fuel Bridge Loan Program, Energy Efficiency Upgrades
- Emmonak economic/fisheries disaster declaration

Rural Out-Migration – Research and Policy function of DCRA

- fact or fiction?
- School Closures
- **Climate Change**
 - Sub-cabinet – working to develop Alaska Climate Change Strategy
 - Newtok example of interagency coordination and work on relocation and Community Development
- **Economic Development**
 - Fisheries, Mining, Tourism, Timber, ARDORs (Alaska Regional Development Organizations, Economic information
 - Economic Development Plan
- **Revenue Sharing/Community Assistance**

	FY09	FY10	Change	% Change
Revenue Sharing				
Community Revenue Sharing	60,000.0	60,000.0	0.0	0.0%
National Forest Receipts (Federal Funds)	9,403.4	15,703.4	6,300.0	67.0%
Payment in Lieu of Taxes	6,426.6	10,100.0	3,673.4	57.2%
Fisheries Taxes (3,600.0	3,600.0	0.0	0.0%
- **Municipal Property Tax Exemptions**
- **Grants to Communities/ Named Recipients** DCRA's Grant administrators administered \$900 million in grants representing 11 programs with an average of over 200 grants per administrator
- **Research/Information**
 - Alaska Economic Performance Report and Net Rate of Return
 - Alaska's Mineral Industry Report
 - Alaska Logging History for Society of American Foresters
 - Film Office Annual Report
- **Economic Recession, Lending limitations and the role of AIDEA and Division of Investments**

Hot topics by Divisions and Agencies

Divisions

- **Commissioner's Office**
 - **Deputy Commissioner position in Juneau**
- **Administrative Services**
 - **Budget issues**
- **Banking and Securities**
 - **Mortgage Lending**
 - **Uniform Securities Act**
- **Community and Regional Affairs**
 - **Local Government Assistance**
 - **Community Revenue Sharing**
 - **Grants and the FY09 capital budget**
- **Corporations, Business and Professional Licensing**
 - **Board revisions**
- **Insurance**
 - **Insurance statute revisions; Title 21**
 - **Contract Service Providers (Auto Guarantees)**
 - **Insolvency provisions (clarifications to what happens when an insurance carrier goes out of business)**
- **Investments**
 - **Capstone**
 - **Bulk Fuel Bridge Loan Fund**
 - **Fuel efficiency upgrade loans for fishing fleet proposals (HB 20)**
- **Office of Economic Development**
 - **Mining-Mineral prices, tax regulation, Industry investment (HB 40)**
 - **Fisheries -RSDA's, Inland waters permits, efficiency improvements**
 - **Tourism- TMAP (Tourism Mentorship Assistance Program) and DART (Developing Alaska Rural Tourism) programs,**
 - **Economic Impact of Tourism Industry research project**
 - **Forest Products- Asian markets, wood pellets/wood energy**
 - **Economic information- 2008 Summary**
 - **Film Office (SB 230)- regulations**
 - **Small Business/ ARDORS – equal funding for additional ARDORS**

Agencies

- **Alaska Aerospace Development Corporation**
 - Kodiak Launch Facility 2nd Launch Pad \$17.5 million total/ \$3 million GF
- **Alaska Energy Authority**
 - Energy Plan
 - Renewable Energy Grant Program (HB152)
 - REGA study (Railbelt Energy Grid Authority)
 - Power Cost Equalization (*ceiling, businesses, clinics*)
 - Bulk Fuel Revolving Loan Fund \$750k individual limit, \$1.8 co-op limit at 5% interest
- **Alaska Industrial Development and Export Authority**
 - Healy Clean Coal Plant
 - Loan Portfolio \$300 plus million available for bonding (AA bond rating)
- **Alaska Railroad Corporation**
 - Implications of potential Flint Hills shutdown and tourism downturn
- **Alaska Seafood Marketing Institute**
 - Sustainable fisheries
 - Carbon footprint tracking
 - Global marketing efforts
- **Alaska State Community Service Commission (Now Serve Alaska)**
 - Vista and Americorps
- **Regulatory Commission of Alaska**
 - Net Energy Metering (HB 31, HB 66)

Plus 23 seats on Boards and Commissions

- Marine pilots board issue of Chukchi Sea and Arctic Ocean
- ASMI
- Permanent Fund

