

Promoting a healthy economy and strong communities . . .

**Department of Commerce, Community,
and Economic Development**

Department's Fiscal Year 2010 Operating Budget Overview

REV: January 23, 2009



**Sarah Palin, Governor
Emil Notti, Commissioner**

State of Alaska
Department of Commerce, Community, and
Economic Development

Department's Fiscal Year 2010 Budget Overview

Sarah Palin, Governor

Emil Notti, Commissioner

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Office of the Commissioner

Sarah Palin, Governor
Emil Notti, Commissioner

January 20, 2009

Dear Legislators:

The following is a brief overview of the Department of Commerce, Community, and Economic Development's Divisions and activities. The overview will provide you with a glimpse of our division's activities, a brief synopsis of what each division does and what we have accomplished in the last year.

As part of this introduction we have provided a summary of the general operating budget, source of funds, and expenditures to try to give you a context for individual budget presentations by each division. This report describes in detail only the line or internal divisions. The independent corporations or authorities of the Department of Commerce, Community, and Economic Development are summarized at the end of this report. More detailed descriptions of their activities and budgets will be provided in the divisions narrative in this publication.

As Commissioner, my priority for this coming year is to address the sustainability of communities, especially in rural Alaska, and statewide economic development. One of the most important economic development issues in the State is the Energy issue. Another issue involves strategies for statewide economic development that can provide jobs and opportunities for communities.

Another initiative of the Department and Alaska Energy Authority is developing long term plans for energy independence, replacing rural community dependence on diesel fuels, establishing an economic development plan in conjunction with AIDEA, and providing jobs in chronic high unemployment regions of the state. We are providing for the future of the State on a variety of fronts.

The Department is moving forward. I am continuing to organize the Department to best accomplish our mission and to address the priorities we have set for accountability and better consumer protection.

I look forward to working with each of you to better serve your respective constituencies. Thank you for reviewing this report and please feel free to share your recommendations with me.

Sincerely,

A handwritten signature in cursive script that reads "Emil Notti".

Emil Notti
Commissioner

Organization Chart

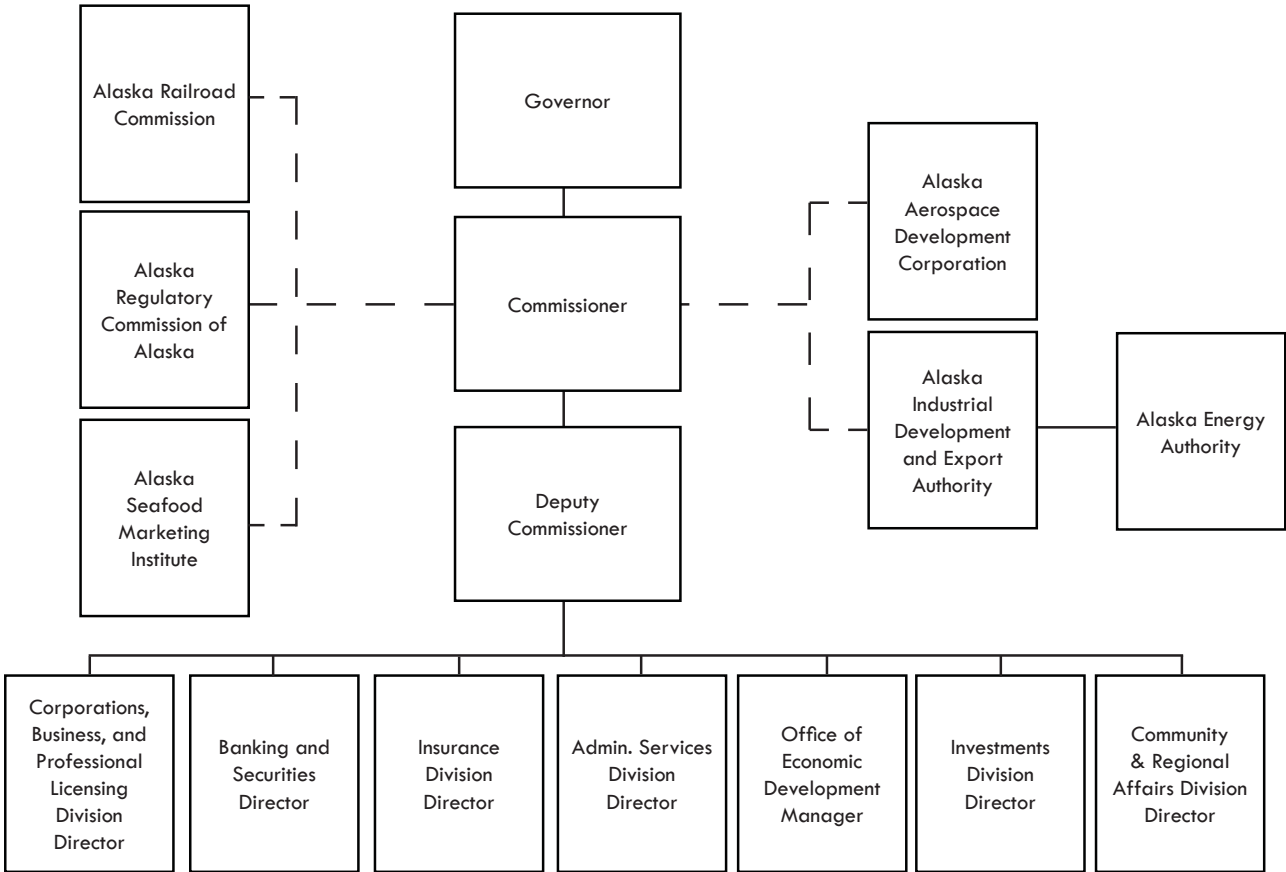


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Department Budget Overview

Emil Notti,
Commissioner



Our Mission:

Promoting a healthy
economy and strong
communities.

Contact:

Office of the Commissioner
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The total FY 2010 operating budget request for the Department of Commerce, Community and Economic Development is \$187,618,100. This includes a general fund reduction of 48.6% from the FY2009 Management Plan (a decrease of \$18.5 million). This decrease is primarily due to the removal of \$23 million of general funds used to pay for a one-year increase in the ceiling of Power Cost Equalization formula from 52.5 cents to \$1/kWh.

General Fund Changes. To more accurately compare budgetary changes, when the \$23 million one-time PCE funding is removed from comparisons, the Department's GF increases by \$4.5 million. The requested increases can be broken into two groups: budgetary changes that *maintain* the current level of service or budgetary changes that *increase* the level of service. About \$4.36 million is requested to *maintain* the current level of service as follows:

- \$2 million of GF to replace business license revenue due to the annual reduction in fees from \$100 to \$50
- \$1.9 million of GF in ASML to replace lost federal and other revenue
- \$255.5 of GF for contractual salary increases
- \$210.3 of GF for the AEA Executive Director/Statewide Energy Coordinator

The only general fund budgetary change that *increases* the current level of service is \$150,000 of general funds to the Alaska Energy Authority to support the implementation of alternative energy and other energy initiatives.

Non-General Fund Requests. The Power Cost Equalization request program is fully funded under the traditional statutory formula and \$32.8 million is the estimated amount needed for this—down from \$51.1 million in FY09.

The recently passed Economic Stimulus package increased federal funds for the Payment in Lieu of Taxes (PILT) program and the National Forest Receipts programs by more than 50%. A \$3.7 million increment is requested for the PILT program and another \$6.3 million is

requested for the National Forest Receipts. All of the funding for these programs is distributed to communities.

Capital Budget. Finally, the overwhelming majority of our \$138,311,401 capital budget request is for projects that pass through the Department to our associated organizations, corporations, and communities. For example, \$17.5 million (\$3.5 million GF) is requested for the Alaska Aerospace Development Corporation's new launch pad and rocket motor storage facility; \$31 million for Alaska Energy Authority projects (\$21 million federal funds); Community Block Grants, match for Denali Commission rural transportation projects.

Significant Budget Changes

Divisions within the Department

Commissioners Office

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$171.0
2. Cost-of-living increases per union agreements: \$7.8

Division of Administrative Services

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$8.2
2. Cost-of-living increases per union agreements: \$76.9

Serve Alaska

Significant Budget Changes (in thousands):

1. Cost-of-living increases per union agreements: \$4.9

Division of Banking and Securities

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$8.2
2. Cost-of-living increases per union agreements: \$39.0
3. Implement mortgage licensee examinations every three years: \$208.0

Division of Community & Regional Affairs

Significant Budget Changes (in thousands):

1. Cost-of-living increases per union agreements: \$110.8
 2. Replace \$2 million of Business License revenue with
GF due to reduction in cost of a business license
 3. Remove excess expenditure authority: \$340.6
-

Division of Corporations, Business, and Professional Licensing

Significant Budget Changes (in thousands):

- | | |
|--|--------|
| 1. Increase to reflect increases in core services: | \$26.4 |
| 2. Cost-of-living increases per union agreements: | \$98.9 |
-

Division of Insurance

Significant Budget Changes (in thousands):

- | | |
|--|---------|
| 1. Reflect funding for temporary positions working
on an imaging capital project: | \$122.8 |
| 2. Cost-of-living increases per union agreements: | \$100.1 |
-

Division of Investments

Significant Budget Changes (in thousands):

- | | |
|--|--------|
| 1. Increase to reflect increases in core services: | \$13.6 |
| 2. Cost-of-living increases per union agreements: | \$77.2 |
-

Office of Economic Development

Significant Budget Changes (in thousands):

- | | |
|---|--------|
| 1. Reflect contract with DMV to provide services to Tok
and surrounding communities: | \$40.6 |
| 2. Cost-of-living increases per union agreements: | \$25.2 |
| 3. Fund each Alaska Regional Development Organization at
the FY 09 level: | \$57.7 |
-

3**Corporations, Agencies, and Contracts within the Department**

- AEA Energy Projects: \$31 million (\$20 million federal and \$11 million other)
- AEA-Denali Commission Match for rural Power System Upgrades: \$10 million Other Funds
- Community Block Grants: \$6.1 million (\$70,000 GF and \$6,030,000 federal)
- Manufacturing Extension Program: \$806,401 GF
- Community Development and Assistance: \$2.63 million (\$430,000 GF, \$600,000 federal, \$1,600,000 other)
- Denali Commission Match for Rural Transportation: \$5 million other funds
- NPR-A Impact Grant program: \$22.5 million federal
- Electrical Emergencies Program: \$250,000 general funds

Department Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
Personnel Service	47,492.5	49,042.4	1,549.9	3.3%
Travel	2,258.3	2,287.5	29.2	1.3%
Services	65,726.0	65,087.7	(638.3)	-1.0%
Commodities	3,470.5	3,508.2	37.7	1.1%
Capital Outlay	788.1	753.1	(35.0)	-4.4%
Grants, Benefits	75,908.1	66,939.2	(8,968.9)	-11.8%
Miscellaneous	-	-	-	0.0%
Total Expenditures	195,643.5	187,618.1	(8,025.4)	-4.1%

(In Thousands) By Components	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
Division Components				
Commissioner's Office	742.0	920.8	178.8	24.1%
Administrative Services	4,348.8	4,433.9	85.1	2.0%
Serve Alaska	-	3,289.7	3,289.7	100.0%
ASCSC	3,284.8	-	-3284.8	-100.0%
Banking & Securities	3,040.4	3,287.4	247.0	8.1%
CDQ Program	57.5	57.6	0.1	0.2%
DCRA	9,903.2	9,703.4	-199.8	-2.0%
Corp, Bus. & Prof Licensing	8,872.5	10,945.3	2,072.8	23.4%
Office of Con. Affairs & Investigation	1,917.2	-	-1917.2	-100.0%
Insurance	6,383.3	6,606.2	222.9	3.5%
Investments	4,487.5	4,578.3	90.8	2.0%
OED	2,962.0	3,085.5	123.5	4.2%
DCCED Facilities	1,052.7	1,345.2	292.5	27.8%
Total Division Component Expenditures	47051.9	48,253.3	1,201.4	2.6%

Corporation/Agency/Other				
Revenue Sharing	19,430.0	29,403.4	9,973.4	51.3%
Qualified Trade Association	9,000.0	9,000.0	-	0.0%
QTA Independent Traveler Grants	-	-	-	0.0%
Alaska Seafood Marketing Inst.	18,627.9	17,667.4	-960.5	-5.2%
Regulatory Commission of Alaska	8,371.3	8,074.3	-297.0	-3.5%
Alaska Aerospace Dev. Corp.	28,524.6	28,561.0	36.4	0.1%
Alaska Industrial Dev. & Export Auth.	8,243.4	8,866.4	623.0	7.6%
Alaska Energy Authority	56,394.4	37,792.3	-18602.1	-33.0%
Total Corp./Agency/Other Expenditures	148591.6	139,364.8	2,326.9	1.6%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
Federal Receipts	54,921.9	64,377.2	9,455.3	17.2%
General Fund Match	799.2	810.7	11.5	1.4%
General Fund	32,813.3	14,265.9	-18,547.4	-56.5%
General Fund Program	18.7	18.7	-	0.0%
Inter-Agency Receipts	13,080.5	13,685.8	605.3	4.6%
Commercial Fish Loan Fund	3,704.2	3,784.5	80.3	2.2%
Surety Fund	278.1	280.0	1.9	0.7%
CIP Receipts	4,330.9	4,461.6	130.7	3.0%
Power Project	1,056.5	1,056.5	-	0.0%
Fisheries Enh. Rev. Loan Fund	557.6	564.1	6.5	1.2%
Bulk Fuel Rev. Loan Fund	53.7	53.7	-	0.0%
Power Cost Equalization	28,160.0	32,160.0	4,000.0	14.2%
Alaska Aerospace Dev. Corp.	452.4	521.4	69.0	15.3%
AIDEA Receipts	5134	5,443.6	309.6	6.0%
Alaska Energy Authority	1,067.1	1,067.1	-	0.0%
Statutory Designated Receipts	1,474.6	474.8	-999.8	-67.8%
RCA Receipts	8,371.3	8,074.3	-297.0	-3.5%
Receipt Supported Services	28,001.0	27,100.6	-900.4	-3.2%
Rural Development Initiative Fund	51.8	52.5	0.7	1.4%
Small Bus. Econ. Dev. Rev. Loan	50.0	50.7	0.7	1.4%
Bus. & Corp. Receipts	6,262.4	4,306.6	-1,955.8	-31.2%
Special Vehicle Reg. Receipts	135.8	135.8	-	0.0%
Vehicle Rental Tax Receipts	4,530.7	4,531.7	1.0	0.0%
Fuel Bridge Loan Fund	218.0	218.0	-	0.0%
Capstone Avionics	119.8	122.3	2.5	2.1%
Funding Totals	195,643.5	187,618.1	-8,025.4	-4.1%

Total Permanent Positions

By Staff Category	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
Permanent Full-time	523	525	2	0.38%
Permanent Part-time	2	2	0	0%
Total Permanent Staff	525	527	2	0.38%

By Component Permanent (Full & Part)	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
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Division Components

Commissioner's Office	6	6	-	0.0%
Administrative Services	46	46	-	0.0%
Serve Alaska	-	3	3	100%
ASCSC	3	-	-3	-100%
Banking & Securities	20	22	2	10%
CDQ Program	-	-	-	0.0%
DCRA	59	59	-	0.0%
Corp, Bus. & Prof Licensing	64	82	18	28.1%
Office of Con. Affairs and Invest.	18	0	-18	-100.0%
Insurance	53	53	-	0.0%
Investments	44	44	-	0.0%
OED	15	15	-	0.0%
Total Division Component Staff	328	330	2	0.6%

Corporations/Agency/Other

Alaska Seafood Marketing Inst.	19	19	0	0.0%
Regulatory Commission of Alaska	57	57	0	0.0%
Alaska Aerospace Dev. Corp.	53	52	-1	-1.9%
Alaska Industrial Dev. & Export Auth	68	69	1	1.5%
Total Corp./Agency/Other Staff	197	197	0	0.0%
Total Permanent Staff	525	527	2	0.4%



Commissioner's Office

Overview

Emil Notti,
Commissioner



Our Mission:

Promoting a healthy
economy and strong
communities.

Contact:

Office of the Commissioner
P.O. Box 110800
Juneau, AK 99811-0800
Phone: 907-465-2505
Fax: 907-465-5442

The Department continues to make the organizational changes needed and necessary to carrying out our mission. We have made personnel changes in the Director's level of several Divisions and our Legislative Liaison position has a new face. I believe that our new Directors and Legislative Liaison are very capable and will serve the Department and the people of Alaska in an outstanding manner.

The Commissioner's Office has one Deputy Commissioner position filled and another authorized but with no funding. In these difficult economic times that has probably been unavoidable. Even though the mission of this Department is extremely diverse and demanding, our ability to manage the responsibilities of being not only the representative of commerce as well as community issues of the State has made me proud.

The Department is certainly in the middle of many exciting initiatives and activities. Whether it is our involvement in developing a strategy for alternative energy under the leadership of our Alaska Energy Authority, the participation of the Department in development of Climate Change Policies, the involvement of our staff in the creation of a Statewide Economic Development Strategy through the Alaska Industrial Development Authority, ensuring the health and credibility of our financial institutions, the protection of our residents from fraudulent schemes, or the safeguarding of the welfare of our rural communities in very difficult economic times, our Department and our staff are dedicated and capable.

Certainly the State finds itself, as does most of the world, in times of uncertainty and stress. However, the opportunities for Alaska certainly outshine most other states and some countries. But these are only opportunities and opportunities missed are doubly vexing. The Department must continue to provide essential services to the State of Alaska's residents if we are as a state to benefit from our unique geography, resources and people. I am committed to ensuring that each unit of this Department is fulfilling its mission in a way that lives up to the promises given upon the creation of this organization fifty years ago.

Commissioner's Office Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY09 & FY10	% Change From FY09 to FY10
Personnel Service	611.1	789.9	178.8	29.3%
Travel	58.2	58.2	-	0.0%
Services	65.5	65.5	-	0.0%
Commodities	7.2	7.2	-	0.0%
Capital Outlay	-	-	-	0.0%
Grants, Benefits	-	-	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	742.0	920.8	178.8	24.1%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY09 & FY10	% Change From FY09 to FY10
General Fund Receipts	99.1	100.1	1.0	1.0%
Inter-Agency Receipts	642.9	820.7	177.8	27.7%
Funding Totals	742.0	920.8	178.8	24.1%

Significant Budget Changes (in thousands)

1. Increase to reflect increases in core services: 171.0
2. Cost-of-living increases per union agreements: \$7.8

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	No Change
Permanent Full-time	6	6	
Permanent Part-time	-	-	
Nonpermanent	-	-	
Total Staff	6	6	

Division of Administrative Services

Amanda Ryder,
Director



Our Mission:

To provide management services and centralized administrative support to the divisions and agencies in the department.

Contact:

Division of Administrative
Services
P.O. Box 110803
Juneau, AK 99811-0803
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The Division of Administrative Services provides management assistance to the Commissioner and professional support services for the Department's divisions and agencies. Centralized administrative support includes operating/capital budgeting, financial management, procurement, property control, personnel actions and recruitment, and information technology.

The Finance Management Section reconciles grants and cooperative agreements with expenditures, prepares reimbursement requests, records receivables, and federal reports. The Department is substantially funded by sources other than State general funds. Most of the revenue received in the Department are revenues generated by the Department as well as federal receipts. The Division also develops the Department's cost allocation plan, calculates indirect costs and negotiates approval with the Federal Division of Cost Allocation. The Division prepares audit responses to audit recommendations and

findings from OMB internal auditors, federal auditors and special audits conducted by state legislative auditors.

The Budget section provides departmental policy, procedures, processing, training and controls relating to the operating/capital budget and ensuring compliance with state laws and regulations.

The Procurement Section provides services for all procurements over \$25,000, professional service contracts, and alternate and exempt procurements. Procurement within DCCED is conducted in accordance with applicable laws and regulations.

The Information Technology (IT) Section focuses on providing coordination of computer services and programming activities to the entire department. At any one time, the IT section has between 20 and 25 active projects in various stages of implementation. The IT section chief acts as the Department liaison to the Department of Administration

Enterprise Technology Services. Key services include desktop deployment and support, custom systems programming and maintenance, website development and maintenance and providing all aspects of the computing infrastructure that the Department requires in fulfilling its mission.

Accomplishments in FY08

Supply and Inventory. Programs were implemented to improve purchasing and property management systems allowing a smoother yearly inventory process as well as better tracking and documentation of the department's property.

CBP Portal. A custom portal was developed for the Division of Corporations, Business and Professional Licensing to integrate the division's applications into one location for ease of use.

Business Licensing. Developed a completely new .Net application to track and issue business licenses for the Division of Corporations, Business and Professional Licensing.

Tax Assessor Reporting. Implemented a new system to provide enhanced reporting capabilities to the state tax assessor's office.

Oracle Strong Passwords. Implemented new rules for password creation, retention and expiration for the Department's oracle users to provide for better security.

Division of Administrative Services Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	3,871.9	3,948.8	76.9	2.00%
Travel	47.5	47.5	-	0.0%
Services	342.2	350.4	8.2	2.4%
Commodities	61.1	61.1	-	0.0%
Capital Outlay	26.1	26.1	-	0.0%
Grants, Benefits	-	-	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	4,348.8	4,433.9	85.1	2.0%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
General Fund Receipts	1,233.7	1,258.5	24.8	2.00%
Inter-Agency Receipts	3,115.10	3,175.40	60.30	1.9%
Funding Totals	4,348.8	4,433.9	85.1	2.0%

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$8.2
2. Cost-of-living increases per union agreements: \$76.9

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	No Change
Permanent Full-time	46	46	
Permanent Part-time	-	-	
Nonpermanent	1	1	
Total Staff	47	47	

Serve Alaska

Nita Madsen,
Director



12

Our Mission:

To foster, support
and promote the
ethic of service and
volunteerism for all
Alaskans

Contact:

Alaska State Community
Service Commission
550 W. Seventh Ave.
Suite 1770
Anchorage, AK 99501
Phone: 907-269-4659
Fax: 907-269-5666

The Alaska State Community Service commission (ASCSC) was created in 1994 by Governor Walter J. Hickel to establish the state's eligibility to receive AmeriCorps funding. In November 2008 Administrative Order 245 was issued to change the name to **Serve Alaska**. The State commission is comprised of a 15-25 member Governor appointed nonpartisan board. The composition of the Commission is legally constrained to ensure non-partisanship and political neutrality. The National and Community Service Trust Act and administrative regulations issued in conjunction with it, specify requirements for balance in the Commission.

Based on population and funding availability, the Commission recommends formula and competitive applications to the Corporation for National and Community Service. Applications are selected based on their ability to address unmet community needs in education, public safety, disability inclusion, homeland security, faith-based and community initiative, environment or other human needs.

Our Goals

To more effectively serve the populace of our state, Serve Alaska will place a priority on programs that address statewide needs. Programmatic focus areas shall include the following:

- **Developing Young Alaskans:** projects could include but are not limited to: life skills development, job readiness or education.
- **Meeting the Needs of Rural Alaska:** projects could include but are not limited to: health, environment, and youth development.
- **Meeting Alaska's Social Needs:** projects could include but are not limited to: prisoner reentry, domestic violence, and drug and alcohol dependency. **Serve Alaska**, the State Service Commission's Core Service is

*Vibrant and caring communities strengthen and sustained through service
and volunteerism*

In Alaska last program year:

- **AmeriCorps members** served 275,400 hours in meeting critical community needs in education public safety, health and the environment (Based on \$17.50 as an hourly wage this would equate to \$4,181,950. AmeriCorps members can not replace an employee);

- **AmeriCorps members** providing tutoring & mentoring services resulted in 373 individuals receiving their GED;

- **AmeriCorps members** assisted 476 ex-offenders with service for re-entry, 32 of the ex-offenders received full-time employment as a result of the services provided;

▪ **AmeriCorps members**

coordinated backhaul and recycling for 20 rural communities resulting in 1,113,402 pounds of solid waste removal;

- **AmeriCorps members** recruited and engaged 6,669 volunteers in a wide variety of activities related to education, public safety, health and the environment.

In **Alaska** between March 1, 1994 and March 1, 2008

- There have been 2,558 AmeriCorps members enrolled, serving 3,221,148



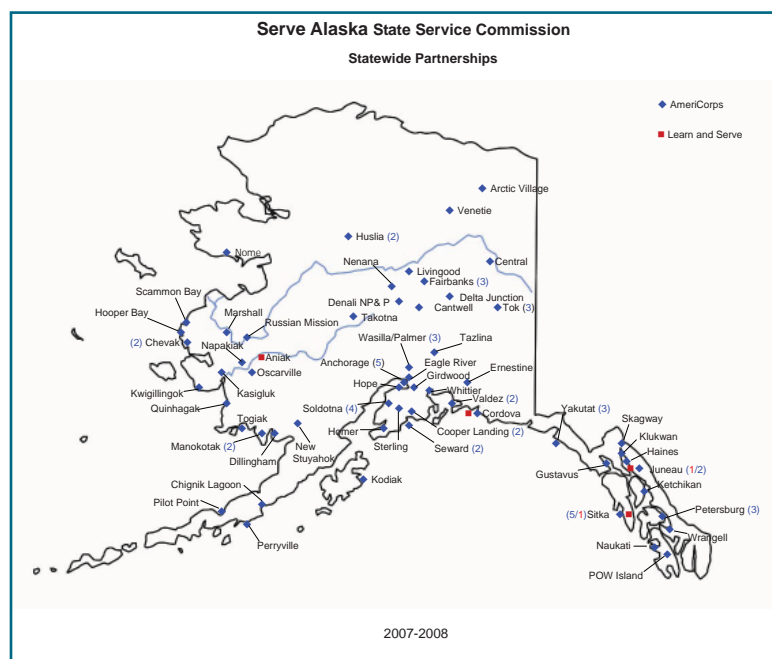
AmeriCorps Members Oath of Service Group, April 2008

hours of service and earned \$6,049,584 of the Segal AmeriCorps Education Awards (scholarships).

- Between March 1, 1995 and March 1, 2008 \$2,541,428, of the Segal Education Awards have been used to attend the Alaska Title IV Universities and Vocational Training Institutes.

The state **must** have a state commission in order to access the AmeriCorps funding

375 students have participated in the **Learn and Service America** programs in the state. The primary difference in service learning and community service projects is **Service Learning** must connect the service to the curriculum.



Serve Alaska Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	-	260.0	260.0	100.0%
Travel	-	57.3	57.3	100.0%
Services	-	155.0	155.0	100.0%
Commodities	-	12.1	12.1	100.0%
Capital Outlay	-	8.0	8.0	100.0%
Grants, Benefits	-	2,797.3	2,797.3	100.0%
Miscellaneous	-	-	-	100.0%
Total Expenditures	-	3,289.7	3,289.7	100.0%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Federal Receipts	-	3,072.9	3,072.9	100.0%
General Fund Match	-	86.0	86.0	100.0%
General Fund Receipts	-	26.1	26.1	100.0%
Statutory Designated Receipts	-	104.7	104.7	100.0%
Funding Totals	-	3,289.7	3,289.7	100.0%

Significant Budget Changes (in thousands):

1. Cost-of-living increases per union agreements: \$4.9

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Permanent Full-time	-	3	3	100%
Permanent Part-time	-	-	-	-
Nonpermanent	-	-	-	0.0%
Total Staff	-	3	3	

ASCSC Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	242.6	-	-242.6	-100.0%
Travel	57.3	-	-57.3	-100.0%
Services	167.5	-	-167.5	-100.0%
Commodities	12.1	-	-12.1	-100.0%
Capital Outlay	8.0	-	-8	-100.0%
Grants, Benefits	2,797.3	-	-2,797.3	-100.0%
Miscellaneous	-	-	0	-100.0%
Total Expenditures	3,284.8	-	-3,284.8	-100.0%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Federal Receipts	3,069.7	-	-3,069.7	100.0%
General Fund Match	84.5	-	-84.5	100.0%
General Fund Receipts	26.1	-	-26.1	100.0%
Statutory Designated Receipts	104.5	-	-104.5	100.0%
Funding Totals	3,284.8	-	-3,284.8	100.0%

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Permanent Full-time	3	-	-3	-100%
Permanent Part-time	-	-	-	-
Nonpermanent	-	-	-	0.0%
Total Staff	3	-	-3	-100.0%

D

ivision of Banking and Securities

Lorie L. Hovanec,
Director



Our Mission:

Protect consumers
of financial services
and maintain a safe
and sound state
financial system.

Contact:

Division of Banking and
Securities
P.O. Box 110807
Juneau, AK 99811-0807
Phone: 907-465-2521
Fax: 907-465-2549

Banking Section

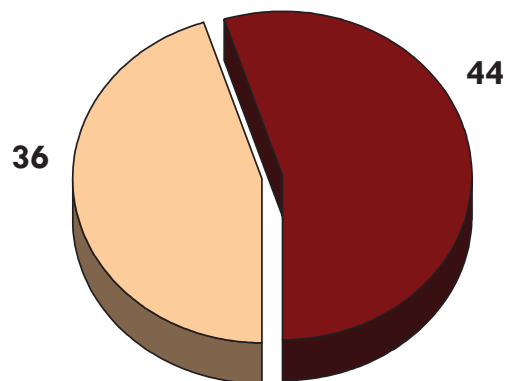
Seventy-one financial institution offices are subject to regulation by the Division, including banks, credit unions, trust companies, small loan companies, payday lenders and premium finance companies.

Our Accomplishments:

- We conducted examinations of more than half of the licensees we supervise, representing 44 licensed locations; the majority of examinations were conducted on the premises of the institution.

(Note: most institutions are examined once every 18 months as required by statute).

Examinations Conducted



■ Number of licensees examined in FY 2007
■ Number of licensees examined in FY 2008

- As a result of our investigations, the Division required refunds directly to Alaska borrowers of approximately \$10,000 in finance charges and fees.

- We approved licenses for four new payday lending businesses; and four new licenses for premium finance businesses.
- One payday loan licensee voluntarily surrendered their license due to a felony conviction.
- The Division approved the merger of a national bank by a state bank.
- The Division approved the sale of a state chartered trust company.



Don't Borrow Trouble-Alaska™ Campaign Partners

AARP Alaska
 Alaska Housing Finance Corporation
 Alaska Legal Services
 Alaska Office of Faith-Based & Community Initiatives
 Alaska Mortgage Bankers Association
 Alaska Public Interest Research Group
 Anchorage Board of Realtors
 Anchorage Equal Rights Commission
 Anchorage Neighborhood Housing Services
 Association of Alaska Housing Authorities
 Consumer Credit Counseling Services
 Cook Inlet Tribal Council
 Fairbanks Neighborhood Housing Services
 Federal Trade Commission
 State of Alaska Division of Banking & Securities
 State of Alaska Attorney General's Office
 United Way of Anchorage
 U.S. Attorney's Office
 YWCA of Anchorage

Securities Section

The Mission

The Securities section of the Alaska Division of Banking and Securities administers and enforces the Alaska Securities Act and associated regulations. The administrative function includes regulating securities offerings (stocks, bonds, mutual funds, etc.) and registering the firms and individuals who sell securities or give investment advice.

The enforcement function includes handling complaints and investigations of registered entities and regulated offerings as well as investigating unregistered activities (scams), whether offered directly by an individual or via phone, internet, newspaper, or public meetings. The Securities section's primary mission is protecting Alaska residents from investment activities that may cause financial harm.

Highlights

The Securities section in FY 2008 generated approximately \$13 million in revenue with a budget of approximately two million dollars. The operation of the section is completely industry-supported through the assessment of various fees.

Activities

- Completed the registration of over 60,000 broker-dealer and investment adviser firms and their agents.
- Completed the registration of over 5,000 mutual funds to be sold to Alaska investors.
- Completed the registration of almost 300 exempt securities transactions for the creation of Alaska businesses.
- Completed the registration of almost 350 security offerings.
- Completed or in process of completing over 50 securities investigations. The Division's goal is to conduct a thorough investigation to determine if a law has been violated and protect investors and Native shareholders.
- Completed 13 determinations or interpretive opinions regarding securities issues.

Major Accomplishments

- Conducted investigations of several brokerage firms regarding the failure of the Auction Rate Securities market. The Division

received complaints that represented almost \$100 million in invested funds. Final resolution of the complaints will continue into FY 2009.

- Planning outreach for FY 2009 in coordination with AARP to deliver investor education to fourteen communities. In FY 2008, delivered investor education program with AARP to eleven communities and over 1,500 Alaskans.

ANCSA Oversight

In FY 2008 the Securities Section reviewed ANCSA documents and investigated 35 complaints that certain reports and materials were untrue or misleading.

Consumer Finance Section

In addition to its banking and securities sections, the Division added a third section in response to added responsibilities under two new laws which came into effect July 1, 2008:

- The Alaska Mortgage Lending Regulation Act, under which the Division licenses, examines and regulates mortgage loan originators, brokers and lenders.
- The Alaska Uniform Money Services Act under which the Division licenses, examines and regulates money service businesses (businesses which sell

- or issue money orders, traveler's checks or stored value cards, receive money for transmission, and exchange currency).

Our Accomplishments

- In the final months of FY 2008, the Division set up the new section's structure, office space and prepared to hire more staff.
- The section is now up and running in FY 2009 and is conducting licensing activities under these new laws. It is anticipated that 200 licenses for mortgage lending and 35 licenses for money service businesses will be issued during FY 2009.

Banking and Securities Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	1,753.9	1,971.5	217.6	12.41%
Travel	116.6	141.6	25.0	21.44%
Services	1,090.5	1,092.9	2.4	0.22%
Commodities	16.4	53.4	37.0	225.61%
Capital Outlay	63.0	28.0	(35.0)	-55.56%
Grants, Benefits	-	-	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	3,040.4	3,287.4	247.0	8.1%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Federal Receipts	250.0	250.0	-	0.00%
Receipt Supported Services	2,790.4	3,037.4	247.0	8.9%
Funding Totals	3,040.4	3,287.4	247.0	8.1%

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$8.2
2. Cost-of-living increases per union agreements: \$39.0
3. Implement mortgage licensee examinations every three years: \$208.0

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Permanent Full-time	20	22	2	10%
Permanent Part-time	0	0	0	-
Nonpermanent	0	0	0	0.0%
Total Staff	20	22	2	10.0%

Division of Community & Regional Affairs

Tara Jollie, Director



Our Mission:

Promote strong communities and healthy economies by providing information, technical and financial assistance, and other capacity building resources.

Contact:

Division of Community & Regional Affairs
550 W. 7th Avenue
Suite 1770
Anchorage, AK 99501
Phone: 907-269-4501
Fax: 907-269-4539

DCRA is a small Division of 60 dedicated staff that strive to meet its constitutional mandate to “advise and assist local governments.” Much of our attention is focused on smaller communities because of their limited resources and need for this type of technical assistance. DCRA maintains seven offices throughout the state to allow staff a closer relationship with our constituent groups. The breadth of programs offered by DCRA is significant. Services include providing technical assistance for local government administration and rural utility management, Municipal Trust Lands management, administration of more than 2,000 grants, coordinating community mapping projects, preparing reports on municipal boundary alterations for the Local Boundary Commission, and researching a myriad of other issues affecting Alaskans. DCRA also plays a significant role in collaborating with other agencies for the benefit of Alaska’s rural communities.

Our Accomplishments

Rural Utility Business Advisor Program, or RUBA, provides technical assistance for effective rural utility management. The majority of DCRA’s regional office staff is RUBA and funded by the federal Environmental Protection Agency (EPA). RUBA staff is charged with providing the technical assistance necessary to manage sanitation services in rural Alaska. A small number of DCRA staff complement the RUBA program and provide local government assistance to those communities that do not participate in the federal program.

RUBA staff and local government specialists made 182 trips to 172 communities for a total of 470 days of on-site assistance in the areas of utility management, financial management, personnel issues, elections and ordinance adoption. Staff presented nine 32-hour Utility Management classes in six regional locations throughout the state to 102 utility managers. Contractors funded by RUBA presented three regional QuickBooks accounting classes to 32 participants representing 23 communities. Contractors also completed on-site installation and training for QuickBooks in the communities of Port Lions, Houston, Fort Yukon, and Thorne Bay.

Municipal Lands Trustee

Program: DCRA assistance was instrumental in the settlement of land claims and the submission of boundary maps for the communities of Igiugig and Chefornak. ANCSA 14(c) lands were surveyed in Ninilchik, Mekoryuk and Naknek. Final plats were recorded for Allakaket, Kaltag, and Twin Hills.

Community Planning: DCRA Planning section provides technical advice, training, and funding opportunities for community and regional planning. These services include the National Flood Insurance Program which provides an opportunity for individuals, businesses, and renters in 32 cities and boroughs to purchase flood insurance coverage. Planning staff also serves as coordinator for the Newtok Planning Group, a multi-agency group assisting the Native Village of Newtok in its relocation efforts.

Grants and Financial Aid

to Communities: DCRA grant administrators administered \$900 million representing 11 programs with an average of over 200 grants per administrator. DCRA is also responsible for administering several state

and federal shared revenue programs which provide financial assistance directly to communities, including Community Revenue Sharing, Payment in Lieu of Taxes, National Forest Receipts, Shared Fisheries Business Tax, and Fishery Resource Landing Tax.

Staff to the Local Boundary

Commission: In 2008, DCRA replaced the LBC Director with Brent Williams. LBC worked on major issues involving Commission decisions: incorporation of a new Wrangell borough; and, annexation to the Ketchikan Gateway Borough. As a result of the Commission's revised regulations that took effect, January 9, 2008, LBC staff initiated required revisions to all boundary-change petition forms.

State Assessor's Office:

The annual full value determination for taxable property in 84 municipalities was again completed within statutory deadlines. The office presented ten training workshops on assessment practices and Boards of Equalization. New personal property value models reflecting full values of several different categories of property were developed.

The office also conducted audits on assessment practices for Ketchikan Gateway Borough, Haines Borough, Kenai Peninsula Borough and the Fairbanks North Star Borough. The office also assisted the Kenai Peninsula Borough assembly with reviewing assessment alternatives for tax purposes. This involved several meetings with the assembly and the public to investigate allegations of problems with the current methodology.

Research and Analysis:

DCRA's research section maintains widely used Community Profile and Capital Projects databases. The database provides internet access to every municipal budget and year-end financial statement submitted to DCRA annually. The Financial Documents Delivery System is available through DCRA's website. The section also publishes reports on fuel prices across Alaska, as well as bi-monthly reports on liens filed against rural local governmental entities.

Division of Community & Regional Affairs Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	5,430.4	5,536.9	106.5	2.0%
Travel	250.9	250.9	-	0.0%
Services	2,182.1	1,875.8	(306.3)	-14.0%
Commodities	65.0	65.0	-	0.0%
Capital Outlay	14.0	14.0	-	0.0%
Grants, Benefits	1,960.8	1,960.8	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	9,903.2	9,703.4	(199.8)	-2.0%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Federal Receipts	2,364.3	2,364.3	-	0.0%
General Fund Match	714.7	724.7	10.0	1.4%
General Fund Receipts	1,370.9	3,460.9	2,090.0	152.5%
General Fund Program Receipts	18.7	18.7	-	0.0%
Inter-Agency Receipts	838.4	497.8	(340.6)	-40.6%
Debt Retirement	-	-	-	0.0%
CIP Receipts	682.8	694.9	12.1	1.8%
Statutory Designated Receipts	31.1	31.1	-	0.0%
Bus. & Corp. Receipts	3,528.5	1,557.2	(1,971.3)	-55.9%
Vehicle Rental Tax Receipts	135.8	135.8	-	0.0%
Anatomical Gift Awareness Fund	-	-	-	0.0%
Bulk Fuel Bridge Loan Fund	218.00	218.00	-	0.0%
Funding Totals	9,903.2	9,703.4	(199.8)	-2.0%

Significant Budget Changes (in thousands):

1. Cost-of-living increases per union agreements: \$110.8
2. Replace \$2 million of Business License revenue with GF due to reduction in cost of a business license
3. Remove excess expenditure authority: \$340.6

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Permanent Full-time	59	59	0	0.0%
Permanent Part-time	0	0	0	0.0%
Nonpermanent	3	1	-2	-66.7%
Total Staff	62	60	-2	-3.2%

Division of Corporations, Business, and Professional Licensing

Lynne Smith, Director



Our Mission:

To ensure that competent professional and commercial services are available to Alaska consumers; and to protect the public from unethical and incompetent providers of services

Contact:

Division of Corporations,
Business, and Professional
Licensing
300 W. Willoughby Ave.
9th Floor
PO Box 110806
Juneau, AK 99811-0805
Phone: 907-465-2530
Fax: 907-465-3257

The Division of Corporations, Business and Professional Licensing regulates 39 professional and occupational licensing programs and administers the Alaska business licensing and corporations programs. Each year, the Division regulates over 100,000 individuals, businesses and corporations that offer services to Alaska consumers. To effectively administer these regulatory programs, there are 20 professional licensing boards and commissions established by Alaska Statutes that regulate certain industries. Individuals who serve on these boards and commissions are appointed by the Governor, confirmed by the Legislature and are comprised of industry and public members. The Division provides administrative, budgetary, and investigation services to the regulatory programs when appropriate. There are 19 programs solely administered through the Division without the oversight of a board or commission.

The Division licenses businesses to engage in commerce in Alaska and grant tobacco endorsements for sale of tobacco or tobacco-related products. The Division also registers corporations and trademarks for entities engaged in commerce in Alaska.

- Serve as a one-stop location to investigate and resolve consumer complaints regarding state licenses, state licensed non-depository lending, money service companies and other state licensed businesses.
- Provide consumer outreach and education regarding consumer borrowing and the use of state licensed professionals.

Issues Addressed in 2008

- Implementation of the Alaska Mortgage Licensing Regulation Act.
- Prescription Drug Monitoring Program signed into law.

- Veterinary students in their fourth year are authorized to perform an internship in Alaska. Statutory changes were also enacted allowing researchers and out of state experts to assist State licensed veterinarians without encountering licensing issues.
- The Division is encouraging licensees to use the web for renewals by mailing notices instead of renewal forms to licensees and advising how to renew online or how to download application forms.
- Coordination efforts between U.S. Coast Guard, U.S. Customs Office, Alaska State Troopers and local harbormasters'

offices has resulted in greater compliance of marine pilot exemption laws on foreign pleasure craft entering southeast waters.

Coming in Fiscal Year 2010

- Online capabilities for licensing programs that currently do not have online capabilities.
- Provide new guide unit area maps for the Big Games Commercial Services Board along with access to Guide Hunt and Transporter Activity Records via the internet.
- Business license fees are decreased from \$100 to \$50 annually.

Corporations, Business and Professional Licensing

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	4,073.3	5,710.8	1,637.5	40.2%
Travel	334.4	344.4	10.0	3.0%
Services	4,246.7	4,647.0	400.3	9.4%
Commodities	80.7	105.7	25.0	31.0%
Capital Outlay	137.4	137.4	0.0	0.0%
Grants, Benefits	-	-	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	8,872.5	10,945.3	2,072.8	23.4%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Federal Receipts	400.0	400.0	0.0	0.0%
Inter-Agency Receipts	317.5	692.0	374.5	118.0%
Surety Fund	278.1	280.0	1.9	0.7%
CIP Receipts	-	-	0.0	0.0%
Receipt Supported Services	6,343.9	8,024.8	1,680.9	26.5%
Bus. & Corp. Receipts	1,533.00	1,548.50	15.5	1.0%
Funding Totals	8,872.5	10,945.3	2,072.8	23.4%

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$26.4
2. Cost-of-living increases per union agreements: \$98.9

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Permanent Full-time	64	82	18	28.1%
Permanent Part-time	-	-	-	0.0%
Nonpermanent	-	-	-	0.0%
Total Staff	64.0	82.0	18.0	28.1%

D

ivision of Insurance

Linda Hall, Director



Our Mission:

To assure competitive, viable, ethical and lawful insurance is available to Alaskans

Contact:

Division of Insurance
550 W 7th Ave Ste 1560
Anchorage, AK 99501
Phone: 907-269-7900
Fax: 907-269-7910

The Division of Insurance provides the regulatory framework for insurance industry operations in Alaska and impacts consumers, agents, and insurance companies. Oversight of both the financial solvency and the underwriting and claims practices of insurance entities is a primary regulatory function.

For FY 08 total premium taxes and penalties collected by the Division on insurance business written in Alaska were \$48,494,318 with an additional \$11,510,009 collected in fees from the entities regulated for a total revenue attributed to the Division of \$60,004,327. Total premiums written in Alaska in calendar year 2007 was \$2.926 billion with 1,068 insurance companies doing business in Alaska on an admitted basis.

The National Association of Insurance Commissioners renewed the Division's accreditation in September of 2007. This accreditation is a recognition that the financial analysis and examinations performed by the Alaska examiners can be relied upon by other regulatory jurisdictions.

Core Services

Licensing

The Licensing section oversees and administers licenses of agents in compliance with Alaska statutes and regulations as one component of the emphasis on public protection in the Division.

Compliance

Compliance is monitored by the Financial Examination section and the Market Conduct section. These sections enforce statutes and regulations and conduct examinations of insurance companies and agencies. The third compliance section is Financial Reports and Audits which enforces statutes and regulations on tax and surplus lines matters and collects premium tax revenue for the State.

The Financial Examination section conducts examinations that are the primary method of oversight of the financial condition of insurance companies and focus on solvency. The Market Conduct Examination section monitors the insurance market for signs of problems. Both sections work collaboratively with the other Division sections to provide technical support.

Investigations

This section investigates alleged or suspected fraudulent insurance activities. In FY 2007, 54 cases were opened and reviewed in the Investigation section. Since early 2006 there have been eight criminal convictions.

Filing Approval

The Filings Review section monitors the raters and policy forms used by insurers providing insurance coverage for Alaskans. The rate review considers the funds needed to pay claims. In 2007, the section reviewed 4,022 rate and form filings.

Public Information

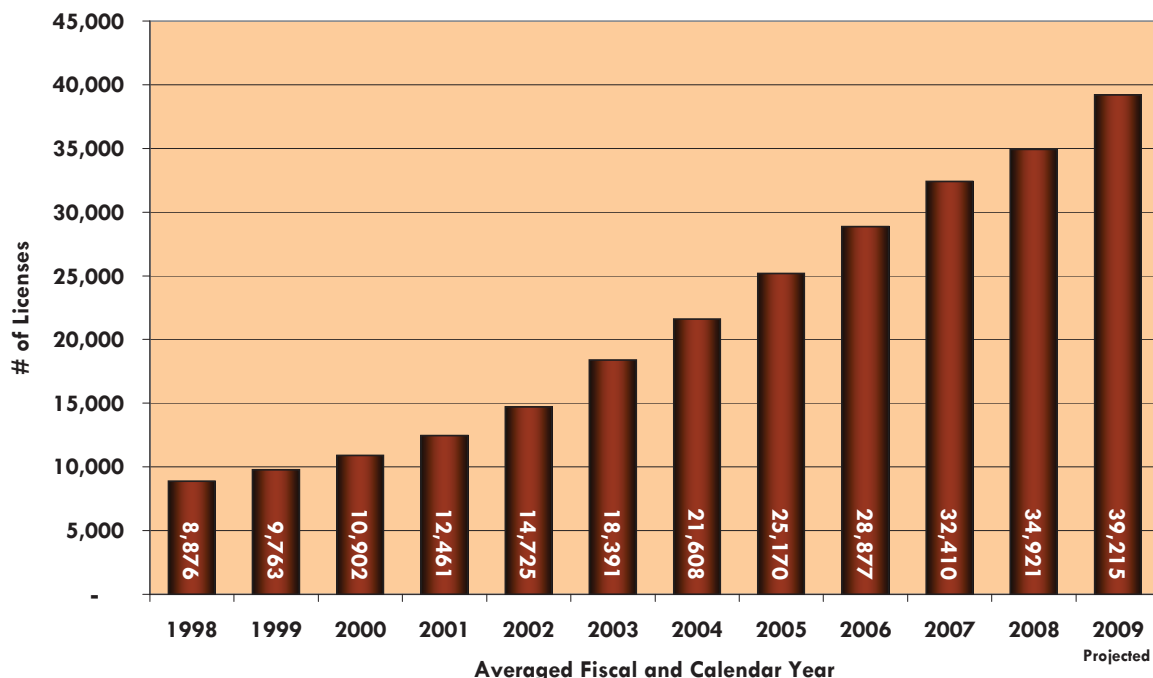
Public information and education are key to preventing insurance fraud and promoting consumer protection. Outreach efforts include presentations to community groups and press releases about current insurance topics. In addition, education materials are prepared, such as guides for

consumers on Homeowners and Auto insurance, long term care and many more.

Consumer Services specialists investigate complaints, gather and evaluate data, research insurance laws and take appropriate action to bring the complaint to proper resolution.

In 2007, 331 consumer complaints were opened and the specialists resolved complaints that provided additional benefit payments to consumers of \$634,228. The Division web site includes an electronic consumer complaint form which has made reporting a complaint to the Division easier.

Number of Licenses Maintained by the Division of Insurance



Division of Insurance Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	4,316.4	4,525.5	209.1	4.8%
Travel	187.5	187.5	-	0.0%
Services	1,784.9	1,798.7	13.8	0.8%
Commodities	59.2	59.2	-	0.0%
Capital Outlay	35.3	35.3	-	0.0%
Grants, Benefits	-	-	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	6,383.3	6,606.2	222.9	3.5%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
CIP Receipts	-	125.3	125.3	100.0%
Receipt Supported Services	6,383.30	6,480.90	97.60	1.5%
Funding Totals	6,383.3	6,606.2	222.9	3.5%

Significant Budget Changes (in thousands):

1. Reflect funding for temporary positions working on an imaging capital project: \$122.8
2. Cost-of-living increases per union agreements: \$100.1

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	No Change
Permanent Full-time	53	53	
Permanent Part-time	-	-	
Nonpermanent	3	3	
Total Staff	56	56	

Division of Investments

Greg Winegar,
Director



Our Mission:

Promote economic development and provide interagency and interdepartmental servicing of loan portfolios that increase operational efficiencies and to protect the State's investments in the loan funds administered by ADI while providing a return of capital when it does not impair program missions.

Contact:

Division of Investments
PO Box 34159
Juneau, AK 99803-4159
Phone: 907-465-2510
Fax: 907-465-2103

The Alaska Division of Investments (ADI) mission is to promote economic development and provide interagency and interdepartmental servicing of loan portfolios that increase operational efficiencies and to protect the State's investments in the loan funds administered by ADI while providing a return of capital when it does not impair program missions.

Lending

ADI accomplishes its mission by administering and servicing thirteen loan programs under the Department of Commerce, Community, & Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries and areas of the state that are not adequately serviced by the private sector. Private sector financing for these programs is generally not feasible due to limitations on the types of collateral available or because of a higher level of risk.

Active lending is available in six loan programs: Capstone Avionics, Commercial Fishing Revolving Loan Fund, Fisheries Enhancement Revolving Loan Fund, Small Business Economic Development Revolving Loan Fund, the Rural Development Initiative Fund and the Self Help Group Home Loan Program. These programs accomplish important policy goals as they create jobs for Alaskans, generate significant economic activity and provide a revenue stream back to the state in the form of earnings. These programs are completely self-sufficient and receive no support from the General Fund.

ADI provides loan servicing in six portfolios for four other state agencies: the Alaska Industrial Development and Export Authority, the Division of Community & Regional Affairs, the Department of Health and Social Services, and the Department of Environmental Conservation.

Commercial Fishing Revolving Loan Fund

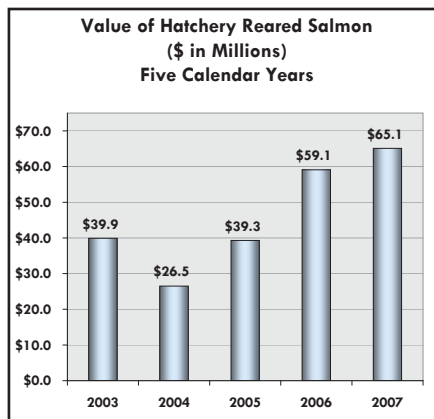
This program benefits Alaska's economy by promoting the development of a predominantly resident fishery. This is accomplished by providing low interest rate loans to Alaskan commercial fishing harvesters to help them purchase limited entry permits, quota share, vessels and gear. During FY 08 120 new loans were made totaling \$6.7 million. A total of 361 jobs were either created or saved as a result of these loans.

In September 2008 ADI created a new loan program that will provide low-interest loans to commercial fishing vessel owners who wish to replace older engines with new, more fuel efficient engines. These loans not only improve the viability of Alaskan fishing operations, they also benefit the environment by reducing the industry's carbon footprint. Since inception twenty-six loan applications have been received totaling \$1.2 million.

Fisheries Enhancement Revolving Loan Fund

This program promotes the enhancement of the State's fisheries by making loans to qualified nonprofit corporations to build and operate salmon hatcheries

and to engage in other fisheries related enhancement activities. During FY 08 four loans were made totaling \$2.2 million. Salmon hatcheries provide a significant financial contribution to numerous coastal economies.



Rural Development Initiative Fund

This program benefits Alaska's economy by creating jobs and generating economic activity in communities of 5,000 or less. During FY 08 a total of five loans were made that created or saved forty-seven jobs.

Small Business Economic Development Revolving Loan Fund

This program benefits Alaska's economy by creating jobs and generating economic activity in areas of the state that have experienced economic difficulties. During FY 08 a total of seven loans

were made that created or saved seventy jobs.

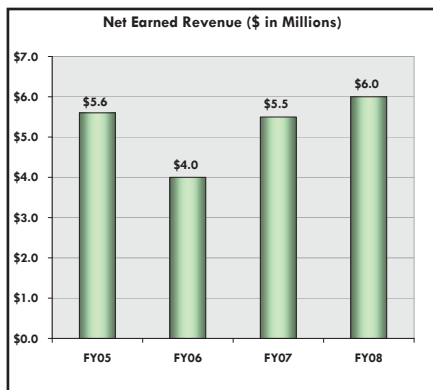
Alaska Capstone Avionics Loan Program

The Alaska Capstone Avionics Loan Program (Capstone Program) was implemented July 1, 2008. The Capstone Program is a joint endeavor involving both federal and state government and private industry in an effort to improve aviation safety as well as enhancing economic efficiency in the State of Alaska. The Capstone Program provides low interest loans to aircraft owners that fly a substantial number of flight hours in Alaska so that they can purchase Capstone Avionics equipment. This equipment allows aircraft to interact with ground infrastructure and satellite stations to provide pilots with a whole package of real time data needed for safe flight. The Federal Aviation Administration (FAA) has committed to installing and maintaining the required ground infrastructure (approximately \$493 million) if a sufficient number of aircraft owners install the Capstone Avionics equipment. A pilot project demonstrated that aircraft equipped with Capstone Avionics were involved in 47% fewer accidents. The FAA estimated that the state could reap \$824 million in safety and

community access benefits over the next twenty-seven years as a result of this new technology. ADI developed program regulations, policies and procedures, accounting infrastructure and servicing guidelines by the July 1st implementation date. Since inception, six loans have been made totaling \$562,100.

Net Earned Revenue used for Government Operations

In addition to accomplishing very important policy goals, proper financial management of the loan portfolios creates earnings that can be made available for the operations of state government without sacrificing program goals. Improved market conditions and efficient program management resulted in increased earnings in FY 08.



Volunteer Tax & Loan Program

ADI supports and promotes economic development not only through their loan programs, but also through the Volunteer Tax & Loan Program (VTLP), which has been operating successfully since it originated in 1996. The VTLP was created as an effort to lay a foundation for strengthening the commercial fishing industry and rural Alaska's fishing community's economy. The VTLP program is a cooperative effort between ADI, the Alaska Business Development Center (ABDC), the University of Alaska Anchorage, the Internal Revenue Service and the private sector. Each year ABDC's VTLP sends volunteers to rural communities to assist taxpayers with the completion of tax returns and provides them with tax education. The program also serves taxpayers through a mail-in site located in the Anchorage office. ADI directly supports the VTLP through a fisheries business development contract with ABDC. The focus of the VTLP continues to be rural harvesting communities

targeted by the IRS as having tax compliance issues. The VTLP program has won four national awards for excellence and is an outstanding example of how the state, federal government, higher education system and private sector can work together to create a program that accomplishes program goals for all concerned. Since inception, 45,692 Alaskan's have been assisted and a total of 22.7 million in tax refunds has been returned to the communities.

Division of Investments Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	3,473.7	3,543.5	69.8	2.0%
Travel	33.5	33.5	-	0.0%
Services	936.1	957.1	21	2.2%
Commodities	38.4	38.4	-	0.0%
Capital Outlay	5.8	5.8	-	0.0%
Grants, Benefits	-	-	-	0.0%
Miscellaneous	-	-	-	0.0%
Total Expenditures	4,487.5	4,578.3	90.8	2.0%

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(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Inter-Agency Receipts	4.1	4.2	0.1	2.4%
Commercial Fish Loan Fund	3,704.2	3,784.5	80.3	2.2%
Fisheries Enh. Rev. Loan Fund	557.6	564.1	6.5	1.2%
Rural Dev. Initiative Fund	51.8	52.5	0.7	1.4%
Small Bus. Dev. Rev. Loan Fund	50.0	50.7	0.7	1.4%
Capstone Avionics	119.80	122.30	2.50	2.1%
Funding Totals	4,487.5	4,578.3	90.8	2.0%

Significant Budget Changes (in thousands):

1. Increase to reflect increases in core services: \$13.6
2. Cost-of-living increases per union agreements: \$77.2

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	No Change
Permanent Full-time	44	44	
Permanent Part-time	-	-	
Nonpermanent	1	1	
Total Staff	45	45	

Office of Economic Development

Joe Austerman,
Manager



Our Mission:

Support the advancement of successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment for Alaskans.

Contact:

Office of Economic
Development
550 W. 7th Avenue
Suite 1770
Anchorage, AK 99501
Phone: 907-269-8100
Fax: 907-269-8125

The Office of Economic Development continues to pursue its mission of responsible industry advocacy for the benefit of Alaska. Our primary focus is in fostering responsible development of the mineral, timber, film, tourism, and fishery industries as well as assisting with small business development. OED's unique positioning within government provides for a critical conduit between the State and industries that are seeking to do business in Alaska. The industry development specialists in OED work with industry and policy makers alike in offering expertise in recognizing and capitalizing on opportunities with an emphasis on achieving a mutually beneficial outcome for both industry and the people of Alaska.

In the past year, OED has expanded our area of expertise and broadened our economic analysis abilities by adding a senior level economist to our staff. Having a senior level economist along with industry expertise has bolstered OED's capacity to provide timely and valuable economic and cost benefit analysis in evaluating policy and investment along with the potential impact to community and industry.

While we advocate for the proper development of industry, our customers are the people of Alaska and we are proud to be of service to them.

OED Publications and Reports

- Alaska Economic Performance Report and Net Rate of Return
- Alaska's Mineral Industry Report
- Report of the Alaska Minerals Commission
- Alaska Logging History for Society of American Foresters
- Film Office Annual Report – Available February of 2009'

- Also provide economic information and opinions to multiple users including Governor's Office, representatives, Department of Fish and Game, Department of Transportation, AIDEA, and general public

Office of Economic Development Highlights of 2008

Fisheries: Our industry development specialist works with industry, state, federal and local agencies serving as a primary conduit for fisheries related economic development projects in Alaska.

Film: Film is a relatively new sector to OED created with the passing of SB230. The primary activity associated with this sector has been in getting it rolled out. As of January of 09', the office is staffed and regulations supporting the bill are ready for public review and comment.

- The office has processed and approved three Pre Qualifying applications with an estimated qualifying spend in Alaska at just under \$5 million.
- Disney has completed production work and is waiting for the final

regulations package to apply for the final tax credit.

Tourism: OED's tourism staff continues to successfully assist entrepreneurs, primarily rural, interested in establishing tourism based business and draw new dollars to their communities. Activities for the year include:

- The Developing Alaska Rural Tourism (DART) project is a partnership between OED and the (U.S.) Economic Development Administration (EDA). Currently under DART, OED is helping several regional Alaska tourism destination marketing efforts get underway, offering targeted business development training workshops, and managing the Tourism Mentorship Assistance Program (TMAP). TMAP represents an 18 month long program that partners current successful tourism business owners with new or potential business owners.
- OED manages the Alaska Visitor Statistics Program (AVSP), the most comprehensive visitor arrival, visitor profile, and visitor spending data collected for Alaska's visitor industry. OED has just released the interim

visitor numbers for Summer 2008. They indicate that just over 1.7 million out-of-state visitors came to Alaska between May and September 2008. This represents a slight (0.4 percent) decline from Summer 2007.

- OED manages the statewide AlaskaHost customer service training program - designed for employees of the hospitality and visitor services industry. The core of the AlaskaHost program trains participants in how to provide quality customer service for both residents and visitors to Alaska.

Minerals: Along with coordinating the Alaska Minerals commission and generating industry reports, the minerals development specialist in OED is the industry's primary state contact in evaluating investment potential in Alaska. This sector serves as a resource in interpreting government policy, promoting development opportunities and encouraging investment in Alaska. 2007 was a banner year in minerals exploration and development in the State. However, we know that 08' and 09' will be substantially less. Below are some of the activities conducted by this OED sector:

- Agency support in analysis of the minerals industry in the form of:
 - ♦ Identifying opportunities for financial support – analysis of needs and economics of that help.
 - ♦ Tax load analysis of specific operations/projects or generic projects by location, land status.
 - ♦ Marketing recommendations – opportunities, informational development, tax analysis, infrastructure needs, economic analysis.
 - ♦ Infrastructure needs for projects and regions of mineral prominence.
 - ♦ Participated in the evaluation of the BLM Eastern area management plan.
 - Providing support to and liaison between industries:
 - ♦ Assisting the small miner in technical issues with mines and recovery plants and legal issues to the extent that this assistance does not encroach on private industry consultants and attorneys.
 - ♦ Providing financial liaison between lenders and the mining industry – AIDEA, others.
 - ♦ Providing liaison between agencies and industry for legislative tax proposals and other issues.
 - ♦ Otherwise providing minerals-related information to the worldwide mining industry relative to opportunities in the State of Alaska.
- Forestry:** While the primary mission of this sector is to promote Alaska's hardwood resources for value added end products, the expertise available in this sector of OED has also been tapped for bio fuel energy analysis. 08' activity includes, but is not limited to:
- Promoting development of Alaska's hardwood resources.
 - ♦ Completed revision of hardwood prospectus.
 - ♦ Translation of hardwood prospectus into Japanese.
 - ♦ Providing assistance in securing investment in new sawmills in Mat-Su area.
- Partnering to promote and encouraging wood-based energy projects.
 - ♦ Provided technical assistance to companies in Kenai, Fairbanks, Mat-Su, Rural Alaska interested in wood pellet manufacturing.
 - ♦ Partners include AEA, FEDC, AK Village Initiative, DNR- DOF.
 - Conducted survey of existing and potential Asian markets for Alaska wood.
 - ♦ Site visits in November, 2008.
 - ♦ Reports to be issued jointly with Federal and University agencies.
- Business Development:**
Along with assisting businesses through the Small Business Assistance Center, OED also manages the Made in Alaska Program and the Alaska Product Preference Program.
- Alaska Regional Development Organizations (ARDORs)**
- In 2008, the State of Alaska, Office of Economic Development recognized the Interior Rivers Resource Conservation & Development Council (IRRC&D) as a reestablished ARDOR region. This

will make a total of 12 ARDORs partnered with the SOA helping to provide assistance in rural Alaska to communities, businesses and entrepreneurs.

Made In Alaska Program (MIA)

- Strengthened the integrity and the legal support of the MIA program by Federally Trade marking and registering the Mother Bear and Cub logo with the U.S. Trade mark office, for the MIA program.
- Through Webb Consulting increasing the rural outreach training programs (through Webinar) for marketing, and development of small businesses.

Small Business Assistance Center (SBAC)

- This is an effort to further develop outreach to rural Alaska and support small businesses and entrepreneurs. Expanding the partnership between the ARDORs, University of Alaska Anchorage, Small Business Development Center, Alaska Manufacturing Extension Partnership and the Division of Investments. Several businesses have followed the directions given by the OED specialist which resulted in winning start-up fees for their business in excess of \$35,000.
- Provided support for entrepreneurs and small businesses in the Kenai Peninsula Economic Development District (ARDOR) region which helped to generate an additional \$2 million dollar in new revenue for manufactures in the state.

Office of Economic Development Financial Summary

(in Thousands) By Expenditure Category	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Personnel Service	1,485.9	1,549.0	63.1	4%
Travel	89.5	89.5	-	0%
Services	724.1	726.1	2.0	0%
Commodities	24.6	25.3	0.7	3%
Capital Outlay	17.9	17.9	-	0%
Grants, Benefits	620.0	677.7	57.7	9%
Miscellaneous	-	-	-	0.0%
Total Expenditures	2,962.0	3,085.5	123.5	4.2%

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Federal Receipts	169.4	169.6	0.2	0.1%
General Fund Receipts	291.8	313.2	21.4	7.3%
Inter-Agency Receipts	742.4	842.0	99.6	13.4%
CIP Receipts	103.5	104.8	1.3	1.3%
Statutory Designated Receipts	128.4	128.4	-	0.0%
Bus. & Corp. Receipts	1,200.9	1,200.9	-	0.0%
Vehicle Rental Tax Receipts	325.60	326.60	1.00	0.3%
Funding Totals	2,962.0	3,085.5	123.5	4.2%

Significant Budget Changes (in thousands):

1. Reflect contract with DMV to provide services to Tok and surrounding communities: \$40.6
2. Cost-of-living increases per union agreements: \$25.2
3. Fund each Alaska Regional Development Organization at the FY 09 level: \$57.7

By Staff Category	FY 2009 Management Plan	FY 2010 Governor	No Change
Permanent Full-time	13	13	
Permanent Part-time	2	2	
Nonpermanent	3	3	
Total Staff	18.0	18.0	

C orporations

Contact:

Alaska Aerospace Development Corporation
4300 B Street, Suite 101
Anchorage, AK 99503
Phone: 907-561-3338
Fax: 907-561-3339

Alaska Industrial Development Export Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503
Phone: 907-771-3000
Fax: 907-771-3044
Toll Free (Alaska only): 888-300-8534

Alaska Energy Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503
Phone: 907-771-3000
Fax: 907-771-3044
Toll Free (Alaska only): 888-300-8534

Alaska Railroad Commission
327 W. Ship Creek Ave.
Anchorage, AK 99501
Phone: 800-321-6518

Alaska Regulatory Commission
701 W. 8th Avenue, Suite 300
Anchorage, AK 99501-3469
Phone: 907-276-6222
Fax: 907-276-0160

Alaska Seafood Marketing Institute
311 N. Franklin Street, Suite 200
Juneau, AK 99801-1147
Phone: 907-465-5560
Fax: 907-465-5572
Toll Free: 800-478-2903

The following corporations have been assigned to the Department of Commerce, Community, and Economic Development by Statute. While these entities are independent from the Department, their respective missions are complimentary, and within the scope of the philosophical mission of the Department to promote economic development, foster commerce, and facilitate responsible industry development across the state.

Alaska Aerospace Development Corporation (AADC)

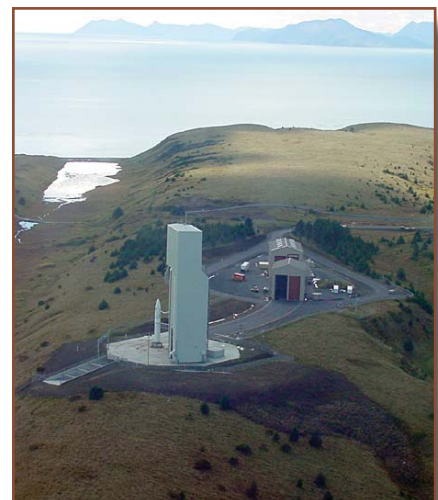
Mission:

To promote aerospace related economic growth and development and strengthen Alaska's technological infrastructure.

The Alaska Aerospace Development Corporation was created by the Alaska State Legislature in 1991 as a public corporation of the

state with a charter to take a leading role in developing aerospace industry in Alaska and for the nation.

AADC designed, built, and operates the Kodiak Launch Complex (KLC), a high technology state-of-the-industry spaceport on Kodiak Island in partial fulfillment of its charter. Design and construction work on KLC was initiated with a \$15.6M grant from the legislature, which AADC leveraged to gain approximately \$139.0M in federal grants to invest in the construction of KLC and upgrades to the facility. Launch operations commenced at KLC in 1998, and to date there have been 14 missions launched from the facility,



all successful. Launch and related revenue brought into the state has totaled \$93.5M.

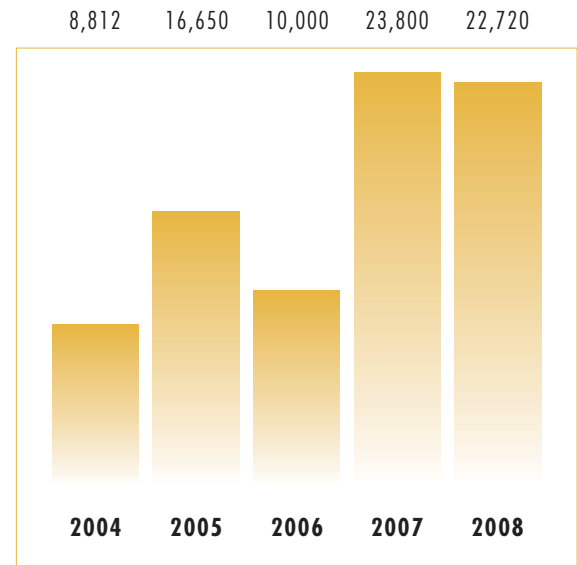
AADC is a significant source of revenue for Kodiak and state residents. Each year AADC contracts an independent review of its revenue contributions to the state. The record is marked by steady growth in economic activity. The FY08 Economic Impact Report prepared by Northern Economics, Inc. revealed that the total economic contribution of AADC's operations and projects amounted to \$28.7M. The data show AADC's business operations contributed \$17.8M to the Kodiak economy and another \$10.9M to the rest of the state. The total regional employment generated by AADC operations is estimated at 155 jobs being contributed to Kodiak. AADC continues to have a positive economic impact to Kodiak and other areas of Alaska.

AADC pursues business opportunities across the aerospace industry. The requirement for spaceport facilities to meet rapid response launch capabilities is expanding. The ability to meet this requirement enables AADC with an opportunity to be a key service provider to organizations upgrading and replacing key space infrastructure components.

AIDEA

Dividend History by Year Declared
(in thousands)

CALENDAR YEAR



This capability requires a spaceport which can quickly prepare and launch space vehicles with a variety of payloads that is cost competitive and ensures the highest quality standards are met. AADC's current facilities and the planned construction of an additional launch pad and rocket motor storage facility will provide strategic opportunities for AADC to provide rapid launch capabilities at a competitive price.

Alaska Industrial Development and Export Authority (AIDEA)

Mission: To provide various means of financing to promote economic growth and diversification in Alaska.

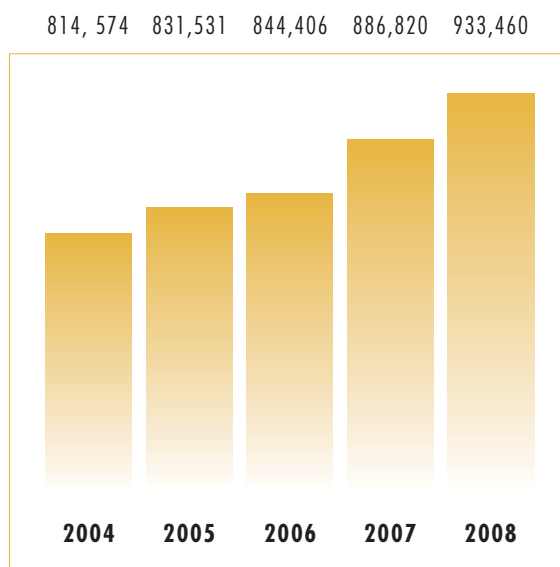
AIDEA is a public corporation of the State of Alaska, constituting a political subdivision with separate and independent legal existence under the laws of the State. AIDEA was established in 1967 to advance Alaska's economic prosperity and to create jobs for Alaskans. AIDEA accomplishes this mission through its Credit programs by providing long-term capital to businesses for operations and expansion, and through the Development Finance Program by developing and owning infrastructure projects such as roads, ports and airport facilities with the purpose of advancing the economic prosperity of a region.

The Credit programs provide affordable long-term capital to Alaska businesses for new and existing projects, or for the refinancing of existing

AIDEA REVOLVING FUND

Net Assets
(in thousands)

FISCAL YEAR



has provided the state and its citizens with over \$251 million in dividend funds to support much-needed programs, services and projects.

Key challenges lay ahead for AIDEA based on current economic forecasts suggesting a constriction

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loans. In FY 2008, AIDEA issued more than \$48 million in loans through the Loan Participation program, which resulted in more than 570 permanent jobs, including 206 construction jobs. At the end of FY 2008, the total Loan Participation portfolio was \$381.5 million. Thousands of jobs have been created or retained as a result of AIDEA's Loan Participation and Conduit Revenue Bond programs, and these programs will continue to be an economic and job catalyst into the future.

the estimated creation and retention of over 630 direct jobs in the regions of the state where AIDEA projects are located and have a tremendous economic impact on the respective communities.

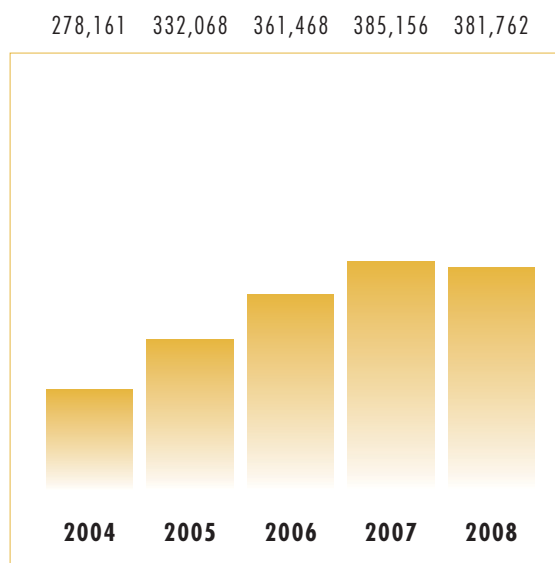
AIDEA also provides, pursuant to Alaska statutes, an annual dividend to the state general fund. Since 1996, AIDEA

in the secondary capital market. AIDEA projects more businesses seeking out funding in both the development finance and loan participation programs. AIDEA will seek to attract diverse economic development projects in the state as well as increase the loan portfolio to generate increased earnings in

AIDEA REVOLVING FUND

Total Loans
(in thousands)

FISCAL YEAR



The Development Finance program finances infrastructure necessary to support larger economic development projects in Alaska. This program has led to

FY 2010. Based on market demands, AIDEA is expanding the Ketchikan Shipyard and the Skagway Ore Terminal which will increase the economic development and job growth in the areas where the facilities are located. AIDEA must also maintain its current credit rating on its revolving fund bonds as this rating strengthens its ability to provide the kinds of financing that helps promote economic growth, development and diversification in Alaska.

Alaska Energy Authority (AEA)/AIDEA

Mission: Reduce the cost of energy in Alaska

Alaska Energy Authority (AEA) projects and programs support its mission by:

1. providing for the operation and maintenance of existing Authority-owned projects with maximum utility control;
2. assisting in the development of safe, reliable, and efficient energy systems throughout Alaska, which are sustainable and environmentally sound;
3. reducing the cost of electricity for residential customers and community facilities in rural Alaska; and
4. responding quickly and effectively to electrical emergencies.

The Alaska Energy Authority was created in 1976 by the Alaska Legislature. The Authority is a public corporation of the State with separate and independent legal existence. In 1993, under comprehensive energy legislation, oversight of AEA's existing state hydroelectric projects and the Alaska Intertie was transferred to the Alaska Industrial Development and Export Authority (AIDEA). Pursuant to legislation, the members of the Board of AIDEA also serve as the members of the Board of AEA. AIDEA provides staffing and administrative overhead for AEA; however, AEA continues to exist as a separate legal entity. There is no commingling of funds, assets, or liabilities between AIDEA and AEA and there is no responsibility of one for the debts or the obligations of the other. Programs addressing the energy needs of rural communities were transferred to a newly-created Division of Energy within the Department of

Community and Regional Affairs. In 1999, Rural energy programs were integrated into AEA, with AIDEA providing staffing and administrative overhead. Division of Energy staff became AIDEA employees. The integration of Rural energy programs was done by the Legislature as part of a larger reorganization of state agencies. Benefits include: 1) a coordinated state energy policy encompassing rural energy programs and state-owned hydroelectric projects; 2) AIDEA oversight to foster a business-oriented attitude toward finance and development; and 3) a focused approach to work with the federal Denali Commission on rural energy issues.

AEA provides for the development and implementation of energy infrastructure projects through a variety of programs. Bulk Fuel Upgrades and Rural Power System Upgrades are funded by the Denali Commission with AEA staff providing direct project management for both programs. The Alternative Energy and Energy Efficiency Program manages projects that seek to lower the cost of power and heat to Alaskan communities while maintaining system safety and reliability.

In 2008, the Renewable Energy Fund was established for the purpose of recommending grants for renewable energy projects. AEA expects to play a lead role in the construction of many of the projects recommended through this program.

AEA's role as Statewide Energy Coordinator led to the development of the Statewide Energy Plan. Staff continues to move forward to implement the plan by engaging Alaskans to provide energy solutions through their active participation in the selection and ownership of their alternative energy sources.

While wholly owned by the State of Alaska, the Alaska Railroad Corporation (ARRC) is an independent authority responsible for its own financial and legal obligations. According to statute, ARRC is mandated to be a self-sustaining corporation required to conduct its business without operating subsidies from the state. Employees are not State employees but employees of the Corporation who is responsible for all compensation and benefits.

ARRC was purchased by the State of Alaska in January 1985 and charged with providing transportation services, fostering economic development, and promoting the development of the state's transportation network. The Railroad is governed by a seven-member Board of Directors appointed by the Governor of Alaska. ARRC falls under the Department of Commerce but is enabled to operate as an independent enterprise through its exemption from the Executive Budget Act.

From tidewater at Whittier and Seward to the heart of the Interior Alaska in Fairbanks, ARRC's mainline rail covers 467 miles. There are 651 total miles of track including industrial spur lines and yard track. ARRC's

operations are supported through revenues generated by providing freight, passenger and real estate services to Alaska businesses and the general public. Its Maintenance and operations centers are located in Seward, Whittier, Anchorage, Healy and Fairbanks. ARRC has commercial property including docks and/or rail in four ports and is the only remaining full-service railroad in the United States, providing both year-round regularly scheduled freight and passenger services.

Alaska Regulatory Commission of Alaska (RCA)

Mission: Decide all nature of disputes between individual regulated entities, regulated entities and their consumers or shippers and regulated entities and the Attorney General representing the public interest.

The Alaska Legislature created the Regulatory Commission of Alaska in 1999, giving it authority to regulate utilities and pipeline carriers throughout the state. The Commission monitors active certificates for public utilities and pipelines; these certificates cover

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Alaska Railroad Corporation

Mission: Safety, Service, Profitability.

Vision: Building a Great Railroad Across the Great Land

a broad range of activities, from provisional certificates for small village water and wastewater systems to fully regulated telecommunications, electric, and natural gas monopolies. In addition, the RCA regulates public utilities by certifying qualified providers of public utility and pipeline services and ensuring that they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions

Alaska Seafood Marketing Institute (ASMI)

Mission: Increase the economic value of the Alaska seafood resource through:

- Increasing positive awareness of the Alaska Seafood brand
- Collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry
- Long-term proactive marketing planning
- Quality assurance, technical industry analysis, education, advocacy and research

- Prudent, efficient fiscal management

ASMI was created over twenty-five years ago as a cooperative partnership between the Alaska seafood industry and state government to advance the mutually beneficial goal of a stable seafood industry in Alaska. It is Alaska's "official seafood marketing agency", and is established under State law as a public corporation. ASMI is governed by a seven member board of directors appointed by the Governor of Alaska.

In order to accomplish its mission ASMI engages in marketing activities promoting all species of Alaska Seafood in the United States, Europe and Asia. The "Alaska Seafood" brand is one of the best known and most respected seafood brands in the world and ranks in the top three most popular brands at restaurants in the United States. Promoting Alaska itself is an integral part of the "Alaska Seafood" brand promotion effort and helps generate interest in Alaska that goes well beyond simply purchasing Alaska Seafood in the market place.

The majority of ASMI's funding comes from a voluntary self-assessment by the Alaska Seafood industry. Federal matching grants (for

overseas marketing) and state of Alaska general funds provide the remainder of ASMI marketing budget.

Corporation/Agency/Other Financial Summary

(in Thousands) By Funding Source	FY 2009 Management Plan	FY 2010 Governor	Difference Between FY 09 & FY 10	% Change From FY 09 to FY 10
Revenue Sharing				
Payment In Lieu Of Taxes	6,426.6	10,100.0	3,673.4	57.2%
National Forest Receipts	9,403.4	15,703.4	6,300.0	67.0%
Fisheries Taxes	3,600.0	3,600.0	-	0.0%
Total Revenue Sharing	19,430.0	29,403.4	9,973.4	51.3%
Qualified Trade Association	9,000.0	9,000.0	-	0.0%
QTA Independent Traveler Grants	-	-	-	0.0%
Alaska Seafood Marketing Inst.	18,627.9	17,667.4	(960.5)	-5.2%
Regulatory Commission of Alaska	8,371.3	8,074.3	(297.0)	-3.5%
Alaska Aerospace Development Corp.				
AK Aerospace Development Corp.	4,335.6	4,387.3	51.7	1.2%
AADC Facilities Maintenance	24,189.0	24,173.7	(15.3)	-0.1%
Total AADC	28,524.6	28,561.0	36.4	0.1%
Alaska Industrial Dev. & Export Auth.				
AIDEA	7,981.4	8,604.4	623.0	7.8%
AIDEA Facilities Maintenance	262.0	262.0	-	0.0%
Total AIDEA	8,243.4	8,866.4	623.0	7.6%
Alaska Energy Authority				
AEA Owned Facilities	1,067.1	1,067.1	-	0.0%
AEA Rural Energy Operations	3,146.5	3,184.1	37.6	1.2%
AEA Technical Assistance	100.7	100.7	-	0.0%
AEA Power Cost Equalization	51,160.0	32,160.0	(19,000.0)	-37.1%
Alternative Energy & Efficiency	920.1	1,280.4	360.3	39.2%
Total AEA	56,394.4	37,792.3	(18,602.1)	-33.0%

By Staff Category	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
Permanent Full-time	197	197	0	0.0%
Permanent Part-time	0	0	0	0.0%
Nonpermanent	4	3	-1	-25.0%
Total Staff	201	200	-1	-0.5%

By Corporation/Agency Permanent (Full & Part-time)	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
ASMI	19	19	0	0.0%
RCA	57	57	0	0.0%
Alaska Aerospace Dev Corp				
AADC	25	24	-1	-4.0%
AADC Facilities Maintenance	28	28	0	0.0%
Total AADC	53	52	-1	-1.9%
AIDEA	68	69	1	1.5%
Total Staff	197	197	0	0.0%

By Corporation/Agency Nonpermanent	FY 2009 Management Plan	FY 2010 Governor's Proposed	Difference Between FY 09 & FY 10	% Change From FY 09 & FY 10
ASMI	-	-	-	-
RCA	4	3	-1	-25.0%
Alaska Aerospace Dev Corp				
AADC	-	-	-	-
AADC Facilities Maintenance	-	-	-	-
Total AADC	-	-	-	-
AIDEA	-	-	-	-
Total Staff	4	3	-1	-25.0%