

**Department of Commerce, Community and Economic Development**  
**FY21 Conference Committee Book - Significant Transactions**  
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Executive Administration / Commissioner's Office	Transfer International Trade Support from the Office of the Governor for Better Alignment	\$125.0 Gen Fund (UGF)	\$125.0 Gen Fund (UGF)	This funding will support DCCED's work with an organization that facilitates job-creating business investment and economic development in the U.S. (Select USA) to provide foreign direct investment in Alaska and to provide continued hospitality to dignitaries visiting the state. Previously, the Office of International Trade supported a Development Specialist II position (PCN 01-023X) which has been vacated since August 2019. The position was transferred from the Governor's Office during FY20 Management Plan.
2	Executive Administration / Commissioner's Office	<b>FY20</b> RPL 08-2020-0054 COVID--19 Economic Stimulus for Alaskan Fisheries	\$100,000.0 COVID Fed (Fed)	\$100,000.0 COVID Fed (Fed)	<b>RPL 08-2020-0054</b> allows the State to accept federal fisheries assistance to Alaska fishery participants impacted by the COVID-19 outbreak. However, after the RPL was approved it was announced the funds will be distributed through the Pacific States Marine Fisheries Commission (PSMFC), instead of the State of Alaska, with approval from the National Oceanic Atmospheric Administration (NOAA). Additionally, the U.S. Secretary of Commerce announced Alaska will be receiving an allocation of \$50 million in funding for distribution, half of the original estimate stated in the RPL. A spend plan is being developed by the Alaska Department of Fish and Game (ADF&G) with guidance from NOAA Fisheries. Although DCCED is providing assistance to ADF&G, there is no underlying funding associated with this authority.
3	Community and Regional Affairs / Community and Regional Affairs	Eliminate Kawerak Inc. Named Recipient Grant Due to Direct Federal Funding with No Match Requirement	(\$200.0) Gen Fund (UGF)	(\$200.0) Gen Fund (UGF)	Named recipient grant funding to Kawerak, Inc. was previously used as a local 50% match for Diomedes, which at the time, was required by the U.S. Department of Transportation to participate in the federal Essential Air Service (EAS) program. The EAS program ensures that small communities such as Diomedes, are served by certificated air carriers with subsidies from the federal government. Since FY13, this match has been provided to Kawerak, Inc. by the State as a named recipient grant to ensure that regular passenger air service to Diomedes continues. After June 30, 2020, the EAS program will fully subsidize Diomedes and a match requirement is no longer needed.
4	Community and Regional Affairs / Community and Regional Affairs	COVID-19 Response and Mitigation Grants (FY20-FY21)	n/a	n/a	

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5	Community and Regional Affairs / Community and Regional Affairs	Sec 8, HB234 COVID-19 Response and Mitigation Grants (FY20-FY21)	<b>Total: \$8,500.0</b> \$4,500.0 Ocn Ranger (Other) \$4,000.0 CVP Tax (Other) <b>MultiYr</b>	<b>Total: \$8,500.0</b> \$4,500.0 Ocn Ranger (Other) \$4,000.0 CVP Tax (Other) <b>MultiYr</b>	<p>This multi-year appropriation will provide immediate funding for response and mitigation of the COVID-19 outbreak to the following communities below that host large commercial passenger vessels. The funding distribution is based upon the percentage of projected capacity for the CY2020 season of ports with over 15,000 visitors in CY2019. Total CY2020 projected capacity totals 5,172,341. \$4,500.0 will come from fund code 1205 (berth fees for the Ocean Ranger Program), and \$4,000.0 from fund code 1206 (commercial vessel passenger excise taxes).</p> <p>Distribution is estimated to be as follows, but is subject to change:  City of Hoonah (7%) - \$709.8  City and Borough of Juneau (26%) - \$2,444.6  Municipality of Skagway (20%) - \$1,912.4  Ketchikan (23%) - \$2,200.6 (50% Ketchikan Gateway Borough, 50% City of Ketchikan)  City of Seward (5%) - \$440.3  City and Borough of Wrangell (.4%) - \$35.3  City and Borough of Sitka (3.8%) - \$367.9  City of Whittier (3%) - \$291.6  Kodiak (.3%) - \$31.6 (50% Kodiak Island Borough, 50% City of Kodiak)  Haines Borough (.7%) - \$65.8</p> <p><b>Fiscal Analyst Comment:</b> The berth fee for the Ocean Ranger Program is collected in the Commercial Passenger Vessel Environmental Compliance (CPVEC) Fund (fund 1166) per AS 46.03.480(d). When the Ocean Ranger program fee was established, Legislative Finance requested that it be tracked separately from the CPVEC fund itself. Fund code 1205 was created for the Ocean Ranger Fees for tracking purposes.</p> <p>The appropriating language in Ch. 7, SLA 2020 (HB 234), page 12, line 17 refers to the CPVEC statutory fund, however, the department will use fund code 1205 to track funds spent from the Ocean Ranger program fees.</p>
6	Community and Regional Affairs / Community and Regional Affairs	<b>FY20</b> RPL 08-2020-0250 Community Assistance Program	\$257,548.8 COVID Fed (Fed)	\$257,548.8 COVID Fed (Fed)	<b>RPL 08-2020-0250</b> provides federal economic stimulus funding to Alaskan communities affected by the COVID-19 outbreak utilizing the community assistance program (CAP) formula (AS 26.60.850-879). Since unincorporated communities outside boroughs can only receive a maximum payment of

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6	Community and Regional Affairs / Community and Regional Affairs	<b>FY20</b> RPL 08-2020-0250 Community Assistance Program	\$257,548.8 COVID Fed (Fed)	\$257,548.8 COVID Fed (Fed)	(continued) \$75,000 under the CAP formula, there was an adjustment to the formula's per capita distribution to allocate the remaining funds to boroughs and cities.  DCCED intends that communities return unspent funds to the department for redistribution to other eligible communities, through the period ending December 31, 2020. At that point in time, any unobligated funds will be returned to the U.S. Treasury.
7	Community and Regional Affairs / Community and Regional Affairs	<b>FY20 and FY21</b> RPL 08-2020-0260 through 0832 Community Direct Cost Allocation	\$311,024.1 COVID Fed (Fed)	\$311,024.1 COVID Fed (Fed)	<b>RPLs 08-2020-0260 through 0832</b> provides federal economic stimulus funding to Alaskan communities affected by the COVID-19 outbreak. These individual RPLs provide a direct cost allocation to each community based off 75% of the community's 2019 non-property tax revenue (i.e. sales tax, motor fuel tax, severance tax, etc.), if applicable. Exceptions were made to Kodiak Island Borough, North Slope Borough, and Northwest Arctic Borough, where the cumulative total of funds they received from RPL 08-2020-0250 and their direct cost allocation amount is equivalent to their FY21 school bond debt reimbursement if funded at 100%.  These RPLs include three tranches for direct cost distribution to communities as follows: FY20 - \$107,723.3 (May 2020) FY21 - \$101,650.4 (July 2020) FY21 - \$101,650.4 (October 2020)  DCCED intends that communities return unspent funds to the department December 31, 2020. At that point in time, any unobligated funds will be returned to the U.S. Treasury.
8	Community and Regional Affairs / Community and Regional Affairs	Maintain Grant to Alaska Legal Services Corporation	<b>Total: \$810.3</b>  \$450.0 Gen Fund (UGF) \$360.3 Legal Serv (DGF)	<b>Total: \$810.3</b>  \$450.0 Gen Fund (UGF) \$360.3 Legal Serv (DGF)	For several years, Alaska Legal Services Corporation has received a grant from the Division of Community and Regional Affairs (DCRA) in the amount of \$450.0 UGF of base funding to provide legal assistance to low-income Alaskans. Additionally, 10% of court filing fees (based on the previously closed fiscal year) may be appropriated to the program. For FY21, this will result in an increase of \$360.3 in addition to the base amount of \$450.0.

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9	Economic Development / Economic Development	Eliminate Economic Development Funding to be Replaced by Alaska Development Team Appropriation	(\$546.6) Gen Fund (UGF)	n/a	<p>This funding supports the Economic Development allocation, which includes funding for three non-permanent positions that make up the Alaska Development Team. The Governor proposed to replace the UGF funding for this allocation with the Alaska Capstone Avionics Fund, which sunsets on July 1, 2020. The legislature subsequently denied this request.</p> <p><b>Items 8, 9 &amp; 10 are related.</b></p> <p><b>Fiscal Analyst Comment:</b> See <b>Item 9</b> for additional information on the Capstone Avionics Revolving Loan Fund.</p>
10	Economic Development / Economic Development	Alaska Development Team Pilot Program (FY20-FY23)	\$2,843.6 Capstone (DGF) <b>MultiYr</b>	n/a	<p>Funding from the Capstone Avionics Revolving Loan Fund (RLF) for the proposed Alaska Development Team pilot program was not passed by the Legislature. Instead, this funding will be reappropriated to the Department of Transportation and Public Facilities for federal highway match in Ch. 8, SLA 2020 (HB 205).</p> <p><b>Items 8, 9 &amp; 10 are related.</b></p> <p><b>Fiscal Analyst Comment:</b> The Capstone Avionics RLF was established by the Legislature in 2008 (AS 44.33.655) and is scheduled to sunset on July 1, 2020. As of March 9, 2020, the net balance of the fund was approximately \$4,900.0.</p>
11	Investments / Investments	Eliminate Alaska Capstone Avionics Revolving Loan Fund Due to Sunset	(\$137.5) Capstone (DGF)	(\$137.5) Capstone (DGF)	<p>Funding for the administration and management for the Alaska Capstone Avionics Revolving Loan Fund has been eliminated due to the fund sunset on July 1, 2020.</p> <p><b>Items 8, 9 &amp; 10 are related.</b></p> <p><b>Fiscal Analyst Comment:</b> See <b>Item 9</b> for additional information on the Capstone Avionics Revolving Loan Fund.</p>
12	Alaska Oil and Gas Conservation Commission / Alaska Oil and Gas Conservation Commission	GA 7 Transfer from the Department of Law for Technical Adjustment	\$224.8 AOGCC Rct (DGF)	\$224.8 AOGCC Rct (DGF)	<p>In FY17, the Department of Law received a direct appropriation of AOGCC receipt authority to cover legal costs. Moving forward that receipt authority will reside in AOGCC which will cover the cost of legal services provided by the Department of Law through a Reimbursable Services Agreement.</p>

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13	Alaska Oil and Gas Conservation Commission / Alaska Oil and Gas Conservation Commission	Transfer the Alaska Oil and Gas Conservation Commission from the Department of Administration per AO 307	n/a	n/a	This structure change transfers \$7,606.8 in total authority (\$120.0 Federal Receipts / \$7,486.8 AOGCC Receipts) and 32 PFT positions and is reflected in the FY20 Management Plan.  Additionally, carryforward language for AOGCC receipts collected in the prior year was inadvertently missed in the original budget submission and was restored in Ch. 8, SLA 2020 HB 205.
14	Alaska Gasline Development Corporation / Alaska Gasline Development Corporation	Reduce Alaska Gasline Development Corporation Operational Expenditures	(\$6,254.0) AGDC-LNG (Other) <b>(10) PFT Positions</b> <b>(1) TMP Position</b>	(\$6,254.0) AGDC-LNG (Other) <b>(10) PFT Positions</b> <b>(1) TMP Position</b>	AGDC's statutory mission (AS 31.25) will continue to be carried out at the reduced spending level. FY21 authority includes \$3,431.6 in AGDC-LNG funding and 15 full-time positions.
15	Alaska Energy Authority / Alaska Energy Authority Rural Energy Assistance	Reduce Authority for Rural Energy Assistance Programs to Align with Anticipated Revenue and Expenditures	(\$300.0) Fed Rcpts (Fed)	(\$300.0) Fed Rcpts (Fed)	The Denali Commission provides almost all of AEA's federal funding for rural training and energy assistance programs. Due to the current competing environment for this funding, AEA's federal authority is reduced to align with the anticipated reduction in federal assistance.
16	Alaska Energy Authority / Alaska Energy Authority Power Cost Equalization	Power Cost Equalization and Endowment Funding for FY21	(\$2,500.0) PCE Endow (DGF)	(\$2,500.0) PCE Endow (DGF)	Grant funding for the Alaska Energy Authority (AEA) Power Cost Equalization (PCE) was reduced by \$2.5 million, from \$32.4 million to \$29.9 million based on historical averages and similar trends in fuel costs. PCE disbursements are expected to remain relatively stable in FY21.  <u>PCE Grants History:</u> FY16: \$31.6 million FY17: \$26.4 million FY18: \$26.2 million FY19: \$28.7 million FY20: \$29.7 million (estimate)  The language appropriation can accommodate changes, as necessary, to the estimated amount.  Program costs are impacted by the "PCE floor" calculated by the Regulatory Commission of Alaska (RCA). In FY18, because of increases in the cost of power in urban Alaska, the PCE floor was raised, lowering the overall cost of

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16	Alaska Energy Authority / Alaska Energy Authority Power Cost Equalization	Power Cost Equalization and Endowment Funding for FY21	(\$2,500.0) PCE Endow (DGF)	(\$2,500.0) PCE Endow (DGF)	(continued) the program. AEA does not expect the program payments to exceed \$29.5 million in FY21. However, changing factors can cause this estimate to be higher or lower than actual costs.  <b>Fiscal Analyst Comment:</b> This funding represents a projection of costs; language in the operating budget bill appropriates, from the PCE Endowment Fund, the amount necessary to pay for the PCE program under the statutory formula. The legislature also amended the FY20 PCE endowment transfer from \$32.4 million to \$29.7, which was subsequently vetoed by the Governor.
17	Alaska Energy Authority / Statewide Project Development, Alternative Energy and Efficiency	Reduce Authority No Longer Needed for Administering Renewable Energy Fund Grant Program	(\$600.0) Ren Energy (DGF)	(\$600.0) Ren Energy (DGF)	The costs of managing AEA's renewable energy grant program has declined over the past several years from a high of \$2.1 million to an average of \$1.4 million. As more projects are completed and operational, grants are being closed and authority is no longer needed.
18	Alaska Industrial Development and Export Authority / Alaska Industrial Development and Export Authority	FY20-21 RPL 08-2020-0251 Small Business & Non-profit Relief	\$290,000.0 COVID Fed (Fed)	\$290,000.0 COVID Fed (Fed)	<b>RPL 08-2020-0251</b> provides federal economic relief in the form of grants to small businesses and non-profits affected by the COVID-19 outbreak.  The Alaska Regional Development Organizations (ARDORs) and areas of the state not covered by an existing ARDOR will receive \$750.0 of these funds to provide technical assistance to businesses applying for and accessing funding opportunities. Funds will be granted out equally among each ARDOR.  AIDEA is currently utilizing Credit Union 1 to administer the remaining \$289.3 million through the AK CARES Grant Program. As of June 15, over 1,500 applications for grants have been received with requests averaging \$43,000. Concerns, including the program's eligibility requirements and timeliness of granting out all the funds, were discussed during the June 17, 2020 House Finance meeting. One of the program's eligibility requirements prohibited applicants access to AK CARES funding if they had already received federal funding through the Small Business Administration (SBA), such as the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loans (EIDL). A regulation change now allows a business that received SBA PPP or SBA EIDL of \$5,000 or less to be eligible for this program. Additionally, AIDEA currently has Request for Proposals out for

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18	Alaska Industrial Development and Export Authority / Alaska Industrial Development and Export Authority	FY20-21 RPL 08-2020-0251 Small Business & Non-profit Relief	\$290,000.0 COVID Fed (Fed)	\$290,000.0 COVID Fed (Fed)	(continued) additional administrators in order to get AK CARES grant applications processed expeditiously.
19	Various	Replace UGF with CBR Direct 1001	n/a	<b>Net Zero</b>  \$2,115.5 CBR Fund (UGF) (\$2,115.5) Gen Fund (UGF)	The legislature funded 25% of numbers section UGF items directly from the Constitutional Budget Reserve (CBR) using fund code 1001. For the Department of Commerce, Community and Economic Development, that resulted in \$255.0 being switched from code 1003 (GF Match) and \$1,860.5 from fund code 1004 (UGF) to code 1001 (CBR). Because both sources are counted as UGF, this change will have no impact on the agency's operations.