



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

# FY2024 DEPARTMENT OVERVIEW

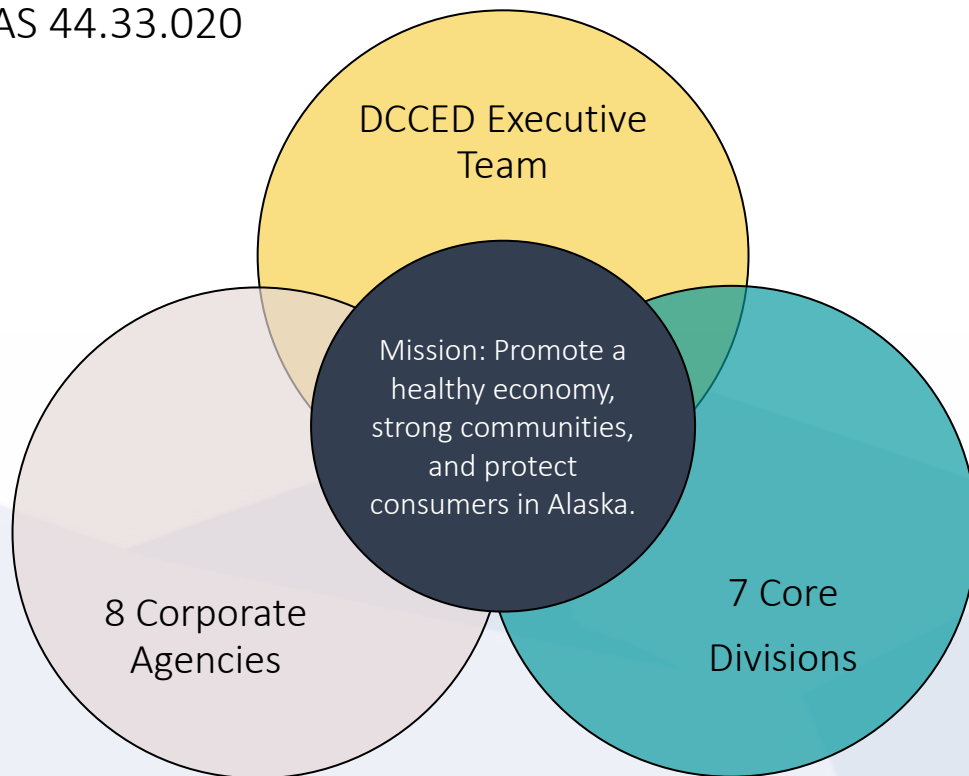
Julie Sande  
Commissioner

House Finance  
Committee  
March 8, 2023



# Mission and Organization

**Mission:** Promote a healthy economy, strong communities, and protect consumers in Alaska. AS 44.33.020





# How Do We Achieve Our Mission?



## Healthy Economy

- **International Trade (ET)**
- Seafood Pandemic Response Grant Program (ET)
- Small Business Innovation Research (ET)
- **Commercial Fishing (INV)**
- **Fisheries Enhancement (INV)**
- Capstone (INV)
- **Small Business Economic Development Loan (INV)**
- Rural Development Initiative Fund (INV)
- Alternative Energy (INV)
- **Mariculture (INV)**
- **Microloan (INV)**
- Commercial Charter (INV)
- Environmental, Social Governance (INS)
- **Made In Alaska (MIA) (DCRA)**
- Alaska Product Preference (DCRA)
- Minerals Commission (DCRA)
- ARDOR Program (DCRA)
- **Financial Institution Examinations (DBS)**
- Securities Examinations (DBS)
- Financial Institutions/Professionals Licensing (DBS)



## Strong Communities

- **Food Security Taskforce (ET)**
- **Broadband Office (ET)**
- Commercial Fishing (INV)
- Fisheries Enhancement (INV)
- Capstone (INV)
- Small Business Economic Development Loan (INV)
- Rural Development Initiative Fund (INV)
- Alternative Energy (INV)
- Mariculture (INV)
- Microloan (INV)
- Commercial Charter (INV)
- Community Development Block Grants (DCRA)
- **Local Government Assistance (DCRA)**
- Direct Legislative Grants (DCRA)
- **Serve Alaska State Commission (DCRA)**
- Alaska Native Language Preservation & Advisory Council (DCRA)
- **ANCSA Elections Proxies (DBS)**
- Financial Consumer Outreach & Education (DBS)

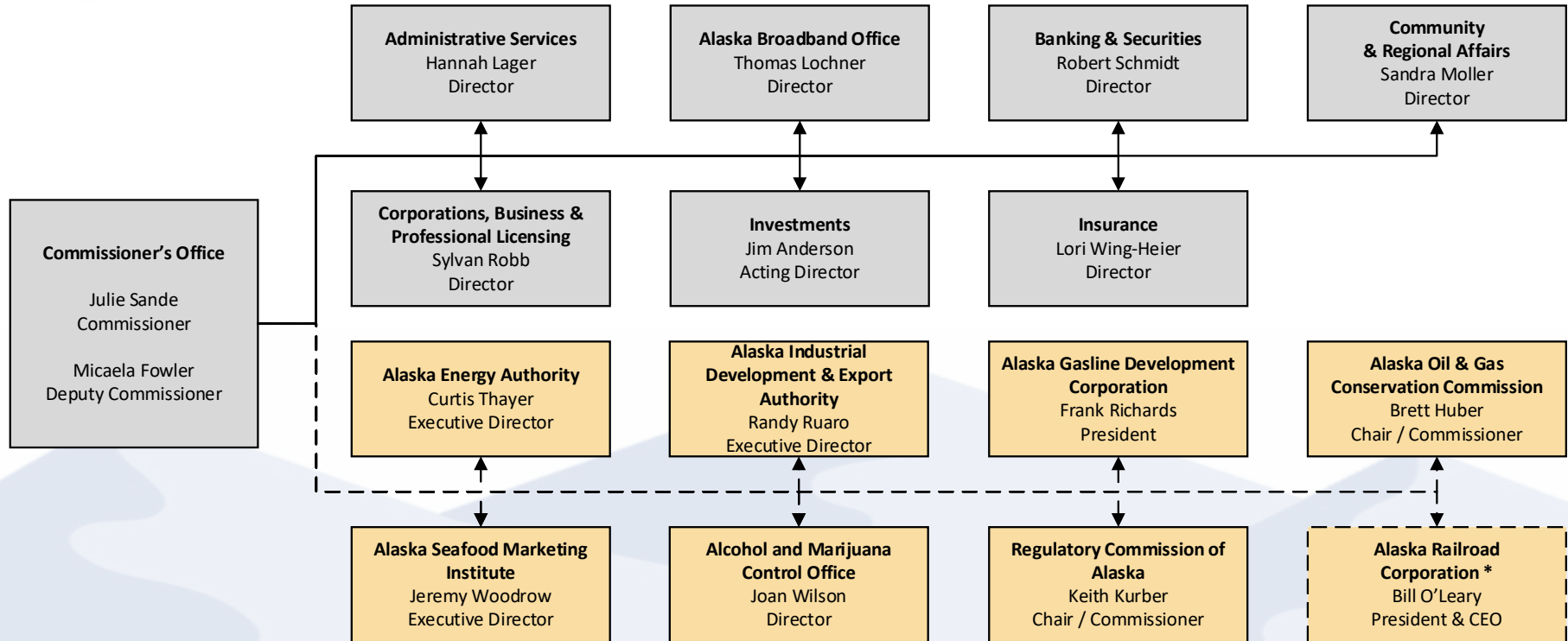


## Protecting Consumers

- Information Technology (DAS)
- Financial Operations (DAS)
- Human Resources (DAS)
- External Healthcare Review (INS)
- **Alaska Reinsurance Program (INS)**
- Investigations (INS)
- Financial and Market Conduct (INS)
- Consumer Services (INS)
- **License and Regulate Professionals (CBPL)**
- License Businesses (CBPL)
- Register Corporations (CBPL)
- **Investigate Complaints Against Professionals (CBPL)**
- Investor Protection/Anti-Fraud/Criminal
- Coordination (DBS)
- **Cryptocurrency Multistate Oversight (DBS)**
- **Mobile Payment App Multistate Oversight (DBS)**



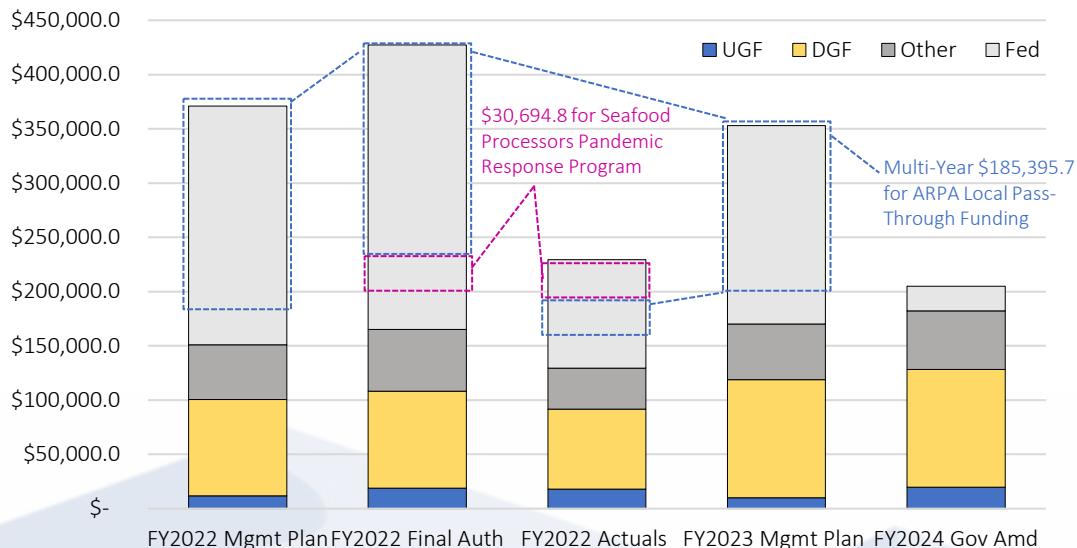
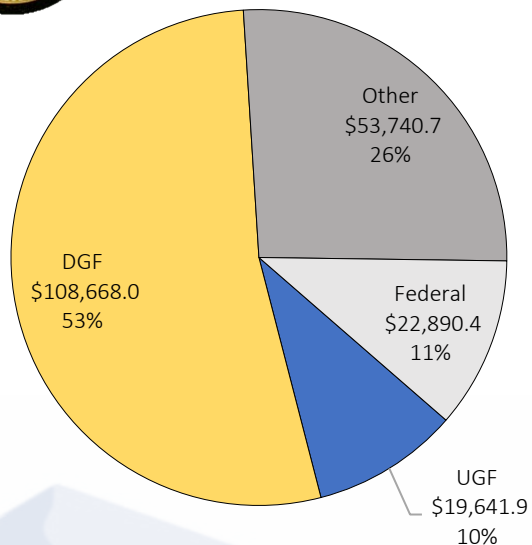
# Department Structure



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



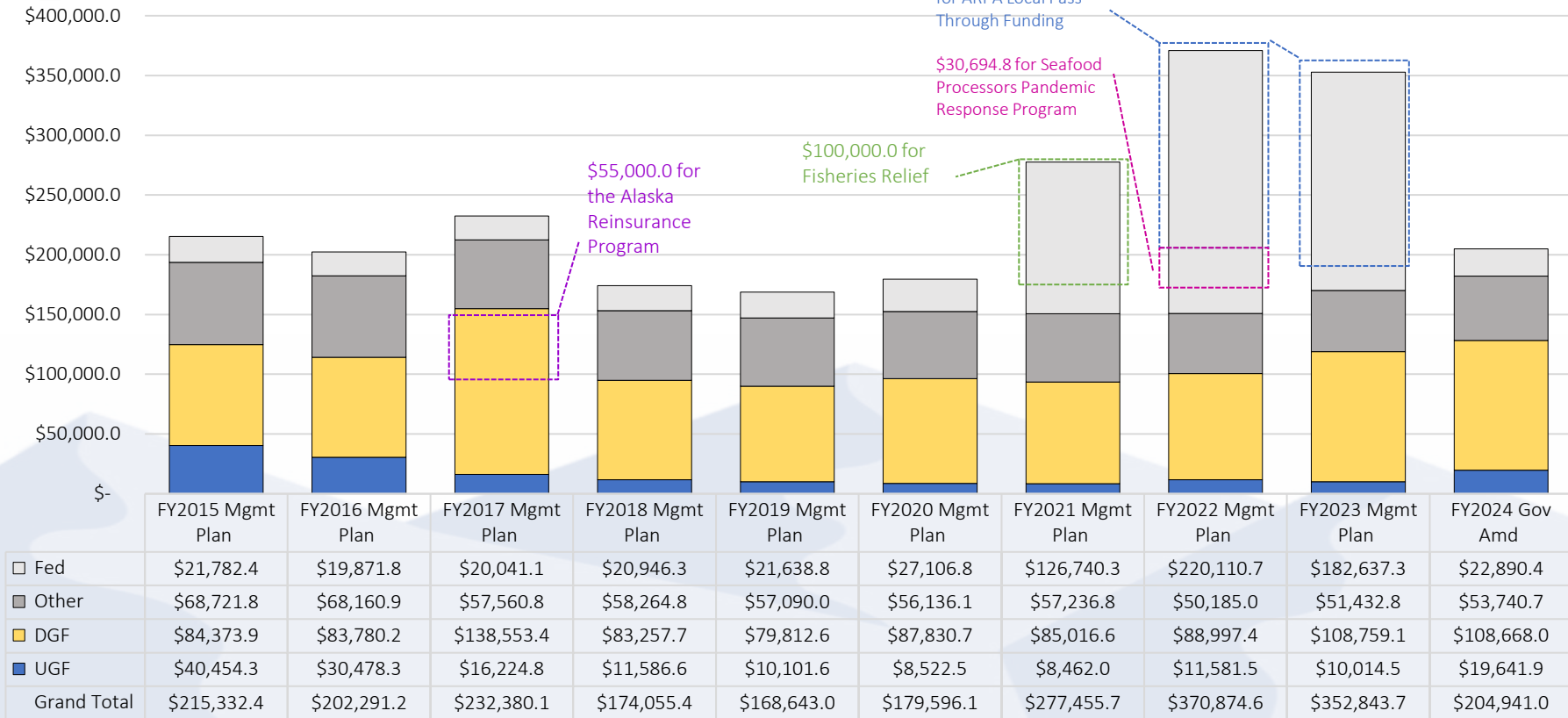
# FY2024 Governor Amended Budget



	FY2022 Mgmt Plan	FY2022 Final Auth	FY2022 Actuals	FY2023 Mgmt Plan	FY2024 Gov Amd	\$ Difference	% Difference
Federal	\$ 220,110.7	\$ 262,190.6	\$ 99,826.2	\$ 182,637.3	\$ 22,890.4	\$ -197,220.3	-89.6%
Other	\$ 50,185.0	\$ 56,963.3	\$ 38,013.9	\$ 51,432.8	\$ 53,740.7	\$ 3,555.7	7.1%
DGF	\$ 88,997.4	\$ 89,331.7	\$ 73,709.7	\$ 108,759.1	\$ 108,668.0	\$ 19,670.6	22.1%
UGF	\$ 11,581.5	\$ 18,700.2	\$ 17,767.8	\$ 10,014.5	\$ 19,641.9	\$ 8,060.4	69.6%
<b>Total</b>	<b>\$ 370,874.6</b>	<b>\$ 427,185.8</b>	<b>\$ 229,317.6</b>	<b>\$ 352,843.7</b>	<b>\$ 204,941.0</b>	<b>\$ -165,933.6</b>	<b>-44.7%</b>

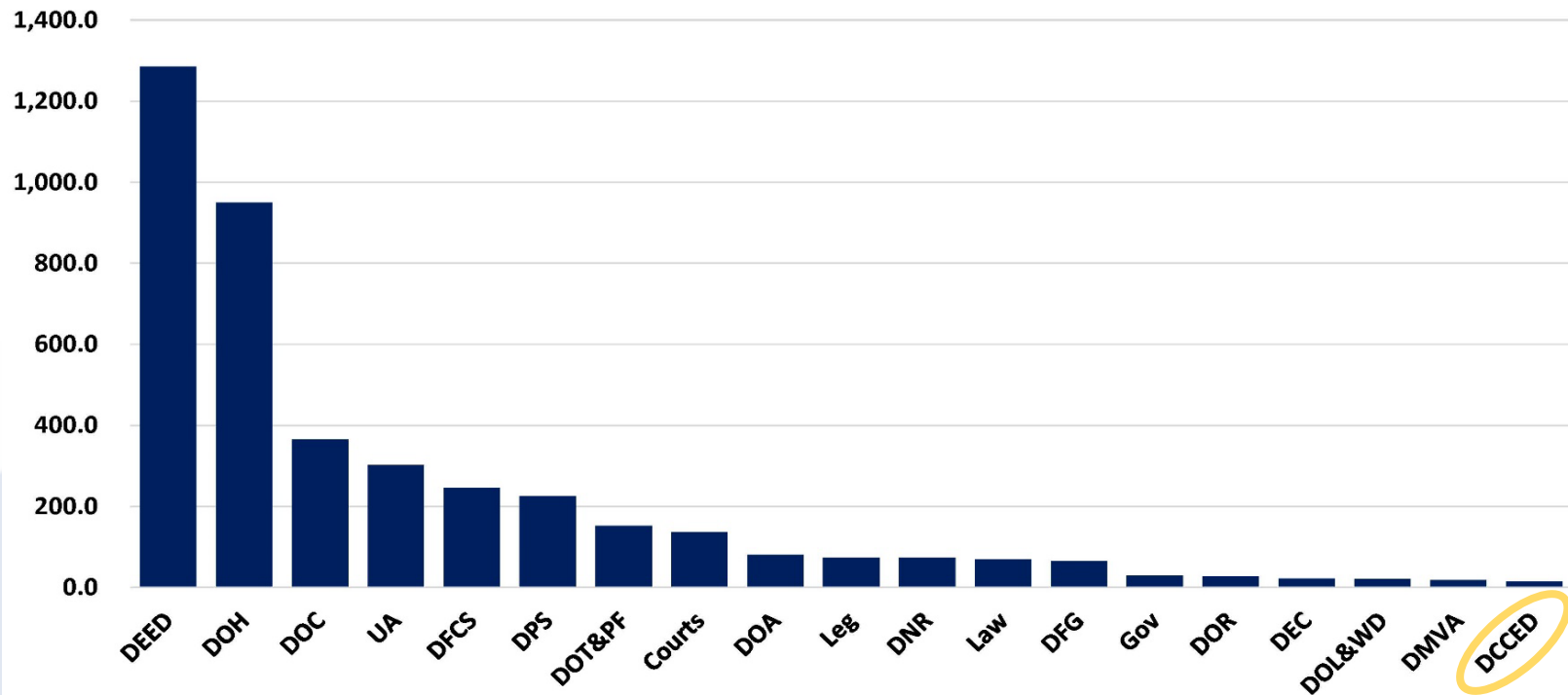


# Department Budget Lookback





# FY2024 Operating UGF by Department (Governor's Budget)



(Source: OMB's House Finance Committee Overview)

(Dollars in Millions) 9



# DCCED Executive Team



Alaska Broadband Office



Office of International Trade



Legislative Relations



Economic Development



Special Projects



Boards & Commissions



Commissioner Julie Sande



Deputy Commissioner  
Micaela Fowler





# Commissioner's Office

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

## FY2024 Governor Budget

**\$2,143.8:** \$510.0 UGF, \$1,583.8 OTH, \$50.0 FED (6 PFT, 4 NPFT)



Commissioner  
Julie Sande

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



# Administrative Services

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



Director Hannah Lager

## FY2024 Governor Budget

### Administrative Services

**\$4,899.0:** \$678.5 UGF, \$4,220.5 OTH (29 PFT)

### State Facilities Rent

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

## Department-wide changes:

FY2024 Governor Amended Budget Changes	Amount (\$)	Funding Source	Impacts
Salary and health adjustments department-wide	+1,235.2	+96.9 UGF +831.9 DGF +263.9 OTH +42.5 FED	Salary and health insurance adjustments.
Total FY2024 Governor Amended	+1,235.2		



# Major Sources of Department Revenue Generation

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

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



# Alaska Broadband Office

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

## FY2024 Governor Amended Budget

**\$1,569.6 OTH (4 PFT)**



Director Thomas Lochner

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



# Banking and Securities



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

Money Transmission is the fastest-growing sector in Alaska's financial services industry: \$7 billion was transmitted to, from, or within Alaska in 2021

Licensing, examinations, and enforcement for:

- Depositories and Trusts
- Securities and Investments
- Mortgage Lending
- Money Transmissions
- Payday Lenders
- Premium Finance and Small Loan Companies

DBS deposited \$18.5 million to the General Fund in FY2022



Director Robert H. Schmidt



# Banking and Securities

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



## FY2024 Governor Budget

**\$4,934.0:** \$4,884.0 DGF, \$50.0 OTH (27 PFT)



Director Robert H. Schmidt

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



*Promoting strong communities and healthy economies.*

Established in Article X of Alaska's Constitution, DCRA's services include:

- Local Government Outreach & Training
  - Bulk Fuel Loan Fund
  - Rural Utility Business Assistance
  - Grant Administration
  - Made in Alaska
  - State Assessors Office
  - Municipal Land Trust
  - Serve Alaska
- .....and so much more!



Director Sandra Moller



# Community and Regional Affairs

*Promoting strong communities and healthy economies.*

## FY2024 Governor Amended Budget

### Community and Regional Affairs

**\$10,504.8:** \$5,978.3 UGF, \$588.5 DGF, \$1,342.0 OTH, \$2,596.0 FED (50 PFT)

### Serve Alaska

**\$2,167.4:** \$231.1 UGF, \$20.0 OTH, \$1,916.3 FED (2 PFT, 1 NPFT)

### Revenue Sharing

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



Director Sandra Moller

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





# Community and Regional Affairs

Grants to Named Recipients included in the Governor's FY2024 Operating Budget:

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



# Corporations, Business, and Professional Licensing



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

## FY2024 Governor Amended Budget

**\$18,367.7:**

\$2,305.1 UGF, \$14,982.2 DGF,  
\$1,080.4 OTH (115 PFT)

64% increase in  
professional licenses over  
the last 10 years



Director Sylvan Robb

### Business Licensing

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

### Professional Licensing

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

### Corporations

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



# Corporations, Business, and Professional Licensing

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

FY2024 Governor Amended Budget Changes	Amount (\$)	Funding Source	Impacts
Address Significant Increases in Professional Licensing Workload	+1,545.0 +12 PFT	1156 Receipt Supported Services (DGF)	Respond to the significant and continued growth in licensure. Improve licensing timeliness.
<b>Total FY2024 Governor Amended</b>	<b>+1,545.0, +12 PFT</b>		



# Division of Insurance

*Regulating the insurance industry to protect Alaskan consumers.*



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

The Centers for Medicare and Medicaid Services approved DOI's application to extend The Alaska Reinsurance Program for another five years (through 2027). This allows DOI to leverage federal dollars to reduce the cost of healthcare to individual Alaskans purchasing insurance on the federal marketplace.

DOI deposited nearly \$65 million into the general fund in FY2022.



Director Lori Wing-Heier

Nearly \$400 million of  
federal funds collected  
2016-2023



# Division of Insurance



*Regulating the insurance industry to protect Alaskan consumers.*

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



Director Lori Wing-Heier

## FY2024 Governor Amended Budget

**\$9,248.6:** \$8,674.9 DGF, \$294.5 OTH,  
\$279.2 FED (45 PFT)

FY2023 Supplemental Proposals	Amount (\$)	Funding Source	Impacts
Extend state match for the Alaska Reinsurance Program (multi-year)	0.0	1248 ACHI Fund	<i>Language</i> to extend a prior-year multi-year award to match the extended term of the federal waiver.
<b>Total FY2023 Supplemental Proposals</b>	<b>\$0.0</b>		

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Insurance actuarial costs (multi-year)	+1,000.0	1156 RSS (DGF)	Support for actuarial costs incurred by the division.
Automated form filing software acquisition and maintenance	+50.0	1156 RSS (DGF)	Purchase software to improve insurance form filing review using artificial intelligence and data analytics.
Federal receipts for the Reinsurance program	-	1002 Federal (Fed)	<i>Language</i> allowing receipt of federal funds for the Reinsurance Program.
<b>Total FY2024 Operating Budget Changes</b>	<b>+1,050.0</b>		



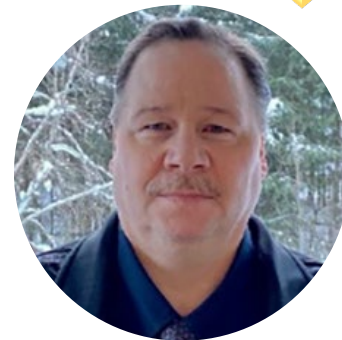
# Division of Investments



*Promoting economic development through direct state lending within those industries, and within those areas of the state that are not adequately serviced by the private sector.*

## FY2024 Governor Amended Budget

\$5,628.5 DGF (37 PFT)



Acting Director Jim Andersen

Alternative  
Energy RLF

Commercial  
Charter Fisheries  
RLF

Alaska Microloan  
RLF

Commercial  
Fishing RLF

Rural  
Development  
Initiative Fund

Community  
Quota Entity  
(CQE) RLF

Fisheries  
Enhancement  
RLF

Mariculture RLF

Small Business  
Economic  
Development RLF



# Corporate Agencies

Alaska Energy  
Authority



Alaska  
Industrial  
Development  
and Export  
Authority



SELF  
SUPPORTING

Alaska Gasline  
Development  
Corporation



SELF  
SUPPORTING

Alaska  
Seafood  
Marketing  
Institute



Alaska Oil and  
Gas  
Conservation  
Commission



SELF  
SUPPORTING

Alcohol and  
Marijuana  
Control Office



SELF  
SUPPORTING

Regulatory  
Commission of  
Alaska



SELF  
SUPPORTING

Alaska  
Railroad  
Corporation



SELF  
SUPPORTING



# Budget Highlights in Corporate Agencies

## Alaska Energy Authority

FY2024 Operating Budget Changes	Amount (\$)	Funding Source	Impacts
Infrastructure Investment and Jobs Act (IIJA) Staff Support for Capital Projects	+958.0	1061 CIP Receipts (OTH)	Authority to pay for five positions in AIDEA and associated costs to work on IIJA projects already appropriated.
Power Cost Equalization Technician Support and Cost Increases	+233.9	1169 PCE Endowment (DGF)	PCE training and inventory of community buildings, plus increased shared and administrative costs.
<b>Total FY2024 Operating Budget Changes</b>	<b>+1,191.1</b>		

## Alaska Gasline Development Corporation

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





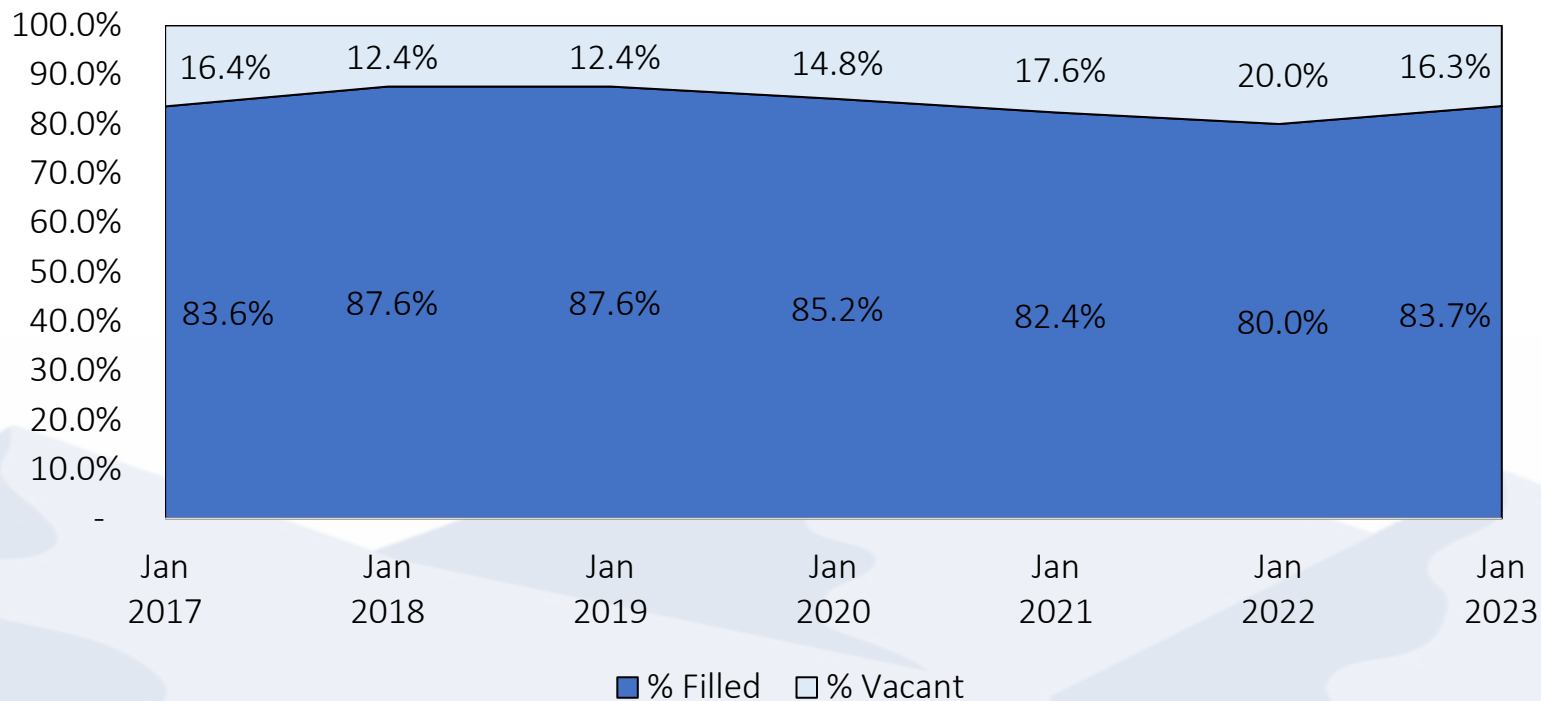
# Budget Highlights in Corporate Agencies

## Alaska Seafood Marketing Institute

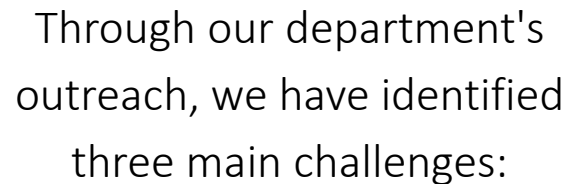
<b>FY2024 Governor Amended Budget Changes</b>	<b>Amount (\$)</b>	<b>Funding Source</b>	<b>Impacts</b>
General fund participation in seafood marketing	+5,000.0	1004 General Fund (UGF)	Marketing support to aid the deeply impacted Alaska seafood industry and grow Alaska's economy.
<b>Total FY2024 Governor Amended</b>	<b>+5,000.0</b>		

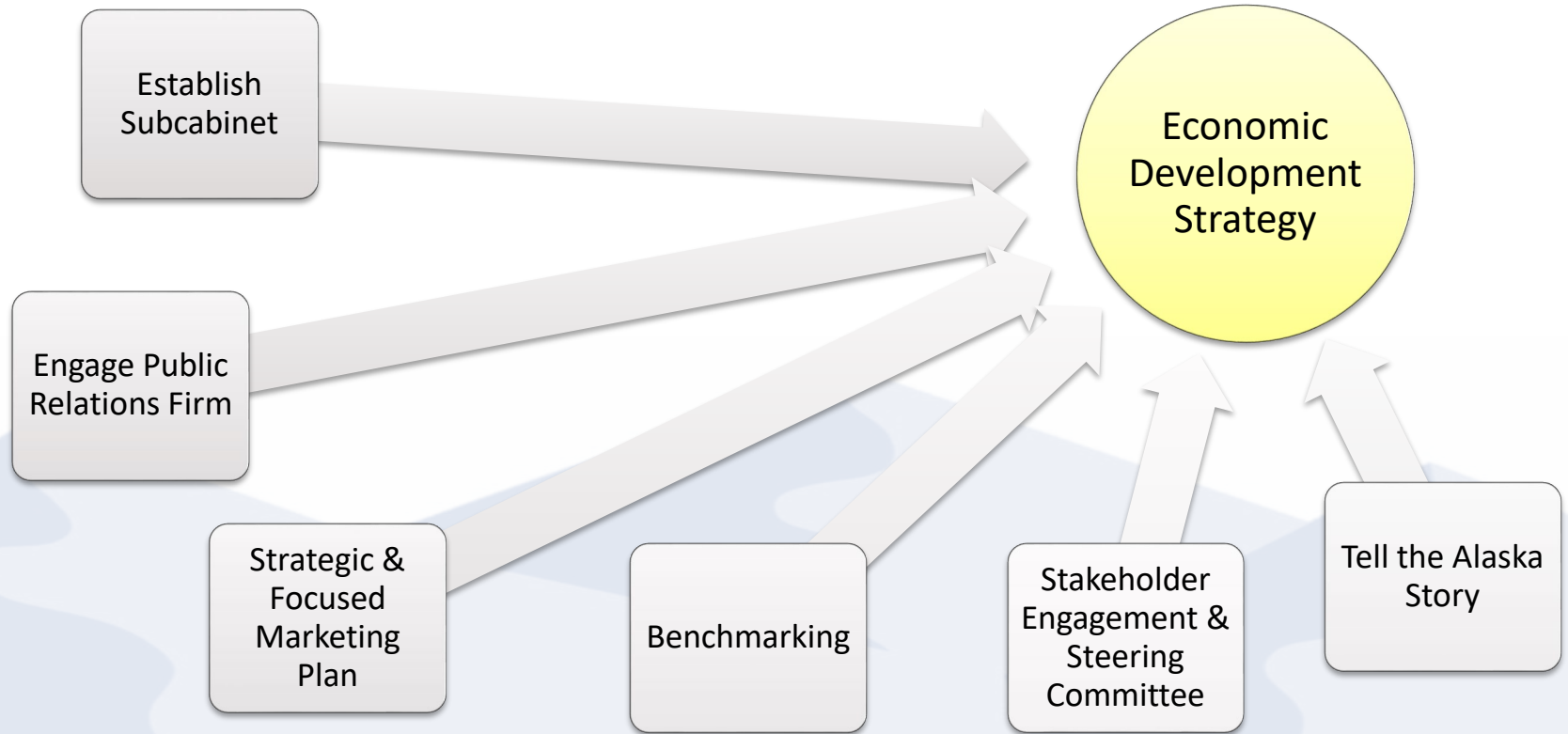


# DCCED Vacancy History



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







Julie Sande, Commissioner

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