

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 3  
 Bill Version HB 196  
 (H) Publish Date 3/30/11

Identifier (file name) HB196-CCED-DED-03-18-11 Dept. Affected DCCED  
 Title Bulk Fuel Revolving Loan Fund Program Appropriation Economic Development  
 Allocation Financing  
 Sponsor Representative Edgmon  
 Requester House Community & Regional Affairs OMB Component Number 2743

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	35.3	0.0	70.5	70.5	70.5	70.5	70.5
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services	9.4	0.0	9.4	9.4	9.4	9.4	9.4
Commodities	2.9	0.0	0.5	0.5	0.5	0.5	0.5
Capital Outlay							
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>47.6</b>	<b>0.0</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	47.6						
1005 GF/Program Receipts							
1037 GF/Mental Health							
1178 (BFRLF)			80.4	80.4	80.4	80.4	80.4
<b>TOTAL</b>	<b>47.6</b>	<b>0.0</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>	<b>80.4</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	1	0	1	1	1	1	1
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Wanetta Ayers, Division Director  
 Division Economic Development  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community & Economic Development

Phone 269-4048  
 Date/Time 3/20/11 9:00 AM  
 Date 3/21/2011

**HB196 Analysis**

This bill moves the Bulk Fuel Revolving Loan Fund (BFRLF) from the Alaska Energy Authority to the Department of Commerce, Community and Economic Development and establishes the Bulk Fuel Loan Account and the Bulk Fuel Bridge Loan Account as separate accounts within the BFRLF. A tiered interest rate would also be created and applied to both accounts.

Under the provisions of HB 196, the Division of Economic Development (DED) will provide loan fund accounting services for the new BFRLF on behalf of the Division of Community and Regional Affairs (DCRA). DED estimates that the servicing of the BFRLF and its associated account structure would increase bulk fuel accounts from twelve to 67; a near six fold increase in the number of bulk fuel loans currently being serviced. Given the time sensitivity and seasonality of these loans, DED would not be able to absorb such a large increase in servicing requirements without additional accounting staff. While loan servicing will be a year round activity, the seasonality of loan origination coincides with peak loan demand for DED core lending activities.

In order to maintain service standards for core services, DED projects the need to add an Accounting Technician II position. This position would be the primary contact to relay information and provide the following services: loan fund accounting, develop loan payment schedules, calculate principal and interest, analysis of payments received, preparation and oversight of invoicing and billing statements, direct receipt and deposit of loan repayments, monthly reports of accounting transactions, preparation of revenue comparisons, monitor accounts receivable and aging schedules, create subsidiary system reports based on user needs, and project future program activity through analysis of historical accounting data.

Operating funds for this position would initially be paid from GF and then transition to earnings of the BFRLF, covering the projected costs as outlined in this fiscal note. The cost projections include personal services for the Accounting Technician II position, supplies, equipment and a projected per employee annual contractual service cost.

The commodity costs in the first year are associated with establishing the new position with computer and other necessary equipment. These are one-time costs only.