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# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: EO - ARDOR BRU: Employment/Training/Rural Dev.  
 Component: Rural Development Grants  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 667

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 I/A						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of current year (FY96)  
costs: \_\_\_\_\_

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)  
 The ARDORS program is being transferred by Executive Order from the Department of Commerce and Economic Development to the Department of Community and Regional Affairs. Fiscal impacts will be addressed by budget amendment at a later date.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708  
 Division: Division of Administrative Services Date: 01/04/96  
 Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 01/04/96  
 Agency: Community & Regional Affairs

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# FISCAL NOTE

No. 2

Bill Version: EO 93

(S) Publish Date: 1/8/96

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
 Title: Executive Order transferring the ARDOR Program BRU: Trade and Development  
to the Department of Community and Regional Affairs Component: Trade and Development  
 Sponsor: Rules  
 Requestor: Governor COMPONENT SERIAL NO. 2056

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME					
PART-TIME					
TEMPORARY					

**ANALYSIS:** (Attach a separate page if necessary)  
 This Executive Order will have no fiscal impact. The financial transfer will be accomplished with an amendment to the FY 97 budget transferring the \$650.0 grant program and \$15.0 for administrative costs from the Department of Commerce and Economic Development, Division of Trade and Development, to the Department of Community and Regional Affairs.

Prepared by: Guy Bell, Director Phone: 465-2505  
 Division: Administrative Services Date: January 5, 1996  
 Approved by Commissioner: William L. Hensley Date: 1-5-96  
 Agency: Commerce and Economic Development

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TONY KNOWLES  
GOVERNOR



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JUNEAU

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January 8, 1996

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting an Executive Order to transfer the Alaska regional economic assistance program (AS 44.33.026) from the Department of Commerce and Economic Development (DCED) to the Department of Community and Regional Affairs (DCRA).

The transfer of this program to DCRA is in the interest of more efficient functioning of state government. There are already several loan programs administered by DCRA to encourage rural economic development. Because the Alaska regional economic assistance program has essentially the same goals, placing this program in DCRA should result in more efficient operation.

I urge your support of this Executive Order.

Sincerely,

A handwritten signature in cursive script that reads "Tony Knowles".

Tony Knowles  
Governor



# MEMORANDUM

TO: ALL LEGISLATORS  
FROM: ALASKA ARDOR ASSOCIATION

RE: GOVERNOR'S EXECUTIVE ORDER MOVING THE ARDOR PROGRAM FROM COMMERCE TO DCRA, BUDGET ISSUES, PRIVATIZING CERTAIN GOVERNMENT SERVICES

DATE: JANUARY 20, 1996

The ARDORS (Alaska Regional Development Organizations) exist to promote private development and jobs throughout Alaska. The ARDORS are private corporations recognized by the State of Alaska and governed by boards of directors comprised of local company representatives and local government representatives. (See attached example)

In the past, many cities have seen each other as competitors for state funds. The driving logic behind the ARDORS is to promote cooperation between communities and to achieve more private based, self sufficient communities through regional cooperation. ARDORS are held accountable by the requirement to file a specific work plan and to make periodic progress reports as a condition of obtaining and maintaining a State \$46,000 organizational grant.

In addition to promoting private sector development, the ARDORS are very well placed to take on specific initiatives such as designing and implementing a regional welfare reform strategy focussed on providing jobs and targeted training for people moving off welfare.

## EXECUTIVE ORDER:

The ARDOR Association does not object to the Governor's executive order moving the ARDOR program from Commerce to DCRA. One of the advantages we see to this move is the ability to integrate our development efforts with the training and CDQ programs in DCRA.

It really makes sense to pull all the state's economic development programs into one agency. Therefore, we also do not object to Rep. Pete Kelly's bill to create a Department of Community and Economic Development.

We are also aware that Senate President Pearce and House Speaker Phillips have been considering efforts to pull together all of the State's international trade efforts.

In all these consolidation and coordination efforts, we see a key role for the ARDORS in helping the state achieve efficient delivery of economic and community development services. We feel that due to our extensive contacts within our regions, we can be particularly effective in outreach and referral activities for state and federal programs.

No other agency has the statewide reach of the ARDORS or the direct connections to businesses and local governments in our regions.

#### BUDGET ISSUES:

The ARDORS recognized by the State each receive a grant of \$46,000 which they must match with private funds. Some of the ARDORS in less developed areas can only make the minimum match. Some ARDORS match state funds at a much higher ratio - up to 10 to 1. In this sense, the ARDORS are one of the best investments Alaska makes in economic development through this private/public partnership.

Previously, the ARDORS received up to \$68,000 in state funding for a total of \$900,000. In 1995 the legislature reduced the ARDOR funding to \$650,000. This has required the ARDORS to come up with even more matching local funds. We feel that this current level of funding is the minimum level of funding for the ARDORS to continue to exist.

The Governor's budget changes the funding source from Department of Commerce general funds to AIDEA earnings funds. This funding connection will facilitate a closer relationship between the ARDORS and AIDEA, particularly in the area of outreach, referral and loan packaging.

Whereas the bond rating agencies are concerned about removing large amounts of AIDEA's asset base, they are not so concerned about appropriating the interest earned from these assets.

In 1993, the Legislature passed a law allowing the ARDORS to contract directly with state agencies to provide services where they were deemed more efficient. As the State of Alaska reduces its budget and consolidates government agencies, the ARDORS will be looking for ways they can contract with the state to provide the same level or even a higher level of services to Alaska's people.

COPPER VALLEY ECONOMIC DEVELOPMENT COUNCIL, INC.  
P. O. BOX 9  
GLENNALLEN, ALASKA 99588

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Copper Basin Sanitation (Owner)  
P. O. Box 88  
Glennallen, AK 99588  
Term expires 4/97

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Term expires 4/97

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Glennallen Employment Center (Manager)  
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Term expires 4/96

Darby Hobson, Treasurer  
National Bank of Alaska (Branch Manager)  
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Glennallen, AK 99588  
Term expires 4/97

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Kenny Lake Mercantile (Owner)  
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Term expires 4/96

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Term expires 4/96

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National Park Service (Facility Manager)  
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Term expires 4/97

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Rather Rough It Adventures (Owner)  
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Copper Center, AK 99573  
Term expires 4/97

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Nelson Chiropractic Center (Owner)  
P. O. Box 48  
Glennallen, AK 99588  
Term expires 4/97

JAN-11-1996 11:36

SEC&amp;JUNEAU CHAMBER

907 463 5670 P.01

# SOUTHEAST CONFERENCE

Tel (907) 463-3445 FAX (907) 463-5670 124 West 5th Street Juneau, Alaska 99801

## BOARD OF DIRECTORS FOR FISCAL YEAR 1996

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