

HB

119

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 119
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title AK Regional Economic Assistance Pr RDU AIDEA (125)
Component AK Industrial Dev & Expt Authority
Sponsor House Community and Regional Affairs
Requester _____ Component No. 1234

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	650.0	650.0	650.0	650.0	650.0	650.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	650.0	650.0	650.0	650.0	650.0	650.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1102 Aidea Receipts	650.0	650.0	650.0	650.0	650.0	650.0
TOTAL	650.0	650.0	650.0	650.0	650.0	650.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation extends the Alaska Regional Economic Development Organizations (ARDORS) through June 30, 2013. ARDORS are not subject to AS 08.03.020, therefore, funding is not extended one year following the termination date, in order to allow ARDORS to conclude their affairs.

Prepared by: House Finance Committee
Division: _____
Approved by: Representative Meyer
Representative Chenault

Phone 465-4945
Date/Time 4/4/05 11:09 AM
Date 4/4/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 119
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title AK Regional Economic Assistance Pr RDU Comm Assist & Ec Dev (405)
Component Community Advocacy
Sponsor House Community and Regional Affairs
Requester _____ Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	30.0	30.0	30.0	30.0	30.0	30.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	620.0	620.0	620.0	620.0	620.0
Miscellaneous						
TOTAL OPERATING	650.0	650.0	650.0	650.0	650.0	650.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 (I/A Receipts from AIDEA)	650.0	650.0	650.0	650.0	650.0	650.0
TOTAL	650.0	650.0	650.0	650.0	650.0	650.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	0.50	0.50	0.50	0.50	0.50	0.50
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
This legislation extends the Alaska Regional Economic Development Organizatins (ARDORs) through June 30, 2013. ARDORS are not subject to AS 08.03.020, therefore, funding is not extended one year following the termination date in order for ARDORS to conclude their affairs.

Prepared by: House Finance Committee Phone _____
Division _____ Date/Time 4/1/05 10:47 AM
Approved by: Representative Kevin Meyer Date 4/1/2005
Representative Mike Chenault

adopted
4-5-05

24-LS0442\G.1
Bullock
3/29/05

AMENDMENT 1

OFFERED IN THE HOUSE
TO: HB 119

BY REPRESENTATIVE WEYHRAUCH

- 1 Page 1, line 6:
- 2 Delete "2013"
- 3 Insert "2010"

Alaska State Legislature

Rep. Gabrielle LeDoux
Rep. Pete Kott
Rep. Mark Neuman
Rep. Sharon Cissna
Rep. Woodie Salmon



State Capitol, Room 124
Juneau, AK 99801-1182
Co-Chairs
Rep. Kurt Olson
(907) 465-2693 FAX 465-3835
Rep. Bill Thomas
(907) 465-3732 FAX 465-2652

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Date: 2-10-05

To: Representative Meyer, Co-Chair House Finance Committee

From: Representative Thomas, Co-Chair House C&RA
Representative Olson, Co-Chair House C&RA

Re: Sponsor Statement for HB 119 An act extending the termination date of the Alaska regional economic assistance program, and providing for an effective date.

The Alaska Regional Development Organizations (ARDOR's) were created in 1988 by the Alaska Legislature. ARDOR's are non-profit organizations comprised of local volunteers working together to promote economic development in their regions. The advantages of having a program like this working on the regional level are that the ARDOR's are able to coordinate with other economic development activities and collect and distribute economic information within their regions. In addition, ARDOR's serve as a liaison between the region and the state and federal governments.

Today, there are 11 ARDOR's assisting 11 regions in the state. Each ARDOR has a board whose members are appointed by various organizations within the region. It is the responsibility of the board to ensure that an annual work plan is executed.

Each ARDOR's grant is approximately \$50,000. This money is not earmarked for a specific use. Rather, the ARDOR's are free to use the money where they need it most. This allows them to be more flexible and efficient in achieving their goals. To date, this funding formula has been especially effective resulting in substantial economic growth throughout the state.

The ARDOR's program has repeatedly presented itself to the Alaska State Legislature and has repeatedly proven itself a worthy investment of the state's resources. Further, in order to continue the achievements of the ARDOR's program, it is necessary that the program be able to count on a certain level of funding in the future. It is for these reasons that HB 119 extends the sunset date for the program to 2013 allowing for eight more years of growth of this valuable program. I strongly urge your support of HB 119.

FISCAL NOTE ANALYSIS
LEGISLATIVE FINANCE DIVISION
February 7, 2005

Fiscal Note #: None given
Bill Version: SB 77/HB 119
Publish Date: 2/4/05

Department: Commerce, Community and Economic Development
Appropriation: Community Assistance & Economic Development
Allocation: Community Advocacy

ISSUES OF CONCERN

Fund Source:

The requested \$650,000 in business license receipts funding is not available. This fiscal note exacerbates an existing shortfall of FY06 business license receipts. The Governor's budget overspends business license receipts by more than \$400,000—appropriating another \$650,000 brings this shortfall to more than \$1 million.

Legislative Fiscal Analyst Recommendation: The Department stated that a capital budget amendment may be submitted replacing \$800,000 of business license receipts with another funding source. Even if this occurs, there will still be a \$250,000 shortage of business license receipts.

ARDORS Funding History. Funding for the ARDORS program has traditionally been transferred from AIDEA's budget to Community Advocacy (where it is budgeted as I/A Receipts). Because the ARDORS program is sunsetting at the end of FY05, the Governor correctly decremented I/A Receipts from Community Advocacy's budget. The Governor, however, did not remove ARDOR funding from AIDEA's budget—effectively giving AIDEA an increment of \$650,000.

Although AIDEA was apparently unaware of the "extra money" and could provide continued funding for ARDORS, they recently stated their plans to use this \$650,000 to focus on Alaska export initiatives and expenditures as follows:

- \$400,000 for international trade initiatives to increase Alaska exports, to be conducted in conjunction with efforts by the Governor's office;
- \$200,000 for an economic development conference with a specific emphasis on natural resource export development;
- \$50,000 to survey Alaskan businesses to help determine the business community's current understanding of AIDEA financing programs and assist AIDEA in developing additional export programs.

Legislative Fiscal Analyst Recommendation: If AIDEA funds are not used in the fiscal note, AIDEA should submit a budget amendment showing a decrement of \$650,000 and an increment should be submitted for the new spending plan.

Legislative Fiscal Analyst Comment: Although business license receipts are in the "other fund" category, unspent funding lapses into the general fund—therefore, spending business license receipts effectively spends general funds.

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Regional Office:
601 W. 5th Ave., Suite 700
Anchorage, Alaska 99501
(907) 278-2722 FAX 278-6643

February 07, 2005

Representative Kurt Olson, Co-Chair
Representative Bill Thomas, Co-Chair
House Community and Regional Affairs Committee
State Capitol, Room 110
Juneau, AK 99801-1182

The Honorable Co-Chairmen and Members of the House

The Alaska State Chamber of Commerce supports your efforts to extend the termination date of the Alaska Regional Development Organizations (ARDOR) program. The State Chamber firmly believes in this cooperative regional economic development model. It has been a successful program having provided an arena where regions can work on issues of common interest.

We have first hand knowledge of the power of regional collaboration and cooperation on issues facing our state. ARDOR's are able to provide greater local expertise in service delivery and project implementation with more efficiency and with less administrative burden than state agencies. An example of this is the Southwest Alaska Municipal Conferences successful handling of the Steller Sea Lion mitigation funds that put almost 30 million dollars into the Southwest Alaska regional economy.

We support the passage of HB 119, which extends the sunset clause to 2013 on the ARDOR program. The Board of Directors urges you to support the continuation of the ARDOR program and the positive work that has come from the regional ARDOR'S. For your reference, I have attached the position statement regarding our support for the continuation of the ARDOR program.

Your careful attention and thoughtful consideration of this request for support is genuinely appreciated.

Yours in economic prosperity,

A handwritten signature in dark ink, appearing to read "Wayne A. Stevens".

Wayne A. Stevens
President

**Alaska State Chamber of Commerce
2005 Position
Reauthorization of the Alaska Regional Development Organizations
(ARDOR) Program**

The Alaska State Chamber of Commerce supports the reauthorization and funding of the Alaska Regional Development Organization Program to engage in economic development planning, strategizing and implementation through effective public and private sector collaboration on local, regional, and state levels.

FISCAL NOTE

Replaced

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 119
(H) Publish Date: 2/9/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title AK Regional Economic Assistance Program RDU Comm Assist & Ec Dev (405)
Component Community Advocacy
Sponsor Community and Regional Affairs
Requester House Community and Regional Affairs Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	30.0	30.0	30.0	30.0	30.0	30.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	620.0	620.0	620.0	620.0	620.0	620.0
Miscellaneous						
TOTAL OPERATING	650.0	650.0	650.0	650.0	650.0	650.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1175 Business License Receipts	650.0	650.0	650.0	650.0	650.0	650.0
TOTAL	650.0	650.0	650.0	650.0	650.0	650.0

Estimate of any current year (FY2005) cost: 650.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	0.50	0.50	0.50	0.50	0.50	0.50
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation extends the Alaska Regional Economic Development Organizations (ARDORS) through June 30, 2013. ARDORS are not subject to AS 08.03.020, therefore funding is not extended one year following the termination date allowing ARDORS to conclude their affairs.

Prepared by: Michael Black, Director Phone: 907.269.4580
Division: Community Advocacy Date/Time: 2/4/05 6:05 PM
Approved by: Edgar Blatchford, Commissioner Date: 2/4/2005
Agency: Commerce, Community & Economic Development