

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2757 SCOMM 122: COMMISSION ON PRIVATIZATION. ., 1999

Component Goals and Strategies for FY2000

To protect the Alaska insurance consumer.

- Monitor the ability of companies licensed to do business in this state to pay claims by reviewing their financial statements, ratios and other reports.
- Assist consumers in resolving their insurance problems.
- Examine domestic insurers to assure their solvency and compliance with Alaska laws.
- Examine insurers market activities to assure their compliance with Alaska's fair trade practices.
- Monitor developing trends through the country to prevent adverse results to Alaskans
- Review forms and policies sold in this state to assure they are not ambiguous or misleading and are in compliance with Alaska's laws.
- Review rates charged for property and casualty coverage to assure they are adequate but not excessive and are not unfairly discriminatory.
- Assure that producers selling insurance in this state are trustworthy and knowledgeable about the products they sell.
- Investigate fraudulent insurance activities and take appropriate administrative action or refer for criminal proceedings.
- Increase consumer awareness and knowledge about insurance.

To foster the domestic Alaska insurance industry.

- Assure that the domestic companies have access to technical information necessary to compete in the market.
- Provide resources and training as necessary on new requirements mandated by changing market trend
- Maintain a fair and equitable insurance market for Alaskan companies through appropriate legislation and regulations.

Key Component Issues for FY1999 – 2000

- Expand and improve our information database interface with the conversion from WANG to ORACLE. Streamline the licensing process and expand on our search and reporting capabilities as a management tool to enhance our internal efficiency.
- Gain access to the National Association of Insurance Commissioners (NAIC) database systems that include the following: Producer Database (PDB), a nationwide database; Complaints Database System (CDS), which records and retrieves complaint information on companies and producers; Special Activities Database (SAD) which records confidential information on ongoing investigations of persons and companies in insurance; Regulatory Information Retrieval System (RIRS) which records actions taken by state divisions of insurance against companies and producers; and System for Electronic Rate and Form Filing (SERFF) which receives and communicates regarding company policy from filings and company rate filings using electronic communication. Alaska is now only minimally able to utilize these regulatory tools.
- Insurer solvency, the year 2000 preparation, access to information and maintain proper trust activities.

Major Component Accomplishments for FY1998

- Closed a 10-year-old liquidation of a company by resolving long outstanding disputes with state of Washington. Returned 100 cents on the dollar to creditors of the company.
- Successfully resolved company's attempt to declare bankruptcy in another state and returned jurisdiction to Alaska
- Attracted new domestic company to Alaska
- Completed reviews of the adequacy of reserves held by Alaska National Insurance Company and ARECA Insurance Exchange as part of triennial financial examinations of these insurers.
- Collected \$32.5 million in premium taxes and fees
- Published the Alaska Insurance Consumer Guide with statewide distribution.

- Participated in review of Lloyd's to assure proper safeguards over this vital surplus market for Alaskan consumers.
- Provided the technical liaison between the NAIC and the American Institute of Certified Public Accountants for implementation of national codification of accounting standards.
- The following regulations were approved and went into effect: Scheduled & Individual Risk Rating Plans, Life Insurance Policy Illustrations, Coordination of Benefits, Mega Regulations, Frequency and Method of Insurance Premium Tax Payments and Motor Vehicle Liability Insurance Senior Discounts.
- The number of consumer awareness activities increased over the last year as we initiated an outreach program by focusing on our means of reaching as many Alaska residents as possible and provide them with information and resources for knowledgeable management of their insurance affairs.
- Audited 100% of the tax filings issued.
- Licensed 3,684 new producers.
- Performed 641 consumer complaint investigations.
- Opened 81 civil/criminal investigations and closed 77 civil/criminal investigations.

Statutory and Regulatory Authority

Alaska Statute Title 21

Alaska Administrative Code 3 AAC 21 to 31

Budget Request Unit: Occupational Licensing

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BRU Mission

BRU narrative information is presented in the consolidated Occupational Licensing component section.

Component: Occupational Licensing

Manager: Catherine Reardon, Director

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Component Mission

To ensure that competent professional and commercial services are available to Alaska consumers by regulating entry into occupations and enforcing performance standards.

Component Services Provided

OCCUPATIONAL LICENSING: Administer the following 35 occupational licensing programs:

Licensing Boards assisted by the Division:

- Architects, Engineers and Land Surveyors
- Athletic Commission
- Barbers and Hairdressers
- Certified Direct-Entry Midwives
- Certified Real Estate Appraisers
- Chiropractic Examiners
- Clinical Social Workers
- Dental Examiners
- Dispensing Opticians
- Marine Pilots
- Marital and Family Therapy
- Medical
- Nursing
- Optometry
- Pharmacy
- Physical and Occupational Therapy
- Professional Counselors
- Psychologist and Psychological Associate Examiners
- Public Accountancy
- Real Estate Commission
- Veterinary Examiners

Licensing Programs administered directly by the Division:

- Acupuncture
- Audiologists
- Big Game Guides and Transporters
- Collection Agencies
- Concert Promoters
- Construction Contractors
- Electrical and Mechanical Administrators
- Geologists
- Hearing Aid Dealers
- Mobile Home Dealers
- Morticians
- Naturopaths
- Nursing Home Administrators
- Underground Storage Tank Workers

Perform the following functions for over 130 occupations within the 35 programs listed above:

- Distributes application forms for initial licensure and renewal by mail and internet

- Responds to questions from applicants, other states and non-governmental organizations regarding Alaska's licensing laws.
- Reviews applications to determine if qualifications have been met
- Determines whether applicants are in arrears on child support or student loan repayment
- Verifies Alaska licenses for the licensing agencies of other states
- Writes and/or administers professional examinations
- Investigates complaints of incompetent or illegal activity by professionals
- Prepares formal accusations against licensees when investigations reveal evidence of violations of licensing laws.
- Presents the legal case against licensees charged with violations
- Negotiates settlements with licensees whom the division believes violated the law
- Reports disciplinary actions taken against Alaska licensees to national databanks
- Organizes licensing board meetings
- Assists licensing boards in writing regulations
- Represents the state in appeals of license denials, lawsuits and appeals of disciplinary actions
- Provides public lists of licensees on CD-ROM and paper

BUSINESS LICENSING: License over 77,000 businesses to engage in commerce in Alaska. At the start of FY99, 1,776 businesses had tobacco endorsements attached to their licenses permitting retail sale of tobacco products.

To administer the Business Licensing Program, the division:

- Distributes application forms for initial licensure and renewal by mail and internet
- Reviews applications for completeness and legal sufficiency
- Collects \$50 for each two-year license and \$25 for each endorsement permitting retail sale of tobacco products
- Classifies businesses according to their primary activities
- Issues licenses at service counters in Juneau, Fairbanks and Anchorage
- Issues and renews licenses via the internet
- Researches the licensing history of Alaska businesses
- Works to bring unlicensed businesses into voluntary compliance with the law
- Suspends tobacco sales endorsements of businesses convicted of selling tobacco to minors
- Provides public lists of licensed businesses on CD-ROM and paper and through internet search of the computer database

Component Goals and Strategies for FY2000

- 1) Allow qualified individuals to work in their chosen fields: earning a living, creating new businesses and providing the skilled workforce necessary for state development
 - Make licensing information easy to obtain and understand
 - Issue licenses correctly and promptly
 - Remove unnecessary barriers to licensure
 - Keep license fees as low as possible while meeting the division's legal responsibilities
- 2) Protect public health and welfare by safeguarding the quality of services provided by Alaska's licensed professionals
 - Investigate allegations of violations of licensing laws thoroughly and promptly
 - Sanction licensees who violate the law in an appropriate manner
 - Provide licensing boards with resources necessary to regulate effectively

Key Component Issues for FY1999 – 2000

ESCALATING ENFORCEMENT COSTS:

The cost of investigating and disciplining license-holders accused of violating licensing laws continues to rise, as the process becomes more formal and litigious. Costs include investigators, expert witnesses, attorneys from the Department of Law and hearing officers. Enforcement costs are paid through license fees. One full-blown case can double fees for small programs and discourage disciplinary action against licensees.

VOLATILITY OF FEES:

AS08.01.065(c) mandates that the department set license fees for each occupation at a level which approximately equals the cost of regulating the occupation. The enforcement costs mentioned above make fees very volatile. A 1997 legislative audit directed the division to set fees incorporating professions' surpluses and deficits from prior years. The audit also recommended strictly applying the fee law and requiring each of the division's 130 professions to pay their own costs rather than accounting at the board/program level. The result of a strict legal interpretation would be even greater variation in fees for small professions. Due to Alaska's small population, many professions have fewer than 100 members to share costs.

NEED FOR STRONG AND CONSISTANT LAWS:

Alaska's licensing laws have gray areas and inconsistencies, which contribute to legal costs and difficulty protecting the public. A comprehensive update of the laws would assist enforcement.

INTERNET ACCESS OPPORTUNITIES AND COSTS

Consumers and licensing boards would like to use the Internet to apply for licenses and find out if professionals have unrestricted licenses to practice. However, these service improvements cannot be made unless expenditures are authorized for computer programmers.

BOARD TRAVEL LIMITATIONS

If licensing board travel expenditures are kept within the budgeted amount, meetings outside of Anchorage, representation of Alaska interests before national organizations, statewide licensing examinations and other important board activities will be limited. The division's 21 licensing boards conduct over 50 in-person meetings each year and numerous teleconferences. In addition, each board is permitted to send one representative to a single national conference. The cost of this essential travel has exceeded the budgeted amount for several years and the travel budget has been supplemented with roll-forward expenditure authority. Supplementation of the board travel budget will not be possible in FY00.

INSPECTION OF DENTAL X-RAY EQUIPMENT

Legislation passed in 1998 requires the owners of dental radiological equipment to hire and pay private inspectors. The Dental Board, with the assistance of the division, must register the equipment. It is unlikely that an adequate number of private inspectors who meet the statutory qualifications will be available at a reasonable price.

BOARD SUNSETS

The Board of Certified Direct-entry Midwives is in its "wind-down year" and will go out of existence on June 30, 1998 unless extension legislation is passed. The Board of Marine Pilots and the Board of Pharmacy are in their "sunset years". All three programs paid the costs of regulation through their fees in the 1997-98 license period.

Major Component Accomplishments for FY1998

BUSINESS LICENSING:

- Began issuing and renewing business licenses via the internet. Applicants may obtain a business license instantly using a credit card at our "Business Online" web site.
- Increased the number of licensed businesses from 66,949 at the start of FY96 to 73,348 on July 1, 1998, and generated over \$2 million annually for the General Fund.
- Suspended the right of 11 businesses to sell tobacco products as a result of convictions for sales to children
- Re-wrote and simplified all business license regulations, deleting obsolete requirements.

OCCUPATIONAL LICENSING:

- Will implement three new licensing programs in FY 99 as the result of legislation: 1) professional counselor, 2) dental radiological equipment and 3) bachelor and master social worker licensing.
- Worked with the Division of Administrative Services data processing staff to re-write all occupational licensing data base computer programs. The division successfully converted all its data bases from WANG to Oracle based programs
- Opened 419 cases for investigation of allegations of violation of licensing laws and closed 447 cases during FY98. 38 settlement agreements were completed, 10 licenses surrendered, 10 licenses suspended and a number of fines, letters of reprimand and other disciplinary sanctions issued.

Statutory and Regulatory Authority

The Division of Occupational Licensing operates under the following authorities:

AS 08.01	CENTRALIZED LICENSING
AS 08.02	Miscellaneous Provisions
AS 08.03	Termination, Continuation and Reestablishment of Regulatory Boards
AS 08.04	Board of Public Accountancy
AS 08.13	Board of Barbers and Hairdressers
AS 08.20	Board of Chiropractic Examiners
AS 08.29	Board of Professional Counselors
AS 08.36	Board of Dental Examiners
AS 08.48	State Board of Registration for Architects, Engineers and Land Surveyors
AS 08.62	Board of Marine Pilots
AS 08.63	Board of Marital and Family Therapy
AS 08.64	State Medical Board
AS 08.65	Board of Certified Direct Entry Midwives
AS 08.68	Board of Nursing
AS 08.71	Board of Dispensing Opticians
AS 08.72	Board of Examiners in Optometry
AS 08.80	Board of Pharmacy
AS 08.84	State Physical Therapy and Occupational Therapy Board
AS 08.86	Board of Psychologist and Psychological Associate Examiners
AS 08.87	Board of Certified Real Estate Appraisers
AS 08.88	Real Estate Commission
AS 08.95	Board of Clinical Social Work Examiners
AS 08.98	Board of Veterinary Examiners
AS 08.06	Regulation of acupuncturists
AS 08.11	Regulation of audiologists
AS 08.24	Regulation of collection agencies
AS 08.92	Regulation of concert promoters
AS 08.18	Regulation of construction contractors
AS 08.40	Regulation of electrical and mechanical administrators
AS 08.54	Regulation of guide-outfitters
AS 08.42	Regulation of morticians
AS 08.45	Regulation of the practice of naturopathy
AS 08.70	Regulation of nursing home administrators
AS 08.02.011	Regulation of professional geologists
AS 08.55	Regulation of hearing aid dealers
AS 08.67	Regulation of mobile home dealers
AS 43.70	Regulation of Business Licenses
AS 05.05; 05.10	Athletic Commission
AS 46.03.375	Certification of Storage Tank Workers
AS 08.02.025	Student Loan Default Program
AS 25.27.244	Child Support Enforcement Program
AS 44.62	Administrative Procedure Act
AS 44.33.020	Department of Commerce & Economic Development

Federal Laws:

42 CFR 431, 433 Nurse Aide Registry
and 483
42 CFR 442 and 45 Nursing Home Administrators
12 U.S.C. 3338 Real Estate Appraiser

State Regulations:

12 AAC 02 - 12 AAC 75 Administrative Regulations

Department of Commerce and Economic Development

12 AAC 12 Business Licensing Regulations
18 AAC 78 Underground Storage Tank Workers

BRU/Component: APUC Operations

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Manager: Robert A. Lohr, Executive Director

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Component Mission

To protect and promote the public interest by certifying and economically regulating only qualified public utilities and pipeline carriers and oversee the availability, affordability and quality of the utility services that are essential to Alaska's economic development.

Component Services Provided

Regulates public utilities and pipeline carriers. The Commission has been assigned regulatory authority over gas, electric, telephone, oil and gas pipelines, water and sewer, steam, refuse collections and disposal, and cable television.

The Commission issues certificates of public convenience and necessity to qualified service providers and establishes rates, terms, and conditions of service to the public. The Commission also oversees the practices, services, and facilities of regulated utilities and pipeline carriers. Also, under the Power Cost Equalization program, the Commission computes the power cost and amount of assistance for eligible utilities.

Component Goals and Strategies for FY2000

1. Analyze and act upon all utility and pipeline carrier proposals within statutory deadlines.
2. Receive, analyze and process an expected 1,050 consumer complaints concerning utility service.
3. Issue public notice, provide initial analysis, and render initial Commission determination concerning utility and pipeline tariff filings within 45 days. (Expected total cases July 1, 1999 to June 30, 2000: 750 tariff filings.)
4. Within 30 days, issue public notice, provide initial analysis, and render initial Commission determination concerning competitive offerings. (Expected total cases July 1, 1999 to June 30, 2000: 125 tariff filings.)
5. Issue 588 substantive orders in matters pending before the Commission during FY00.
6. Complete analysis, recommendation, and decision regarding proposed statewide access charge rates for all pooling local carriers by January 1.

Key Component Issues for FY1999 – 2000

1. Electricity

The Commission will continue to address significant issues facing the electrical industry in Alaska's urban and rural areas. The Legislative Joint Committee on Electric Restructuring has requested the Commission to hire a consultant to study whether and how to implement electric utility restructuring in Alaska. The Commission is working closely with this Committee.

The Commission will continue to ensure coordination among utilities and energy efficient practices and will continue to assure utilities are providing the lowest cost energy to all customers.

2. Telecommunications

The Commission will assure the continued availability of affordable, high quality, local and long distance telephone service throughout Alaska. The Commission will continue its oversight of the competitive in-state long distance market, developing competition in the local exchange, and will revise its regulations accordingly. To accomplish its responsibilities under the Telecommunications Act of 1996 the Commission is considering changes to its rules covering access charge reform, universal service, and market structure rules for competitive local exchange service. The Commission issued its order adopting regulations in this complex area on November 23, 1998. The Commission will develop market structure rules to address issues of local exchange carrier pricing flexibility, market dominance and local exchange carrier provision of long distance service, pricing standards for interconnection between incumbent and entrant local exchange carriers.

The Commission will also re-examine its existing competitive rules for the long distance carrier market regarding facility restrictions, facility modernization, wholesale rates, and access to long distance networks. Competition will place increased responsibility on the Commission to maintain universal service. Any subsidies embedded in the rate structure to comply with federal law will need to be reevaluated or redefined to ensure competitive neutrality.

3. Pipeline

During FY00 the Commission expects to determine rates for newly certificated North Slope pipelines and act on applications for certificates of public convenience and necessity for future North Slope pipelines.

The Commission expects to hold hearings on intrastate rates for the Trans Alaska Pipeline System (TAPS) and Cook Inlet Pipeline. Hearings may also be held on a complaint concerning the TAPS quality bank and on TAPS rampdown issues.

4. Water and Sewer

As water and sewer facilities are built in villages that do not currently have the service, the Commission expects to handle additional applications for certificates of public convenience and necessity as a result.

5. Natural Gas

Alaska Intrastate Gas Company applied to provide natural gas service to nineteen southeast and south-central communities. With new exploration, the construction of new gas distribution systems and new gas transportation technologies will expand the areas where natural gas will be available. As a result, the Commission expects to handle additional applications for certificates of public convenience and necessity and related rate proceedings.

6. Refuse

The Commission expects to receive additional certificate applications to compete with existing providers. Mergers and acquisitions have consolidated the ownership of Alaskan refuse utilities. The Commission will consider the proper level of regulation to address these in the refuse market.

Major Component Accomplishments for FY1998

- Handled 167 other formal cases, dealing with rates and investigations, a 97% increase over the previous five-year average.
- Issued 432 substantive orders in FY, a 36% increase over last year.
- Processed 624 utility and pipeline tariff filings, a 30% increase.
- Handled 706 informal customer complaints, a 23% increase compared to the previous year.
- Issued 99 certificates to new utilities and service territory expansions, an increase of 68% from the prior year.

Statutory and Regulatory Authority

AS 42.05 Public Utilities
AS 42.06 Pipelines
AS 42.25.100-178 Power Cost Equalization
3 AAC 47 Regulatory Cost Charge
3 AAC 48 - 52 APUC

Budget Request Unit: Executive Administration and Development

Manager: Tom Lawson, Administrative Services Director

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BRU Mission

To effectively and efficiently manage the Department of Commerce and Economic Development.

To provide centralized administrative support to the divisions and agencies in the Department of Commerce and Economic Development.

To encourage investment and sound economic development throughout Alaska by working with the private sector and as part of the State of Alaska's overall economic development strategy.

BRU Services Provided

The Commissioner's Office provides leadership, sets department priorities and policy, and is the Governor's direct liaison to the department.

The Division of Administrative Services facilitates and ensures the delivery of the services provided by the Department of Commerce and Economic Development by giving efficient and cost effective business management support in the areas of budget, data processing, fiscal and supply, and human resources.

The Division of Trade and Development provides access to information, helps promote Alaska products through access to markets, advocates for business in foreign markets and the regulatory process, encourages investment, promotes economic development at the community level through technical assistance, identifies buyers for Alaska products, and assists in developing businesses.

BRU Goals and Strategies for FY2000

(see component information)

Key BRU Issues for FY1999 – 2000

Seafood Industry – The seafood industry is the largest private employer in Alaska. The industry is losing markets due to increasing competition from foreign and domestic seafood producers, primarily farmed salmon. The farm competition now represents nearly 53% of all salmon production worldwide which has negatively impacted consumption of Alaskan products in US and foreign markets. The salmon industry, the economic backbone of coastal Alaska, remains the most seriously impacted. As identified at the 1997 and 1998 annual Salmon Forums, the industry must shift from a production-driven fish industry to a market-driven food industry in order to compete successfully with other food sources and win greater consumer acceptance. The Department will assist through ongoing marketing programs and projects aimed at finding more marketing opportunities, at ensuring consistent product quality, and continuous research into food industry trends and demands.

Rural Development – The failure of the western Alaska salmon runs in 1998 resulted in an economic disaster declaration for a large portion of rural Alaska. The Department will continue to participate in the state-coordinated disaster relief efforts and seek viable economic opportunities for rural Alaska.

Tourism/ATMC Structure – Legislation was introduced last year to disband the Alaska Tourism Marketing Council and shift responsibilities to a new organization being created by the Alaska Visitors Association (AVA). Although the legislation did not pass, new legislation is expected to be introduced during the 1999 legislative session. The Department will continue to work with the AVA to craft an acceptable structure to provide tourism services.

Major BRU Accomplishments for FY1998

- Organized and held the Second Annual Salmon Forum, to help the salmon industry develop strategies for coping with changing world markets and industry conditions.
- Worked with other agencies to organize and hold successful Procurement Conferences in Anchorage, Juneau, and Fairbanks to show the private sector how Alaska businesses can sell goods and services to the state government.
- Attracted "junior" mining companies to Alaska. The number increased from four the previous year to 13.
- Introduced potential customers to Alaskan goods and services through missions and trade shows in Alaska, Japan, Korea, and Taiwan.
- Completed the Marketing Alaska project. Based on the project report recommendations, changes were made throughout state government to support the private sector and help strengthen the state's economy. A final status report was prepared.
- Completed the transfer of DCED databases from antiquated Wang system to a modern Oracle based client server system.

Component: Commissioner's Office

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Component Mission

To effectively and efficiently manage the Department of Commerce and Economic Development.

Component Services Provided

The Commissioner provides leadership, sets department priorities and policy, and is the Governor's direct liaison to the department. The Commissioner directs policy through coordination with directors of the line divisions and independent agencies which comprise the department. The Commissioner's Office staff support the Commissioner in the overall management and coordination of departmental activities, policy direction, management oversight, and legislative coordination. In addition to program responsibilities, the Commissioner serves on the following boards and commissions:

Alaska Aerospace Development Corporation
Alaska Coastal Policy Council
Alaska Industrial Development and Export Authority
Alaska Energy Authority
Alaska Railroad Corporation
Alaska Royalty Oil and Gas Development Advisory Board
Alaska Student Loan Corporation
Board of Marine Pilots
Oil and Gas Policy Council
Power Project Loan Committee
Prince William Sound Oil Spill Recovery Institute Advisory Board
State Bond Committee
Telecommunications Information Council

Component Goals and Strategies for FY2000

Diversify Alaska's economic base to benefit all Alaskans.

- Partner with other state agencies, private businesses, and local governments to identify and development opportunities for regional and local economic development.
- Work with the Governor's Jobs Cabinet in seeking solutions and strategies for improving the economic climate in rural Alaska

Market Alaska's commercial opportunities and geographic advantages to the rest of the nation and the global business community.

- Visit corporate boardrooms to solicit investment in Alaska.
- Participate in business trade missions to key markets and potential markets.

Strengthen Alaska's businesses.

- Provide technical and financial assistance.
- Advocate for the reduction of barriers to diversified economic development.

Protect Alaska's citizens and businesses.

- Maintain a fair and consistent regulatory environment.
- Support regulations which balance economic, public safety and environmental issues.

Key Component Issues for FY1999 – 2000

Seafood Industry – The seafood industry is the largest private employer in Alaska. The industry is losing markets due to increasing competition from foreign and domestic seafood producers, primarily farmed salmon. The farm competition now represents nearly 53% of all salmon production worldwide which has negatively impacted consumption of Alaskan products in US and foreign markets. The salmon industry, the economic backbone of coastal Alaska, remains the most seriously impacted. As identified at the 1997 and 1998 annual Salmon Forums, the industry must shift from a production-driven fish industry to a market-driven food industry in order to compete successfully with other food sources and win greater consumer acceptance. The Department will assist through ongoing marketing programs and projects aimed at finding more marketing opportunities, at ensuring consistent product quality, and continuous research into food industry trends and demands.

Rural Development – The failure of the western Alaska salmon runs in 1998 resulted in an economic disaster declaration for a large portion of rural Alaska. The Department will continue to participate in the state-coordinated disaster relief efforts and seek viable economic opportunities for rural Alaska.

Tourism/ATMC Structure – Legislation was introduced last year to disband the Alaska Tourism Marketing Council and shift responsibilities to a new organization being created by the Alaska Visitors Association (AVA). Although the legislation did not pass, new legislation is expected to be introduced during the 1999 legislative session. The Department will continue to work with the AVA to craft an acceptable structure to provide tourism services.

Alaska Securities Law – Congressional action has changed the emphasis on securities regulation, nationwide. While some areas have been preempted in the registration and regulation, others emphasize enforcement and oversight. More effort will be necessary on State Investment Advisers. The registration of mutual funds is now a function of the SEC, but sales practice complaints and problems will be the responsibility of the state. Congress provided that registration fees would not be taken away from the states in order to fund enforcement provided that the states amend their securities act to comply with federal law. The Department will seek changes to the Alaska Securities Act in the legislative session beginning January 1999.

Major Component Accomplishments for FY1998

- Conducted first launch from the Kodiak Launch Complex for the US Air Force's atmospheric interceptor technology program in November 1998.
- Began generating clean coal-fired electricity for Alaskans at the Healy Clean Coal Project while operating in the demonstration testing phase.
- Acquired the Snettisham Hydroelectric Project from the federal government, helping to ensure a stable energy source for long-term economic growth in the Juneau area. Snettisham provides 85% of Juneau's electrical energy.
- Increased number of requests for Alaska travel information by roughly 75% without increasing budget.
- Created the Bristol Bay/Kuskokwim Disaster Loan Program with federal money providing small loans to permit holders who needed help covering living expenses because of a disastrous salmon season.
- Began issuing and renewing business licenses via the internet. Applicants may obtain a business license instantly using a credit card at the Division of Occupational Licensing "Business Online" web site.
- Completed the Marketing Alaska project. Based on the project report recommendations, changes were made throughout state government to support the private sector and help strengthen the state's economy. A final status report was prepared.
- Organized and held the Second Annual Salmon Forum, to help the salmon industry develop strategies for coping with changing world markets and industry conditions.
- Worked with other agencies to organize and hold successful Procurement Conferences in Anchorage, Juneau, and Fairbanks to show the private sector how Alaska businesses can sell goods and services to the state government.
- Attracted "junior" mining companies to Alaska. The number increased from four the previous year to 13.
- Introduced potential customers to Alaskan goods and services through missions and trade shows in Alaska, Japan, Korea, and Taiwan.
- Produced first-ever national television commercial for the Alaska Marine Highway System.
- Adopted first-ever comprehensive Internet strategy for marketing tourism to Alaska.

Statutory and Regulatory Authority

AS 44.33.010-020

Component: Trade and Development

Manager: Greg Wolf, Director

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Component Mission

To encourage investment and sound economic development throughout Alaska by working with the private sector and as part of the State of Alaska's overall economic development strategy.

The broad components of the mission are to: (1) Increase and enhance demand for Alaska's products and services, both domestically and internationally. (2) Ensure a supportive business climate in Alaska. (3) Promote economic growth statewide to increase private sector employment and economic opportunity for Alaskans.

Component Services Provided

1. Provide access to information.
2. Help promote Alaska products through access to markets.
3. Advocate for business in foreign markets and the regulatory process.
4. Encourage investment.
5. Promote economic development at the community level through technical assistance.
6. Identify buyers for Alaska products.
7. Assist in developing businesses.

Component Goals and Strategies for FY2000

IMPROVE THE DELIVERY AND COORDINATION OF STATE SERVICES TO ALASKA SMALL BUSINESSES.

- Update matrix of small business services
- Assist Alaska businesses in placing products in national sales venues.
- Co-organize procurement conferences.
- Develop rural products for export markets.

ATTRACT NEW BUSINESSES TO ALASKA AND ENCOURAGE EXPANSION OF EXISTING BUSINESSES.

- Distribute information through cost-effective methods about Alaska's attributes as a place to do business.
- Assist new businesses in relocating to the state and assist existing businesses in expanding their operations.
- Refine and implement Business Incentive Program.

ASSIST THE SEAFOOD AND FOREST PRODUCT INDUSTRIES FIND PROFITABLE AND SUCCESSFUL AREAS IN CHANGING WORLD MARKETS, INCLUDING VALUE-ADDED AND NICHE MARKETS.

- Compliment and expand upon ASMI efforts to harvest, produce, and deliver salmon that have a consistent and predictable level of quality, creating benefits for the salmon industry.
- Update and distribute information about Alaska manufacturers and their products.
- Monitor current trends and conditions in domestic and foreign markets and provide timely information (trade leads, reports, names of contacts, etc.) about opportunities for Alaska products.
- Analyze federal groundfish proposals for impact on Alaska.

SUPPORT CONTINUED EXPANSION OF THE MINERALS INDUSTRY.

- Participate in at least three minerals trade shows in North America to provide international mining companies with information about opportunities for exploration and investment in Alaska.
- Publish an annual report - containing details on all mineral industry activities within the state - and use it as a marketing tool to generate more interest in Alaska's mining industry.
- Provide staff support for the Alaska Minerals Commission and publish the commission's annual report, as required by statute, with recommendations on solving industry problems and improving conditions.
- Update and distribute timely information about mineral industry activities in Alaska.

MAINTAIN AND EXPAND ALASKA'S TRADE POSITION IN ALASKA'S TRADITIONAL OVERSEAS MARKETS - JAPAN, KOREA, AND TAIWAN.

- Maintain representative offices in Japan and Korea, and a trade contractor in Taiwan.
- Maintain traditional markets for seafood in the face of Asia's economic difficulties, competition, and high value of the dollar.
- Work with ASMI in Japan and Taiwan to build on each other's missions and strengths. Promote Alaska seafood in Korea, where ASMI does not have a presence, focusing on higher-value fresh and live product. This focus benefits the air cargo industry as well as the seafood industry.
- Diversify our product mix to Japan, focusing on value-added wood and seafood products, environmental and technical services, and energy.
- Promote Alaska environmental and technical services in Korea and Taiwan.
- Market Alaska organic produce in Taiwan via trade shows and trade missions.

IDENTIFY AND PURSUE OPPORTUNITIES FOR ALASKANS IN NEW OR EMERGING MARKETS.

- Establish representation in China to promote trade opportunities.
- Maintain representation in Sakhalin through the American Business Center.
- Utilize Alaska Sakhalin Working Group and government contacts to facilitate trade and service export opportunities in connection with oil and gas development.
- Build on trade inroads in the Sakha Republic in mining, fuel and consumer goods.
- Maintain trade relations with other Russian Far East regions - Chukotka, Magadan and Kamchatka - in anticipation of economic recovery leading to trade opportunities.
- Research trade opportunities in Europe and in additional Asia markets such as Singapore and the Philippines.

MAINTAIN NUMBER OF ALASKA FILM PRODUCTION PROJECTS, AND INCREASE ALASKA PARTICIPATION IN THE FILM PRODUCTION INDUSTRY.

- Continue to market Alaska and attract film production projects.
- Develop and design new marketing tools: Booth, location reel, location promotion brochure, and program tools for targeted international markets.
- Coordinate and implement a successful and results-oriented customized public relations event in the Los Angeles market for film production executives and media.
- Work with the Association of Film Commissioners' International to develop an industry standard for measuring the economic impact of film projects on sales and communities.
- Encourage further development of Alaska film industry infrastructure so more services and facilities are available in the state for film production projects.

PROVIDE TIMELY, RELIABLE AND COMPLETE ALASKA ECONOMIC AND TRADE INFORMATION.

- Fully utilize the latest technology to effectively collect and disseminate information.
- Modernize research section through technology and training so that economic and trade information can be distributed quickly to large or select audiences from any location.
- Establish intern program to provide more support for data collection activities.
- Continue publishing the monthly, one-page "Economic Snapshots" and other special reports.
- Create easily presentable, portable multi-media presentation outlining economies, culture, and general regional information for use in promotional and outreach efforts.
- Maintain an aggressive program of continuing education, including meetings, seminars and training.
- Increase outreach; increase detail and speed of responses.

Key Component Issues for FY1999 - 2000

Seafood Industry - The seafood industry in Alaska continues to adjust to changing world markets. The salmon industry, the economic backbone of coastal Alaska, remains the most seriously impacted. As identified at the 1997 and 1998 annual Salmon Forums, the industry must shift from a production-driven fish industry to a market-driven food industry in order to compete successfully with other food sources and win greater consumer acceptance. DTD will assist through projects aimed at finding more marketing opportunities, at ensuring consistent product quality, and continuous research into food industry trends and demands. To complete these projects, DTD anticipates entering into working partnerships with local governments, processing companies, fishermen, CDQ groups, ARDORs and other non-profit organizations.

Forest Products Industry - The Asian financial crisis has severely impacted the export markets for Alaskan timber. Demand in the traditional export markets has dropped to very low levels. At the same time, overseas interest is growing in manufactured wood products, as opposed to round logs. This may open opportunities for Alaska manufacturers. A study was completed in 1998 on the in-state market for Alaska wood products. The state has successfully modified its timber sale program to focus on Alaska's value-added producers. DTD and the Governor's Office will encourage the U.S. Forest Service to adopt a similar policy. DTD will aid Alaska mills in capturing the in-state market for graded dimensional lumber and identifying domestic and international niche markets suitable for Alaska producers.

Mining and Minerals - The Alaska minerals industry continued to expand in 1998, building upon the growth initiated in 1997 and 1996. The industry's value in 1997 (the most recent year for which we have complete statistics) continued to exceed \$1 billion. DTD uses the multi-agency minerals assessment program as a marketing tool to attract investment capital to the state. International awareness of Alaska's success, opportunities and availability of detailed inventory information is the best method for attracting new mining ventures.

Rural Development - The failure of the western Alaska salmon runs in 1998 resulted in an economic disaster declaration for a large portion of rural Alaska. DTD participates in the state-coordinated disaster relief efforts. The division will continue to manage a project - funded by the federal Economic Development Administration - to develop rural products for export markets. The division is an active participant in the Southeast Alaska Community Economic Revitalization Team (SEACERT), formed to coordinate economic development assistance to Southeast Alaska in reaction to timber industry declines.

International Trade - Alaska must maintain its presence in the state's historical markets during this time of economic crisis in Asia. Even though the state's exports to these markets have decreased, we should not abandon them. If we do, Alaska's trading position will be difficult or impossible to regain once the Asian economy improves. DTD should establish trade representation and relations in China, to position Alaska in this potential market and diversify the state's overseas markets. Alaska should maintain its position in the Russian Far East and maintain contacts with the American Business Center in Yuzhno-Sakhalinsk, viewing business with Russia as a long-term process.

Film Production - Producers have had problems with permit costs and restrictions for filming on public lands in Alaska. Due to recent revisions of film guidelines, particularly by the National Park Service, the subjective procedure, increased costs and restrictions are causing some filmmakers to complain and find other locations. Alaska production crewmembers have contacted Alaska's congressional delegation for assistance.

General Issues - In the highly competitive world business environment, Alaska cannot afford to neglect its present businesses or forgo opportunities for sustainable economic growth. DTD will work with other agencies to coordinate services and remove obstacles to the success of Alaska's small businesses, promote the growth of the technical services sector through increased awareness and contacts in foreign markets, and use cost-effective means to attract new business to the state outside the traditional industries.

Y2K Compliance - DTD must ensure that its systems, along with key suppliers and service providers, are Y2K compliant.

Major Component Accomplishments for FY1998

Successfully coordinated a multi-agency effort to hire a wood products technical specialist.

Completed state-funded portion of the Arctic-Yukon-Kuskokwim Salmon Targeted Marketing Pilot Project.

Organized and held the Second Annual Salmon Forum, to help the salmon industry develop strategies for coping with changing world markets and industry conditions.

Completed the Marketing Alaska project. Based on the project report recommendations, changes were made throughout state government to support the private sector and help strengthen the state's economy. A final status report was prepared.

Worked with other agencies to organize and hold successful Procurement Conferences in Anchorage, Juneau, and Fairbanks to show the private sector how Alaska businesses can sell goods and services to the state government. These conferences provide a model for a continuing series of conferences.

Attracted "junior" mining companies to Alaska. The number increased from four the previous year to 13. The airborne geophysical program advocated by DTD continued to attract development dollars. The federal government is now emulating that program in Wrangell, Wiseman and Prince of Wales Island.

Opened doors for Alaska businesses to make inroads in Sakhalin and the Russian Far East. Coordinated gubernatorial mission to Alaska by Sakhalin Gov. Igor P. Farkhutdinov in May 1998, following Gov. Knowles mission to Sakhalin the previous year. The missions resulted in joint ventures and partnerships, and projects completed, underway or under discussion. Sakhalin Alaska College graduated its first class of western-trained oil field workers in June 1998.

Worked with the private sector to provide tons of humanitarian aid to the Sakha Republic (Yakutia), which could serve to help further open the region to business for Alaska companies.

Created opportunities for Community Development Quota groups and other rural businesses to export their products to new markets overseas in Japan, Korea and Taiwan.

Educated businesses, ARDORs, CDQ groups and others about the how-to's and benefits of exporting.

Introduced potential customers to Alaskan goods and services through missions and trade shows in Alaska, Japan, Korea, and Taiwan.

Increased ways to cost effectively provide information and assistance to Alaska businesses about overseas markets, export trade data, and the overall economic situation, particularly during this period of extreme fiscal upheaval in Asia.

The Alaska Film Office assisted and tracked 55 film projects with an economic impact of approximately \$4 million.

Graphic Films' IMAX documentary "Alaska: Spirit of the Wild," shot entirely in Alaska, was nominated for an Oscar. The film is being shown five times a day, every day of 1998, in a Taipei museum, creating more Taiwanese interest in Alaska.

TNT's "Alaska Bush Pilots" reached 1.6 million viewers during its broadcast, prompting 4,000 inquiries for tourism information.

Commissioned and completed an "Information Needs Assessment Survey" to identify the information needs of Alaska companies that are presently selling goods and services to international markets or are interested in doing so.

Commissioned "Seafood Export Opportunity" reports for three Asian markets, detailing market opportunities, economies, species, and resources.

Statutory and Regulatory Authority

AS 36.30.332-338 - Alaska Product Preference
AS 37.17.440 - International Trade and Business Endowment
AS 44.33 - Economic Development
AS 44.33.431 - Alaska Minerals Commission
AS 44.33.800 - International Trade
AS 44.33.900 - Alaska Forest Products Research and Marketing Program
AS 44.99.100 - Economic Development Policy
AS 45.65.010-070 - Made in Alaska Program
5 AAC 39.198 - Internal Waters Permits

Component: Administrative Services

Manager: Tom Lawson, Division Director

Tel: (907) 465-2505 Fax: (907) 465-2563 E-mail: Tom_Lawson@commerce.state.ak.us

Component Mission

To provide management services and centralized administrative support to the divisions and agencies in the Department of Commerce and Economic Development.

Component Services Provided

Facilitates and ensures the delivery of the services provided by the Department of Commerce and Economic Development by giving efficient and cost effective business management support in four areas:

Fiscal and Supply provides centralized financial and property management to the department, including timely and accurate payment of vendor billings, processing of employee travel payments, ensuring that professional services contracts are entered into expeditiously and in accordance with the state procurement code, assisting divisions in monitoring expenditures to ensure that appropriations are not overspent, purchasing department supplies and equipment, maintaining departmental property, providing mailroom services, and offering training in the state's financial, travel and procurement systems.

Human Resources provides recruitment, labor relations and payroll services to the department, and assists the department's managers in developing a high quality work force.

Budget assists the department's divisions and agencies in developing operating and capital budget requests, preparing and presenting agency budget overviews to the Office of Management and Budget and the Legislature, and monitoring appropriations throughout the year.

Data Processing maintains and installs the department's computer systems and network, provides database development services, and trains users in software and hardware capabilities.

Component Goals and Strategies for FY2000

Manage the department's finances and property efficiently and effectively:

- Ensure appropriations are not overspent.
- Ensure compliance with procurement statutes/regulations.
- Pay vendors promptly and accurately.
- Maintain efficient State cash flow.
- Reimburse employee travel accurately and timely.
- Maintain accurate property control inventory.
- Distribute mail timely.

Develop and manage the department budgets in an accurate, uniform and timely manner.

- Ensure that the Commissioner's Office can make informed decisions on the budget.
- Maintain budgetary control throughout the fiscal year.

Provide Data Processing services efficiently and effectively:

- Provide an environment that makes department data easily accessible to local area, wide area or Internet users.
- Provide effective security on department data so that the data is never in any danger of being compromised.
- Create a suite of applications for each division that will allow employees to do their jobs as quickly and efficiently as possible.
- Respond to requests for programming in a timely manner.

- Meet with key division personnel on a periodic basis to assess their future and present needs and to establish timelines for completing their requests.
- Maintain and tune all applications so they are efficient and bug free.
- Develop e-commerce applications that will allow the public to purchase information maintained by the department.
- Develop e-commerce applications that will allow licensees in all divisions to update or make initial licensure from the web.
- Provide quick and effective help to department employees for resolution of computer related problems.
- Maintain a trouble free network of computers, routers, printers, scanners and other devices that makeup the entire network.

Provide exceptional human resources services to department employees and managers.

- Hire employees who produce more per dollar of pay and continually self-develop so we spend less on their training and supervision.
- Increase the productivity of current employees through training, reward programs, counseling, etc.
- "Fix" troubled employees when it is cost effective and terminate them through appropriate and humane procedures when the costs are likely to exceed the returns.
- Retain productive employees through effective development, recognition and reward systems.
- Develop a "shared vision" among agency managers and employees.

Key Component Issues for FY1999 – 2000

The division is continuously seeking out and implementing ways to reduce the cost of its services as well as the cost of departmental administrative overhead in general. We have streamlined numerous processes and procedures to minimize the amount of time and effort it takes to get things done (both within and outside the division), while maintaining appropriate accountability controls. We see this as a positive and exciting challenge in a time of shrinking budgets.

The data processing conversion from Wang to Oracle uncovered major weaknesses in the ability to provide even the most basic DP services, while maintaining the newly converted databases. Additional resources are needed to provide:

- Ongoing network administration and database management
- Improvements to the database interface for ease of use/functionality
- Imaging (storing files electronically)
- Interactive databases (the ability to manipulate data accessed through webpages)
- Improved Webpages (tracking users, discussion groups)
- E-commerce (e.g. expansion of the electronic business license renewal concept)

Major Component Accomplishments for FY1998

Data Processing:

- Completed the transfer of databases from antiquated Wang system to a modern Oracle based client server system.
- Upgraded all Oracle Forms applications from 16 to 32 bit applications.
- Moved all employees from Windows for Workgroups to Windows 95.
- Converted department from ccMail to the new state enterprise email system, using Netscape Messenger.

Human Resources

- No grievances were overturned and none went to arbitration.
- Implemented a 360-degree performance feedback system for directors.

Budget

- Participated as a core test agency in the design, testing and implementation of the Automated Budget System.

Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

BRU/Component: Alaska Science and Technology Foundation

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Manager: Jamie N. Kenworthy, Executive Director

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Component Mission

The mission of ASTF is to build an entrepreneurial Alaska economy through the development and application of science and technology.

Component Services Provided

The Alaska Science & Technology Foundation (ASTF) was formed by the Governor and the Alaska State Legislature in 1988. By statute, ASTF is responsible for the development, funding, and monitoring of grant programs for basic and applied research and its commercialization. All ASTF projects must include innovative science or technology, clear research and business plans to show technical and economic feasibility, appropriate match and risk sharing, and expected significant benefit to the state. Funded projects substantially contribute to the economic development of the State's scientific and engineering capabilities.

Component Goals and Strategies for FY2000

Improve the competitiveness of the Alaska minerals industry

- Low Rank Coal Water Fuel project (UAF) - track progress and follow up on ASTF initiative to form consortium to develop an international market for the product fuel.
- Water quality - complete Total Dissolved Solid (TDS) standards project in conjunction with state agencies and the Producers Council so that more defensible standards can be developed
- Conduct other water quality projects as appropriate
- Mapping - complete integrated remote sensing mapping project with mining and mapping companies to demonstrate the use of the technology to produce enhanced maps to guide exploration and development

Improve the competitiveness of the Alaska fisheries industry

Salmon

- implement pin-bone removal technology
- develop substantive valued-added processing technology
- assist in implementing industry quality grading

Paralytic Shellfish Poisoning (PSP)

- continue effort to develop lab and field test technologies
- continue to develop and refine model beach monitoring techniques

Shellfish

- continue projects for an integrated shellfish production system in Alaska

Bottom Fish

- continue to support current and new projects to reduce bycatch, reduce waste, and continue to develop new products (i.e. arrowtooth flounder surimi) and jobs.

Enhance the competitiveness of the Alaska forest products industry

- Coupled with National Institute of Standards and Technology (NIST) sponsored Manufacturing Extension Partnership Center work to: continue to provide grading and technical services to industry, and meet Industry Advisory Committee targets for amount of graded lumber, improvement projects to be launched, and jobs created
- Initiate feasibility study for a 10 to 20 MMbf/year regional planning and kiln facility to process lumber for multiple mills.
- Take steps w/ industry to win Alaska market of 70 to 90 MMbf/year of graded dimensional lumber

Department of Commerce and Economic Development

Promote the use of appropriate advanced technology to address rural sanitation - sewage and drinking water technology

- Continue to staff Technology Review Board with Alaska Department of Environmental Conservation (ADEC) and US Public Health Service (USPHS) to review appropriate technology which is economically feasible

Promote the Alaska environmental technology industry

- In conjunction with the Alaska Military Command and ADEC continue to follow-up on projects resulting from RFP on remediation of hydrocarbon spills

Promote the development of innovative housing products and technologies appropriate to Alaska conditions

- With Alaska Housing Finance Corporation (AHFC), Alaska Industrial Development and Export Authority (AIDEA), and Alaska Human Resources Investment Council (AHRIC) continue work on projects resulting from joint RFP issued to develop innovative solutions to Alaska housing problems.

Increase the use of technology to enhance education

- Follow up to assure that all classrooms have Internet link
- Use information from community forums to form and implement K-12 technology program
- Continue Teacher Grant Program
- Continue to assist science museums with Internet connectivity and projects to meet state science goals

Enhance infrastructure for technology and business development

- Alaska Strategic Technology Plan - update and reissue
- Revise Small Business Innovative Research (SBIR) bridging grant program
- Business and Industrial Development Corporation (BIDCO) - underway - monitor investments and results
- Capital Network - foster interaction between entrepreneurs and investors
- Software incubator - if initial study demonstrates feasibility, launch the business incubator to assist development software companies
- Manufacturing Directory - complete and update - reissue
- Work with UA to build interdisciplinary R&D capabilities

Maintain high internal program quality

- Meet or exceed benchmarks for timely response for preproposals, proposals, and grant agreements.

Key Component Issues for FY1999 - 2000

Staff workload

- Time availability of staff to respond to proposers and groups who want to work with ASTF is at a premium. ASTF is committed to a flat operating budget but ASTF needs to be fully staffed and continue to receive significantly more than budgeted time from professional staff to stay up with workload.
- Legislative Budget and Audit recommended conducting more field audits of projects and the budget and time for increasing that activity will have to come out of existing effort.

Legislative performance measures

- ASTF has always had project specific outcome based-performance measures for each project (patent filed, financing accomplished, prototype demonstrated, knowledge put into practice by regulatory agency or industry, etc.). In addition ASTF will now translate those specific project success into measures negotiated with legislature (increased jobs and sales over time, public cost savings, etc.)
- ASTF is committed to both the process and measures which were negotiated with the legislature last year but there is an additional cost and time associated with programming into projects the collection and documentation of those larger performance measures.

Major Component Accomplishments for FY1999

The ASTF Director has annual written goals that the Board evaluated at the conclusion of each year as part of the Director's evaluation. Internal Quality Goals for FY 98-99 were almost always exceeded and represent minimal standards:

- answered all preproposals within 2 weeks
- performed technical reviews on all large projects 6 weeks before Board meetings
- mailed Board packets by week of Board meeting
- Board met bimonthly to make timely decisions
- negotiated all grant agreements within 2 weeks of receipt of all information.

Outcome goals in FY 98-99:

Fisheries Industry

- investment of over \$1 M in new surimi processing technology as a result of small grant to Kodiak Chamber of Commerce
- total pin bone removal demonstrated for salmon filleting
- model shellfish PSP beach monitoring program demonstrated on AK peninsula

Minerals Industry

- established research agenda on total dissolved solids (project should be complete and regulatory approval as FY 00 goal)
- demonstrated value of remote sensing to enhance map products for exploration and development
- finalized \$4.2 M in ASTF cost sharing for \$20 M Department of Energy grant to UAF to build low rank coal demonstration plant at UAF campus. ASTF also took lead in forming consortium of resource owners to market this resource in the next three years.

Forest Products

- established through Industry Network Corporation agreement with Western Wood Products Association to put wood grader in state with seven mills now signed up
- industry panel approved benchmarks on technical assistance program
- supported McDowell marketing study which documented 70-90 MMBF/year amount of currently imported wood.

Technology in Education

- Internet connectivity established in 90 % of Alaska classrooms

Rural Sanitation

- established Technology Review Board for ADEC and Public Health Service so appropriate, cost effective technology for waste water, solid waste, and clean water systems can be examined and provisionally permitted

General

- Worked with mining, software, energy and other sectors on monitoring over 70 science and technology projects to bring project specific benefits to the Alaska economy.

Statutory and Regulatory Authority

AS37.17.010-17.040

AS37.17.200

AS 37.17.440

AS10.10.010

Executive Order No. 90

BRU/Component: Investments

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Manager: Patty LaPierre, Administrative Manager I

Tel: (907) 465-2634 Fax: (907) 465-2690 E-mail: Patty_LaPierre@commerce.state.ak.us

Component Mission

The Division of Investments promotes economic development through direct state lending within those industries that are not adequately serviced by the private sector.

Component Services Provided

Provides direct State lending in three active loan programs: Commercial Fishing, Fisheries Enhancement, and Small Business Economic Development. These programs provide financing in industries and areas for which loans are unavailable from the private sector. The Division also services loans for eight inactive loan programs administered by the Department, as well as another nine portfolios for The Alaska Industrial Development & Export Authority, the Departments of Revenue, Health & Social Services, Environmental Conservation, and Military & Veterans Affairs. Loan servicing consists of processing assumption, refinance, and maintenance requests, such as subordinations and collateral releases, payment collection, credit reporting, commercial and mortgage loan accounting, delinquent loan collection, foreclosure and bankruptcy management, repossessed property management and resale, hazardous waste investigation, and investor remittance.

The State offers a number of loan programs throughout various agencies, and the combined functions of loan approval, servicing, collections, and data processing can be performed more efficiently when consolidated into one agency. The complexities involved in some of these functions (e.g., bankruptcies, foreclosure, hazardous waste investigation, and repossessed properties) require a level of expertise that is financially and logistically easier to support when consolidated.

As of September 30, 1998, the Division of Investments was servicing 3894 accounts totaling \$219,170.2 million.

Component Goals and Strategies for FY2000

To make loans directly to qualified residents for programs established by the Alaska Legislature.

- Encourage a predominantly resident fishery to request loans for the purchase of limited entry permits, quota shares, vessels, and gear.
- Offer refinancing for commercial fishing boat loans.
- Offer loans for the operation of existing hatcheries.
- Create or save jobs through direct state lending to Alaskans.

To service efficiently the loan programs that are administered by the Department of Commerce & Economic Development, ensuring the greatest return on investment that is consistent with public policy.

- Collect money due the loan programs.
- Reduce or maintain the delinquency rates.
- Maintain the average processing times for loan and loan extension applications.
- Maintain the accuracy and timeliness of response to all customer service requests.

To act as a loan-servicing agency for many of the State's loan programs, ensuring the greatest return on investment that is consistent with public policy.

- Collect money due the loan programs.

- Reduce or maintain the delinquency rates.
- Maintain the average processing times for loan and loan extension applications.
- Maintain the accuracy and timeliness of response to all customer service requests.

Key Component Issues for FY1999 – 2000

The commercial fishing industry continues in flux as world markets adapt to the changing supply of fish from fish farms as well as the more traditional fishing fleets. The salmon markets have been significantly affected, and as a result they have been extremely volatile for the past several years. It is important that Alaska maintains its place in the worldwide salmon market during these changing times to assure our place for the future. Both the Commercial Fishing Revolving Loan Fund and the Fisheries Enhancement Revolving Loan Fund depend heavily on the fish runs and the profitability of the fishing industry. The lack of fish during the 1997/98 season in many parts of the state, most notably in Bristol Bay, has caused a large volume of loan extension requests. It is difficult to project the cashflow for these two funds, since lending is based on a substantial amount of risk.

Disaster Relief Loans

The Division is part of a team working to provide relief to those affected by the poor fishing season in the Bristol Bay and Kuskokwim areas last season. Congress appropriated funds to the U.S. Department of Commerce under provisions in the Magnuson-Stevens Act for aid in the form of programs assisting the fishermen and fishing communities. The Division's involvement will be to make the loans securing the collateral, to service the loan, and to enforce collection if appropriate. Disaster relief loans are made from the Disaster Relief Fund administered by the Department of Military and Veterans Affairs.

Major Component Accomplishments for FY1998

BRISTOL BAY DISASTER RELIEF

Developed a new program to disburse disaster relief monies received from the Federal Government as authorized under the Magnuson-Stevens Act. The funds were designated for use as loans to assist commercial fishing harvesters in the Bristol Bay/Kuskokwim areas and the Disaster Relief Fund under the Department of Veterans and Military Affairs (DMVA) was chosen as the vehicle for distributing these funds. Entered into an agreement with DMVA and then developed the policies, procedures and process for the Bristol Bay/Kuskokwim Disaster Loan Program. A total of 3800 applications were sent to eligible harvesters and 497 loan requests were processed.

RECAPITALIZATION OF THE SMALL BUSINESS ECONOMIC DEVELOPMENT FUND

Applied for and was awarded a \$600,000 grant to recapitalize the Small Business Economic Development Loan Fund. The grant was awarded by the Economic Development Administration and was matched with \$200,000 from the Alaska Industrial Development and Export Authority to provide a total of \$800,000 for new loans. A total of 7 loans were made during the past fiscal year under this program, resulting in the creation of over 70 jobs in areas of the State that have experienced low per capita income or high unemployment.

VOLUNTEER TAX AND LOAN PROGRAM

Supported the Volunteer Tax and Loan Program (VTLP) through a grant for fisheries business development to the Alaska Business Development Center, Inc. (ABDC). During FY98, ABDC, in cooperation with the University of Alaska Anchorage (UAA), operated the Volunteer Tax and Loan program for its third year. The ongoing focus was on rural harvesting communities targeted by the IRS as having compliance problems. Nine trips were made to assist 17 communities during the months of February, March, April, and May. This was an increase of six communities from last year's program. Teams, comprised of advanced accounting students and tax professors from UAA, as well as an ABDC consultant, traveled to each community to provide tax preparations and loan package assistance. In addition, this year's program enhanced its tax and business management skills counseling by presenting seminars in each community visited. In some communities these seminars were supplemented by the inclusion of the Managing for the Hard Times Group, comprised of attorneys with expertise in maritime law and bankruptcy. Overall, ABDC's Volunteer Tax and Loan Program assisted 683 individuals and prepared 684 tax returns during FY98.

Statutory and Regulatory Authority

AS 45.88.010-.050, .500	Alternative Energy Revolving Loan Fund
AS 44.33.240-.275	Child Care Facility Revolving Loan Fund
AS 16.10.300-.370	Commercial Fishing Loan Act
AS 16.10.500-.620	Fisheries Enhancement Revolving Loan Fund
AS 45.98.010-.070	Historical District Revolving Loan Fund
AS 27.09.010-.060	Mining Loan Fund
AS 45.89.010-.070, .500	Residential Energy Conservation Fund
AS 45.95.010-.080	Small Business Revolving Loan Fund
AS 26.15.010-.170	WWII Veterans Revolving Fund
AS 44.88.400-.430	Small Business Economic Development Rev. Loan Fund
AS 44.33.020	Dept. of Commerce and Economic Development
3 AAC 41.010-.900	Veterans Loan Assumptions
3 AAC 77.010-.900	Reposessed Property
3 AAC 78.010-.900	Alternative Energy Loans
3 AAC 79.010-.900	Residential Energy Conservation
3 AAC 80.010-.900	Commercial Fishing Loans
3 AAC 81.010-.900	Fisheries Enhancement Loans & Grants
3 AAC 82.010-.900	Child Care Facility Loans
3 AAC 83.010-.900	Historical District Loans
3 AAC 86.010-.900	Small Business Loan Assumptions
3 AAC 87.010-.900	Mining Loans
3 AAC 89.010-.900	Fisheries Enhancement Tax Appropriation
3 AAC 99.800-.820	Small Business Economic Development Loans

Budget Request Unit: Tourism

Manager: Tom Garrett, Director, Division of Tourism

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BRU Mission

- To create jobs and business opportunities for Alaskans.
- To disperse the economic benefit of tourism throughout Alaska and throughout the year.
- To assure an Alaska travel experience that is second to none.

BRU Services Provided

Alaska's tourism marketing effort is carried out by two agencies: the Division of Tourism and the Alaska Tourism Marketing Council. While each agency shares a common mission (AS 44.33.119), their approach is different in response to statutory mandates.

By law, the ATMC is assigned the task of marketing Alaska "generically" and figuring out how to fund that marketing:

AS 44.33.720 - Duties of the council.

(a) The council shall

(1) conduct a tourism marketing program designed to accomplish the purposes of AS 44.33.700 - 44.33.735; the marketing program must include promotion of the state as a destination and promotion of all forms of travel to the state, including travel by air, highway, and water;

....

(8) consider methods to fund tourism marketing using both public and private assets; and

(9) consider methods of providing for the financial self-sufficiency of the council.

(b) In performing its functions under AS 44.33.700 - 44.33.735, the council may not favor any particular tourism business entity or other person.

The Division of Tourism has the responsibility for all other forms of marketing Alaska as a vacation destination, for research into visitor market, for tourism development and planning, and for responding to visitor inquiries.

Specific services provided by each agency are described in the component detail.

BRU Goals and Strategies for FY2000

(see component information)

Key BRU Issues for FY1999 - 2000

Primary research about Alaska's visitors is substantially out-of-date, making tracking of performance measures less reliable than we would like. Field data has not been collected since 1993-1994 and our ability to draw conclusions from the secondary studies conducted since then is very limited. New primary research needs to be conducted to have an accurate picture of tourism in Alaska.

The market share for cruise passengers continues to grow, while non-cruise independent travelers are on the decline. Attacking this problem will require restructuring of internal fund allocation (some of which has been done within the Division of Tourism) and increased funding.

The cost of securing a visitor inquiry has been increasing since 1992. The cost per inquiry received has risen 32%, from \$4.38 to \$5.79. During that same period, State funding for tourism marketing has declined 33%, from \$10,576,000 to \$7,031,000.

Major BRU Accomplishments for FY1998

Significant quantities of collateral material were produced at no cost to the State of Alaska: Official Alaska Vacation Planner; Invitation to Alaska lure piece; North! To Alaska highway travel planner (and Marine Highway summer schedule); Reiseplaner (for German-speaking Europe in German) and Official Alaska Travel Guide (for Japan in Japanese).

New collateral pieces were produced including Korean and Taiwanese versions of the Invitation to Alaska lure piece; a student's guide to Alaska; Alaska Marine Highway and community web-site bookmarks; Pow-Wow suppliers directory; CD-ROM of Alaska images; an electronic media guide and press kit.

Major enhancements were accomplished to three tourism web sites:

www.commerce.state.ak.us/tourism/ - this site has been redesigned and focused on providing services to Alaska businesses

www.north-to-alaska.com - this site, the official site of Tourism North, was redesigned and expanded to provide more information about driving vacations in the North.

www.travelalaska.com - this site is the primary tourism information web site for Alaska. Most significantly, the ATMC web site was completely rethought and recreated.

Cooperative advertising opportunities were developed for nine major newspaper markets (through Tourism North); in the Los Angeles Times Magazine (ATMC); and in Adventure USA (Division of Tourism).

Component: Tourism Development

Manager: Tom Garrett, Director

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Component Mission

To create jobs and business opportunities for Alaskans, disperse the economic benefit of tourism throughout Alaska and throughout the year, and assure an Alaska travel experience that is second to none.

Component Services Provided

Tourism Promotion & Sales is carried out by a full-time staff of four with the support of contractors. Marketing efforts are concentrated in niche markets where ATMC can't market due to statutory limitations including:

- independent highway travelers regardless of origin;
- international visitors from German speaking Europe, Japan, Australia, the United Kingdom, Korea and Taiwan; and
- specialty group markets like independent motorcoach tour operators and non-profits in travel.

Information Services is carried out by a staff of four full-time and three part time seasonal staff members in Juneau and Tok. The Juneau center is primarily electronic (phone, fax, e-mail and Internet) and provides trip planning information and assistance to travelers prior to their visit to Alaska. The Tok center is primarily direct public contact during the tour season from highway travelers who have just arrived in Alaska, or who are mid-way through their Alaska driving vacation. The Tok center is also the one Alaska Public Land Information Center operated by the State of Alaska.

Administrative Support is carried out by a full-time staff of three who share responsibilities for administrative support to the Division of Trade and Development.

Component Goals and Strategies for FY2000

Increase independent highway travel to and within Alaska

- Produce 400,000 copies of a 96 page full-color brochure about this type of travel. Support publication with ad revenue.
- Distribute brochure to targeted prospective travelers.
- Improve north-to-Alaska.com internet site to match new brochure and use internet site as the primary fulfillment tool for prospective visitors.
- Conduct co-promotions with travel companies, media companies and non-endemic partners to leverage limited funds for marketing and expand reach.
- Conduct aggressive public relations campaign to place stories in major newspapers, magazines and on television.
- Market directly to RV Caravan leaders.
- Attend and participate in a minimum of 10 consumer trade shows in the US and Canada directed at highway travelers.
- Provide highway travelers with information about opportunities along the road system.

Increase off-season travel to Alaska

- Market northern lights tours to Japanese tour operators and consumers.
- Secure year-round, non-stop air service between Japan and Alaska.

Disperse travel throughout Alaska in the summer - Increase and improve rural tourism product.

- Market less-visited national parks and public lands in German-speaking Europe, the UK and Australia.
- Substantially improve internet information delivery to address travelers information needs.
- Market to tour operators worldwide to diversify product offerings in tour packages.

Key Component Issues for FY1999 – 2000

Primary research about Alaska's visitors is substantially out-of-date, making tracking of performance measures less reliable than we would like. Field data has not been collected since 1993-1994 and our ability to draw conclusions from the secondary studies conducted since then is very limited. New primary research needs to be conducted to have an accurate picture of tourism in Alaska.

The market share for cruise passengers continues to grow, while non-cruise independent travelers are on the decline. Increasing the number of non-cruise independent travelers will require restructuring of internal fund allocation (some of which has been done) and increased funding.

Major Component Accomplishments for FY1998

Produced first-ever national television commercial for the Alaska Marine Highway System (AMHS)

Adopted first-ever comprehensive internet strategy for marketing tourism to Alaska

Arranged first-ever cooperative marketing promotions with Isley's (RV supply company), Travelscope (independent traveler club), RVIA (trade association of RV manufacturers), and Microsoft Corporation.

Sponsored "North! To Alaska" television series hosted by Larry Csonka on ESPN/ESPN2

Consolidated AMHS schedule into North! to Alaska, increased circulation to 400,000 and increased ad revenue to \$340,000

Conducted three international travel workshops (Japan, Australia and UK) involving 62 Alaska tour businesses

Sponsored Alaska Travel Fair, bringing 52 international tour operators to Alaska for familiarization trips and business meetings with Alaska tour suppliers

Conducted economic impact of tourism research project component of Alaska visitor statistics

Produced new collateral pieces for marketing the Internet, Alaska Marine Highway, and Alaska's trail systems

Produced four minute gold rush video

Created Top Of The World Alaska Travel Specialist Travel Agent Training Program and materials, and conducted training classes for over 200 travel agents co-sponsored governor's conference on cultural tourism

Established rural tourism center cooperatively with Alaska Village Initiatives

Statutory and Regulatory Authority

AS44.33.119 - Division of Tourism

Component: Alaska Tourism Marketing Council

Manager: David W. Karp, Executive Director

Tel: (907) 269-8180 Fax: (907) 269-8136 E-mail: david_karp@commerce.state.ak.us

Component Mission

To stimulate statewide economic growth, diversification and employment through the promotion of Alaska as a visitor destination.

Component Services Provided

The ATMC designs and executes an integrated marketing program directed at U.S. and Canadian markets determined to have the greatest potential for producing new and repeat visitors. Primary activities of the Council include: media advertising, public relations, research and dissemination of visitor information.

Component Goals and Strategies for FY2000

- 1) INCREASE NUMBER OF YEAR-ROUND VISITORS FROM THE U.S. AND CANADA.
 - Conduct a cost-effective and efficient marketing program that encourages consumers in the U.S. and Canada to choose Alaska as a vacation destination.
 - Facilitate the trip-planning process by providing potential visitors comprehensive travel planning information.
 - Place television commercials on cable television networks that run programming related to Alaska's outdoors, scenery and activities.
 - Create and maintain an internet web site that provides consumers with direct access to Alaska travel information.
 - Generate newspaper travel sections and magazine articles featuring Alaska.
 - Encourage/facilitate development of television features on Alaska.
 - Distribute ATMC travel film.
- 2) PROVIDE SMALL BUSINESSES WITH AFFORDABLE ACCESS TO A NATIONAL MARKETPLACE.
 - Create a database each year containing detailed demographic and interest information on potential visitors to Alaska. This database is accessible to small businesses so they can conduct their own marketing programs targeted toward an audience they could not afford to reach individually.
 - Distribute specific information on Alaskan tourism businesses via the Official State Vacation Planner, the ATMC's internet web site and through public relations efforts.

Key Component Issues for FY1999 – 2000

1) PROGRAM FUNDING

The ATMC received a substantial budget cut in FY95, and continues to be funded at roughly 40% below the FY94 level. At the same time, media costs continue to rise, further impacting the ATMC's ability to implement a national marketing campaign that effectively competes with other visitor destinations.

2) PROGRAM STRUCTURE

Legislation was introduced last year to disband the ATMC and shift responsibilities to a new organization being created by the Alaska Visitors Association (AVA). Although the legislation did not pass, new legislation is expected to be introduced during the FY99 session.

Major Component Accomplishments for FY1998

Department of Commerce and Economic Development

- 1) Increased number of requests for Alaska travel information by roughly 75% in FY98 (442,707 requests in FY97 to 778,509 requests in FY98) without increasing budget. The ATMC's research indicates that approximately 20.4% of these people will visit Alaska within two years, and 44% will visit within three years. Visitors to Alaska spend in excess of \$1.6 billion each year on travel to and from the state, of which an estimated \$685.3 million is spent within the state on goods and services.
- 2) Distributed new Alaska trip-planning brochure (24-page Invitation to Alaska) in FY98 that is less expensive to produce and mail than the Official State Vacation Planner.
- 3) Created dynamic new internet web site that incorporates all aspects of the ATMC's program, including an on-line version of the Official State Vacation Planner, information on businesses in Alaska, links to partner businesses and other Alaska tourism sites, weather information, and media resources for travel writers and editors. The web site address is www.travelalaska.com.
- 4) Exposed over 157 million viewers to ATMC television advertisements, enhancing Alaska's overall image as a desirable destination.
- 5) Reached more than 46 million potential visitors in the United States, and over 4.5 million in Canada through the ATMC's magazine advertising programs.
- 6) Stimulated interest in visiting Alaska by sending nearly 2.5 million direct mail packages to highly targeted mailing lists; advertising in 42 U.S. and Canadian publications; appearing in 24 newspaper Alaska special travel sections; advertising on 7 national cable television networks.
- 7) Compiled and maintained a database of over 778,509 high-potential visitors and provided this information to businesses and local tourism organizations for use in their individual marketing efforts.
- 8) Collected more than \$1.25 million in program receipts from the visitor industry, which exceeds the mandated industry contribution. Also, solicited donated products and services from visitor industry businesses, to substantially leverage the ATMC budget.
- 9) Maintained communication with national television news/entertainment networks to encourage future editorial coverage of Alaska and broadcasts from Alaska.
- 10) Generated national media attention for Alaska and specific businesses throughout the state by conducting a year-round proactive public relations campaign. Programs included a bi-weekly fax-on-demand service which was sent to nearly 880 travel writers/editors, maintaining a toll-free 800 number to help journalists perform research and check facts on Alaska and producing a CD-ROM version of the ATMC's Media Resources Guide.
- 11) Produced favorable editorial coverage for Alaska by assisting newspaper writers/editors with Alaska travel stories by providing stories, photography, maps and graphics. A portion of these public relations activities were handled by ATMC staff to maximize the ATMC budget.
- 12) Continued to encourage development of winter tourism by bringing nationally known talk show host Bruce Williams to Alaska for a one-week live broadcast from locations across the state. The show highlighted an agenda of activities designed to promote Alaska as a winter destination.

Statutory and Regulatory Authority

AS 44.33.700-735 - Alaska Tourism Marketing Council
AS 44.68.010(15) - Sunset of ATMC

Budget Request Unit: Alaska Industrial Development and Export Authority

Manager: D. Randy Simmons, Executive Director

Tel: (907) 269-3000 Fax: (907) 269-3044 E-mail: rsimmons@aidea.org

BRU Mission

The mission of the Alaska Industrial Development and Export Authority (AIDEA) component of the AIDEA BRU is to promote, develop and advance the general prosperity and economic welfare of Alaskans by creating and retaining jobs and helping to diversify Alaska's economic base by financing industrial, manufacturing, export and business enterprises and facilities within Alaska.

The mission of the Alaska Energy Authority component of the AIDEA BRU is to promote the general prosperity and economic welfare of Alaskans by operating and maintaining existing state power projects that tap Alaska's natural resources to achieve the lowest reasonable consumer power costs.

BRU Services Provided

AIDEA acts as an economic development catalyst by providing capital at a reasonable cost for Alaskan businesses, with emphasis on projects that create new jobs and economic activity in the private sector. AIDEA provides secondary financing for business loans made by financial institutions and can own and operate specific infrastructure development projects that enhance the economy of the state. The Authority can also act as a conduit for the issuance of both taxable and tax-exempt bonds for specific business development projects. For small businesses, AIDEA has a Business and Export Assistance program, which provides loan guarantees, with particular emphasis on businesses in rural Alaska.

As one of the primary sources of long term financing in the state, AIDEA purchases participations in business loans originated and serviced by financial institutions and funds the participations with internal assets. Bonds sold for AIDEA projects are the general obligation of AIDEA and do not have the expressed moral obligation of the State of Alaska.

As the owner of six hydroelectric plants and the Alaska Intertie transmission line, AEA is responsible for the administrative oversight for these facilities. All staffing for AEA administrative functions is provided by AIDEA.

BRU Goals and Strategies for FY2000

- 1) To stimulate economic development and diversification.
 - Provide business financing assistance throughout Alaska through AIDEA's Credit programs by participating in or guaranteeing bank originated loans.
 - Evaluate potential development projects as they are presented to AIDEA to determine whether Authority development and ownership meets AIDEA's mandate.
- 2) To efficiently operate and maintain approximately \$1 billion in electrical generation and transmission facilities owned by AEA in Alaska.
 - To the extent feasible, contract to user utilities direct operating, maintenance and repair responsibilities for the AEA owned facilities.

Key BRU Issues for FY1999 - 2000

Provide technical assistance and financing to help businesses diversify the economy in rural Alaska.

Implement the recently modified Business and Export Assistance Program, utilizing its new flexibility to assist Alaskan exporters.

Continue to maintain the technical integrity of AEA projects.

Continue to maximize local control of AEA projects, to the extent feasible, by contracting with the operating utilities to provide operating and maintenance services.

Continue to work with the operating utilities to lower operating costs and improve efficiencies at the AEA owned hydroelectric projects.

Major BRU Accomplishments for FY1998

Purchased \$40.0 million in loan participations originated through financial institutions for businesses and projects in Alaska, helping to expand Alaska's economic base and create jobs in Alaska.

Construction completed on the expanded AIDEA-owned DeLong Mountain Transportation System (road and port serving the Red Dog Mine). The expansion supports increased production at the Red Dog Mine, providing more cost-effective mineral development, and increasing job opportunities at the mine and port. Construction was completed on schedule and under budget.

Healy Clean Coal Project (HCCP) began generating clean coal-fired electricity for Alaskans while operating in the demonstration testing phase.

AIDEA acquired the Snettisham Hydroelectric Project from the federal government, helping to ensure a stable energy source for long-term economic growth in the Juneau area. Snettisham provides 85% of Juneau's electrical energy.

AIDEA provided a \$16 million dividend to the State General Fund in FY98.

AIDEA maintained AAA insured bond rating when it issued \$85 million in bonds to refund outstanding variable rate bonds that financed a portion of the HCCP. The bond sale locked in historically low fixed interest rates.

Maintained and administered AEA owned facilities, maximizing services and revenues and minimizing unscheduled outages.

Continued to administer outstanding AEA long-term debt in excess of \$300 million; continued to administer special trust funds relating to the facilities.

At the request of Bradley Lake participating utilities, AEA entered into an agreement to refund bonds in FY99 and FY00, resulting in lower interest rates for the project.

Component: Alaska Industrial Development and Export Authority

Manager: D. Randy Simmons, Executive Director

Tel: (907) 269-3000 Fax: (907) 269-3044 E-mail: rsimmons@aidea.org

Component Mission

To promote, develop and advance the general prosperity and economic welfare of Alaskans by creating and retaining jobs and helping to diversify Alaska's economic base by financing industrial, manufacturing, export and business enterprises and facilities within Alaska.

Component Services Provided

AIDEA acts as an economic development catalyst by providing capital at a reasonable cost for Alaskan businesses, with emphasis on projects that create new jobs and economic activity in the private sector. AIDEA provides secondary financing for business loans made by financial institutions and can own and operate specific infrastructure development projects that enhance the economy of the state. The Authority can also act as a conduit for the issuance of both taxable and tax-exempt bonds for specific business development projects. For small businesses, AIDEA has a Business and Export Assistance program, which provides loan guarantees, with particular emphasis on businesses in rural Alaska.

As one of the primary sources of long term financing in the state, AIDEA purchases participations in business loans originated and serviced by financial institutions and funds the participations with internal assets. Bonds sold for AIDEA projects are the general obligation of AIDEA and do not have the expressed moral obligation of the State of Alaska.

Component Goals and Strategies for FY2000

To stimulate economic development and diversification.

- 1) Provide business financing assistance throughout Alaska through AIDEA's Credit programs by participating in or guaranteeing bank originated loans.
- 2) Evaluate potential development projects as they are presented to AIDEA to determine whether Authority development and ownership meets AIDEA's mandate.

Key Component Issues for FY1999 – 2000

- Provide technical assistance and financing to help businesses diversify the economy in rural Alaska.
- Implement the recently modified Business and Export Assistance Program, utilizing its new flexibility to assist Alaskan exporters.

Major Component Accomplishments for FY1998

Purchased \$40.0 million in loan participations originated through financial institutions for businesses and projects in Alaska, helping to expand Alaska's economic base and create jobs in Alaska.

Construction completed on the expanded AIDEA-owned DeLong Mountain Transportation System (road and port serving the Red Dog Mine). The expansion supports increased production at the Red Dog Mine, providing more cost-effective mineral development, and increasing job opportunities at the mine and port. Construction was completed on schedule and under budget.

Healy Clean Coal Project (HCCP) began generating clean coal-fired electricity for Alaskans while operating in the demonstration testing phase.

Acquired the Snettisham Hydroelectric Project from the federal government, helping to ensure a stable energy source for long-term economic growth in the Juneau area. Snettisham provides 85% of Juneau's electrical energy.

Provided a \$16 million dividend to the State General Fund.

The Authority maintained AAA insured bond rating when it issued \$85 million in bonds to refund outstanding variable rate bonds that financed a portion of the HCCP. The bond sale locked in historically low fixed interest rates.

Statutory and Regulatory Authority

AS 44.88
3 AAC 99

Component: Alaska Industrial Development Corporation Facilities Maintenance

Manager: D.Randy Simmons, Executive Director

Tel: (907) 269-3000 Fax: (907) 269-3044 E-mail: rsimmoms@aidea.org

Component Mission

To maintain and operate the office building occupied by AIDEA.

Component Services Provided

The purpose of this component is to provide for the operations, maintenance and repair costs of the AIDEA office building.

Component Goals and Strategies for FY2000

Maintain and operate the office building occupied by AIDEA efficiently and effectively.

Key Component Issues for FY1999 – 2000

None.

Major Component Accomplishments for FY1998

None. New component for FY2000.

Statutory and Regulatory Authority

AS37.07.020(e)

Component: Alaska Energy Authority Operations and Maintenance

Manager: D. Randy Simmons, Executive Director

Tel: (907) 269-3000 Fax: (907) 269-3044 E-mail: rsimmons@aidea.org

Component Mission

To promote the general prosperity and economic welfare of Alaskans by operating and maintaining existing state power projects that tap Alaska's natural resources to achieve the lowest reasonable consumer power costs.

Component Services Provided

As the owner of six hydroelectric plants and the Alaska Intertie transmission line, AEA is responsible for the administrative oversight for these facilities. All staffing for AEA administrative functions is provided by AIDEA.

Component Goals and Strategies for FY2000

Efficiently operate and maintain approximately \$1 billion in electrical generation and transmission facilities in Alaska.

- To the extent feasible, contract to user utilities direct operating, maintenance and repair responsibilities for AEA owned facilities.

Key Component Issues for FY1999 – 2000

Continue to maintain the technical integrity of AEA projects by providing scheduled maintenance inspections and by working with the Four Dam Pool communities under the "Self Help" provision of the operating contract. This includes Phase 3 repairs of the Tyee transmission line and Phase 2 of the Terror Lake project repairs.

Continue to maximize local control of AEA projects, to the extent feasible, by contracting with the operating utilities to provide operating and maintenance services.

Continue to work with the operating utilities to lower operating costs and improve efficiencies at the hydroelectric projects: Four Dam Pool, Larsen Bay and Bradley Lake.

Major Component Accomplishments for FY1998

Maintained and administered AEA owned facilities, maximizing services and revenues and minimizing unscheduled outages by:

- Maximizing local control of the projects;
- Working with project operators to improve operating efficiency;
- Providing routine maintenance inspections to maintain operating integrity of the projects;
- Initiating repair projects which reduce probability of future failings; and
- Completed self help projects for Phase 1 and 2 of Tyee transmission line and Phase 1 of Terror Lake, including tunnel inspection.

Continued to administer outstanding long-term debt in excess of \$300 million; continued to administer special trust funds relating to the facilities.

At the request of Bradley Lake participating utilities, entered into an agreement to refund bonds in FY99 and FY00, resulting in lower interest rates for the project.

Statutory and Regulatory Authority

AS 44.83
2 AAC 94

BRU/Component: Alaska Seafood Marketing Institute

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Manager: Barbara J. Belknap, Executive Director

Tel: (907) 465-5560 Fax: (907) 465-5572 E-mail: Barbara_Belknap@commerce.state.ak.us

Component Mission

To increase the consumption of Alaska seafood and to promote the quality and superiority of Alaska seafood products.

Component Services Provided

ASMI has five programs: Export Marketing, Domestic Retail Marketing, Domestic Foodservice Marketing, Quality Information and Education and Public Relations.

- 1) **Export Marketing** – marketing Alaska seafood products in Asia, the European Union and Australia through a full spectrum of public relations, trade and consumer advertising, market research and trade promotion events. This component is financed by federal funds with a GF Program Receipts match and a 50% in-kind match from third party entities.
- 2) **Domestic Retail Marketing** – marketing of all species of Alaska seafood in US markets through public relations, print advertising and electronic media, trade advertising and direct sales calls to retail chains by ASMI staff and three contract regional marketing representatives.
- 3) **Domestic Foodservice Marketing** – increasing the consumption of Alaska seafood products through development of marketing opportunities in the foodservices sector including restaurant chains, hotel industry, institutional settings, culinary schools, and other commercial settings.
- 4) **Quality Information and Education**—improving the quality of Alaska seafood is one of the most important marketing components and ASMI works with fishermen, processors, brokers and traders, retail seafood handlers and chefs to ensure that quality products from Alaska are top of mind for the consumer.
- 5) **Public Relations** – improving industry and trade relations to support the domestic marketing services by consolidating printed and electronic communications and providing public relations and awareness to increase visibility and consumption of Alaska seafood products.

Component Goals and Strategies for FY2000

To increase consumer awareness of and a preference for Alaska seafood.

- Develop distribution and identity programs for Alaska seafood products at the wholesaler/distributor, retail, high volume foodservice operations, and consumer levels.
- Gain multiple ad features for three Alaska seafood products during key promotion periods in major retail markets.
- Achieve promotions with 10-12 commercial restaurant chains: casual, family and steak house themed restaurants.
- Obtain promotions with 15-20 top broad line distributors and their customers.
- Achieve promotions with 2-3 top contract management companies.
- Use ASMI identity seal/log to develop an identity for Alaska seafood products at point-of-purchase.
- Attend and have show booth presence at as many worldwide trade shows as funding will allow.

To improve and maintain quality awareness throughout the harvesting, processing, and transportation links.

- Coordinate and sponsor seafood processing industry Hazardous Analysis Critical Control Point (HACCP) training to better ensure Alaska seafood's domestic and international competitiveness.

- Distribute seafood shippers and cold storage technical educational materials aimed at better ensuring Alaska seafood quality is maintained during distribution.
- Expand training efforts among commercial fishermen and seafood processors on recommended handling practices and sanitation information.
- Promote new marketing aids for retail and foodservice through training programs that certify food handlers in safe food practices.
- Train wholesale seafood companies in proper handling procedures to reduce/eliminate poor quality product from getting to markets.
- Conduct research on quality and quality changes in frozen Alaska salmon to provide information and assurance to buyers resistant of frozen salmon.

To collect, organize, distribute, and make available to the public information on prices paid and market conditions for salmon and salmon products.

To cooperate with commercial fishermen and others in the industry to investigate market reception of new salmon product forms and to develop future markets for Alaska salmon.

Key Component Issues for FY1999 – 2000

The seafood industry is the largest private employer in Alaska, providing one sixth of all the employment (35,000 full-time and 70,000 seasonal). The industry is losing markets due to increasing competition from foreign and domestic seafood producers, primarily farmed salmon. The farm competition now represents nearly 53% of all salmon production worldwide which has negatively impacted consumption of Alaskan products in US and foreign markets.

Over 40% of the salmon harvest is exported to foreign markets (1996 value of \$692 million). Continuation of the export volume is threatened by competition from foreign producers. Alaska's competitors enjoy huge government subsidies. For example, Norway provides \$100-million in government assistance for production, in addition to a \$40 million international marketing budget.

The federal funding for the export marketing programs has been reduced over the last eight years from a high of \$8.5 million in FY93 to \$3.1 million in FY99. In addition to the federal reductions, the state General Fund Match was completely eliminated in FY98 from \$1.09 million in FY95.

With decreased federal and state funding coupled with increased competition from foreign and domestic seafood suppliers, ASMI's greatest challenge will be to sustain worldwide market shares and services.

Major Component Accomplishments for FY1998

US Markets:

- Marriott Hotels held its biggest seafood promotion in its history, featuring fresh Alaska Coho salmon resulting in an annual promotion to be included in its Gold Standard Program mandating future promotions in over 160 units.
- Delta Airlines was the first major airline ASMI has ever worked with. Delta has committed to a year-long promotion on select first-class and business-class flights using Alaska Coho salmon, smoked salmon and snow crab; replaced farm-raised Atlantic salmon on select flights with Alaska salmon, and; produced an in-flight video which features cooking with Alaska seafood.
- Culinary Institute of America event produces many of the subsequent successful foodservice promotions and positions ASMI as a leading resource and knowledge base for seafood menuing and promotion ideas.
- Successful partnership with Reynolds Metals Company that allowed maximum exposure of Alaska seafood products with reduced promotional dollars. Promotion coverage expanded from 1,500 to 3,000 stores during our summer promotion and the Lenten promotion realized an all-time high in terms of tonnage moved, participating numbers of retailers and Alaska Seafood has ultimately finally recognized as a brand by one of the Seattle area's major retail chains. Reynolds Metals Company has asked to work with ASMI on even larger promotions.

Department of Commerce and Economic Development

- Safeway Corporate Seafood Department reported a 33% increase to sales over the previous year during a negotiated ASMI promotion, in spite of problems getting all divisions to participate and product supply challenges.
- Schwan's Home Delivery Service, the largest in the United States, now stocks six Alaska seafood products on a permanent basis, each package sporting ASMI's black diamond logo.

Foreign Markets

- Began promoting species other than salmon.
- Added the European Union as a region as well as new marketing plans in China/Hong Kong and Taiwan.
- Participated with a generic booth at the China Fisheries Expo in Beijing wherein over 270 trade leads were gathered and thousands of informational materials including a Chinese version of the Alaska seafood suppliers directory were distributed.
- T.G.I. Friday's generic promotion in England featured Alaska king salmon, displacing Norwegian farmed salmon, and snow crab in over 30 restaurants throughout the country.
- ASMI's umbrella booth at the European Seafood Exposition had nine participating companies with ten booths and is being used as a model by other American exhibitors for the next year's show.
- A multi-tiered promotion with Japan's respected Tsuji Cooking Academy was so successful that the Norwegian salmon representative wanted to run an identical activity with the academy, but Tsuji declined saying they only worked with wild Alaska seafood.
- Kirin Beer approached ASMI to participate in its first ever foreign commodity promotion. Kirin Brewery previously only handled Norwegian salmon and based on the success of this promotion, Kirin's will be featuring Alaska seafood in eight other restaurants ranging from French restaurants to Japanese pubs.

Statutory and Regulatory Authority

AS 16.51.010-180
AS 43.76.110-130
15 AAC 116.600-700

BRU/Component: Alaska Aerospace Development Corporation

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Manager: Pat Ladner, Executive Director

Tel: (907) 561-3338 Fax: (907) 561-3339 E-mail: pat.ladner@akaerospace.com

Component Mission

To promote aerospace-related economic growth and develop corresponding technologies and support services.

Component Services Provided

Provide rocket launch services to government and commercial customers, assist university, federal, and private organizations in developing aerospace technologies, provide educational opportunities within the state and promote Alaska as the ideal location for aerospace activities.

Component Goals and Strategies for FY2000

To promote use of and secure customers for the Kodiak Launch Complex (KLC).

- Develop marketing plan for the KLC.
- Advertise in aerospace industry publications and participate in international conferences and trade shows.
- Secure contracts for 2-3 launches.
- Finalize Lockheed Martin launch contract.

To maximize economic impact of satellite ground station industry in Fairbanks.

- Facilitate development of privately funded ground stations.
- Develop strategy to encourage local satellite data processing, archiving and distribution.

To increase local employment opportunities to support aerospace activities.

- Utilize local contractors to support launch missions from the KLC.
- Promote use of University of Alaska students to support satellite ground station operations.

To provide educational opportunities throughout the state.

- Encourage launch customers to visit local schools and provide educational information related to launch missions from the KLC.
- Facilitate corporate sponsor of scholarships for local students.

Key Component Issues for FY1999 – 2000

AADC is requesting an operating budget increment in the amount of \$225,000 to be funded by CIP receipts currently budgeted within the KLC construction appropriation. The increase is necessary to fund increased overhead as AADC transitions from construction to operation of the KLC. AADC will also be seeking additional capital funding related to construction and start-up of the KLC through a capital appropriation (non general funds) by the State.

Major Component Accomplishments for FY1998

- Completed all federal and state environmental and permitting compliance for Kodiak Launch Complex (KLC).
- Received funding for construction of the KLC in the amount of \$28 million: \$23 million from federal sources and \$5 million from the Alaska Science and Technology Foundation.
- Completed comprehensive study which facilitated the development of several satellite ground stations in the Fairbanks area with no capital investment required by the State.
- Commenced construction of the Kodiak Launch Complex.

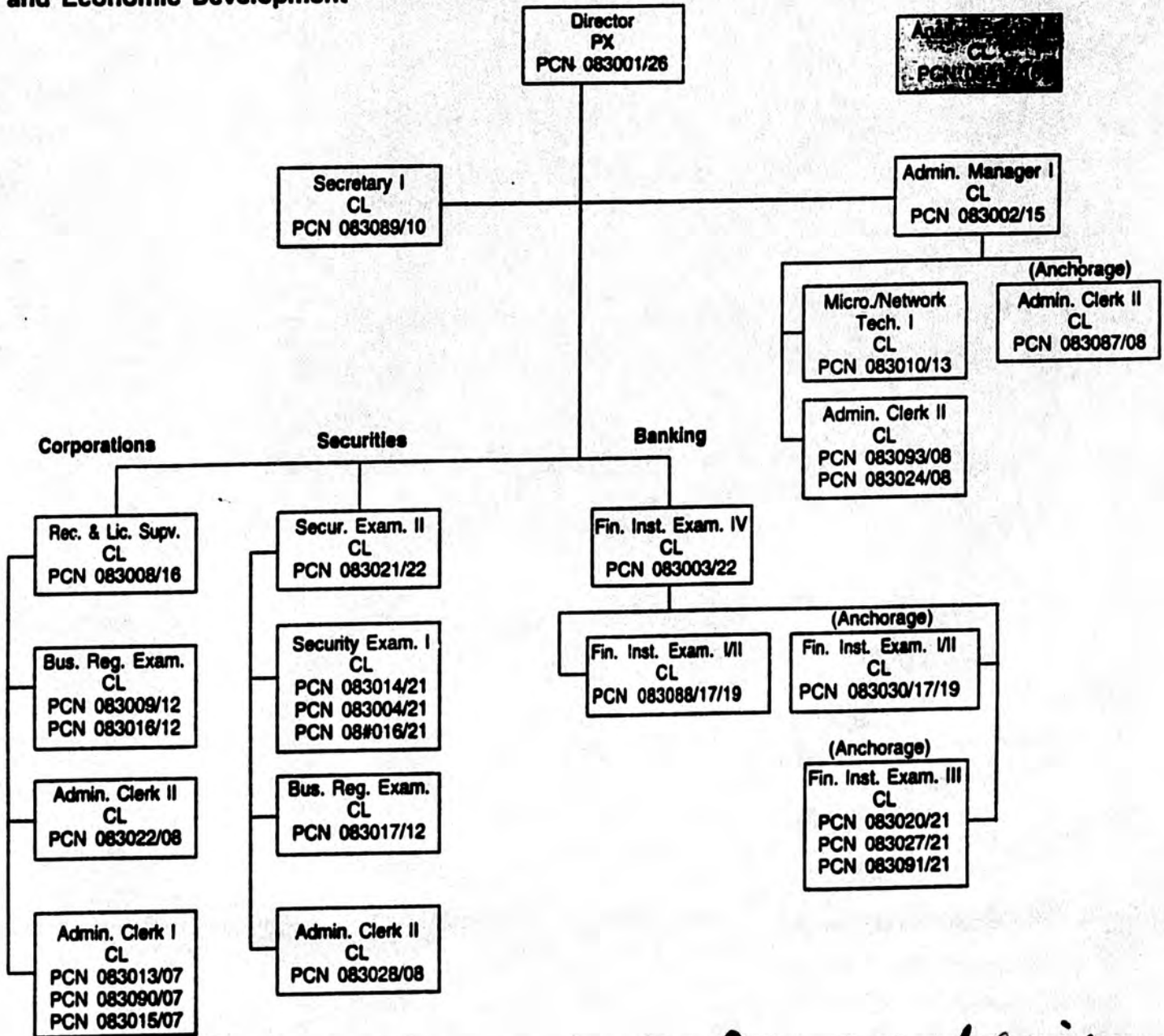
- Received KLC Site Operators License from the Federal Aviation Administration, Office of the Associate Administrator for Commercial Space Transportation.
- Successfully completed first launch mission from the KLC for the US Air Force's atmospheric interceptor technology program.
- Initiated development of the Challenger Learning Center and assisted the City of Kenai in its successful effort to obtain approval for the Center for the State of Alaska.

Statutory and Regulatory Authority

AS 14.40-821-990 Alaska Aerospace Development Corporation

DIVISION OF BANKING, SECURITIES AND CORPORATIONS

**State of Alaska
Department of Commerce
and Economic Development**

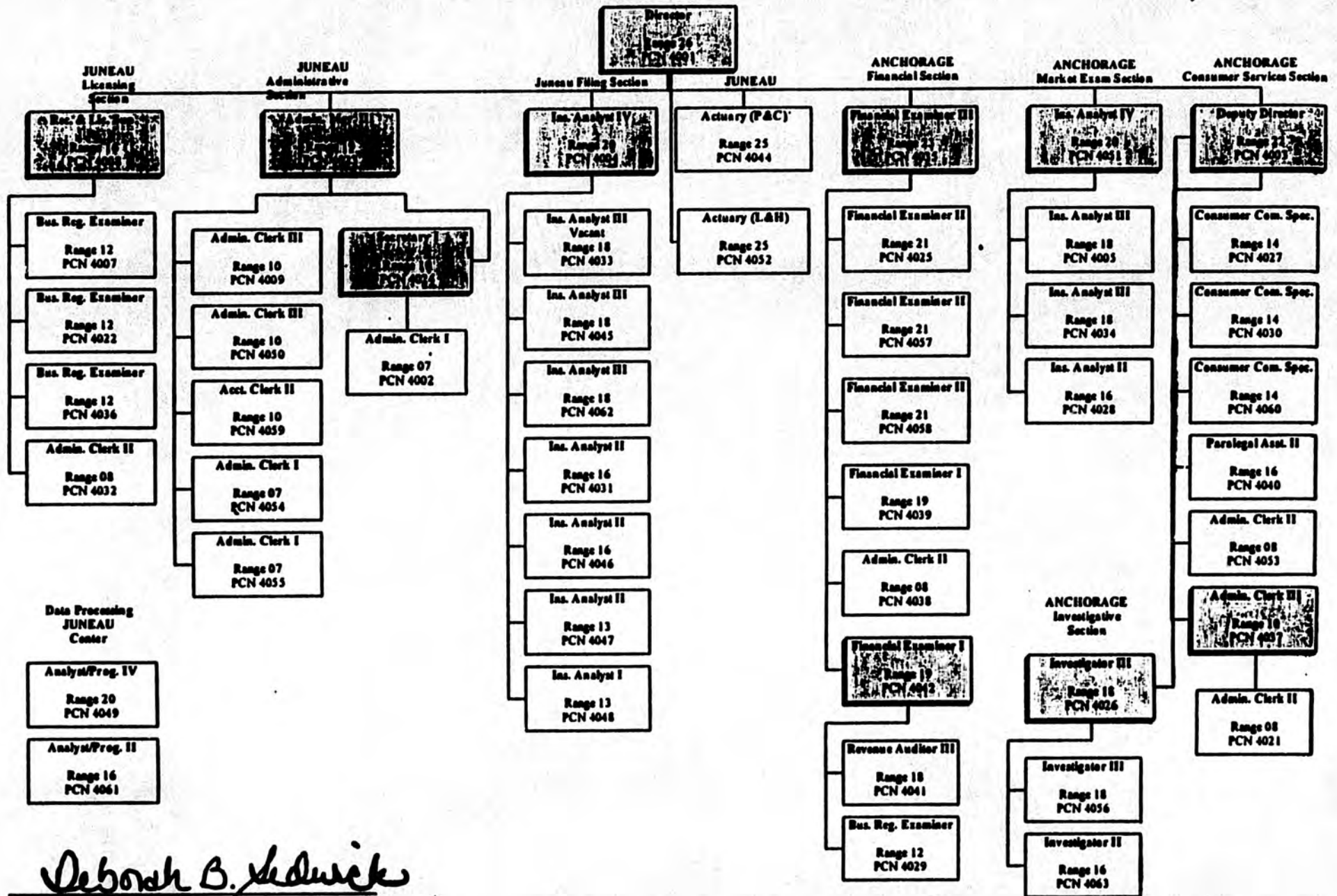


Approved: Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

CL: Classified	Permanent
PX: Partially Exempt	Full Time Positions
EX: Exempt	27

Positions are located in Juneau if not otherwise specified.
Shaded box: Supervised by Administrative Services
(Rev. 12/98)

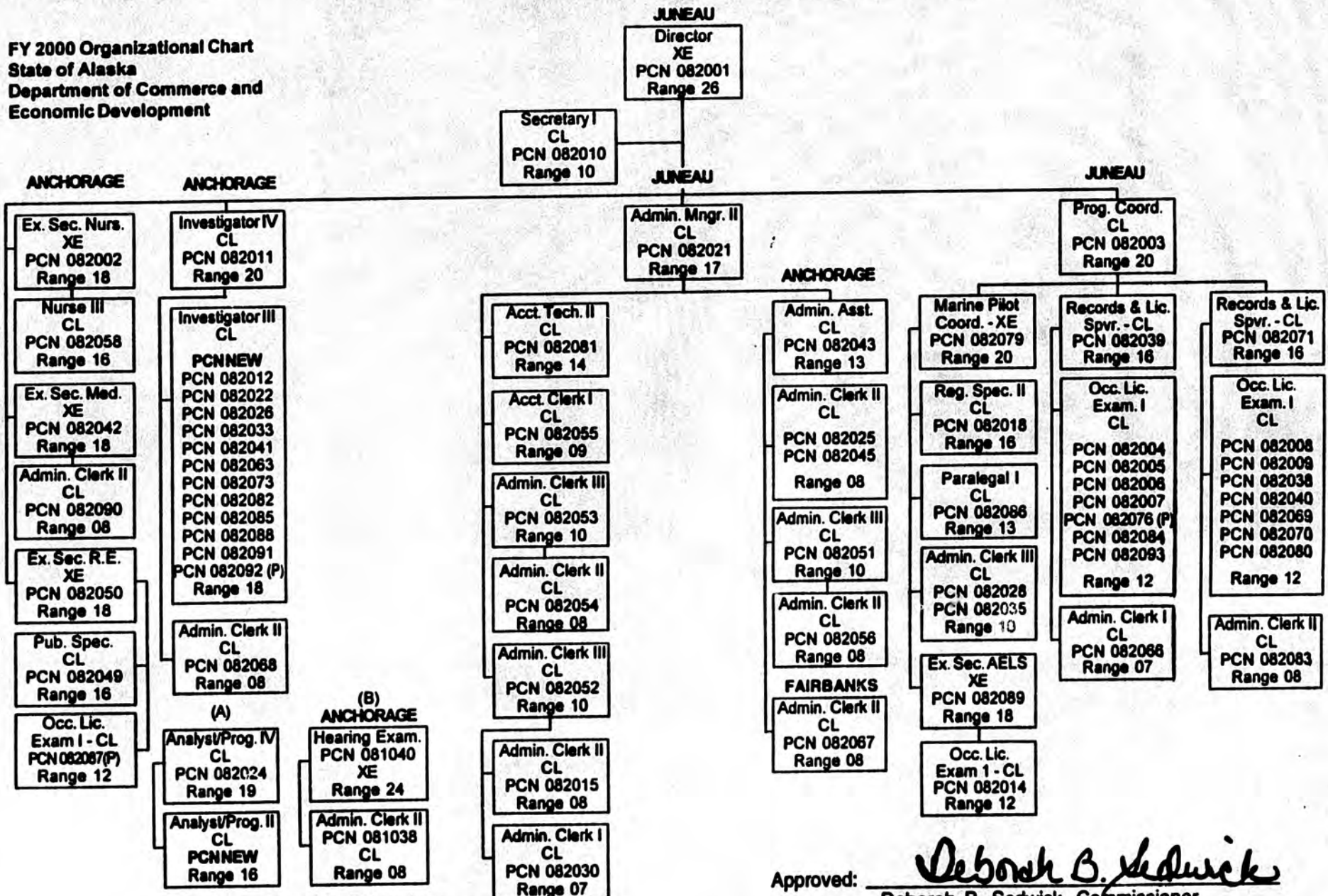
DIVISION OF INSURANCE
FY2000
50 Positions



Deborah B. Hedrick
 Commissioner

DIVISION OF OCCUPATIONAL LICENSING

FY 2000 Organizational Chart
State of Alaska
Department of Commerce and
Economic Development



Approved:

Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

Budgeted in Occupational Licensing:
A) Supervised by A/PV in Administrative
Services
B) Supervised by Commissioner's Office

(All positions are located in Juneau unless otherwise specified)
(Rev. 1/99)

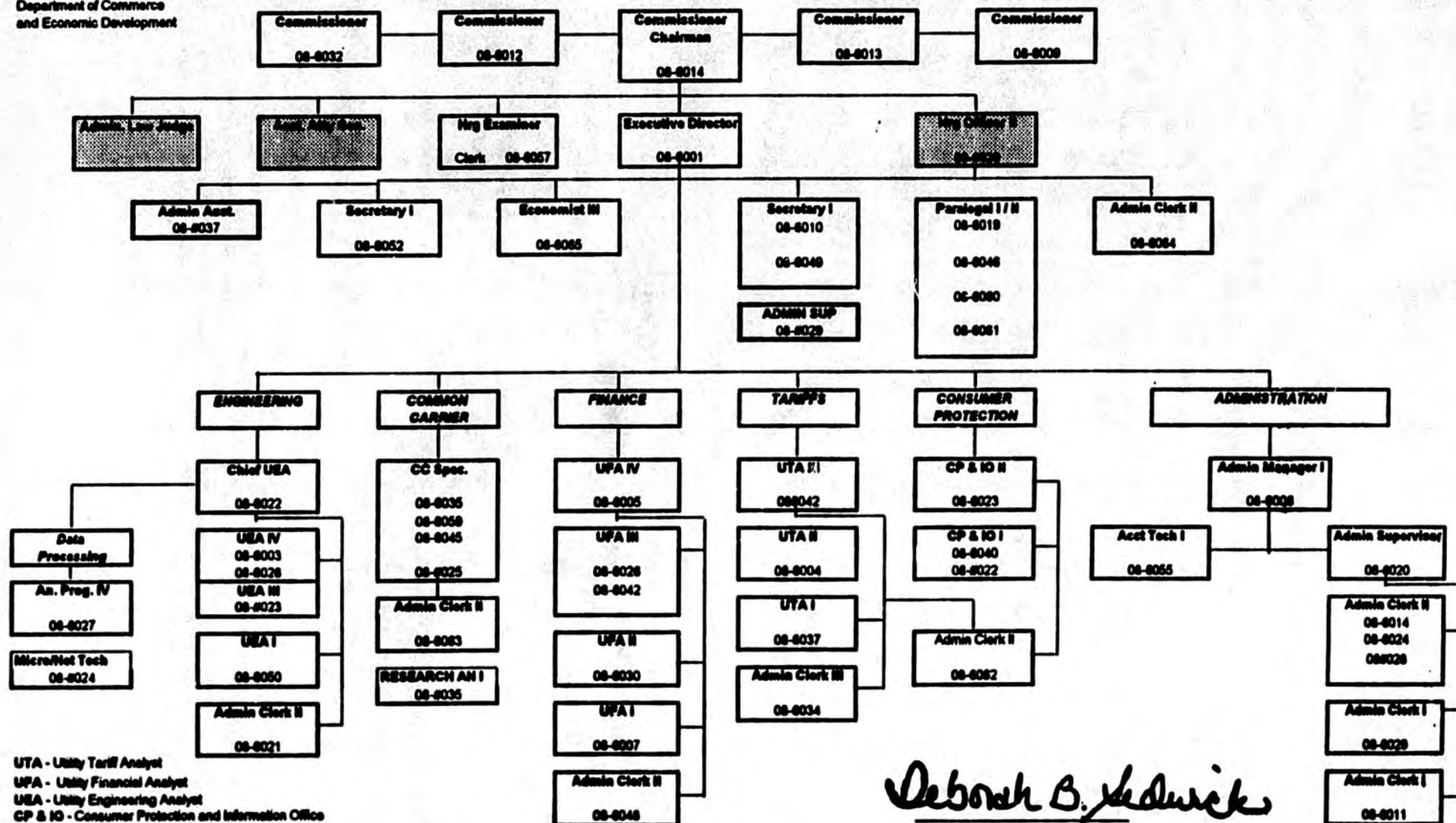
CL: Classified
XE: Partially Exempt

Positions: 65 PFT (Permanent Full Time)
3 SP (Seasonal Part Time)
Total Budgeted Positions: 68

38 Located in Juneau
29 Located in Anchorage
1 Located in Fairbanks

State of Alaska
Department of Commerce
and Economic Development

ALASKA PUBLIC UTILITIES COMMISSION



UTA - Utility Tariff Analyst
UFA - Utility Financial Analyst
UEA - Utility Engineering Analyst
CP & IO - Consumer Protection and Information Office
CC - Common Carrier
UE - Utility Engineer
■ Positions funded under contract

(Rev. 2/88)

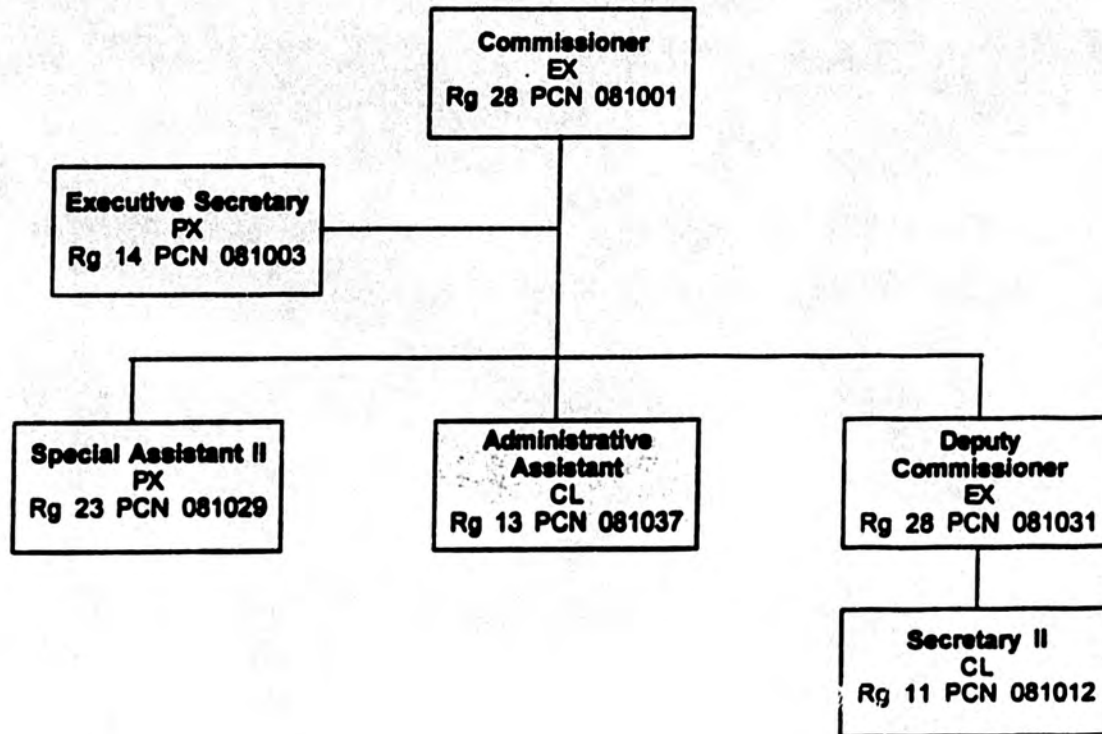
Deborah B. Sedwick

Deborah B. Sedwick, Commissioner

All positions are located in Anchorage

OFFICE OF THE COMMISSIONER

**State of Alaska
Department of Commerce
and Economic Development**



Shaded = Located in Anchorage

CL: Classified
PX: Partially Exempt
EX: Exempt

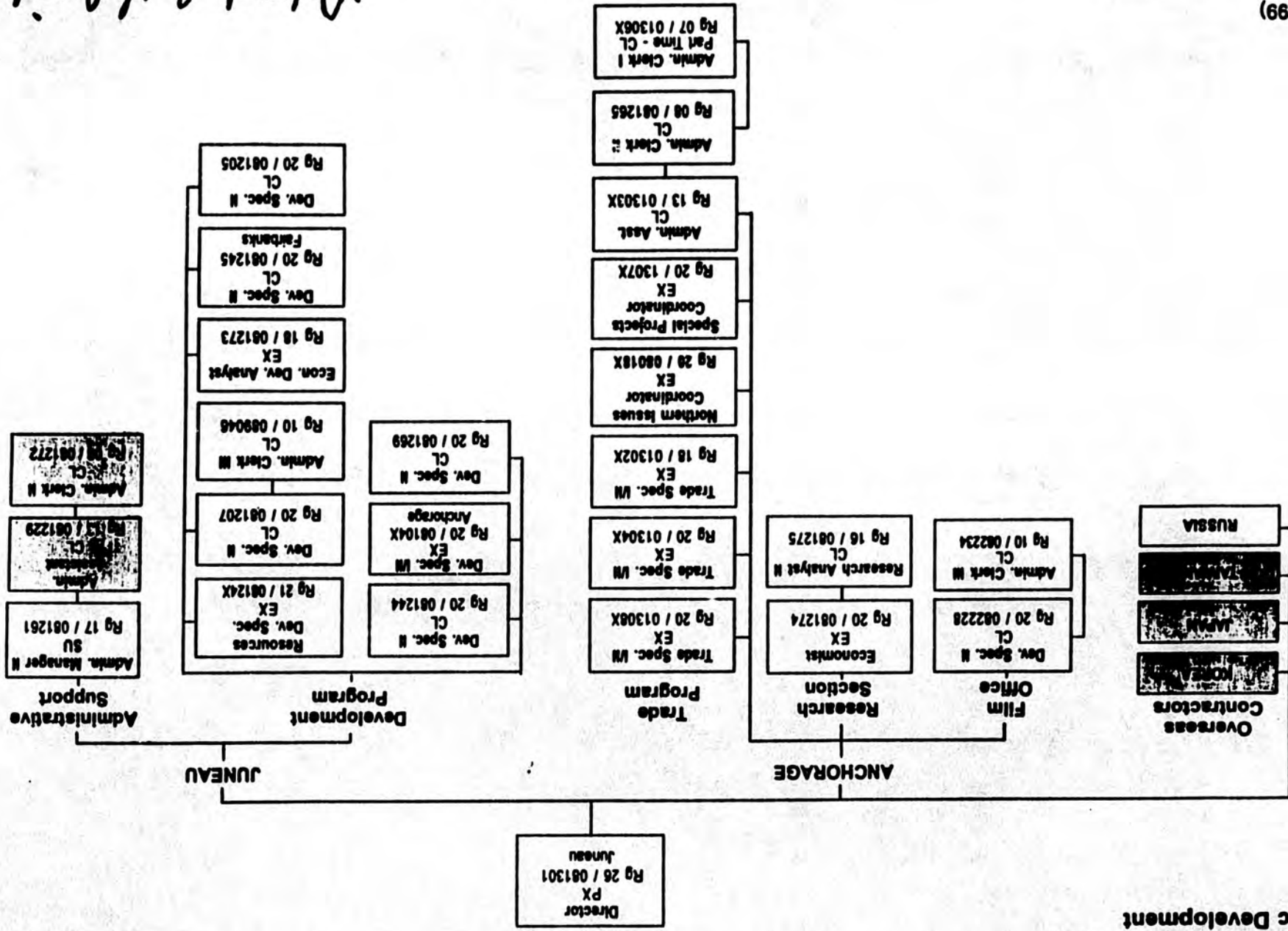
(Rev. 1/99)

Approved: _____

Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

DIVISION OF TRADE AND DEVELOPMENT FY 2000

State of Alaska
Department of Commerce and
Economic Development



CL: Classified
PX: Partially Exempt
EX: Exempt

(Rev. 1/99)

☐ Joint contracts and Administrative Staff with Division of Tourism

Approved:

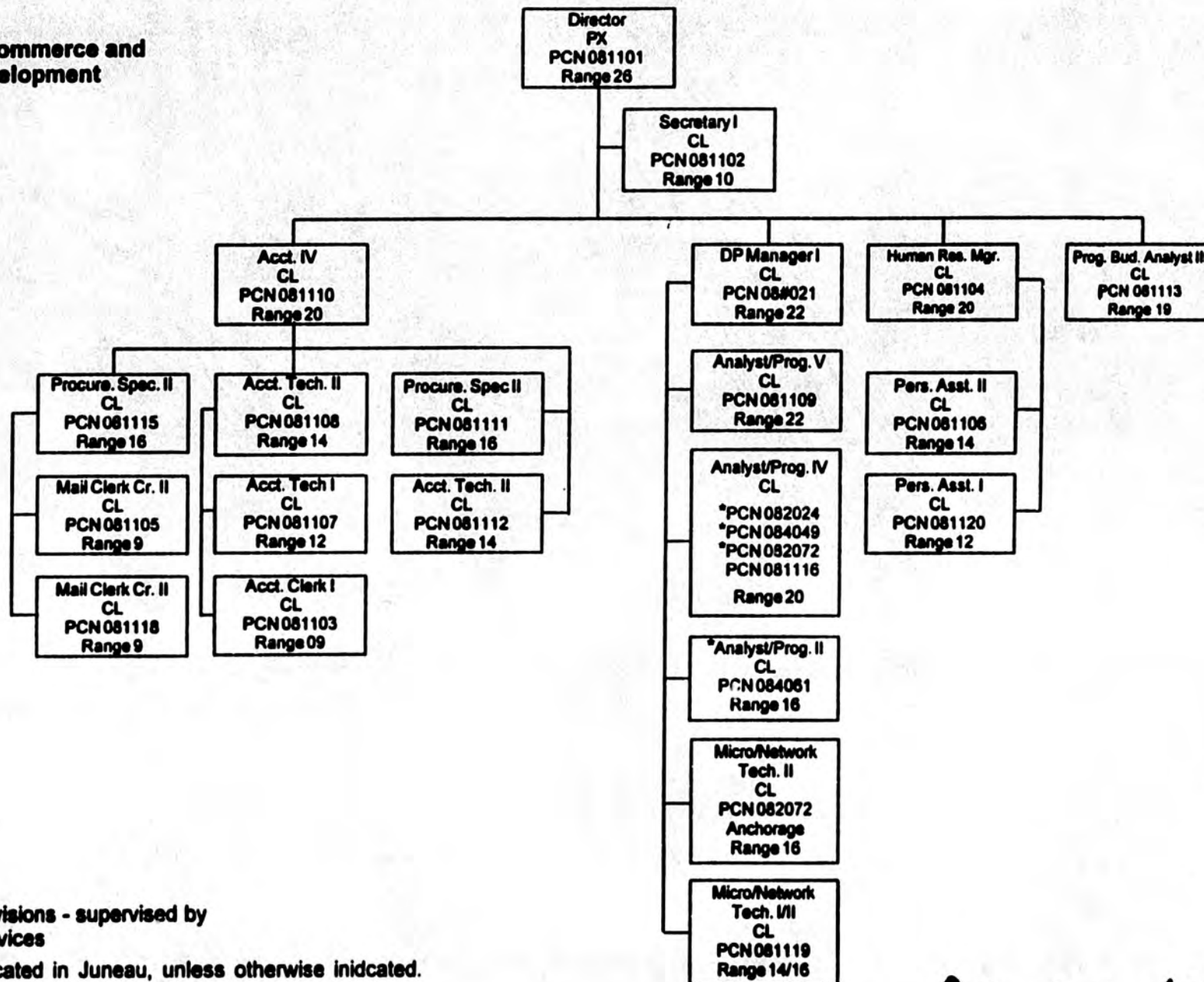
Deborah B. Madsen

Commissioner of Department of Commerce and Economic Development

Effective Date:

State of Alaska
Department of Commerce and
Economic Development

DIVISION OF ADMINISTRATIVE SERVICES



* Budget in other divisions - supervised by
Administrative Services

All positions are located in Juneau, unless otherwise indicated.

(Rev. 1/99)

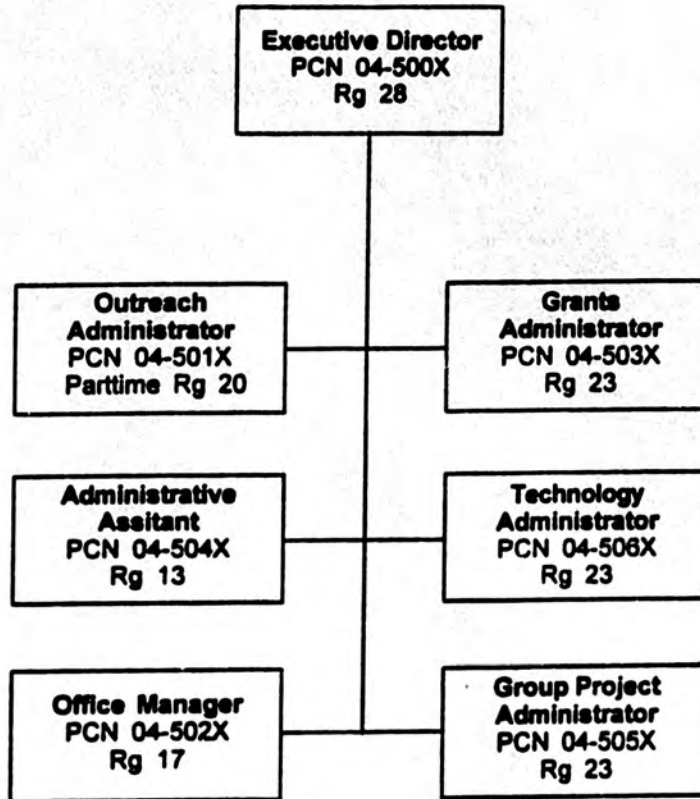
CL: Classified
PX: Partially Exempt
EX: Exempt

Approved: Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

Effective Date: _____

ALASKA SCIENCE AND TECHNOLOGY FOUNDATION

**FY 2000
State of Alaska
Department of Commerce
and Economic Development**



All positions are located in Anchorage
(except parttime Fairbanks)

Approved: _____

Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

State of Alaska
Department of Commerce
and Economic Development

DIVISION OF INVESTMENTS

JUNEAU

Director

PCN 089003/26

Secretary I

PCN 089065/10

Admin. Mngr. I

PCN 089008/15

LENDING
BRANCH

Loan/Coll. Mngr.

PCN 089061/20

COLLECTIONS
BRANCH

Loan/Coll. Mngr.

PCN 089041/20

SYSTEMS
BRANCH

Accountant III

PCN 089050/18

ANCHORAGE

Loan/Coll. Off. II

PCN 089069/18

Loan/Coll. Off. I

PCN 089067/16

Admin. Clerk II

PCN 089068/08

Loan/Coll. Off. II

PCN 089058/18

Loan/Coll. Off. II

PCN 089074/18

Loan/Coll. Off. I

PCN 089002/16

Loan/Coll. Off. I

PCN 089059/16

Loan/Coll. Off. I

PCN 089063/16

Loan/Coll. Off. I

PCN 089079/16

Loan/Coll. Off. I

PCN 089025/16

Loan Closer II

PCN 089060/12

Loan Closer I

PCN 089021/10

Loan Closer I

PCN 089051/10

Loan Closer I

PCN 089012/10

Loan Closer I

PCN 089055/10

Loan Closer I

PCN 089078/10

Loan Closer I

Anchorage

PCN 089071/10

DOCUMENTS
SECTION

Loan/Coll. Off. II

PCN 089062/18

Loan/Coll. Off. II

PCN 089038/18

Admin. Clerk III

PCN 089005/10

Admin. Clerk I

PCN 089057/07

Admin. Clerk I

PCN 089075/07

ADMINISTRATIVE
SECTION

Acct. Tech. III

PCN 089076/16

Acct. Tech. III

PCN 089039/16

LITIGATION
MANAGEMENT

Acct. Tech. II

PCN 089049/14

Acct. Tech. I

PCN 089047/12

Acct. Tech. I

PCN 089028/12

Acct. Tech. I

PCN 089019/12

Acct. Tech. I

PCN 089010/12

CUSTOMER
SERVICE

Acct. Spvr. I

PCN 089048/16

Acct. Tech. II

PCN 089036/14

Acct. Tech. II

PCN 089015/14

Acct. Tech. I

PCN 089026/12

Admin. Clerk II

PCN 089052/08

GENERAL
LEDGER

Analyst/
Programmer IV

PCN 089073/20

Analyst/
Programmer III

PCN 089072/18

Analyst/
Programmer I

PCN 089044/14

Micro Network
Tech I

PCN 089080/14

INFORMATION
SERVICES
SECTION

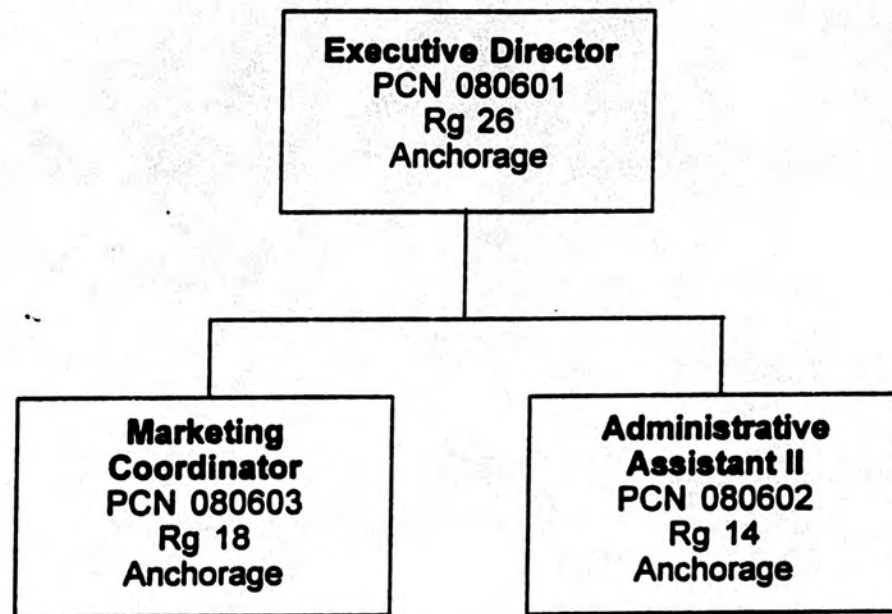
(Rev. 12/98)

CL: Classified
PX: Partially Exempt
EX: Exempt

Approved:

Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

ALASKA TOURISM MARKETING COUNCIL

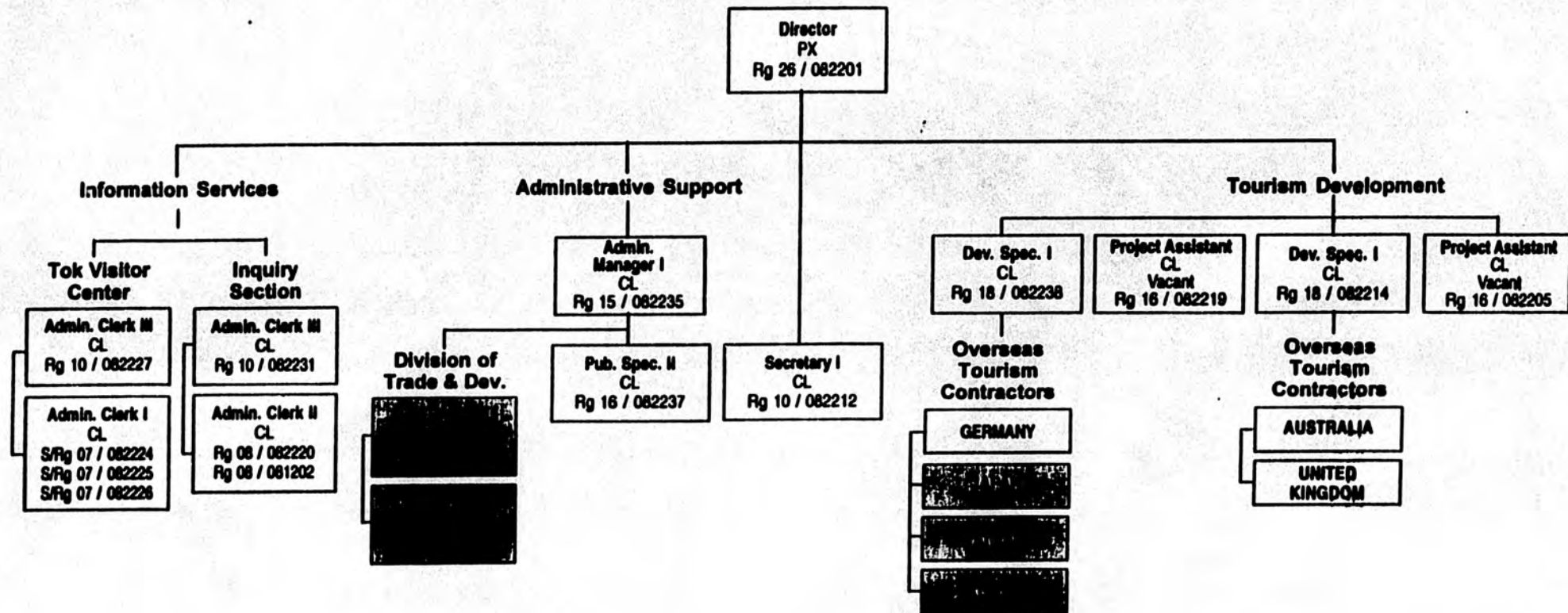


Approved: Deborah B. Sedwick
Deborah B. Sedwick, Commis

State of Alaska
Department of Commerce and
Economic Development

DIVISION OF TOURISM
FY 2000

Juneau



Joint Contracts and Administrative Staff with
Division of Trade and Development

(Rev. 4/99)

CL: Classified
PX: Partially Exempt
EX: Exempt
S: Seasonal
SU: Supervisory

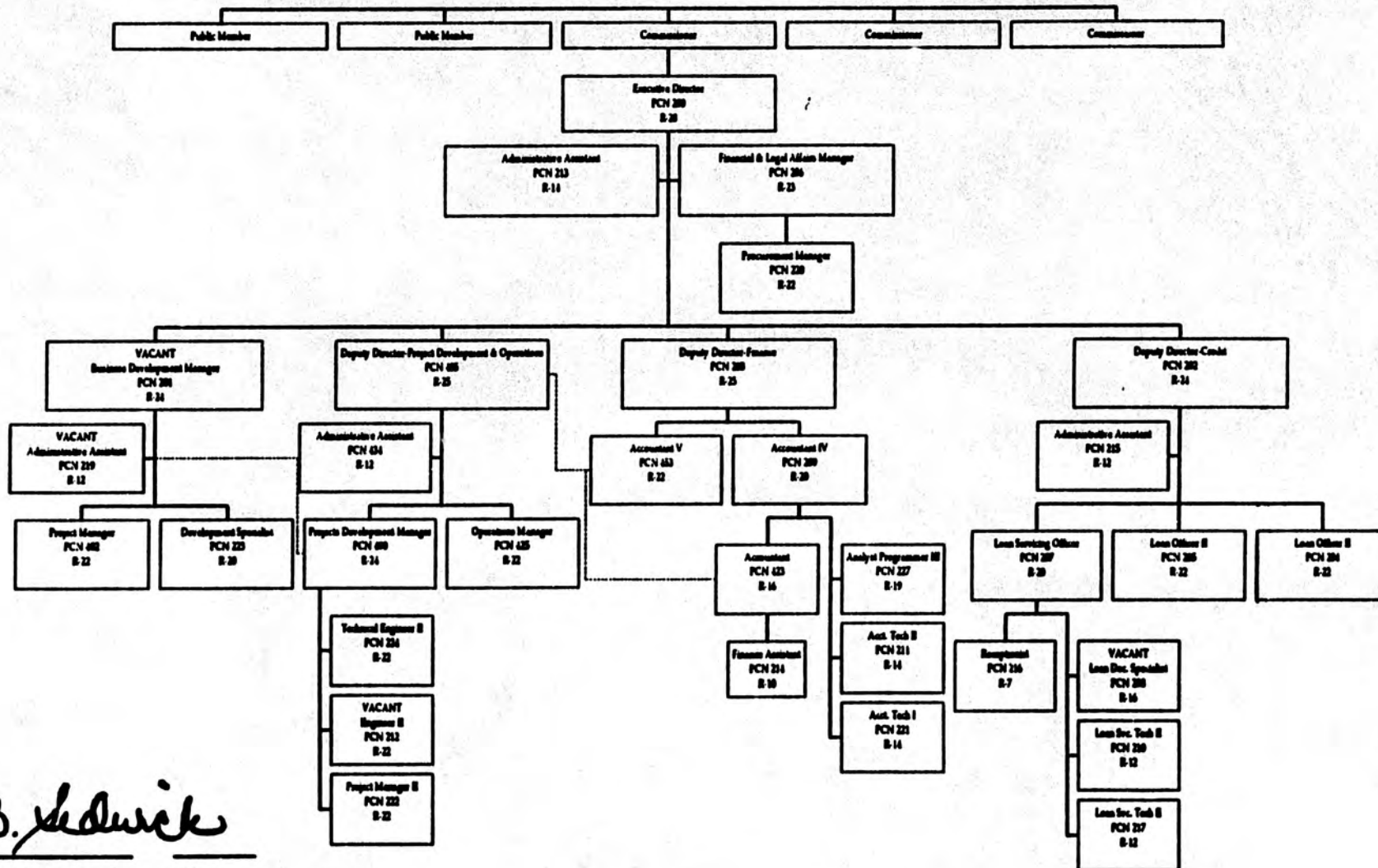
Approved:

Deborah B. Sedwick

Commissioner of Department of Commerce & Economic Development

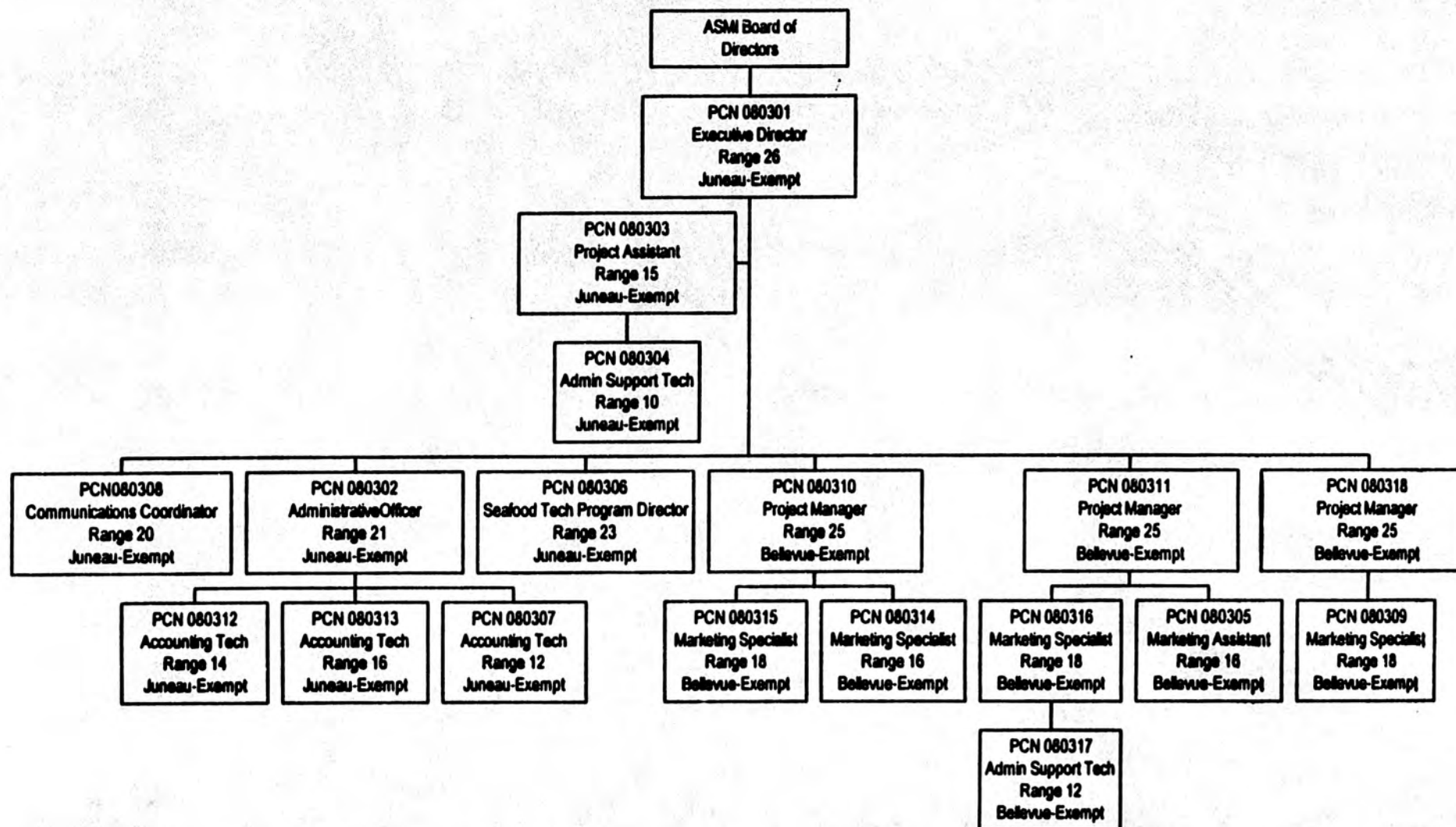
Date:

AIDEA ORGANIZATIONAL CHART



Deborah B. Hedrick
 Commissioner Date

**ALASKA SEAFOOD MARKETING INSTITUTE
FY 2000 ORGANIZATIONAL CHART**

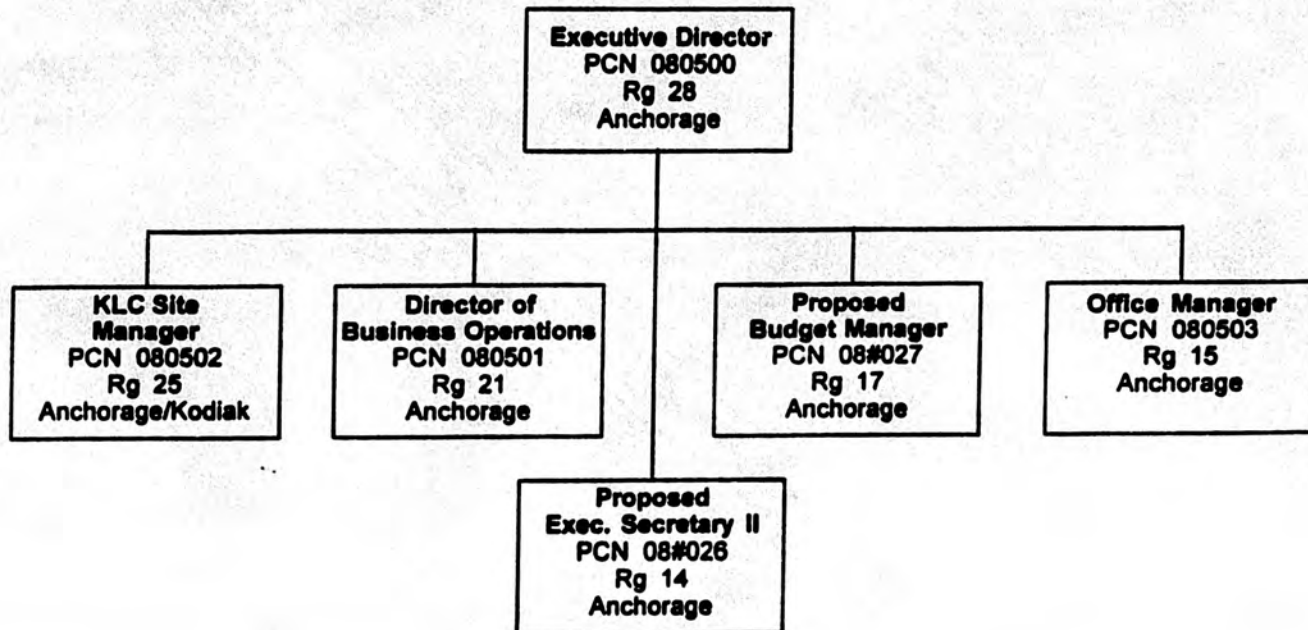


Deborah B. Sedwick

Deborah B. Sedwick, Commissioner
Department of Commerce & Economic Development

ALASKA AEROSPACE DEVELOPMENT CORPORATION

Proposed Organizational Structure
State of Alaska
Department of Commerce
and Economic Development



Approved: _____

Deborah B. Sedwick
Deborah B. Sedwick, Commissioner

Overview of the Department of Community and Regional Affairs



**Mike Irwin, Commissioner
January 1999**

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AGENCY OVERVIEW

DCRA MISSION

To foster the development of self-reliant and productive individuals, families and communities by providing training, technical assistance and financial support.

MAJOR GOALS AND STRATEGIES

Strengthen Individuals

- Ensure that residents of small rural communities in Western Alaska get the maximum benefits from their participation in the Community Development Quota (CDQ) program, a fisheries development initiative.
- Provide individual Alaskans with the job training programs they need through the federal Job Training Partnership Act (JTPA) and the state-funded State Training and Employment Program (STEP).
- Provide employment and job training services via "One Stop" centers and electronic linking of agency programs.

Strengthen Families

- Improve the overall quality of life of low-income children and parents through a comprehensive Head Start program of education, health, nutrition, social services, parent involvement and career development.
- Ensure parents access to affordable, high quality child care programs by providing funding and technical assistance to care givers and parents, allowing parents to take advantage of job training and work opportunities.

MAJOR GOALS AND STRATEGIES, Continued...

Strengthen Communities

- **Increase the capacity of local government to effectively provide essential public services by providing communities training and on-site technical assistance.**
- **Ensure that the State's significant investment in rural infrastructure is properly managed and maintained by providing technical assistance targeted at rural utility business management.**
- **Enhance the availability and quality of basic local government services by providing financial assistance that supplements local revenue generation (State Revenue Sharing, Safe Communities, shared State Fisheries Business Tax, shared Federal National Forest Receipts, Federal Payment in Lieu of Taxes).**
- **Improve the safety and cost effectiveness of energy sources for power generation and heating in rural Alaska by constructing and repairing bulk fuel storage facilities.**
- **Promote local economic development by providing technical and financial support for community infrastructure critical to economic development and small business startup.**
- **Provide assistance, through coordinated response projects, to communities experiencing sudden economic dislocation as a result of major economic disruptions.**
- **Protect the State's investments in rural electric power systems through training of the local operators and administrators, and by providing technical and financial assistance to prevent disasters.**

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

**Stronger Local
Governments
& Economies**

**Reliable
Energy Systems**

**Fiscal
Accountability**

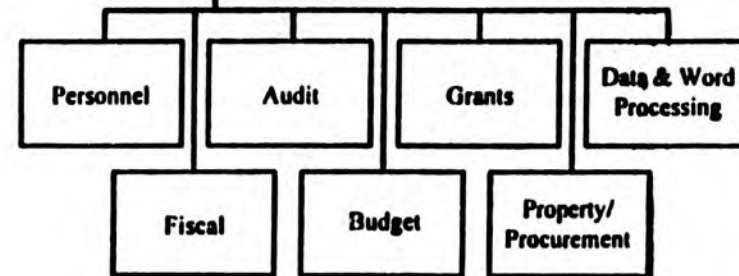
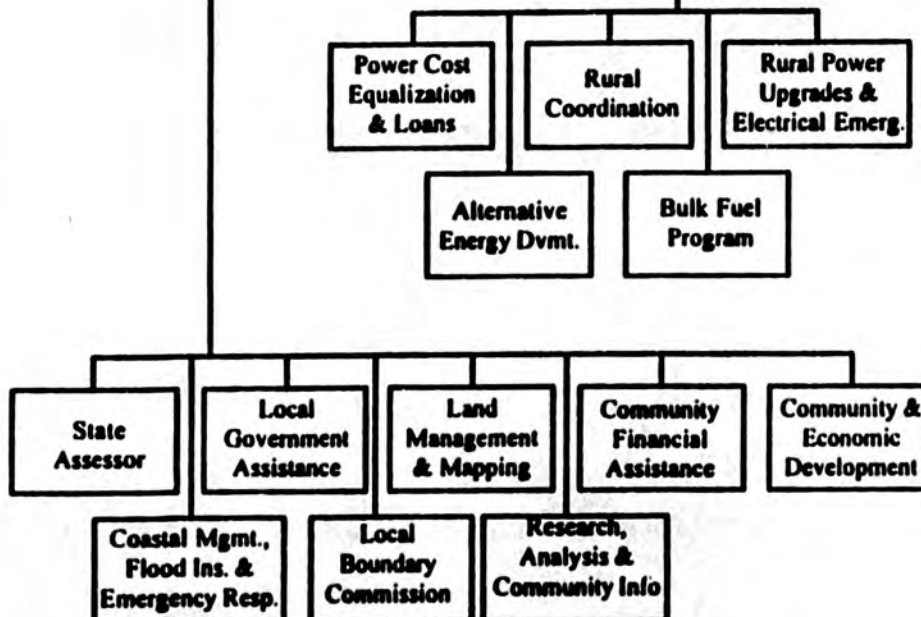
**Stronger
Individuals
& Families**

**Municipal and
Regional Assistance
Division**

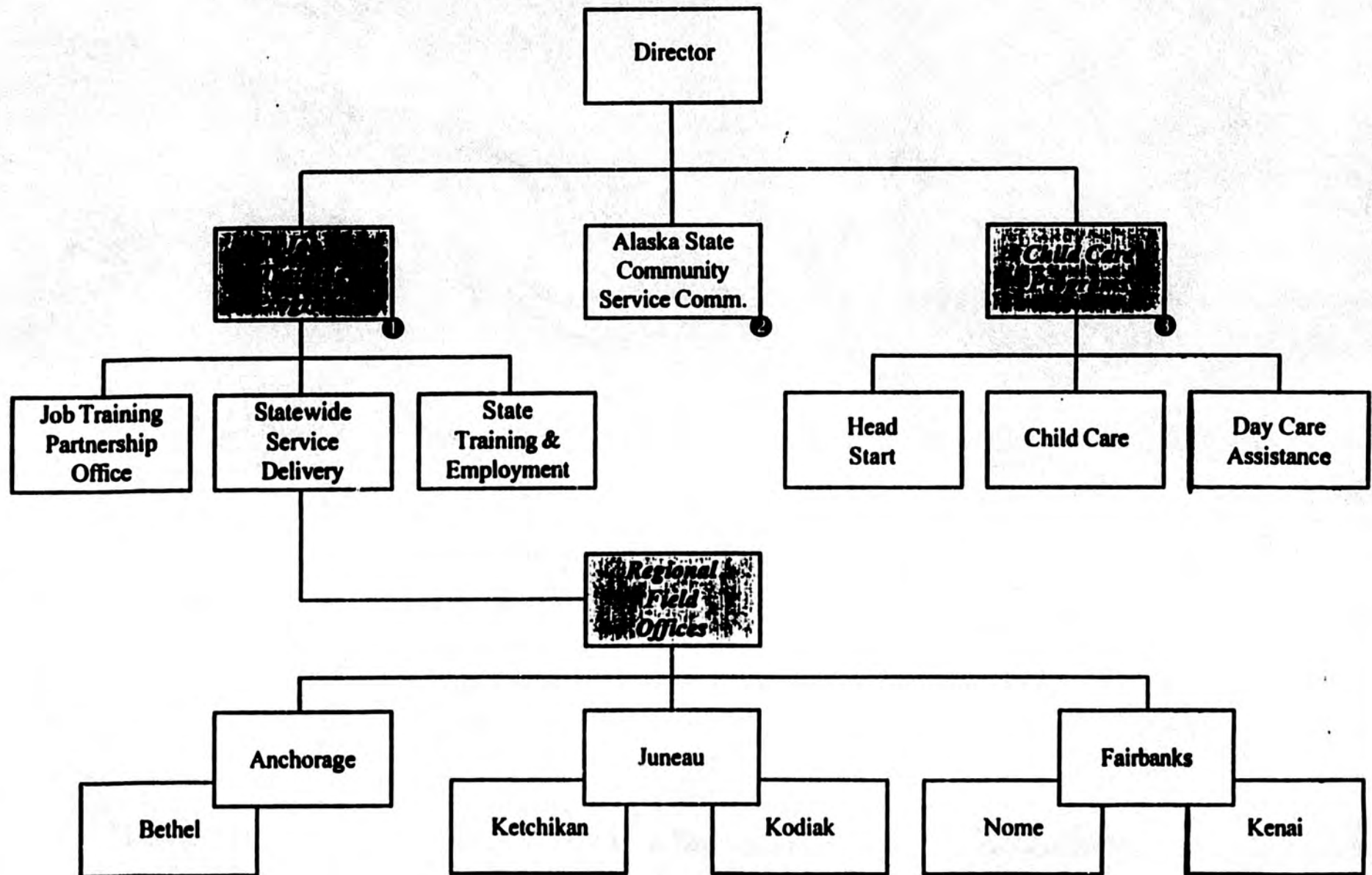
**Division of
Energy**

**Division of
Administrative
Services**

**Division of
Community & Rural
Development**



Division of Community and Rural Development



DIVISION OF COMMUNITY AND RURAL DEVELOPMENT (DCRD) PROGRAM DESCRIPTION

1. JOB TRAINING PROGRAMS:

JOB TRAINING PARTNERSHIP OFFICE (JTPO) — Administrative Order 122; P.L. 97-300; P.L. 104-193; P.L. 105-220; 20 CFR Parts 626-631 — Administers the federal JTPA at the state level; provides funds to local service delivery areas which provide services to participants.

JOB TRAINING SERVICE DELIVERY — Administrative Order 113; 19 AAC 60.01; AS 44.47; 20 CFR Parts 626-631; 29 CFR 97.24; P.L. 97-300; P.L. 104-193; P.L. 105-20; P.L. 105-33 — Provides training and employment opportunities to low-income adults, youth, and workers who have been dislocated due to industry closure.

STATE TRAINING AND EMPLOYMENT PROGRAM (STEP) — Chapter 95, SLA 1989; Chapter 17, SLA 1991 & 1993; Chapter 116, SLA 1996; Chapter 85, SLA 1998; AS 23.15.620; 8 AAC 87; 10 AAC 87.10-990 — Provides training and employment services to unemployed and likely to become unemployed Alaskans in order to reduce demand for unemployment insurance benefits.

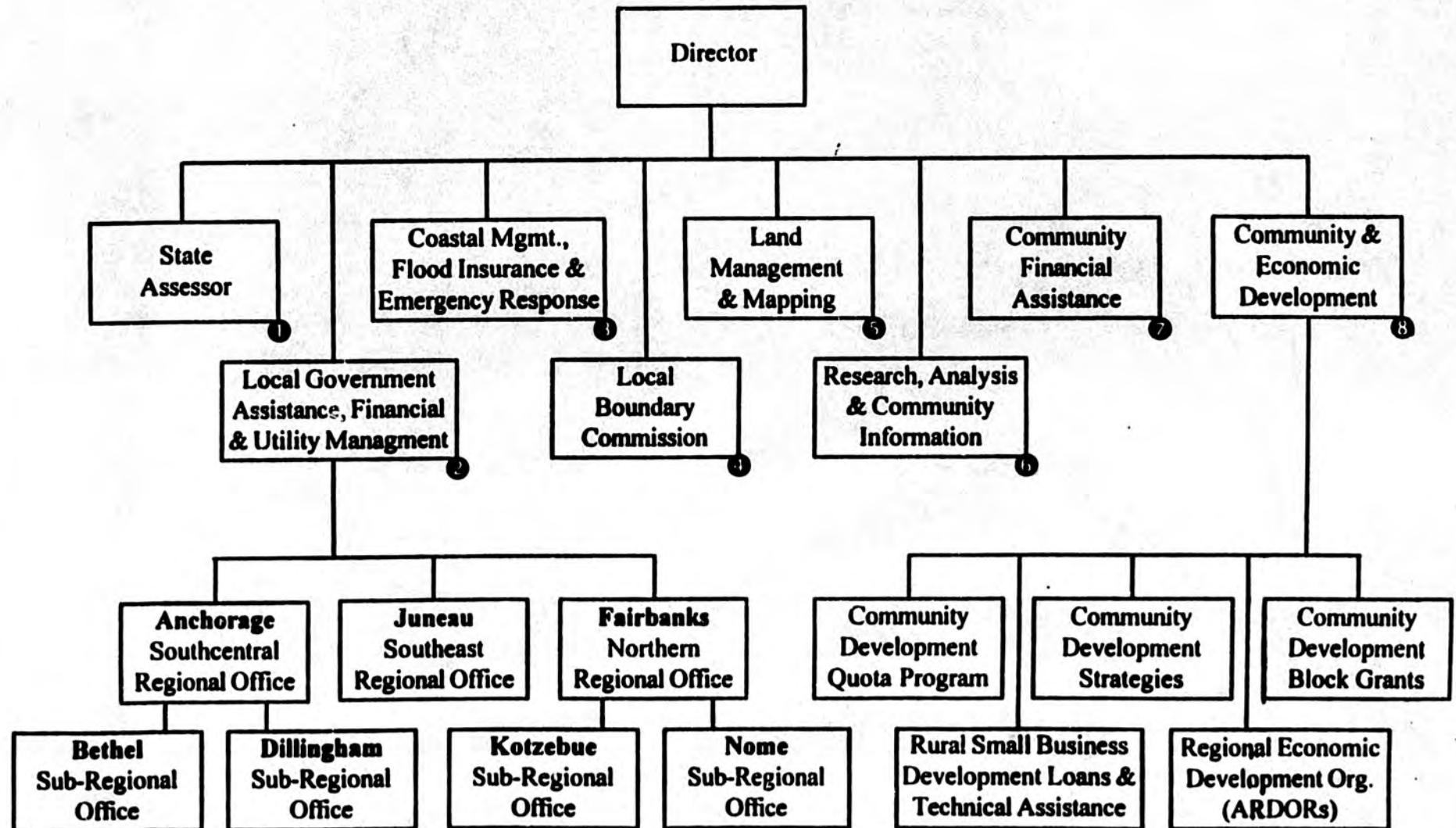
- 2. ALASKA STATE COMMUNITY SERVICE COMMISSION (ASCSC)** — 45 CFR 2550 — Provides pass through grant funding and technical assistance to eligible Alaskan communities and volunteer service organizations to enhance the overall quality of life for community residents by expanding community and volunteer service development opportunities.

3. CHILD CARE PROGRAMS:

HEAD START — AS 37.07.080; AS 44.17.030; AS 44.47.050; AS 47.05.050 — Provides state/local match for the federal Head Start program.

CHILD CARE/DAY CARE ASSISTANCE — P.L. 104-193; AS 44.47.250-310; 45 CFR Parts 98-99; 19 AAC 65.011-901 — Provides day care assistance to low-income working/training parents and operating grants to child care facilities.

Municipal and Regional Assistance Division



MUNICIPAL AND REGIONAL ASSISTANCE DIVISION (MRAD) PROGRAM DESCRIPTION

- 1. STATE ASSESSOR** — AS 29.45.105; AS 29.45.090; AS 14.17.140(2); AS 44.47.050(1) and (19) — The State Assessor's duties include correction of major errors in municipal assessment, valuation or taxation procedures; and production of annual full and true value determinations for property taxing municipalities to be used for local tax limitations and the school foundation program.
 - 2. LOCAL GOVERNMENT ASSISTANCE, FINANCIAL AND UTILITY MANAGEMENT** — Article X, Section 14 of the State Constitution ("An agency shall be established... to advise and assist local governments. It shall review their activities..."); AS 44.47 — Program provides financial management, administrative, service delivery and planning assistance to local governments. Also provides the Rural Utilities Business Advisory (RUBA) Program.
 - 3. COASTAL MANAGEMENT, FLOOD INSURANCE, AND EMERGENCY RESPONSE** — AS 44.47.050-44.47-095, AS 46.13.020 — Provides technical assistance and administers coastal resource districts for the federal Coastal Zone Management Program; ensures National Flood Insurance Program is provided to municipalities statewide; and participates in the State Emergency Response Commission.
 - 4. LOCAL BOUNDARY COMMISSION** — Article X, Section 12 of the State Constitution; AS 44.47 and AS 29 — Commission makes determinations on incorporations of boroughs or cities, annexations, detachments, and dissolutions; performs feasibility studies; holds public hearings in affected areas.
- ORGANIZATIONAL GRANTS** — AS 29.05.180; AS 29.05.190 — Provides funds for two or three years on a descending scale to newly incorporated cities or boroughs, to defray the costs of transition to a new status.
- 5. LAND MANAGEMENT AND MAPPING** — AS 44.47.050-100; SECTION 14(C)(3) OF P.L. 92.203 — Protects state and local government investments in buildings and facilities by actively working with agencies and communities to assure adequate site control for publicly-funded projects. Also provides general land management assistance to communities. Provides training and assistance on planning, mapping and other requirements of the Alaska Native Claims Settlement Act (ANCSA) which requires transfers of land from native corporations to municipalities or transfers in trust for future municipalities.

MUNICIPAL AND REGIONAL ASSISTANCE DIVISION, Continued...

MUNICIPAL LANDS TRUSTEE (MLT) — AS 44.47.150 — Provides a trustee relationship between the state and unincorporated communities. Holds in trust land transferred under ANCSA from native corporations until the communities incorporate.

6. RESEARCH, ANALYSIS AND COMMUNITY INFORMATION:

DATA COLLECTION AND INFORMATION MANAGEMENT — Article X, Section 14 of the State Constitution ("An agency shall be established by law ...to advise and assist local governments. It shall ...collect and publish local government information.") — Provides research, data collection, technical development, and maintenance activities for the following Department databases: the DCRA Community Database, which produces Community Profiles, custom data reports, and computer data files; the Rural Alaska Project Identification and Delivery System (RAPIDS) Database, a compilation of both funded and potential capital improvement projects in rural communities; the Municipal Revenue/Expenditure Database; and the Municipal Officials Database, which produces the annual Municipal Officials Directory. Much of this information is available on the World Wide Web. The department's web page, which was developed by this section, is averaging over 6,000 hits per day.

POPULATION AND SOCIO-ECONOMIC DATA — AS 29.60.020, AS 29.60.150 — Provides technical support to municipalities for local population censuses or estimates, and certifies municipal populations for State Revenue Sharing and Safe Communities program purposes. Provides information and analysis of decennial U.S. Bureau of Census data to local, state, federal, and private requestors.

ISSUES ANALYSIS AND SPECIAL PROJECTS — Conducts research and analysis on special issues, and provides technical support for departmental projects.

7. COMMUNITY FINANCIAL ASSISTANCE SECTION:

STATE REVENUE SHARING — AS 29.60.010-300 — State program for local governments and unincorporated communities which provides funds for road maintenance, fire protection and health facilities. Provides an on-going source of revenue for communities with little or no tax base. Program in existence since 1969.

SAFE COMMUNITIES — AS 29.60.350-370 — State program for municipalities, the purpose of which is to reduce or maintain property taxes while providing important public services. The legislature may appropriate to the Safe Communities fund 30% or more of the Corporate Income Tax collected in the previous fiscal year.

MUNICIPAL AND REGIONAL ASSISTANCE DIVISION, Continued...

SHARED FISHERIES BUSINESS TAX PROGRAM — AS 29.60.450 — State funding for the program is transmitted from the Department of Revenue to DCRA and allocated to municipalities based on a demonstration by the municipalities that they suffered significant effects from fisheries business activities.

NATIONAL FOREST RECEIPTS PROGRAM — AS 14.15.180 — Federal program whereby 25% of the income earned from activities within the national forest is distributed to boroughs and cities within the national forest. Federal law requires that the funds be expended only for the benefit of public schools and public roads.

PAYMENT IN LIEU OF TAXES (PILT) PROGRAM — 19 AAC 52.010-.900 — Federal program which compensates cities in the Unorganized Borough for the location of federal lands within their vicinity. Payment is received by DCRA for each federal Census Area. DCRA then allocates and administers payment to each city within the Census Area on the basis of population.

8. COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS:

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) — AS 44.47.130 — Provides various services to low-income groups in the state with federal funds; provides funds for capital projects for community development.

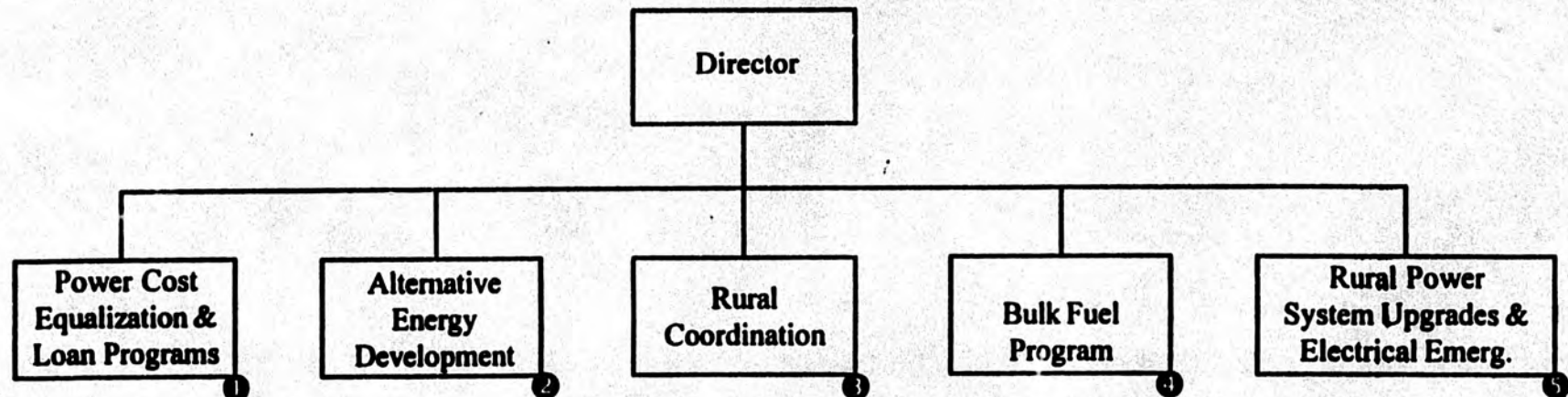
COMMUNITY DEVELOPMENT QUOTA PROGRAM (CDQ) — 6 AAC 93.010-900; 50 CFR 657.20, 675.27, 676.24 — Provides staff support and technical assistance to eligible communities and their economic development organizations in a private/public partnership to recommend allocation of Bering Sea fisheries resources.

COMMUNITY DEVELOPMENT STRATEGY TRAINING & ASSISTANCE — AS 44.47.010, 080 & 130.

ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM — AS 44.47.830 — Provides matching grants to regional organizations to prepare and implement regional economic development strategies. Referred to as the ARDOR program.

RURAL SMALL BUSINESS DEVELOPMENT LOANS AND TECHNICAL ASSISTANCE — AS 44.47; 19 AAC 70.010-900 — Implements and manages Rural Development Initiative Fund (RDIF) loans; provides department with assistance in development of new initiatives; provides technical assistance to field Economic Development Specialists.

Division of Energy



**DIVISION OF ENERGY (DOE)
PROGRAM DESCRIPTION**

1. POWER COST EQUALIZATION, LOAN PROGRAMS AND OTHER STATUTORY FUNDS:

POWER COST EQUALIZATION (PCE) – AS 42.45.100. Core element to ensure the financial viability of centralized power production in rural communities, and therefore increase the standards of living through the availability of communications, lighting, and the operations of a variety of infrastructures, including water and sewer systems, incinerators, etc.

POWER PROJECT LOAN FUND – AS 42.45.010. Provides financing for development of power projects, conservation facilities, bulk fuel storage, transmission and distribution lines, or potable water supplies.

BULK FUEL REVOLVING LOAN FUND – AS 42.45.250. Provides financing to rural communities with a population of less than 2,000 for the bulk purchase of petroleum fuels.

RURAL ELECTRIFICATION REVOLVING LOAN FUND – AS 42.45.020. Provided financing to certified utilities to extend new electric service in areas they may serve. Program is no longer active other than to collect on prior loans.

FOUR DAM POOL TRANSFER FUND – AS 42.45.050. Fund holds a note payable by the Alaska Energy Authority/AIDEA for the long-term financing of the construction costs of the Four Dam Pool projects.

SOUTHEAST ENERGY FUND – AS 42.45.040. Provides for capital grants to the utilities participating in the power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects.

POWER COST EQUALIZATION AND RURAL ELECTRIC CAPITALIZATION FUND (PCE & RECF) – AS 42.45.100. Fund balance provides for the Power Cost Equalization and for Utility Improvement Matching Grants programs.

2. ALTERNATIVE ENERGY DEVELOPMENT: AS 42.45.400. Provides for:

- Planning, construction and financing assistance for alternatives to oil-fired systems (including renewable and alternative fuels, coal, wind, hydro, shallow gas deposits) and system enhancements (including waste heat recovery and village interties).

Division of Energy, Continued...

- **Bioenergy Program for Alaska:** This federally-funded program promotes the use of wood waste and municipal solid waste for conversion to energy.
- **State Energy Program and Rebuild America Program:** Federally-funded programs to provide energy conservation audits in schools, hospitals and public buildings.

3. RURAL COORDINATION:

RURAL ELECTRIC UTILITY COORDINATION – AS 42.45.400. Assist utilities in the development of management plans towards the concept of consolidation in the form of cooperatives or regional utilities; assists communities in applying for federal funds for energy programs and projects.

RURAL ELECTRIC UTILITY TRAINING AND MANAGEMENT ASSISTANCE – AS 42.45.400. Provides for training of rural utility operators, utility clerks and administrative staff. It includes the powerhouse operator training program funded by the State Training and Employment Program (STEP).

4. BULK FUEL PROGRAM:

BULK FUEL SYSTEM REPAIRS AND UPGRADES – AS 42.45.400. Provides for grants and contracts for the design and repair/upgrade of bulk fuel storage and handling facilities in rural Alaskan communities which are dependent on seasonal fuel delivery and long-term storage capability. Includes three Environmental Protection Agency (EPA) consolidation demonstration projects.

RURAL BULK FUEL TANK FARM PROGRAM – AS 42.45.400. Provides for assessment of tank farm conditions, emergency repairs, and comprehensive upgrade and consolidation of rural tank farm facilities.

5. RURAL POWER SYSTEM UPGRADES/ELECTRICAL EMERGENCIES PROGRAM:

RURAL POWER SYSTEM UPGRADES – AS 42.45.400. Provides for:

- Capital improvements to eliminate life, health and safety hazards and to enhance efficiency.
- Technical assistance to assess system deficiencies and design solutions.
- Project evaluation, including engineering, environmental and economic analysis of power projects.

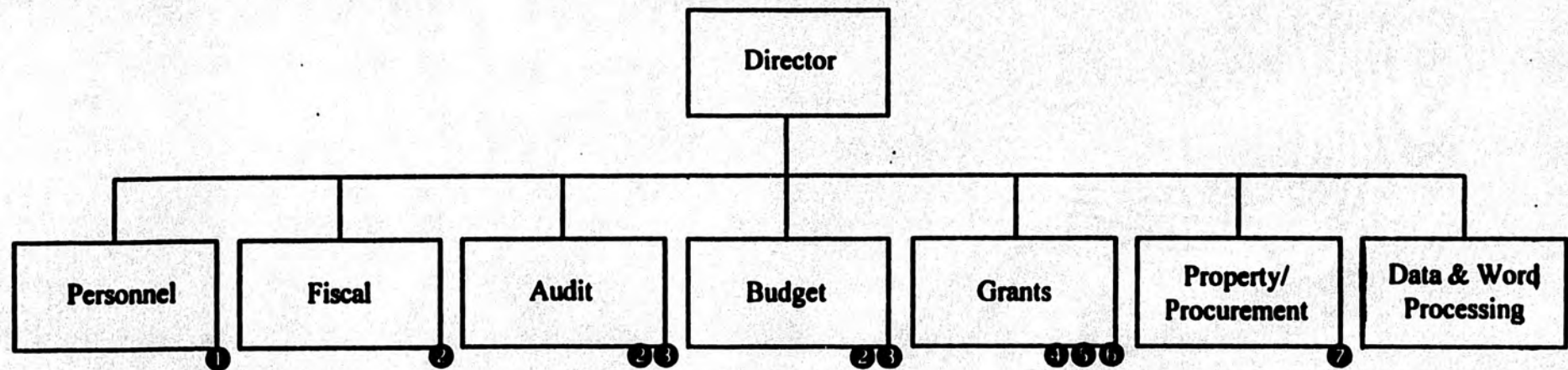
Division of Energy, Continued...

UTILITY IMPROVEMENTS – AS 42.45.180. Provides matching funds (75-25) to rural electric utilities participating in the PCE program for projects that will reduce the cost of electric power.

ELECTRIC SERVICE EXTENSION FUND – AS 42.45.200. Provides matching funds (60-40) to electric utilities to extend new service to residential customers and small businesses, and for utility improvements.

ELECTRICAL EMERGENCIES PROGRAM – AS 42.45.400. Provides funds and technical assistance in electrical emergencies when a community has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health and property in the community and may result in the freezing of water and sewer systems, closure of public facilities due to lack of light and heat, loss of communications, etc.

Division of Administrative Services



DIVISION OF ADMINISTRATIVE SERVICES (DAS) PROGRAM DESCRIPTION

The Administrative Services Division ensures departmental compliance with the following statutes and administers grants under three statutory programs.

- 1. PUBLIC OFFICERS AND EMPLOYEES — AS 39**
- 2. FISCAL PROCEDURES ACT — AS 37.05.010 - 37.05.995**
- 3. EXECUTIVE BUDGET ACT — AS 37.07.010 - 37.07.130**
- 4. GRANTS TO NAMED RECIPIENTS — AS 37.05.316**
- 5. GRANTS TO UNINCORPORATED COMMUNITIES — AS 37.05.317**
- 6. COMMUNITY PROJECT MATCHING GRANTS — AS 37.06.020**
- 7. PUBLIC CONTRACTS — AS 36**