



Alaska State Legislature

House Finance Subcommittee

Dept. of Commerce, Community & Economic Development

Rep. Alan Austerman, Chair
Rep. Bryce Edgmon
Rep. Kyle Johansen
Rep. Mark Neuman
Rep. Paul Seaton
Rep. Berta Gardner
Rep. Chris Tuck

House Finance Committee
Rep. Mike Hawker, Co-chair
Rep. Bill Stoltze, Co-chair
State Capitol
Juneau, Alaska 99801
(907) 465-4979
Fax: 465-4979

MEMORANDUM

DATE: February 27, 2009

TO: Representative Mike Hawker, Co-chair
Representative Bill Stoltze, Co-chair
House Finance Committee

FROM: Representative Alan Austerman, Chair
DCCED House Finance Subcommittee

A handwritten signature in black ink, appearing to be "Alan Austerman".

SUBJ: Department of Commerce, Community and Economic Development FY10 Closeout
Narrative | Summary Excel Notebook | Legislative Finance Reports

The House Finance Budget Subcommittee on the Department of Commerce, Community and Economic Development submits an operating budget for FY10 as follows:

GF: \$17,563.6 Fed Funds: \$64,592.7 Other Funds: \$103,920.1 TOTAL: \$186,076.4

The DCCED Subcommittee conducted five hearings regarding the FY10 Governor's Operating Budget Request for the Department of Commerce, Community and Economic Development. The following actions took place at the closeout meeting of February 25, 2009. A quorum was established at the closeout as Austerman, Edgmon, Johansen, Neuman, Seaton, Gardner were all present. The vote to move this out of subcommittee was 6-0.

Budget Action

The subcommittee accepted the FY10 Governor's Amended Budget except for the following changes:

1. Delete 150.0 GF for Support for Energy Planning under the Alaska Energy Authority
2. Delete 210.3 GF for AEA Executive Director under the Alaska Energy Authority
3. Delete 1,971.3 GF that was recommended to replace a reduction in Business License & Corp Receipts (BLic&Corp).

4. 1,5713.3 of excess BLic&Corp authority was deleted, while 400.0 was authorized for BLic&Corp.

Items of Concern

1. The AEA Executive Director/Statewide Energy Coordinator was funded in FY09 with CIP receipts from a statewide energy plan capital project. Although the statewide energy plan is completed and has been released, the department argued that the need for this position and support services will continue into the foreseeable future. The subcommittee disagreed with this premise and advised the department to look for additional funds already allocated to AEA. In addition, there is currently about \$300,000 left in FY09 money from the CIP receipts discussed above. The AEA executive director testified that most if not all of this money will be spent by June 30, 2009. According to the department, if any money is left over, it is carried forward into FY10 as CIP funds are not "swept."
2. The Division of Community and Regional Affairs (C&RA) operating expenses are partially funded with business license fees. Passage of HB111 last year cut the business license fees from \$100/year down to \$50/year, which will cause a significant reduction in that revenue stream. This law is effective October 1, 2009. The subcommittee allowed 400.0 in Business License & Corp Receipts (BLic&Corp) to the FY2010 budget and removed 1,571.3 of excess BLic&Corp authority. The subcommittee was steadfast in their belief that since HB111 was by request of the Governor, that the administration should now find the funds to replace the loss of the BLic&Corp money. Since the department testified that the loss of this funding will cost 20 to 25 jobs and could close down two regional C&RA offices, it is the intent of the chair to recommend to the full house finance committee that they consider taking the 1,571.3 GF as an unallocated reduction across the entire department and that the BLic&Corp authority be restored.

Attached Reports (Numbers Only)

~House Structure~

Agency Totals

Allocation Summary

Allocation Summary – General Funds

Transaction Compare – Between Adj Base and Hse Sub – Differences Only

Transaction Compare – Between Gov Amd and Hse Sub – Differences Only

Wordage Report

**Department of Commerce, Community and Economic Development FY10 Budget
House Finance Budget Subcommittee Recommendations**

	<u>GF-GF/MH</u>	<u>Fed</u>	<u>Other</u>	<u>Total</u>
FY09 Revised Management Plan	14,997.9	55,091.9	102,148.8	172,238.6
FY10 Adjusted Base Budget	14,798.0	54,712.5	102,695.3	172,205.8
Governor's FY10 Budget	19,627.0	64,377.2	103,613.9	187,618.1
Governor's FY10 Budget Amendments	19,495.2	64,592.7	103,920.1	188,008.0
Governor's Amend FY10 Budget Total	(131.8)	215.5	306.2	389.9
Subcommittee Adjustments	(1,931.6)	0.0	0.0	(1,931.6)
Total Subcommittee FY10 Budget Recommendations Total	17,563.6	64,592.7	103,920.1	186,076.4