

House Finance Budget Subcommittee

FY11 – Department of Commerce, Community and Economic Development

Subcommittee Report FY11

Date: 2/22/2010

The House Finance Budget Subcommittee (HFBS) on the Department of Commerce, Community and Economic Development submits an operating budget for FY11 as follows:

UGF \$ 5,373.2 DGF \$52,328.7 Other Funds \$31,001.0 Fed Funds \$65,522.6 Total \$164,225.5

Department of Commerce, Community and Economic Development House Finance Budget Subcommittee FY11 Highlights

This HFBS budget authorizes \$493.9 less general funds and 1 fewer employee than the Governor's amended FY11 Department of Commerce, Community and Economic Development request. The FY11 subcommittee budget requests a total increment from FY11 Adjusted Base of \$2,053.3 general funds.

The committee agreed with the governor's increments, decrements, and fund changes except as noted below. This includes both the operating budget and amendments as submitted by the governor. All non-discretionary funding increments related to wages, contractual increases and the like were fully funded. The descriptions below will also have a notation linked to the corresponding **page number** from the FY11 Governor's Operating Budget Request (known as "short forms.")

Denied \$343.9 UGF in the C&RA allocation **(3a)** for three Local Government Specialists as well as one associated PCN.

Provided one-time only funding of \$97.0 UGF in the C&RA allocation **(3a)** for a new Planner III position to administer the federally funded Coastal Impact Assistance Program. This will allow the department to train a new hire to replace an experienced Planner whose retirement is expected within the year. This position is critical in that they provide communities with land management, site control verification, planning assistance services and management of ANCSA 14 (c) actions. ANCSA - Alaska Native Claims Settlement Act

Denied \$150.0 UGF in the Office of Economic Development allocation **(4a)** that was being requested to replace federal EDA (Economic Development Administration-U.S. Dept. of Commerce) funds for DART (Developing Alaska Rural Tourism), TMAP (Tourism Mentorship Assistance Program), AlaskaHost and other rural tourism programs. This is consistent with the House Finance Committee's intent not to replace federal funds with general funds in this budget cycle.

Approved the increase of \$72.1 to the ARDOR (Alaska Regional Development Organization) program in the Office of Economic Development allocation **(4a)**. Because this funding is a RSA (Reimbursable Services Agreement) from AIDEA (Alaska Industrial Development & Export Authority) to pay for the ARDOR's program, the subcommittee requests the House Finance Committee replace these inter-agency (I/A) receipts with UGF as part of the budget clarification project amendment.

Accepted the \$200.0 RSS increment in the Insurance Operations allocation (**22a**) that provides statutorily required notification to licensees and consumer protection. Besides the increased mailing costs, there have been significant increases regarding legal fees and leases. The subcommittee agreed to allow this as a one-time only increment while statutory modifications are considered that would allow the division to conduct these items of business using the internet and other communication devices.

Accepted \$400.0 in federal receipts in the Corporations, Business and Professional Licensing allocation (**23a**). This replaces one-time funding for the Prescription Database approved in FY09 for one-time funding in FY10. This ARRA (American Recovery and Reinvestment Act) “stimulus” funding will only be available in FY11 and therefore the subcommittee is accepting this on a one-time only basis.

Accepted \$192.1 in Stimulus09 money(funding code: 1212) in the Regulatory Commission of Alaska allocation (**24a**) for ARRA State Electricity Regulations Assistance Program increase. This funding is accepted as one-time only so the subcommittee can review it in subsequent budget cycles.

Accepted \$200.0 in Stimulus09 money(funding code: 1212) in the Serve Alaska allocation (**26a**) for ARRA AmeriCorps funding (SLA2009, CH17, P2, L19). Carry forward will be incorporated in a language lapse extension section in full House Finance Committee. Simply moves the ARRA funds from the numbers section to the language section of the budget.

Accepted \$250.0 UGF from the Governor’s Amend in the Office of Economic Development (OED) allocation (**Amd #1**). This request is a result of the Governor’s priority for economic development outreach. The subcommittee approved this on a one-time basis, so they can review the restructuring of the OED next budget cycle.

The following Legislative Finance reports (Numbers only) are attached:

1. Subcommittee Worksheet – Final Closeout – Dated: 2/24/10 || 10:10 a.m.
2. Agency Totals – House Structure
3. Appropriation/Allocation Summary (GF only) – House Structure
4. Appropriation/Allocation Summary (All funds) – House Structure
5. Transaction Comparison (Adjusted Base to House Subcommittee)
6. Transaction Comparison (Gov. Amend and House Subcommittee)
7. Wordage Report of Intent and Conditional Language – House Structure

Respectfully submitted,

Representative Alan Austerman
House Finance Subcommittee Chairman
Department of Commerce, Community and Economic Development