

**2017 Legislature - Operating Budget  
Transaction Compare - Governor Structure  
Between 18Adj Base and 18Gov**

<b>Numbers and Language Differences Agencies: DCCED</b>
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**Agency: Department of Commerce, Community and Economic Development**

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Executive Administration</b>													
<b>Commissioner's Office</b>													
Eliminate Administrative Support in the Anchorage Commissioner's Office	18Gov	Dec	-38.9	-38.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Administrative Assistant position in the Administrative Services component is partially funded by the Commissioner's Office component to provide reception and administrative support in the Anchorage office of the commissioner. Deletion of the Administrative Assistant will eliminate all administrative support in the Anchorage office. Shared services initiatives will reduce the need for these positions.</i>													
1004 Gen Fund (UGF)			-38.9										
<b>* Allocation Difference *</b>			<b>-38.9</b>	<b>-38.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Administrative Services</b>													
Eliminate Administrative Support Staff in Anchorage (08-1037, 08-N09003)	18Gov	Dec	-18.7	-18.7	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	-1
<i>Delete the Administrative Assistant III (08-1037) position and the on-call non-permanent Office Assistant I (08-N09003) position in the Administrative Services component. The Administrative Assistant provided department-wide administrative support and training in Anchorage and supervised on-call office assistants that divisions could employ during periods of high work volume, such as license renewal periods. With these deletions, the Juneau office will be the single point of contact for all department-wide needs.</i>													
1004 Gen Fund (UGF)			-18.7										
Savings from Shared Services of Alaska Implementation	18Gov	Dec	-17.3	-17.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Department of Commerce, Community, and Economic Development is transferring an initial wave of positions to the Shared Services of Alaska organization for accounts payable and travel activities.</i>													
<i>It is anticipated that an initial ten percent savings in personal services costs can be realized in FY2018 for these activities, with increased savings in future fiscal years as the organization matures.</i>													
<i>The remaining personal services authority will be used to fund a reimbursable services agreement with Shared Services of Alaska for the cost of services provided.</i>													
<i>The Shared Services organizational structure provides back-office support for common administrative functions, allowing the agency to focus more closely on core mission responsibilities.</i>													
<i>The Shared Services organization model will increase the quality and speed of service delivery, and increase client satisfaction while decreasing the overall cost to the department for performing these functions. This is achieved through a business structure focused on continuous process improvement that includes standardizing business processes and improving transaction cycle-times.</i>													
1004 Gen Fund (UGF)			-17.3										
<b>* Allocation Difference *</b>			<b>-36.0</b>	<b>-36.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1</b>	<b>0</b>	<b>-1</b>
<b>** Appropriation Difference **</b>			<b>-74.9</b>	<b>-74.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1</b>	<b>0</b>	<b>-1</b>
<b>Banking and Securities</b>													
<b>Banking and Securities</b>													
Business Registration Examiner for Licensing	18Gov	Inc	74.9	74.9	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<i>One additional Business Registration Examiner (BRE) is necessary to adequately staff licensing and registration</i>													

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<b>Banking and Securities (continued)</b>													
<b>Banking and Securities (continued)</b>													
Business Registration Examiner for Licensing (continued)													
<i>functions. Growth in the number of financial industry applications cannot be managed by the two existing BREs. In FY2016, the division saw an average increase of 12% in licensing and registrations across all programs, with mortgage loan originators and payday lenders showing dramatic increases of 34% and 33%, respectively. Both of these programs require complex reviews requiring significant time to complete. Without additional staff resources, review of applicants' credit, criminal, and regulatory history will be reduced to allow existing staff to process applications received within existing regulatory timelines. Delayed reviews and approvals of licenses and registrations would result in businesses and individuals being unable to work in Alaska, which would limit consumer access to financial industry goods and services such as mortgage loans, money transmitter services, payday lending, and investment options. The unique banking impacts of marijuana businesses and crowd funding investment have increased examination and enforcement activities, while other programs have grown in both the numbers of applicants and the complexity of review processes.</i>													
<i>The division currently has two BREs managing registration and licensing tasks, down from three in FY2015. In FY2016 one vacant BRE and associated funding was deleted. The division has managed the workload since then, but it has become apparent that the work volume is too great for existing staff to handle with acceptable turnaround times and adequate consumer protection. This position will be fully funded by general fund program receipt authority collected for licensing activities.</i>													
	1005 GF/Prgm (DGF)		74.9	74.9	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<b>* Allocation Difference *</b>			<b>74.9</b>	74.9	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<b>** Appropriation Difference **</b>			<b>74.9</b>	74.9	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<b>Community and Regional Affairs</b>													
<b>Community and Regional Affairs</b>													
	Reduce Grant Administration and Planning Activities	18Gov Dec	-342.8	-342.8	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0
<i>Delete two vacant Grant Administrators (GA) and a Planner III. As a result of fewer new grants and the closure of older grants that are completed, the number of grants managed by the division has dropped from over 2,000 in FY2015 to just under 1,200 at the end of FY2016, a 40% decrease. With this reduction, grants administration staff will be reduced from 13 in FY2015 to 7 in FY2018, a 46% decrease. PCNs 21-2053 (Grant Administrator), 21-3023 (Grant Administrator), and 21-6066 (Planner III) will be deleted. This shall, in effect, relatively increase the number of grants per Grants Administrator. As a subject matter expert, GA functions require grant monitoring, reporting and significant administrative work to ensure grant compliance. The recent reorganization in the division included the reclassification of a Local Government Specialist IV position that the overall duties and responsibilities of the Planner III were reassigned to. This allows the division to operate without the Planner III.</i>													
<i>Additional challenges for the division includes grant staff with longevity and historical knowledge of the grant programs who have left the division, and new staff which presents further training and development amidst the relatively higher number of grants per Grants Administrator. If the number of grants administered by the division increases due to future appropriations, the division will require additional staff to administer those grants.</i>													
	1004 Gen Fund (UGF)		-342.8	-342.8	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0
<b>* Allocation Difference *</b>			<b>-342.8</b>	-342.8	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0
<b>** Appropriation Difference **</b>			<b>-342.8</b>	-342.8	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0

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<b>Corporations, Business and Professional Licensing</b>													
<b>Corporations, Business and Professional Licensing</b>													
Restore Occupational Licensing Examiners for Increased Licensing	18Gov	IncM	175.3	145.3	0.0	20.0	10.0	0.0	0.0	0.0	2	0	0
<p><i>Two permanent Occupational Licensing Examiners (OLEs) were authorized in the FY2017 operating budget to adequately staff professional licensing programs to avoid delaying Alaskans' ability to work and employers' ability to hire. These positions have been established, and are essential to continuing timely licensure of Alaska's professional licensees.</i></p> <p><i>The workload assigned to OLEs has increased as a result of new licensing programs and rising numbers of applicants in long standing programs. Three new licensing programs became effective through legislation in 2015 (Massage Therapy, Behavior Analysts, Athletic Trainers), and one program was significantly expanded (mandatory licensure of handymen as Construction Contractors). As the programs were implemented, it became apparent that program needs exceeded amounts detailed in the original fiscal notes.</i></p> <p><i>More than one program was unable to meet division screening timeframes because additional OLEs were needed. For example, the Board of Nursing has experienced a 15% increase in licensing applications in the last year and has struggled to keep up with the volume. Pharmacy licensure was delayed due to a 15% increase in this program's application volume, as well. During early FY2016, processing of medical board applications became critically delayed within the division. The number of applications has more than doubled since FY2013, and had become backlogged. The delay in licensing impacted essential healthcare services, including staffing levels at the Alaska Psychiatric Institute and at hospitals throughout the state. Ensuring medical care is provided by qualified staff is crucially important to the life, health, and safety of Alaskans. In response to the critical need for timely licensing, the division redirected other licensing staff to work on medical board applications, and authorized overtime to ensure that the need was met. Due to these triage methods, medical board applications were no longer seriously delayed; however, licensing timelines for other professions slowed and in some cases accumulated backlogs.</i></p> <p><i>In FY2016, the department undertook a strategic planning initiative to improve the licensing processing methods for the medical and nursing programs. As a result of these process improvements and the addition of the two OLEs providing the necessary staff support, these programs now maintain reasonable processing timeframes to maintain timely professional licensing. Prior to these changes, an application received by the medical program had a nine week waiting period before staff was able to review the application. Currently, applications received by the medical program are reviewed in twenty days or less, which is within the acceptable timeframe.</i></p> <p><i>Professional licensing programs within the Division of Corporations, Business and Professional Licensing are fully funded by receipt supported services, (fund source 1156 Receipt Supported Services (DGF)). Licensing fees for each program are set per AS 08.01.065 so the revenue collected approximately equals the occupation's actual regulatory costs.</i></p>													
1156 Rcpt Svcs (DGF)			175.3										
Second Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)	18Gov	Inc	44.1	0.0	0.0	69.1	-25.0	0.0	0.0	0.0	0	0	0
<p><i>SB74 requires that the pharmacist or practitioner who dispenses Schedule II, III, or IV controlled substances under federal law, other than those administered to a patient at a health care facility, submit information on that prescription to the Board of Pharmacy for inclusion in the Prescription Drug Monitoring Program (PDMP) on a weekly basis.</i></p>													

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<b>Corporations, Business and Professional Licensing (continued)</b>													
<b>Corporations, Business and Professional Licensing (continued)</b>													
Second Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74) (continued)													
<i>This legislation expands the practice of telemedicine from prescribing, dispensing, or administering a prescription drug without conducting a physical examination to also include diagnosing and treating patients without conducting a physical examination, allowing these practices by a physician who is not located in the state of Alaska, changing the patient consent requirements, and allowing prescription of controlled substances under certain circumstances. The significant expansion of the practice of telemedicine authorized under this legislation will require substantial administrative and investigative resources to pursue complaints pertaining to a body of licensees who are practicing "in Alaska" but operating from locations across the nation.</i>													
<i>This legislation expands telehealth outside Alaska's borders in the practices of social workers, professional counselors, psychologists, psychological associates, marital and family therapists, audiologists, speech-language pathologist, speech-language pathologist assistants, physical therapists, and occupational therapists. Because these professions do not have prescriptive authority, the investigative concerns are not as high. The licensing workload, however, is anticipated to increase dramatically.</i>													
<i>In year two, one-time costs for equipment setup, printing, postage, and regulations are reversed and additional fund authority is added for legal costs associated with investigations.</i>													
1156 Rcpt Svcs (DGF)	44.1												
Federal Prescription Drug Monitoring Program	18Gov	Inc	167.0	117.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
Grant Through Health & Social Services													
<i>The Division of Corporations, Business and Professional Licensing (CBPL) and the Department of Health and Social Services (DHSS) worked together to secure two multi-year federal grants to fund the database and part of a Program Coordinator position to manage the prescription drug monitoring program. DHSS will receive the federal authority and pass it through to CBPL via an RSA, allowing the division to meet federal and state obligations without increasing licensing fees while increasing budgetary transparency. Currently these RSAs are unbudgeted.</i>													
1007 I/A Rcpts (Other)	167.0												
Implement the Occupational Licensing Examiner Classification Study	18Gov	Inc	131.6	131.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>In 2013, the Division of Personnel and Labor Relations began a classification study to determine if Occupational Licensing Examiners (OLEs) should be reclassified due to the complexity of the work they perform. In December 2016, the study concluded with the determination that all OLEs should be range 14 rather than the previous range 13. This one-range difference increased costs by an average of \$4.7 for each of the division's 28 OLEs, for a total cost of \$131.6. The Professional Licensing unit, which is tasked with ensuring that competent, professional and regulated commercial services are available to Alaska consumers, does not have adequate authority to absorb that cost without reducing services.</i>													
<i>Professional licensing programs for the division are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each program are set per AS 08.01.065 so the revenue collected equals the occupation's regulatory costs.</i>													
1156 Rcpt Svcs (DGF)	131.6												

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<b>Corporations, Business and Professional Licensing (continued)</b>													
<b>Corporations, Business and Professional Licensing (continued)</b>													
Reflect Corporations, Business and Professional Licensing Service Levels	18Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>Fund change of \$427.0 from general fund program receipt (GFPR) to receipt supported services (RSS) authority to reflect accurate funding levels for division programs. GFPR is collected from and expended for business licensing activities, while RSS is collected from and expended for professional licensing activities.</i>													
<i>The State's new IRIS accounting system tracks expenditures by fund source, which allows greater precision in accounting for business licensing and professional licensing revenues and expenditures. When the State converted to IRIS in FY2016, it became apparent that the funding authority for the Division of Corporations, Business and Professional Licensing (CBPL) did not accurately reflect the activities of the department, and that the division does not have sufficient RSS expenditure authority to continue professional licensing operations at established levels. Fees for professional licensing are set based upon detailed expenditures that are tracked separately from expenditure authorization, and are sufficient to fund the needed levels of operation. However, the expenditure authority must be adjusted to allow the division to use the RSS fees collected to continue to ensure that Alaskans are served by competent, professional, and regulated licensees.</i>													
<i>In FY2016, the division made one-time cost reductions and the department reallocated department-wide support costs and rent expenses from CBPL to lapsing authority in other programs. Though these measures allowed the division to complete FY2016 without requiring ratification, they cannot be continued without risking department programs. This fund source change will not affect the annual lapse to the General Fund from the Business Licensing and Corporations unit, and does not increase overall costs to the state.</i>													
1005 GF/Prgm (DGF)			-427.0										
1156 Rcpt Svcs (DGF)			427.0										
<b>* Allocation Difference *</b>			<b>518.0</b>	<b>393.9</b>	<b>0.0</b>	<b>139.1</b>	<b>-15.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>** Appropriation Difference **</b>			<b>518.0</b>	<b>393.9</b>	<b>0.0</b>	<b>139.1</b>	<b>-15.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Tourism Marketing &amp; Development</b>													
<b>Tourism Marketing</b>													
Delete Tourism Marketing Grant to Alaska Travel Industry Association (moved to Capital Request)	18Gov	Dec	-1,500.0	0.0	0.0	0.0	0.0	0.0	-1,500.0	0.0	0	0	0
<i>Eliminate unrestricted general fund authority for the tourism marketing grant to the Alaska Travel Industry Association. The marketing plan is designed by the Alaska Tourism Marketing Board, and implemented by the grantee.</i>													
1004 Gen Fund (UGF)			-1,500.0										
<b>* Allocation Difference *</b>			<b>-1,500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1,500.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>** Appropriation Difference **</b>			<b>-1,500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1,500.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Insurance Operations</b>													
<b>Alaska Reinsurance Program</b>													
L Alaska Reinsurance Program for Calendar Year 2018 (FY18-FY19)	18Gov	MultiYr	55,000.0	0.0	0.0	0.0	0.0	0.0	55,000.0	0.0	0	0	0
<i>The Alaska Reinsurance Program was created in May 2016 with the passage of HB374. Under this program, certain high-cost health insurance claims that would otherwise increase insurance rates for all Alaskans are</i>													

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<b>Insurance Operations (continued)</b>													
<b>Alaska Reinsurance Program (continued)</b>													
Alaska Reinsurance Program for Calendar Year													
2018 (FY18-FY19) (continued)													
<i>reinsured by the state. This reinsurance program avoided a predicted 42% increase in insurance rates for Alaskans. Under the program, Premera, the state's only remaining health insurer in the individual market, will continue as the primary insurer, and will seek reimbursement from the Alaska Comprehensive Health Insurance Fund for those high-cost claims paid. Specific covered conditions are established in regulation. The success of the program was immediately apparent when 2017 rates were released; the average rate increase for 2017 was 7.3%, down over 30% from the prior two years.</i>													
<i>The Reinsurance Program goes in to effect on January 1, 2017. Insurance rates are set on a calendar year basis, while the State operates on a fiscal year basis. This multi-year appropriation will fund the Reinsurance Program for calendar year 2018, which falls in both FY2018 and FY2019.</i>													
<i>The sum of \$55,000,000 is appropriated from the Alaska comprehensive health insurance fund to the Department of Commerce, Community and Economic Development, division of insurance, for the calendar year 2018 Alaska Reinsurance program for the fiscal years ending June 30, 2018, and June 30, 2019.</i>													
	1248	ACHI Fund (DGF)	55,000.0										
<b>* Allocation Difference *</b>			55,000.0	0.0	0.0	0.0	0.0	0.0	55,000.0	0.0	0	0	0
<b>Insurance Operations</b>													
	18Gov	Inc	40.0	0.0	40.0	0.0	0.0	0.0	0.0	0.0	0	0	0
National Association of Insurance Commissioners (NAIC) Training Reimbursement													
<i>The Division of Insurance expects to receive a grant from the National Association of Insurance Commissioners (NAIC) of up to \$40.0 for calendar year 2018. The purpose of the grant is to promote educational and training opportunities to division staff, primarily those who need to obtain or maintain specialized certifications needed by the Insurance Specialists, Financial Examiners and Market Conduct Examiners. The grants can be used for training, both in-house or to attend conferences or seminars out-of-state, provided that they meet the guidelines as established by the NAIC. The division has experienced turnover of experienced staff in specialized positions in recent years, and has encountered recruitment challenges when hiring for those positions since many Insurance positions require specific credentials, certifications, or experience. This grant will allow division staff to participate in educational and training opportunities to ensure that continuing education and credential requirements are met.</i>													
	1108	Stat Desig (Other)	40.0										
<b>* Allocation Difference *</b>			40.0	0.0	40.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>** Appropriation Difference **</b>			55,040.0	0.0	40.0	0.0	0.0	0.0	55,000.0	0.0	0	0	0
<b>Alcohol and Marijuana Control Office</b>													
<b>Alcohol and Marijuana Control Office</b>													
	18Gov	IncOTI	1,574.4	610.5	73.0	756.4	134.5	0.0	0.0	0.0	0	0	0
Restore Marijuana Regulation													
<i>Funding for implementation of marijuana regulation activities was appropriated via a multi-year operating appropriation for FY2015 and FY2016. In FY2017, marijuana regulation was funded by \$100.0 general fund program receipt and \$1,474.4 in general fund authority as one-time items. As licensing receipts are reliably received, general fund authority will be replaced with program receipt authority to minimize state support of the program. AMCO is anticipated to be fully self-supported by program receipts by FY2020.</i>													

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<b>Alcohol and Marijuana Control Office (continued)</b>													
<b>Alcohol and Marijuana Control Office (continued)</b>													
Restore Marijuana Regulation (continued)													

*In FY2018, one-third of original program costs will be funded by license receipts.*

1004 Gen Fund (UGF) 1,049.0  
1005 GF/Prgm (DGF) 525.4

Licensing Examiners and Administrative Support for Increased Licensing Demands	18Gov	Inc	280.3	235.3	0.0	45.0	0.0	0.0	0.0	0.0	3	0	0
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*Addition of two Occupational Licensing Examiners (OLE) and one Administrative Assistant II (AA) in FY2018. The two examiners, coupled with the reclassification of one existing Business Registration Examiner (BRE) to an OLE, will allow the office to restructure licensing operations and accommodate the increased volume of marijuana applications, along with increased alcohol applications.*

*Licensing commercial marijuana establishments was added to AMCO's duties in May 2015. This has added hundreds of complex electronic license applications to AMCO's examiner workload. Two full-time licensing examiners were added in FY2015 for this need. However, as marijuana licensing has gone into effect it has become apparent that additional staff is needed to adequately review and examine marijuana licenses. Currently, BREs are unable to adequately maintain services to both industries. Furthermore, the skills necessary to receive, examine, and recommend/approve applications for licensure to ensure only qualified individuals and entities are able to engage in marijuana businesses are more complex than the skills needed for most liquor licensing. The difference in the substance being illegal at the federal level cannot be overstated, as the regulations reflect. The fact that the rules are newly made and that the team of examiners working on the application do not have precedent to guide them is significant. The marijuana license application process is further complicated by the fact that all members or shareholders of an entity must be Alaska residents and none can have a disqualifying criminal history. Neither of those rules applies to liquor license applications.*

*At the same time that marijuana licenses were added, alcohol licensing workload increased by 20%. Permits for non-licensees (such as catering and special event permits) have increased. To maintain AMCO's service levels to licensees and the public, some marijuana licensing work currently assigned to existing BREs will be reassigned to these OLEs to allow the BREs to address the increase in alcohol licensing.*

*The AA will manage the administrative work associated with the Marijuana Control Board and licensing system. The AA position will be responsible for website updates, document management, and assistance for administrative appeals in a timely manner, in addition to the more typical administrative duties of an Administrative Assistant such as recruitment, travel and waivers, and information requests from the public. The AA position will also be used to issue Marijuana Handler's Permits in support of the Investigations section. AMCO's Office Assistant position has been temporarily reassigned to manage the most immediate of these duties, resulting in reduced and delayed administrative support for the enforcement section.*

*Without additional staff, existing service levels will continue to deteriorate. The length of time to get marijuana and liquor applications completed, the length of time to respond to questions from applicants and agencies, to issue customer refunds, and maintain proper and transparent support to the Alcoholic Beverage and Marijuana Control Boards will all increase. Currently, BREs are unable to adequately maintain services to both industries.*

*All AMCO vacancies are currently in recruitment or have been filled. The two OLEs and one AA are crucial to*

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<b>Alcohol and Marijuana Control Office (continued)</b>													
<b>Alcohol and Marijuana Control Office (continued)</b>													
Licensing Examiners and Administrative Support for Increased Licensing Demands (continued)													
<i>AMCO's ability to maintain and improve the level of service to the public.</i>													
<i>The increased workload associated with the addition of the commercial marijuana licensing programs, as well as the increase in volume in the liquor licensing program, will require support from existing administrative and program staff to maintain timely receipting and provide customer service support to businesses. The addition of the new program and increase in liquor licensing will also affect the workload of investigation staff.</i>													
	1005 GF/Prgm (DGF)		280.3										
<b>* Allocation Difference *</b>			<b>1,854.7</b>	845.8	73.0	801.4	134.5	0.0	0.0	0.0	3	0	0
<b>** Appropriation Difference **</b>			<b>1,854.7</b>	845.8	73.0	801.4	134.5	0.0	0.0	0.0	3	0	0
<b>Alaska Energy Authority</b>													
<b>Alaska Energy Authority Owned Facilities</b>													
	AO-281 Budget Placeholder for AHFC, AEA and AIDEA Efficiencies	18Gov	Dec	-1.0	0.0	0.0	-1.0	0.0	0.0	0.0	0	0	0
<i>Administrative Order 281 required a review process of the activities and budgets of AHFC, AEA and AIDEA. Over the course of the last two years the budgets of these agencies have been reduced by tens of millions of dollars. A comprehensive review of agency activities and costs will continue through-out FY 2018. Consolidation, colocation and support function sharing efficiencies will be implemented. As an outcome the administration has expects at least one million dollars of annual budget reductions among the three entities combined. Additionally, the administration anticipates liquidation of property and other non-monetary assets, resulting in one-time net contributions to the general fund. These changes are in discussion and budget reductions will be provided during the budget amendment process.</i>													
	1107 AEA Rcpts (Other)		-1.0										
<b>* Allocation Difference *</b>			<b>-1.0</b>	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0	0	0
<b>Alaska Energy Authority Rural Energy Assistance</b>													
	Denali Commission Support for Rural Training and Assistance Programs	18Gov	Inc	307.0	0.0	0.0	307.0	0.0	0.0	0.0	0	0	0
<i>The Alaska Energy Authority is anticipating federal Denali Commission funds totaling \$157.0 for rural operator training programs (Bulk Fuel Operator and Power Plant Operator), and \$150.0 for the Circuit Rider program. General fund authority for these programs was reduced in the FY2017 budget, but federal authority is anticipated to be available in FY2018.</i>													
	1002 Fed Rcpts (Fed)		307.0										
	Replace General Fund Authority with PCE Endowment Funds for Management of the PCE Program	18Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>An in-depth analysis of the Power Cost Equalization (PCE) program revealed that some PCE administrative costs have historically been paid by unrestricted general fund authority in the Rural Energy Assistance component. This fund change will ensure that costs to manage the PCE program are no longer subsidized by unrestricted general fund authority, and that the full cost of managing the PCE program -- working with rural utilities to ensure regulations compliance and required data collection -- is reflected in the PCE component.</i>													

**2017 Legislature - Operating Budget  
Transaction Compare - Governor Structure  
Between 18Adj Base and 18Gov**

<b>Numbers and Language Differences Agencies: DCCED</b>
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**Agency: Department of Commerce, Community and Economic Development**

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP		
<b>Alaska Energy Authority (continued)</b>															
<b>Alaska Energy Authority Rural Energy Assistance (continued)</b>															
Replace General Fund Authority with PCE															
Endowment Funds for Management of the PCE															
Program (continued)															
			1004 Gen Fund (UGF)	-381.8											
			1169 PCE Endow (DGF)	381.8											
			<b>* Allocation Difference *</b>	307.0	0.0	0.0	307.0	0.0	0.0	0.0	0	0	0		
<b>Alaska Energy Authority Power Cost Equalization</b>															
L		18Gov	Reverse Power Cost Equalization and Endowment Funding for FY2017	OTI	-40,355.0	0.0	0.0	-355.0	0.0	0.0	-40,000.0	0.0	0	0	0
			<i>Reverse FY2017 Power Cost Equalization (PCE) program costs. The PCE program provides economic assistance to communities and residents in rural areas, where the cost of electricity can be three to five times higher than for customers in more urban areas of the state. The program was created to equalize power cost per kilowatt-hour (kWh) statewide at a cost close to or equal to the mean of the cost per kWh in Anchorage, Fairbanks, and Juneau. PCE is a core element underlying the financial viability of centralized power generation in rural communities.</i>												
			<i>Under Alaska Statutes 42.45.100-170, the Regulatory Commission of Alaska determines if a utility is eligible to participate in the program and calculates the amount of PCE per kWh payable to the utility. The Alaska Energy Authority determines eligibility of community facilities and residential customers and authorizes reimbursement to the electric utility for the PCE credits extended to customers.</i>												
			1169 PCE Endow (DGF)	-40,355.0											
L		18Gov	Restore Power Cost Equalization and Endowment Funding for FY2018	IncM	37,855.0	0.0	0.0	355.0	0.0	0.0	37,500.0	0.0	0	0	0
			<i>The Power Cost Equalization (PCE) program provides economic assistance to communities and residents in rural areas, where the cost of electricity can be three to five times higher than for customers in more urban areas of the state. The program was created to equalize power cost per kilowatt-hour (kWh) statewide at a cost close to or equal to the mean of the cost per kWh in Anchorage, Fairbanks, and Juneau. PCE is a core element underlying the financial viability of centralized power generation in rural communities.</i>												
			<i>Under Alaska Statutes 42.45.100-170, the Regulatory Commission of Alaska determines if a utility is eligible to participate in the program and calculates the amount of PCE per kWh payable to the utility. The Alaska Energy Authority determines eligibility of community facilities and residential customers and authorizes reimbursement to the electric utility for the PCE credits extended to customers.</i>												
			<i>Program costs are expected to decline because of lower fuel costs.</i>												
			1169 PCE Endow (DGF)	37,855.0											
			<b>* Allocation Difference *</b>	-2,500.0	0.0	0.0	0.0	0.0	0.0	-2,500.0	0.0	0	0	0	
			<b>** Appropriation Difference **</b>	-2,194.0	0.0	0.0	306.0	0.0	0.0	-2,500.0	0.0	0	0	0	

**Alaska Industrial Development and Export Authority**

**2017 Legislature - Operating Budget  
Transaction Compare - Governor Structure  
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<b>Numbers and Language Differences Agencies: DCCED</b>
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**Agency: Department of Commerce, Community and Economic Development**

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Alaska Industrial Development and Export Authority (continued)</b>													
<b>Alaska Industrial Development and Export Authority</b>													
Correct Inter-Agency and Capital Improvement Project Receipt Authority	18Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>In FY2016, three positions that provided support to the Alaska Energy Authority (AEA) were deleted from the Alaska Industrial Development and Export Authority (AIDEA). When the positions were deleted, \$120.0 in capital improvement program (CIP) receipt authority collected for work on AIDEA projects were reduced in error. This fund change restores that CIP receipt authority, and removes inter-agency receipt authority that will no longer be collected from AEA. The shift in receipt authorization has a net-zero dollar impact on AIDEA's FY2018 budget.</i>													
1007 I/A Rcpts (Other)			-120.0										
1061 CIP Rcpts (Other)			120.0										
Reduce Uncollectible Inter-Agency Receipt Authority from the Alaska Energy Authority	18Gov	Dec	-575.0	0.0	0.0	-575.0	0.0	0.0	0.0	0.0	0	0	0
<i>In FY2017 Management Plan, eight positions housed in the Alaska Industrial Development and Export Authority that provided support to the Alaska Energy Authority were deleted. As a result, \$575.0 of inter-agency receipt authority will not be collected, and was moved to the services line. In FY2018, this authority is not needed and can be deleted.</i>													
1007 I/A Rcpts (Other)			-575.0										
AO-281 Budget Placeholder for AHFC, AEA and AIDEA Efficiencies	18Gov	Dec	-1.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0	0	0
<i>Administrative Order 281 required a review process of the activities and budgets of AHFC, AEA and AIDEA. Over the course of the last two years the budgets of these agencies have been reduced by tens of millions of dollars. A comprehensive review of agency activities and costs will continue through-out FY 2018. Consolidation, colocation and support function sharing efficiencies will be implemented. As an outcome the administration has expects at least one million dollars of annual budget reductions among the three entities combined. Additionally, the administration anticipates liquidation of property and other non-monetary assets, resulting in one-time net contributions to the general fund. These changes are in discussion and budget reductions will be provided during the budget amendment process.</i>													
1102 AIDEA Rcpt (Other)			-1.0										
<b>* Allocation Difference *</b>			<b>-576.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-576.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>** Appropriation Difference **</b>			<b>-576.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-576.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Alaska Seafood Marketing Institute</b>													
<b>Alaska Seafood Marketing Institute</b>													
Replace General Fund Authority with Industry Contributions (SDPR)	18Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>The Alaska Seafood Marketing Institute (ASMI) is primarily funded by statutory designated program receipt authority collected from fish processors under AS 16.21.120, the Seafood Marketing Assessment. In FY2018, half of the general fund authority will be replaced with industry receipts to allow program operations to continue at the same level as the prior year.</i>													
<i>In intent language in Chapter 3 4SSLA 2016 (HB256), the legislature directed the ASMI Board to develop a plan to phase out reliance on unrestricted general fund authority for seafood marketing by FY2019. This will reduce ASMI's general fund support for FY2018.</i>													
1003 G/F Match (UGF)			-1,000.0										
1108 Stat Desig (Other)			1,000.0										

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**Agency: Department of Commerce, Community and Economic Development**

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Alaska Seafood Marketing Institute (continued)</b>													
<b>Alaska Seafood Marketing Institute (continued)</b>													
* Allocation Difference *			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>Regulatory Commission of Alaska</b>													
<b>Regulatory Commission of Alaska</b>													
Delete Capital Improvement Project Receipt Authority for Completed Projects	18Gov	Dec	-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<i>Remove budgeted capital improvement project receipt authority. This authority was used for personal services charged to capital projects. However, the Regulatory Commission of Alaska's sole capital project is nearing completion, and receipts are not anticipated to be collected in FY2018.</i>													
1061 CIP Rcpts (Other)			-50.0										
* Allocation Difference *			-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
** Appropriation Difference **			-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
*** Agency Difference ***			52,749.9	846.9	113.0	670.5	119.5	0.0	51,000.0	0.0	2	0	-1
**** All Agencies Difference ****			52,749.9	846.9	113.0	670.5	119.5	0.0	51,000.0	0.0	2	0	-1

## Column Definitions

**18Adj Base (FY18 Adjusted Base)** - FY17 Management Plan less one-time items, plus FY18 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (risk management and most salary and benefit increases). The Adjusted Base is the "first cut" of the FY18 budget; it is the base to which the Governor's and the Legislature's increments, decrements, and fund changes are added.

**18Gov (FY18 Governor Request)** - Includes FY18 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2016.