

# **State of Alaska FY2004 Governor's Operating Budget**

## **Department of Community & Economic Development Commissioner's Office Component Budget Summary**

## Component: Commissioner's Office

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## Component Mission

The mission of the Commissioner's Office is to effectively manage the department and to serve as a liaison between the department and private, governmental, and other institutions and agencies.

## 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 Commission on Aging
- Alaska Workforce Investment Board
- 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
- State Bond Committee
- Telecommunications Information Council

## Component Goals and Strategies

### Strengthen Rural Communities

- Increase the capacity of local government to effectively provide essential public services by providing communities with training and onsite technical assistance.
- Enhance the availability and quality of basic local government services by providing financial assistance that supplements local revenue generation.
- Assist communities experiencing sudden economic dislocation.

### Diversify Alaska's economic base to benefit all Alaskans.

- Partner with other state agencies, private businesses, Alaska Native Claims Settlement Act (ANCSA) corporations, tribes, 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.
- Work with the private sector to develop and implement tourism programs designed to increase independent travelers to Alaska and expand tourism benefits to rural areas of the state.

### 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 that balance economic, public safety and environmental issues.

### **Key Component Issues for FY2003 – 2004**

Salmon Industry Revitalization – The seafood industry, Alaska's largest private sector employer, is suffering from severely depressed salmon market prices. These depressed market prices are, in large part, being driven by a flood of farmed salmon. As a result, average ex-vessel prices for Alaskan wild salmon are low. The Legislative Salmon Task Force completed its review and recommendations for the Alaska salmon industry. Several legislative initiatives have stemmed from this Task Force. The Department will work diligently to review, support and implement those initiatives.

Pacific Rim Trade - This is a critical time for Alaska exporters. It is important for Alaska to maintain an active, effective trade presence in the state's traditional Pacific Rim export markets during the current worldwide business slowdown.

Business Recruitment - In order to expand and diversify the economy, Alaska must attract new industry and investment to the state. Doing so will help expand employment opportunities for Alaskans and diversify the tax base. Business and investment recruitment is a highly competitive endeavor. Cities, counties and states across America compete to attract business to their communities. In reality, the competition is global. If Alaska is to succeed in attracting its fair share, sufficient resources that will enable an effective, pro-active recruitment program will need to be deployed.

### **Major Component Accomplishments in 2002**

Funding Summits - Helped organize and facilitate regional funding summits held in Fort Yukon, Kodiak and Nome. About 20 agencies and about 10 communities participated in each summit. Funding issues and opportunities for community infrastructure and regional economic development were addressed.

CDQ Program - The state announced its multispecies CDQ allocation recommendations for the three-year Community Development Plan (CDP) cycle of 2003-2005. The CDQ program has been critical to Western Alaska by providing social and economic benefits to local residents and has exceeded all expectations. At the end of 2001, total assets of the CDQ groups were in excess of \$190 million. Employment benefits of the program include 11,000 residents earning wages of nearly \$71 million since 1992, and the training of over 8,300 residents through vocational and post-secondary educational programs.

Korea – U.S. Pacific States Agreement - Alaska and four other U.S. Pacific states signed a mutual cooperation agreement with the Korea-U.S. Economic Council (KUSEC) to further trade and investment relations between Korea and the five states. Commissioner Sedwick led a mission of private and public sector officials to participate in the inaugural conference in Seoul. The first conference on U.S. soil will be held in Anchorage in August 2003.

Russia – Promoting Alaska-Sakhalin Business, Enhancing Alaska-Russian Far East (RFE) Cooperation - Alaska hosted West Coast-Russian Far East Working Group in Anchorage, September 2002, with ITMD as lead organizer, attracting 350 Russian and American government and business leaders to promote trade and regional priorities. This conference attracted more dignitaries – including U.S. Ambassador to Russian, RFE governors, Consuls General and top-level policy-makers – than any previous meeting in the group's eight-year history. Former Gov. Knowles signed bilateral cooperation agreements with five RFE regions.

Alaska Seafood International (ASI) Restructuring – Through AIDEA, helped the ASI manufacturing facility owners negotiate an organizational restructuring to provide operating capital and a new owner-operator. In full production, ASI will provide up to 450 year-round manufacturing jobs, result in hundreds of indirect jobs, and stimulate the local economies of fishing communities by providing a reliable market for their product.

### **Statutory and Regulatory Authority**

AS 44.33.010-020

Department of Community and Economic Development

**Commissioner's Office**  
**Component Financial Summary**

*All dollars in thousands*

	<b>FY2002 Actuals</b>	<b>FY2003 Authorized</b>	<b>FY2004 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	433.9	466.5	473.8
72000 Travel	65.5	31.0	31.0
73000 Contractual	44.2	62.9	59.7
74000 Supplies	6.8	7.2	7.2
75000 Equipment	0.8	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	125.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>676.2</b>	<b>567.6</b>	<b>571.7</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	262.5	100.4	101.1
1007 Inter-Agency Receipts	413.7	467.2	470.6
<b>Funding Totals</b>	<b>676.2</b>	<b>567.6</b>	<b>571.7</b>

**Commissioner's Office**  
**Proposed Changes in Levels of Service for FY2004**

None.

**Summary of Component Budget Changes**  
**From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>100.4</b>	<b>0.0</b>	<b>467.2</b>	<b>567.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Annualize FY2003 COLA Increase for General Government Bargaining Unit	0.0	0.0	0.6	0.6
-\$75 per Month Health Insurance Increase for Non-covered Staff	0.7	0.0	2.8	3.5
<b>FY2004 Governor</b>	<b>101.1</b>	<b>0.0</b>	<b>470.6</b>	<b>571.7</b>

**Commissioner's Office**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	6	6	Annual Salaries	368,711
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	119,716
			<i>Less 2.99% Vacancy Factor</i>	(14,627)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>6</b>	<b>6</b>	<b>Total Personal Services</b>	<b>473,800</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	0	0	1	0	1
Commissioner	0	0	1	0	1
Dep Commissioner	1	0	1	0	2
Exec Secretary II	0	0	1	0	1
Secretary	0	0	1	0	1
<b>Totals</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>6</b>