

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

**Department of Community & Economic Development**

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## **Department Mission**

The mission of the Department of Community and Economic Development (DCED) is to promote independent sustainable communities and economic development in Alaska.

## **Department Goals and Strategies**

### **STRENGTHEN RURAL COMMUNITIES.**

- Increase the capacity of local government to effectively provide essential public services by providing communities training and onsite technical assistance.
- 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).
- Promote local economic development by providing technical and financial support for community infrastructure critical to economic development and small business startup.
- Provide assistance to communities experiencing sudden economic dislocation as a result of major economic disruptions.
- 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.
- 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.

### **WORK WITH RURAL COMMUNITIES AND THE PRIVATE SECTOR IN CREATING NEW JOBS FOR ALASKANS.**

- 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.
- Partner with other state agencies, private businesses, Alaska Native Claims Settlement Act (ANCSA) corporations, tribes, and local governments to identify and develop opportunities for rural, regional and local economic development.
- Facilitate the exchange of information between Alaska exporters and potential customers through business intelligence services and trade practice assistance.
- Identify and assist in planning and developing new tourism opportunities to expand Alaska's tourist season and increase visits to rural Alaska.
- Encourage new international and domestic air carriers to use Alaska as a passenger and freight delivery point.
- Increase independent visitors on Alaska's highways and roads.
- Work with the Governor's Office in seeking solutions and strategies for improving the economic climate in rural Alaska.

### **PROMOTE ALASKA'S GOODS AND SERVICES THROUGHOUT THE WORLD.**

- In partnership with a private industry association, raise national and international awareness of Alaska as a tourist destination, and increase the consumption of Alaska seafood products through generic and targeted marketing.
- Organize and conduct business trade missions to expand product sales in current markets and develop new markets.
- Participate in special promotions and presentations, trade shows and seminars to raise the visibility of Alaska as a good place to do business.
- Visit corporate boardrooms to solicit investment in Alaska.
- Make information on Alaska's economy, goods and services, investment opportunities, and departmental databases available on the Internet.
- Expand the public's ability to obtain department services through the Internet.

### **MAINTAIN A FAIR AND CONSISTENT BUSINESS REGULATORY ENVIRONMENT IN THE STATE.**

- Expedite the conversion of Alaska's telecommunications industry from a monopoly-based to a competitive, market-based industry structure, while guaranteeing universal access to service.
- Assist businesses and consumers by placing the database of licensed professionals, corporations, and insurance carriers on the Internet, including information about disciplinary actions.
- Create simple, self-explanatory securities, corporations, insurance, and occupational licensing applications and forms available on the Internet to improve service to the public and reduce requests for staff assistance.

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

#### **GENERAL**

- The Department has continued to encounter the recruitment/retention difficulties faced by all state agencies. Recruitment for positions, but particularly those requiring specialized technical expertise (Analyst Programmers, Utility Engineers, Insurance Financial Examiners, etc.), is becoming more and more difficult due to lack of qualified in-state candidates coupled with non-competitive state salaries. State employee salaries and benefits generally are no longer as competitive as is necessary to attract quality candidates for many state positions. A contributing factor is the out-dated state classification system. Many job class specifications are 20 or more years old with restrictive minimum qualifications that do not produce sufficient applicant pools. A further contributing factor is the "graying" of the workforce, a nationwide phenomenon where the "baby boomer" generation of workers is reaching retirement age. Younger replacement workers are not only far fewer in numbers; they do not share the prior generations' notion of staying with the same employer for years. Even if quality replacement workers are found, the state currently does not have the tools/capability to provide retention incentives.

#### **COMMUNITY ADVOCACY (DCA)**

- Salmon Industry Revitalization – By January 2003, the Legislative Salmon Task Force will complete its review and recommendations for the Alaska salmon industry. Several legislative initiatives are expected from this Task Force. The Division will work diligently to review, support and implement those initiatives. The Division will simultaneously be developing a coordinated set of programs to complement the recommendations of the Task Force.
- Alaska Economic Information System - During FY02, the Alaska Economic Information System (AEIS) was developed. The AEIS is a map-based system that provides a one-stop overview of each of Alaska's economic sectors by census area. It is the most comprehensive single site available on Alaska's economy, and contains links to many supporting private-sector sites. Reprioritization of staff assignments will be necessary to maintain the AEIS.
- National Petroleum Reserve - Alaska (NPR-A) Grants - During 2003 and 2004 approximately \$36 million is expected to be received by CBD in new NPR-A funds for distribution to communities impacted by oil and gas leases in the reserve.
- Many cities in Alaska are struggling to maintain basic services. This is especially true for some of the smaller municipalities that may have only several hundred residents and a very limited tax base. This situation threatens the state's investment in essential community facilities and poses a threat to the health and well-being of Alaska's residents.

#### **TRADE AND DEVELOPMENT (DTD)**

- 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. Exports to the region held fairly steady in 2001, but economies of the countries in the region have not performed uniformly and there remains uncertainty as to how long the slowdown will continue. This is a critical time for Alaska exporters. Targeted efforts made now will enable companies to maintain, gain or, in some cases, regain market share. Information and assistance provided by the Division of Trade and Development's in-state trade specialists and overseas representatives will play an important role in helping Alaska firms to compete more effectively in the global marketplace.
- 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. American communities often find themselves competing with overseas locales for new business and investment. 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.

#### **QUALIFIED TRADE ASSOCIATION CONTRACT**

- Overall growth rate in the visitor industry is decreasing: The recent Alaska Visitors Statistics Program IV (AVSP) indicates the rate of visitor growth between 1999 and 2001 declined to less than one-half of one percent. Specifically hard hit were the non-cruise segments of the industry, including highway travel. Although travel nationwide has rebounded to some degree since the September 11 terrorist attacks, the industry is far from recovered. It is essential

that Alaska's visitor industry find ways to minimize long-term impacts and encourage travel to the state.

- Obtain sufficient private sector funding to meet requisite match and improve program: Beginning in FY03 and thereafter, state law required the qualified trade association contractor to increase its contribution to the marketing program from 30 to 60 percent. This will be exceedingly difficult given the impact September 11 and the decline in the national economy has had on many of the state's smaller businesses. Significant effort is being made to generate additional funds from private sector companies in order to meet the required state match; however, the Alaska Travel Industry Association's (ATIA) 2002 Business Status Survey shows 50 percent of all visitor businesses statewide experienced a decline in business in 2002, leaving many businesses strapped for cash.

#### ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA)

- Alaska Seafood International (ASI) is a \$125 million project in Anchorage. AIDEA invested \$50 million in the project and owns the processing building and underlying land. The project provides value-added processing of Alaska seafood. The project has struggled since the facility opened in late 1999. ASI is in the process of completing its third restructuring. To assist in the various restructurings, AIDEA has deferred lease payments and reimbursed facility expenses in return for ASI equity and also purchased additional contiguous land from ASI. The most recent restructuring will allow the company time to implement its latest business plan and seek additional equity investors. The long-term outlook for ASI is unknown at this time, but additional equity is needed for the business to succeed over the long term.
- Oversight of the Healy Clean Coal Project (HCCP) was transferred to Golden Valley Electric Association (GVEA) under a settlement agreement during the prior year. The settlement agreement ended two years of litigation between AIDEA and GVEA. During this post-settlement period, AIDEA and GVEA are exploring alternatives to allow the resumption of power generation.

#### ALASKA ENERGY AUTHORITY (AEA)

- Increased funding from the Denali Commission offers a rare opportunity to upgrade both fuel storage facilities and electric utility systems in rural Alaska on a broad scale. A key issue for AEA is to provide sufficient management resources and accelerate the pace of project development so that rural communities can realize as much benefit as possible from this opportunity.
- The need to reduce energy costs in rural Alaska has become more urgent due to the sharp increase in fuel prices that has occurred during the past year. Strategies to reduce these costs through energy production efficiencies, energy production alternatives, and energy conservation need to be clearly identified, developed, and aggressively implemented.

#### ALASKA SEAFOOD MARKETING INSTITUTE (ASMI)

- 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. Revenue generated by the 1% Salmon Marketing Tax for FY03 is expected to decline from FY02 levels by at least \$1 million and 68%, or \$2 million from FY02 to FY04. This reduction will have a significant negative impact on ASMI's marketing efforts.

#### REGULATORY COMMISSION OF ALASKA (RCA)

- The RCA must be reauthorized by the legislature before June 30, 2003, or it will begin a wind-down year and cease operations on June 30, 2004. A bill is before the Legislature to extend the RCA.

## Major Department Accomplishments in 2002

#### ADMINISTRATIVE SERVICES

- The division completed a multiyear effort to consolidate all DCED divisions in Anchorage into the state-owned Atwood Building. The final four divisions with a total of 65 Anchorage employees moved into the building in the summer of 2002. At present, 119 employees occupy a portion of 5 floors. The Regulatory Commission of Alaska, Alaska Aerospace Development Corporation, Alaska Industrial Development and Export Authority, Alaska Science and Technology Foundation, and the Alaska Railroad Corporation remain in separate Anchorage locations.

#### COMMUNITY ADVOCACY

- Alaska Economic Information System. Researched and prepared economic sector profiles for the Alaska Economic Information System. The profiles are a compilation and analysis of data and information that identify resource and development opportunities and issues in the state's 27 census areas.
- CDQ Multi-Species Program. The state announced its multispecies CDQ allocation recommendations for the three-year Community Development Plan (CDP) cycle of 2003-2005. The state consulted with the North Pacific Fishery

Management Council (NPFMC) and forwarded its recommendations to the National Marine Fisheries Service (NMFS) in October 2002. 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.

- Regional Salmon Marketing Program. The Division conducted its first regional salmon marketing grant program. \$400,000 was made available to five regional marketing efforts. Regional marketing supports innovative solutions to difficult marketing challenges while encouraging greater production activity in coastal communities. The program requires high quality standards from participants.
- Funding Summits. Division staff 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.

#### TRADE AND DEVELOPMENT

- Seafood successes in Korea. The Division continued introduction of fresh Alaska seafood to hotel restaurants and other high-end customers to the benefit of seafood and air cargo industries. Missions and promotions resulted in more than \$1,000,000 in direct sales by Alaska seafood companies to major hotels in Korea. Business meetings with Korean Air resulted in the airline's decision to promote travel to Alaska by a "Destination Alaska" in-flight video and a cover article for the carrier's in-flight magazine.
- 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. A major activity arising from the agreement is an annual conference that will alternate between Korea and one of the 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 International Trade and Market Development (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 Russia, 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. The week of events included an Alaska Sakhalin Working Group meeting and ITMD-organized trip to the Alyeska oil terminal in Valdez for the Sakhalin delegation. Many business leaders were introduced to Sakhalin Gov. Farkhutdinov and met with RFE delegations. Former Gov. Knowles announced greater Alaska-RFE coverage with ITMD collaborating with University of Alaska American Russian Centers in eight RFE cities.
- Tourism Research. Completed the *Alaska Visitor Statistics Program IV*, a major visitor industry multi-year research project conducted periodically by the State of Alaska that provides the state and the visitor industry with critical data on the visitors that travel to Alaska. These data include information on the number of visitors, general demographic and other characteristics of the visitor population, as well as information on visitor expenditures, activities, and opinions.

#### QUALIFIED TRADE ASSOCIATION CONTRACT

- Exceeded the mandatory industry match, with the private sector contributing an additional \$1.2 million over what was required by the contract with the state. Increased business participation in the state tourism marketing program by 35% percent since the inception of Alaska Travel Industry Association (ATIA) (1,032 members in FY02 compared to 800 members in FY00).
- Generated over 550,000 requests for Alaska trip-planning information in FY02. This is significant given the events of September 11 and the stock market, both of which had devastating effects on worldwide travel. Also increased traffic to the Official State Travel website ([www.travelalaska.com](http://www.travelalaska.com)) by over 50 percent from the prior year, generating more than 29.3 million hits to the site in FY02 and close to 1 million unique, or separate individual, visitors.
- Increased national cable television ad placement schedule by 20 percent over the previous year, and generated national broadcast exposure for the state by coordinating Alaska segments on Good Morning America and Live! With Regis and Kelli.

#### INVESTMENTS

- The Division supported the Volunteer Tax and Loan Program (VTLP) through a contract with the Alaska Business Development Center, Inc. (ABDC). During FY02, 56 communities were visited in seven Alaskan regions (Interior, Pribilofs, Yukon Delta, Western, Southeast, Bristol Bay and Kodiak). Teams comprised of advanced accounting students, IRS tax supervisors and ABDC consultants traveled to each community to provide tax preparation and loan

package assistance as well as business and financial counseling. Overall, ABDC's VTLP assisted 3,628 individuals and prepared 1,881 returns. The Division received national recognition in August of 2001 when the VTLP was selected by the National Association of Development Organizations (NADO) to receive a 2001 Innovation award.

#### ALASKA AEROSPACE DEVELOPMENT CORPORATION

- Had three successful launches:
  - Kodiak Star for Lockheed Martin Astronautics and NASA on 29 September 2001, accomplishing orbital insertion of four satellites;
  - STARS WCRRF mission for U.S. Army Space and Missile Defense Command on 9 November 2001 in support of their testing requirements; and
  - Quick Reaction Launch Vehicle-2 mission for U.S. Air Force Space and Missile Command on 24 April 2002 in support of the Alaska Command's Operation Northern Thunder.

#### ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

- Provided a \$17.5 million dividend to the State General Fund in FY02 and will provide a \$20.1 million dividend in FY03.
- Finalized the sale and transfer of the Four Dam Pool projects to the local utilities.

#### ALASKA ENERGY AUTHORITY RURAL ENERGY OPERATIONS

- Completed bulk fuel storage consolidations and upgrades in 7 communities totaling \$18.0 million, and started preliminary design work on 16 additional bulk fuel storage projects;
- Completed rural power system upgrades in 2 communities totaling \$4.0 million, and started preliminary design of rural power system upgrades in 12 villages with a total estimated construction costs of \$25.0 million;
- Responded to electrical emergencies in 8 communities; and
- Provided circuit rider maintenance services to 82 communities.

#### ALASKA SCIENCE AND TECHNOLOGY FOUNDATION

- Assisted Alaska Manufacturing Contractors (AMC) in project to complete building 62 manufactured homes at its facility at Point McKenzie near Wasilla from its patented design.
- Through ASTF support of the Alaska Manufacturers' Association (AKMA), seven mills are now producing approximately 34 million board feet a year of dimensional lumber graded by the Western Wood Products Association representative in state.
- Third year of the Cordova Salmon quality project was completed by fishers, processors, Surefish, and Alaska Manufacturers' Association. The quality program was expanded to Kenai and Bristol Bay.
- An estimated 2,700 K-12 students statewide participated in ASTF-funded classroom projects in math, science, or technology in FY02, increasing student interest and achievement in science and or math.

#### ALASKA SEAFOOD MARKETING INSTITUTE

- "Alaska" or "Alaskan" branded seafood items now rank third among all branded food items at the top 500 restaurant chains. Building the Alaska seafood brand is the best way to raise the product from a commodity status to a recognized brand on par with Idaho Potatoes or Washington Apples.
- For the first time, major metropolitan newspapers and consumer magazines in the United States carried feature stories on the differences between wild and farmed salmon and the impact that farmed salmon is having on the Alaska Salmon industry. These articles were generated by press kits sent out to 800 editors by ASMI and by ASMI media tours. Research indicates that salmon consumers are more likely to purchase Alaska Salmon if they know the impact farmed salmon is having on Alaska fishing families.

#### BANKING, SECURITIES AND CORPORATIONS

- Worked with the Division of Administrative Services' information technology staff to develop a fax back or email back system for Corporations biannual reports. This system allows corporations to request biannual report filing documents online and receive the necessary documents either via fax, email or postal mail. The new system saved 90% of the staff time required for fulfilling these requests.

#### INSURANCE

- Received accreditation from the NAIC affirming that the Division meets strict national standards for solvency regulation, and received certification from the NAIC for the Uniform Regulation Through Technology (URTT) award.

#### OCCUPATIONAL LICENSING

- Worked with Administrative Services' information technology staff to develop an online license renewal system for Registered Nurses. Members of this profession are required to be licensed in the State of Alaska; this license can

now be renewed online.

### Governor's Key Department-wide Performance Measures for FY2004

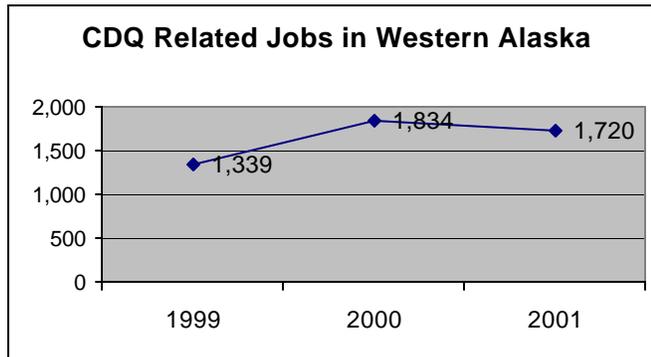
**Measure:**

**The change in the number of CDQ-related (community development quota related) jobs in Western Alaska.**

Sec 24(b)(3) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

There were 1,720 CDQ related jobs created in 2001 and 1834 CDQ related jobs created in 2000, a decrease of 114. The employment includes positions on offshore factory trawlers, onshore processing plants, CDQ halibut and salmon plants, local halibut fisheries, and various management and administrative jobs within the six CDQ groups.



Target: Increase the number of seafood industry jobs in the CDQ program by increasing CDQ ownership in groundfishing vessels and better recruitment and placement of employees by the CDQ groups.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The data for this Measure was taken from the 1999 - 2001 CDQ Quarterly Reports.

**Measure:**

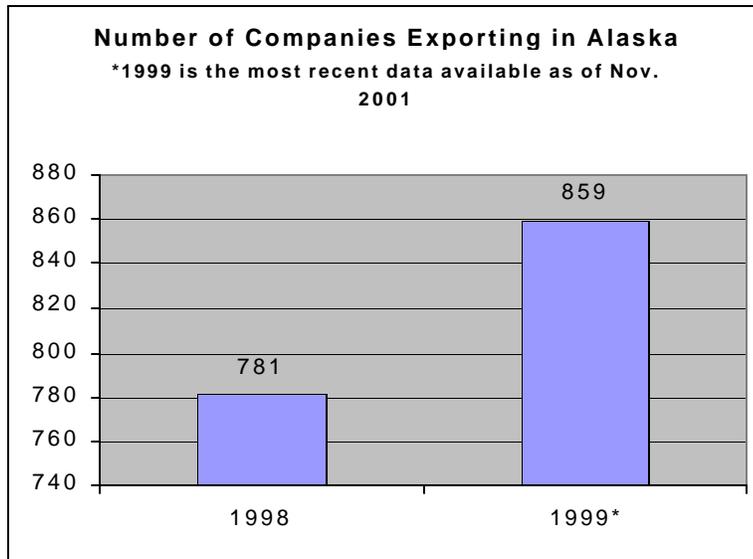
**The increase in the number of Alaska firms that export services and products.**

Sec 25(b)(2) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

According to the U.S. Department of Commerce's publication, "A Profile of U.S. Exporting Companies, 1998-1999", in 1999, the most recent year for which figures are available, the number of Alaska-based exporters was 859. This number represents a 10% increase from 1998.

Target: Meet or exceed the national rate of growth of the number of exporting companies.



**Benchmark Comparisons:**

During the 1998 to 1999 period, the national rate of growth of the number of exporting companies was 7.5%, based on information collected and reported by the U.S. Department of Commerce.

**Background and Strategies:**

Diversifying markets is beneficial to Alaska companies and Alaska's economy. The division assists export-ready companies to begin and expand export markets.

- Provide trade information and services to export-ready Alaska companies.
- Assist smaller and new-to-export firms to "test the waters" overseas through relatively inexpensive means such as Alaska Products Catalogs distributed to trade groups, and shared Alaska booths at targeted trade shows.
- With private sector interest and support, organize and conduct trade missions matching industries with potential markets to expand sales in current markets and develop new markets.

**Measure:**

**Increase visitation from domestic and foreign markets.**

**Alaska's Target & Progress:**

Target: increase overall visitation by 3% in Summer and 3% in Fall/Winter

Summer 2001: The Alaska Visitor Statistics Program IV (AVSP) Summer 2001 report was released by the Department in January 2002 and shows summer growth in the tourism industry between 1999-2001 slowed to just one-half of one percent, the lowest rate of growth ever experienced by the state.

Fall/Winter 2001: The AVSP Report for Fall/Winter 2000-01 contains more positive information. The total number of visitors during fall/winter increased by 17 percent over 1998-99 (the last year for which information is available), or 8.5 percent increase per year.

2002 Tourism: The tragic events of September 2001 altered the course of Alaska's 2002 summer season and will likely impact the industry for the foreseeable future. A research study commissioned by the Alaska Travel Industry Association (ATIA) in September 2002 indicates one-half of the Alaska visitor industry experienced a decline in visitor business volume in 2002. In addition, bookings for 2003 are starting out slow, a clear indicator that visitation to Alaska will continue to be down in 2003. This study also reinforces the finding in the AVSP that for the first time, Alaska's visitor industry growth is at a standstill. Further impacting the state's economy, roughly one-quarter of Alaska's tourism-related businesses reported they reduced staff size due to the decrease in business, leaving many Alaskans out of work.

Travel and tourism was one of the hardest hit sectors of the economy due to 9/11 and the stock market decline, and is one of the areas where consumer confidence will take the longest time to return. Massive layoffs and bankruptcies

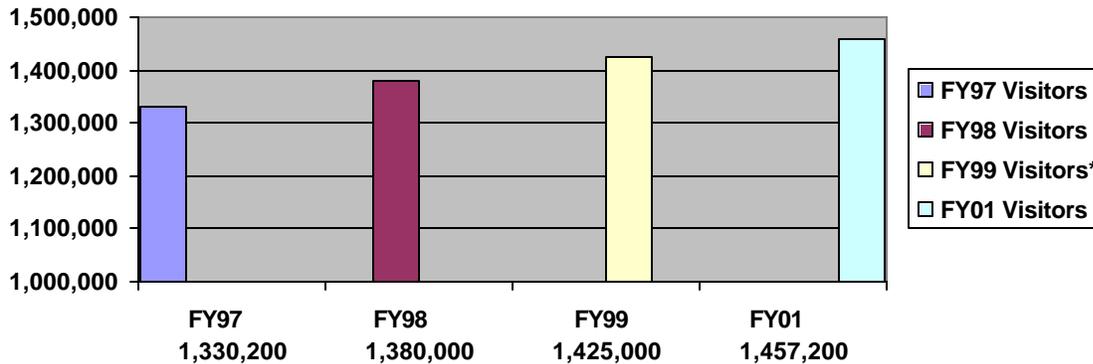
erupted throughout the industry over the past year, and a number of cities and states began emergency marketing campaigns to attract consumers who were willing to travel. In Alaska, the most dramatic decline was seen in the winter Japanese market. Travel security issues and the strong U.S. dollar discouraged many international travelers. Because Alaska's primary mode of travel is by air, the state was particularly hard hit due to the reluctance of some consumers to fly and the tendency to travel closer to home and take trips of shorter duration.

The Alaska Visitor Statistics Program IV (AVSP) was completed this year and provides critical data on Alaska visitors. This information will be used as a benchmark for tracking actual visitation patterns for future years and benchmark information regarding repeat visitors.

The AVSP IV Summer Arrivals study shows that summer visitor growth has slowed over the past several years. In 1996, summer visitor volume grew by 10%, 5% in 1997, 4% in 1998, and 3% in 1999. In FY01, growth declined to less than 0.5%.

Sources: Alaska Visitor Statistics Program IV and Alaska Summer Visitor Arrival Studies 1996, 1997, 1998, and 1999.

**YEAR-ROUND ALASKA VISITATION**



\*No AVSP Fall/Winter arrivals data was collected for 1999/2000 so 1998/1999 figures were used for comparison.

**Benchmark Comparisons:**

According to the Travel Industry Association (TIA), recovery for the travel and tourism industry will be a long and arduous uphill journey. Dr. Suzanne Cook, senior vice president of research and technology planning for TIA, indicated during a speech at the 2002 TIA Marketing Outlook Forum that "travel demands, patterns and expectations may have changed for the long-term. And despite continued slow growth in the leisure travel market, this recovery is fragile and could be choked off by any number of new developments." Cook said that, after falling nearly six percent last year, domestic and international travel spending continues to be soft and is not expected to recover to 2000 levels until sometime in 2004.

**Background and Strategies:**

Alaska needs to become more competitive in the marketplace and, given current funding levels, this is very difficult to do. In comparison to other states, Alaska ranks 28 out of 50 in terms of total marketing expenditures for 2002. This greatly diminishes the state's ability to compete for visitors. The average state tourism marketing budget for 2002 was \$13.13 million compared to Alaska's \$7.8 million budget.

Another important point of reference is that 35 of 48 states responding to a Travel Industry Association survey receive 100% of their funding from the public sector. The average budget of these 35 states is \$12.5 million.

Marketing strategies being implemented by ATIA to compete for visitors include:

- 1) Increase national cable television ad placement
- 2) Redesign and promote the Official Alaska State Travel Website ([www.travelalaska.com](http://www.travelalaska.com)) in order to increase the average of 80,000 visitor sessions to the site each month.
- 3) Bolster public relations efforts to include aggressive outreach to travel writers, editors and producers in order to increase national media exposure for Alaska
- 4) Increase the level of knowledge regarding Alaska with travel trade and tour operators
- 5) Expand promotion of niche markets including winter, adventure/ecotourism, sportfishing, cultural, bed & breakfasts and highway/ferry travel.

For the first time, ATIA will conduct international research in FY03 to obtain information on the United Kingdom, German-speaking Europe, Australia and Japanese markets. The goal of the research project is to identify high potential visitors to Alaska from each market.

**Measure:**

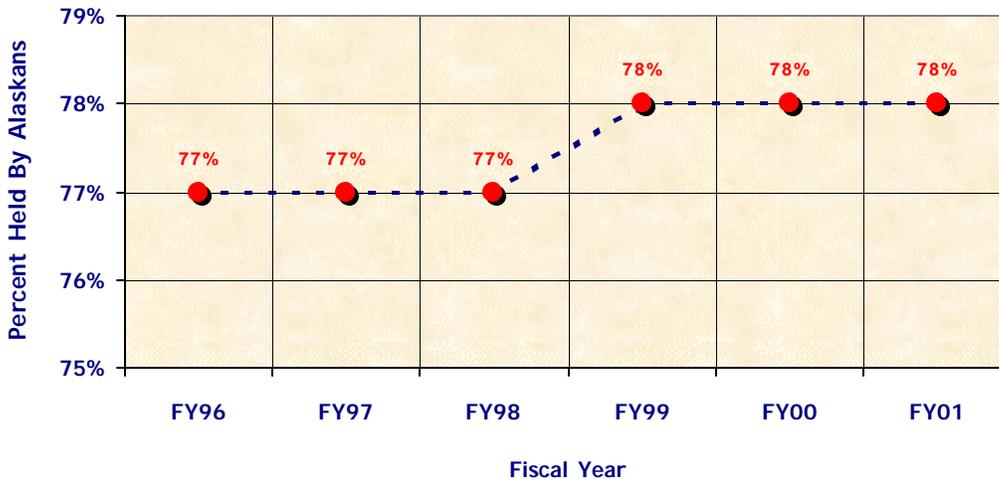
**Whether the division maintains the proportion of commercial fishing permits held by Alaskans at 75% or higher through the Commercial Fishing Revolving Loan Fund.**

Sec 27(b)(2) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

In FY01 (the most recent figures available), the proportion of permits held by Alaskans was 78%.

**Commercial Fishing Permits Held By Alaskans**



**Benchmark Comparisons:**

Other than our twenty-five year loan history, there are no other programs similar to this loan program.

**Background and Strategies:**

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. This loan program offers a relatively modest financing program for Alaska resident commercial fishing harvesters. The division's effort is to maintain the proportion of commercial fishing permits held by Alaskans at 75% or higher. To achieve this goal this division will:

- Work with Alaska resident fishermen requesting financing for the purchase of permits.
- Work with Alaska resident fishermen requesting financing for gear, vessel upgrades and/or improvements.
- Travel to fishing communities all over the state to assist them in their planning for financing their on-going fishing businesses.
- Travel to fishing communities all over the state to assist them in solving tax related problems.
- Continue to work with the Alaska Business Development Center, assisting fishermen through our Fisheries Business Assistance Contract.

**Measure:**

**AIDEA -- The number of permanent jobs created.**

Sec 29(b)(1) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

In FY02 AIDEA funded loan participations totaling approximately \$40 million, creating approximately 366 construction jobs and 568 new jobs, and guaranteed two loans totaling \$1,841,250, retaining 97 permanent jobs. In FY03 AIDEA will purchase between \$40 and \$50 million in loan participations. In FY04, AIDEA will purchase approximately \$30.0 million in loan participations with financial institutions; and guarantee \$2.0 million in small business loans. The number of jobs created is one of the factors in AIDEA's determination to participate in a loan financing; however, AIDEA has not traditionally projected the number of jobs to be created by its financing participations. After a loan is approved AIDEA is able to track that information. On average, over 300 permanent jobs are created annually by AIDEA's loan participations and guarantees.

	Jobs Created/Retained	
	Construction	Permanent
1992	77	34
1993	191	568
1994	334	349
1995	268	215
1996	298	128
1997	504	176
1998	600	500
1999	381	442
2000	506	275
2001	185	163
2002	366	568

The number of "permanent jobs created" dropped from FY00 to FY01 primarily due to a drop in loans funded, from \$30.9 million in FY00 to \$9.9 million in FY01. The drop in fundings is in part due to large new construction projects that AIDEA committed to but were not completed within the fiscal year. There is often a lag time between approved loans and funded loans, possibly 60 days to a year. FY02 numbers reflect the statistics for completed projects that AIDEA committed to in FY01.

**Benchmark Comparisons:**

No other state similar in population has a public development corporation identical to AIDEA.

**Background and Strategies:**

AIDEA provides the financing mechanisms necessary to participate in long-term commercial loans, guarantee small business loans, including export transactions, to own projects that promote economic development and to provide conduit financing of projects owned by others that promote economic development.

AIDEA will continue to work with the private sector to develop infrastructure projects that AIDEA can own and lease to the private sector, complimenting private sector investment. AIDEA will also continue to work with the private sector to provide conduit revenue bond financings of projects owned by private sector investments that promote economic development. AIDEA will continue to work with financial institutions to assist in providing long term loans for capital projects.

**Measure:**

**The percentage of technology project grantees in business because of ASTF grants.**

Sec 32(b)(4) Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

58% (34 out of 59) reported being in business because of their ASTF grant.

Target: 50% in business because of their ASTF grant.

**Benchmark Comparisons:**

Annually, ASTF prepares an Alaska science and technology innovation index which can be downloaded from ASTF's website at:

<http://www.dced.state.ak.us/astf/admin/files/data/docs/TechIndex2002.pdf>

This index includes historical trends and comparisons with selected other states and the U.S. average. The index represents a snapshot in understanding areas where Alaska is either doing well, average, or poorly in terms of its economy and science and technology innovation and potential.

**Background and Strategies:**

ASTF co-invests in new business concepts in a portfolio of both new and existing firms. Most Alaskan firms cannot afford research and development projects or risk. New firms offer exciting growth possibilities. Existing firms seeking to add a new business line offer business experience and infrastructure, managerial and financial depth, and support services.

**Department Budget Summary by BRU**

*All dollars in thousands*

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
State Revenue Sharing	12,855.2	13,642.6	1,596.1	28,093.9	12,855.2	15,830.0	1,150.0	29,835.2	9,641.4	16,000.0	1,600.0	27,241.4
Safe Communities Program	16,775.5	0.0	0.0	16,775.5	16,775.5	0.0	0.0	16,775.5	12,581.6	0.0	0.0	12,581.6
Rural Energy Programs	0.0	0.0	15,619.6	15,619.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Power Cost Equalization	0.0	0.0	0.0	0.0	0.0	0.0	15,700.0	15,700.0	0.0	0.0	15,700.0	15,700.0
<b>Non-Formula Expenditures</b>												
Executive Admin Commissioner's Office	1,532.1	0.0	1,322.2	2,854.3	1,017.6	0.0	1,318.5	2,336.1	1,119.1	0.0	1,844.7	2,963.8
Comm Assist & Ec Dev	0.0	0.0	0.0	0.0	100.4	0.0	467.2	567.6	0.0	0.0	0.0	0.0
Qualified Trade Assoc. Contract Investments	5,727.1	1,108.9	3,040.6	9,876.6	5,040.2	1,405.4	4,431.7	10,877.3	4,684.6	1,403.7	4,551.5	10,639.8
Alaska Aerospace Devel Corp	4,605.1	0.0	0.0	4,605.1	4,005.1	0.0	0.0	4,005.1	4,005.1	0.0	0.0	4,005.1
AIDEA	0.0	0.0	3,290.2	3,290.2	0.0	0.0	3,626.9	3,626.9	0.0	0.0	3,679.8	3,679.8
Rural Energy Programs	0.0	0.0	4,784.7	4,784.7	0.0	0.0	14,612.5	14,612.5	0.0	0.0	21,241.7	21,241.7
AK Science & Tech Foundation	0.0	0.0	6,216.9	6,216.9	0.0	0.0	7,606.6	7,606.6	0.0	0.0	7,695.4	7,695.4
Alaska Seafood Marketing Inst	489.7	34.2	2,029.3	2,553.2	389.3	168.3	2,400.2	2,957.8	389.3	168.3	2,400.2	2,957.8
Banking, Securities, and Corp Insurance	0.0	0.0	2,539.4	2,539.4	0.0	0.0	10,608.6	10,608.6	0.0	0.0	0.0	0.0
Occupational Licensing	0.0	2,442.8	5,503.1	7,945.9	0.0	3,500.0	7,081.8	10,581.8	0.0	5,500.0	5,513.6	11,013.6
	0.0	0.0	1,889.2	1,889.2	0.0	0.0	2,405.0	2,405.0	0.0	0.0	2,199.5	2,199.5
	0.0	0.0	4,474.0	4,474.0	0.0	0.0	4,870.0	4,870.0	0.0	0.0	5,172.2	5,172.2
	542.0	0.0	6,232.6	6,774.6	0.0	0.0	7,679.8	7,679.8	0.0	0.0	8,100.6	8,100.6

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Reg Comm of Ak	0.0	0.0	5,710.8	5,710.8	0.0	0.0	6,039.2	6,039.2	0.0	0.0	5,738.9	5,738.9
DCED State Facilities Rent	359.9	0.0	174.6	534.5	368.1	0.0	409.8	777.9	384.6	0.0	409.8	794.4
AK State Community Services Com	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	64.9	2,827.8	70.8	2,963.5
<b>Totals</b>	<b>42,886.6</b>	<b>17,228.5</b>	<b>64,423.3</b>	<b>124,538.4</b>	<b>40,551.4</b>	<b>20,903.7</b>	<b>90,407.8</b>	<b>151,862.9</b>	<b>32,870.6</b>	<b>25,899.8</b>	<b>85,918.7</b>	<b>144,689.1</b>

## Funding Source Summary

*All dollars in thousands*

Funding Sources	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
1002 Federal Receipts	17,228.5	20,903.7	25,899.8
1003 General Fund Match	607.9	607.9	352.3
1004 General Fund Receipts	41,718.7	39,924.8	32,499.6
1005 General Fund/Program Receipts	560.0	18.7	18.7
1007 Inter-Agency Receipts	7,613.5	8,244.7	8,850.6
1025 Science & Technology Endowment Income	2,704.7	10,518.6	
1035 Veterans Revolving Loan Fund	72.1	59.1	59.6
1036 Commercial Fishing Loan Fund	2,642.3	3,051.6	3,165.0
1040 Real Estate Surety Fund	124.9	253.0	253.7
1057 Small Business Loan Fund	3.4	3.5	3.5
1061 Capital Improvement Project Receipts	1,351.4	2,233.8	2,749.1
1062 Power Project Loan Fund	807.5	835.2	835.2
1067 Mining Revolving Loan Fund	5.1	5.2	5.2
1068 Child Care Revolving Loan Fund	6.0	6.2	6.3
1069 Historical District Revolving Loan Fund	2.5	2.5	2.5
1070 Fisheries Enhancement Revolving Loan Fund	332.6	340.7	343.8
1071 Alternative Energy Revolving Loan Fund	151.7	141.2	142.4
1074 Bulk Fuel Revolving Loan Fund	42.1	51.0	51.0
1089 Power Cost Equalization Fund	15,619.6	15,700.0	15,700.0
1101 Alaska Aerospace Development Corporation Receipts	4,417.2	13,854.7	19,972.7
1102 Alaska Industrial Development & Export Authority Receipts	3,560.7	4,147.6	4,208.3
1107 Alaska Energy Authority Corporate Receipts	760.0	1,067.1	1,067.1
1108 Statutory Designated Program Receipts	75.7	350.0	445.8
1110 Alaska Public Utility Commission	5,710.8		
1111 Fishermans Fund Income	115.0	115.0	115.0
1115 International Trade and Business Endowment Income	323.0	196.4	
1141 RCA Receipts		6,039.2	5,738.9
1156 Receipt Supported Services	17,938.5	21,206.6	20,144.7
1164 Rural Development Initiative Fund	43.0	43.0	43.4
1170 Small Business Economic Development Revolving Loan Fund		41.9	42.2
1175 Business License Receipts		1,900.0	1,972.7
<b>Totals</b>	<b>124,538.4</b>	<b>151,862.9</b>	<b>144,689.1</b>

## Position Summary

Funding Sources	FY2003 Authorized	FY2004 Governor
Permanent Full Time	501	492
Permanent Part Time	6	3
Non Permanent	0	0
<b>Totals</b>	<b>507</b>	<b>495</b>

### FY2004 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Rural Internet Access	0	7,500,000	0	7,500,000
Community Development Grants	150,000	3,470,000	0	3,620,000
Community Block Grants	0	6,000,000	0	6,000,000
Language Section: National Petroleum Reserve Alaska Impact Grant Program; PCE Pgm	0	35,300,000	0	35,300,000
Rural Utility Preventative Maintenance	300,000	0	0	300,000
Language Section: Electrical Emergencies	0	0	330,000	330,000
Diesel Efficiency and Alternative Energy Program	250,000	0	0	250,000
Federal Energy Projects	0	35,000,000	0	35,000,000
Kodiak Launch Site Infrastructure	0	64,000,000	0	64,000,000
Southeast Conference - Southeast Intertie Planning and Organization	160,000	0	0	160,000
Inter-Island Ferry Authority	250,000	0	0	250,000
<b>Department Total</b>	<b>1,110,000</b>	<b>151,270,000</b>	<b>330,000</b>	<b>152,710,000</b>

*This is an appropriation level summary only. For allocations and the full project details see the capital budget.*

## Overview of Departmental Budget Changes

### GENERAL

- **Reorganization.** A \$521,000 general fund savings will be realized and eight positions will be eliminated as a result of reorganization. The new organization brings the international trade, tourism, and economic development functions under the leadership of a single director. Specifically, the Division of International Trade and Market Development and the tourism and economic development functions of the Division of Community and Business Development are combined to create the new Division of Trade and Development. The Division of Community & Business Development is renamed the Division of Community Advocacy.
- **Cost Allocation Plan Update.** Update cost allocation plan for services provided by the Commissioner's Office and Division of Administrative Services. The update will result in adjustments (increments and decrements) in most or all of DCED division/agency FY04 budgets. In addition, increments are requested for various DCED agencies for increases in the cost of various contractual services provided by State agencies such as:
  - Department of Administration: Central Mailroom, Risk Management, AKSAS/AKPAY, Computer Services, Equal Employment Opportunities Investigations (EEO)
  - Department of Law: Regulations Review
  - Department of Community and Economic Development: Central Management and Support (Cost Allocation plan)
  - Department of Labor: Americans with Disabilities Act (ADA)
  - Department of Education and Early Development: Micrographic Services
- **COLA and Health Insurance Increases.** In FY03 COLA increases were not in effect for the entire year for the General Government, Confidential, and Supervisory Bargaining Units. Non general funds are requested in most or all of DCED division/agency FY04 budgets to pay the COLA for these bargaining units for the full year in FY04. In addition, the employer contribution to health insurance for non-covered staff will increase by \$75.00 from \$630.00 per month to \$705.00 per month, so funds to cover these increases are requested as well.

### COMMUNITY ADVOCACY

- **Alaska Regional Development Organizations (ARDOR).** The ARDOR program provides funds to regional nonprofit development organizations to develop and implement regional economic development strategies and provide business and development assistance to individuals and organizations. The goal is to stimulate economic development and produce healthy sustainable economies through locally driven initiatives especially in regions that have limited funding available. This program has been funded at the \$650,000 level for several years. A request to restore the \$60,000 FY03 reduction in Interagency Receipts from AIDEA for the Alaska Regional Development Organization (ARDOR) program is important to maintain the viability of the program.
- **Maintain Fisheries Development Support.** Alaska's fishing industry is facing escalating issues resulting from the expansion of farmed salmon, chronically low prices, and the downturn in the Japanese economy. To maintain the same level of staff support historically afforded fisheries development issues, an increment funded with Commercial Fisheries Revolving Loan Fund receipts is necessary.
- **General Fund Match to General Fund.** The division continues to rely on federal funding that is used to fund many of the division's development assistance (grant) programs to local governments and communities. Historically, as a condition of receiving the federal funding the State had to also provide a contribution which was reflected as "General Fund State Match" funding. Over the previous two years, federal agencies such as the Denali Commission and Department of Defense, have changed their perspective and are now requiring that the "match" not be made by the State but be provided by the local governments and communities (sub-recipients) who are ultimately receiving the federal funding. Programmatically, this makes sense and the division supports this approach. The downside is that while divisional staff continue to spend as much, if not more time, supporting these federally funded programs, it is no longer a "requirement" of the federal agreement. Therefore, the division's funding source should be changed from General Fund State Match, which by definition is supposed to be a requirement of a federal grant, to General Fund.

### TRADE AND DEVELOPMENT

- **Business Recruitment Program.** Attracting new business and investment is a highly competitive endeavor among cities, counties, states and even countries. For Alaska's economy to grow and become more diversified, it is important for Alaska to compete and succeed in attracting its share of new business and investment. At present, the division lacks funding to conduct an effective business recruitment program. An increment funded with business license receipts would enable the division to produce marketing materials that explain and highlight the state's advantages and attributes for companies seeking to relocate or expand their business operations. The increment would also enable the division to participate in targeted site location trade shows and advertise in relocation industry publications.
- **Korea – US Economic Conference.** In 2001, the Korea - U.S. Economic Council, consisting of representatives from throughout Korea and the United States, committed to an annual conference that would focus on issues specific to the Pacific Coast states of Washington, Oregon, California, Alaska, and Hawaii. The resulting Korea - U.S. Pacific States Conference was held in Seoul, Korea in June 2002. The State of Alaska will host the 2nd annual Korea - U.S. Pacific States Conference in August 2003 in Anchorage. Subsequent annual conferences will be hosted by the other Pacific Coast states. The Conference will attract 250 to 300 people from throughout Alaska, the Pacific Coast states, and Korea. The Conference will require approximately \$150,000 in expenses and generate approximately \$115,000 in revenue - \$90,000 from the registration fees and \$25,000 in corporate donations/sponsorships. An increment funded with these statutory designated program receipts is requested.
- **Elimination of the International Trade and Business Endowment.** The Governor's FY04 budget request deposits the balance of the endowment into the general fund. The division depends upon \$196,400 in endowment income for its trade and development activities. A fund source change to general funds is requested to maintain the level of effort after elimination of the endowment.

#### STATE REVENUE SHARING & SAFE COMMUNITIES

- **25% reduction for a \$7.4 million savings.** These two programs share state revenues with local governments in order to assist them in providing necessary public services to citizens. Just as the state is tightening its belt, it is important that local governments do the same. Local governments will have the opportunity to look to the Federal government and others for potential grants to assist in the delivery of essential services, as well as look to local options to raise additional revenue if necessary.

#### FISHERIES BUSINESS TAX

- **Adjust Authorization Level.** The Fisheries Business Tax provides for a sharing of fish taxes collected outside municipal boundaries to municipalities that demonstrate they suffered significant effects from fisheries business activities. An increment is requested for a \$450,000 increase in interagency receipts. The FY03 budget increased the authorization from \$1,000,000 to \$1,150,000 but the FY02 actual revenue was \$1,600,000.

#### ALASKA AEROSPACE DEVELOPMENT CORPORATION

- **Add Ten Positions.** AADC anticipates increased and vigorous activity in developing and supporting the US Department of Defense's Missile Defense Agency (MDA) program in Alaska. In addition, the delivery of the new range safety systems allows AADC to offer a broader range of services in response to customer demand. Increments totaling 10 positions funded with AADC and CIP receipts are requested in two components.

#### ALASKA SCIENCE AND TECHNOLOGY FOUNDATION

- **Eliminate ASTF.** The balance of the ASTF endowment is deposited into the State's general fund in the Governor's FY 04 budget request. A decrement in the department's budget eliminates ASTF funding.

#### ALASKA SEAFOOD MARKETING INSTITUTE

- **Maintain marketing program.** The declining salmon prices have and will continue to result in decreases to ASMI's revenue that is generated by the Salmon Marketing Taxes and Seafood Marketing Assessment paid by the Alaskan fishing industry. ASMI realizes that the lack of this revenue will force a reduction in its marketing campaign and that it may also result in ASMI receiving less federal funding since its current federal grants require a "match." Consequently, ASMI sought and received new sources of federal funding that require no match. An increment is requested for additional federal receipts. In addition, a decrement of receipt supported services funding acknowledges the lack of revenue.

#### BANKING, SECURITIES AND CORPORATIONS

- **Realignment of priorities.** The Governor's FY 2004 Operating Budget request proposes the elimination of three positions within the division, saving \$244,000. One of the division's priorities will be the examination of FDIC and NCUA insured financial institutions every 12-18 months as mandated by the FDIC and NCUA. Because the FDIC and NCUA will not extend the annual examination requirements and requires the examination be performed by state

and/or federal examiners, the examinations performed by the division may be delayed. Additionally, some securities investigations may be delayed.

#### INSURANCE

- **Criminal Background Checks.** The division is streamlining its process regarding criminal background check fees, collected from insurance-sales licensure applicants and paid to the Department of Public Safety (DPS), by requiring applicants to submit only one check to the division for the entire application process. Historically, applicants were required to submit two checks - one to the division for application, and one to DPS for a criminal background check. As part of this change, the division has requested an increment in receipt supported services funding to collect this fee from applicants and pay DPS for the criminal background checks via a Reimbursable Services Agreement.

#### OCCUPATIONAL LICENSING

- **Criminal Background checks.** Regulations requiring criminal background checks on nurse and nurse aide applicants took effect in the Spring of FY02. The DPS performs this service for a fee of \$59 per applicant, and in the FY03 budget, the division requested and received a \$109,300 increment to pay DPS. The amount of that increment request was based on FY01 applicant data. However, the number of applicants has since increased significantly. Based on FY02 data (3,256 applicants), in FY04 the division expects to pay DPS \$192,100. An increment in receipt supported services for the difference of \$82,800 is now needed.
- **State Medical Board Investigations.** As of the beginning of FY 02 there were 220 ongoing medical investigations (open cases) being pursued. During that fiscal year 118 new cases were opened and 175 cases were closed. At the beginning of FY 03 the total number of open cases had been reduced to 163. Since then the number of new cases has exceeded those being closed -- 85 new to 64 closed. Consequently, there are now 184 open cases and the backlog is now to the point that only cases involving sex, drugs, and/or death are actively investigated. Lesser allegations such as excessive prescriptions, medical unresponsiveness, and patient uneasiness are not actively investigated. The division requests an increment in receipt supported services to help bring its backlog of medical investigations cases to closure.

#### REGULATORY COMMISSION OF ALASKA

- **Convert Part-Time Utility Engineer Analyst to Full-Time.** Last legislative session, SB140 increased the FY 03 authorized positions by a half time Utility Engineer Analyst. An increment is requested to convert this position to full time due to an increase in the position's anticipated work load. Source of funding is RCA Receipts.

#### AK STATE COMMUNITY SERVICES COMMISSION

- **Alaska State Community Services Commission (ASCSC).** The Governor's FY 2004 Operating Budget request proposes moving this program to the DCED from the Department of Education and Early Development to achieve efficiencies through the consolidation of program service delivery within the appropriate agency. The mission of ASCSC is to foster, support and promote the ethic of service and volunteerism and to engage Alaskans of all ages and backgrounds in tangible, results-oriented community projects. Three positions are located in Anchorage. Funding is primarily federal receipts.

## Summary of Department Budget Changes by BRU

## From FY2003 Authorized to FY2004 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>40,551.4</b>	<b>20,903.7</b>	<b>90,407.8</b>	<b>151,862.9</b>
<b>Adjustments which get you to start of year:</b>				
-State Revenue Sharing	0.0	170.0	0.0	170.0
<b>Adjustments which will continue current level of service:</b>				
-Executive Admin	1.1	0.0	12.4	13.5
-Comm Assist & Ec Dev	152.0	15.9	-180.8	-12.9
-Investments	0.0	0.0	32.5	32.5
-Alaska Aerospace Devel Corp	0.0	0.0	24.4	24.4
-AIDEA	0.0	0.0	55.1	55.1
-Alaska Seafood Marketing Inst	0.0	0.0	15.6	15.6
-Banking, Securities, and Corp	0.0	0.0	23.0	23.0
-Insurance	0.0	0.0	39.2	39.2
-Occupational Licensing	0.0	0.0	50.6	50.6
-Reg Comm of Ak	0.0	0.0	42.8	42.8
-AK State Community Services Com	64.9	2,827.8	70.8	2,963.5
<b>Proposed budget decreases:</b>				
-Comm Assist & Ec Dev	-520.1	-17.6	0.0	-537.7
-State Revenue Sharing	-3,213.8	0.0	0.0	-3,213.8
-Safe Communities Program	-4,193.9	0.0	0.0	-4,193.9
-AK Science & Tech Foundation	0.0	0.0	-10,608.6	-10,608.6
-Alaska Seafood Marketing Inst	0.0	0.0	-1,600.0	-1,600.0
-Banking, Securities, and Corp	0.0	0.0	-244.4	-244.4
-Reg Comm of Ak	0.0	0.0	-359.3	-359.3
<b>Proposed budget increases:</b>				
-Executive Admin	0.0	0.0	46.6	46.6
-Comm Assist & Ec Dev	12.5	0.0	300.6	313.1
-State Revenue Sharing	0.0	0.0	450.0	450.0
-Investments	0.0	0.0	20.4	20.4
-Alaska Aerospace Devel Corp	0.0	0.0	6,604.8	6,604.8
-AIDEA	0.0	0.0	33.7	33.7
-Alaska Seafood Marketing Inst	0.0	2,000.0	16.2	2,016.2
-Banking, Securities, and Corp	0.0	0.0	15.9	15.9
-Insurance	0.0	0.0	263.0	263.0
-Occupational Licensing	0.0	0.0	370.2	370.2
-Reg Comm of Ak	0.0	0.0	16.2	16.2
-DCED State Facilities Rent	16.5	0.0	0.0	16.5
<b>FY2004 Governor</b>	<b>32,870.6</b>	<b>25,899.8</b>	<b>85,918.7</b>	<b>144,689.1</b>