

# **State of Alaska FY2007 Governor's Operating Budget**

**Dept of Commerce,Community,& Economic Development**

**Dept of Commerce, Community, & Economic Development**

**Mission**

The mission of the Department of Commerce, Community and Economic Development (DCCED) is to promote a healthy economy and strong communities in Alaska.

**Core Services**

- Coordination, development and promotion of programs for sustainable economic growth.
- Regulation and enforcement to protect the consumer and to provide a stable business climate.
- Assist communities to achieve maximum local self-government.

End Results	Strategies to Achieve Results
<p><b>A: Sustainable economic growth.</b></p> <p><u>Target #1:</u> 10,000 jobs created and maintained in 3 years.</p> <p><u>Measure #1:</u> Number of jobs created beginning in FY05.</p>	<p><b>A1: Implement economic development programs and projects.</b></p> <p><u>Target #1:</u> Identify and fund 50 programs and projects.</p> <p><u>Measure #1:</u> Number of programs and projects funded.</p>
End Results	Strategies to Achieve Results
<p><b>B: Increase number of Alaska citizens who have access to local government services.</b></p> <p><u>Target #1:</u> 100% of municipal governments provide essential public services.</p> <p><u>Measure #1:</u> Percentage of municipal governments providing essential public services.</p>	<p><b>B1: Improve quality of department's available resources to the public</b></p> <p><u>Target #1:</u> Increase the number of communities participating in workshops and technical training provided by the divisions.</p> <p><u>Measure #1:</u> Number of communities participating in workshops and technical training.</p>

**Major Activities to Advance Strategies**

- Strengthen rural communities by providing technical assistance.
- Diversify Alaska's economic base to benefit all Alaskans.
- Market Alaska's commercial opportunities and geographic advantages to the rest of the nation and the global business community.
- Strengthen Alaska's businesses by providing technical and financial assistance.
- Maintain a fair and consistent regulatory environment.

**FY2007 Resources Allocated to Achieve Results**

**FY2007 Department Budget: \$151,636,200**

**Personnel:**

Full time	514
Part time	4
<b>Total</b>	<b>518</b>

**Performance Measure Detail**

**A: Result - Sustainable economic growth.**

**Target #1:** 10,000 jobs created and maintained in 3 years.

**Measure #1:** Number of jobs created beginning in FY05.

**Number of Jobs Created and Maintained**

Fiscal Year	YTD Total
FY 2005	2000

**Analysis of results and challenges:** Continued investment in different programs and providing loans to businesses and for construction helped to stimulate the economy and create jobs. In FY05, the Alaska Aerospace Development Corporation spent 18.5 million on Alaska payroll and vendors to create jobs at the Kodiak launch facilities. The Seafood industry, the Community Development Quota program, mining, and the visitor industry also created a large number of new jobs for the State in FY05. The Southeast region experienced some increase in timber related employment.

**A1: Strategy - Implement economic development programs and projects.**

**Target #1:** Identify and fund 50 programs and projects.

**Measure #1:** Number of programs and projects funded.

**Number of Programs and Projects Funded**

Fiscal Year	YTD Total
FY 2005	53

**B: Result - Increase number of Alaska citizens who have access to local government services.**

**Target #1:** 100% of municipal governments provide essential public services.

**Measure #1:** Percentage of municipal governments providing essential public services.

**Percentage of essential public service**

Fiscal Year	YTD Total
FY 2004	85%
FY 2005	80%

**Analysis of results and challenges:** The decrease in percentage of services in 2005 was due to the reduction in police protection force and the increase of fuel cost. The department is implementing a more detailed

tracking system. The challenge is to collect and correct information that is self reported by communities.

**B1: Strategy - Improve quality of department's available resources to the public**

**Target #1:** Increase the number of communities participating in workshops and technical training provided by the divisions.

**Measure #1:** Number of communities participating in workshops and technical training.

**Number of Communities Participating**

Fiscal Year	YTD Total
FY 2003	15
FY 2004	22 +46.67%
FY 2005	32 +45.45%

**Key Department Challenges**

The department continues to realign and focus assets to concentrate on its three core functions: economic development, community advocacy, and business regulation/consumer protection.

- Economic Development. Statewide economic development requires increased investment throughout Alaska. Combining the efforts of the Department’s industry and business experts, supported closely by community development staff, provides a template to meet these challenges.
- Community Advocacy. Sustainability of communities is a major issue due to the increasing cost for major budget items such as fuel and insurance. The formation of regional governments and capacity building for smaller communities and villages is a crucial issue.
- Business Regulation/Consumer Protection. Financial Institution examinations are being changed from annual visitations to an on-going site monitoring program. Providing consumer protection and business industry regulation remains a key challenge.

Office of Economic Development

Lack of access, power, and labor presents a significant impediment to mineral development. This becomes an issue in deciding venues for project investment. Stable and reasonable taxation is also critical to attracting mining companies to the State.

Rural areas are working to increase tourism as a way to bring new wealth but lack resources necessary to prepare for and attract visitors.

Occupational Licensing

An unexpected challenge facing nationwide licensing programs is how to handle applicants whose credential documents were destroyed as a result of Hurricane Katrina. Several State Licensing boards are working with national organizations to establish guidelines on how to assist these individuals. The division anticipates moving the Business Licensing program database to a new software system, ultimately combing both Corporations and Business Licensing records.

Fisheries Development and Marketing

Competition from farmed salmon and aquaculture remains a primary concern. It is vitally important that Alaska maintain its place in the worldwide salmon market during these challenging times. While many fisheries are strong, the Alaska salmon industry continues to suffer lower prices, due to the increase of farmed fish on the world market.

Alaska Aerospace Development Corporation

The biggest challenges in the coming year are building systems that are able to respond to the U.S. Department of

Defense, Missile Defense Agency's changing requirements for launch services; and recruitment and training of the workforce.

#### Alaska Insurance Market Place

The State of Alaska continues to lack a healthy, competitive insurance market place. Alaska faces a crisis in funding for the Alaska Insurance Guaranty Association due to the insolvency of a major workers compensation carrier. The workers compensation market is dominated by relatively few carriers which put the state at risk of losing a viable option for employers to obtain a statutorily mandated coverage. The homeowner's market is fast becoming difficult with two carriers writing 65% of the business and seeking to reduce market share. This, in turn, creates pressure on the real estate industry as sales of property and re-financing depends on the availability of insurance coverage to satisfy the lenders.

### **Significant Changes in Results to be Delivered in FY2007**

#### BANKING AND SECURITIES

Banking is working in with the mortgage lending industry to introduce legislation to regulate mortgage lenders and brokers who are currently unregulated. If the bill is successful, the division anticipates a dramatic increase in workload.

The division began regulating payday lenders who were previously unregulated. To date, the division has issued 20 licenses and is in the process of conducting an on-site visitation to each licensee. All pay day lenders will be examined at least once every 18 months.

#### ALASKA AEROSPACE DEVELOPMENT CORPORATION (AADC)

AADC is currently performing the third year of a five year support service agreement with the U.S. Department of Defense, Missile Defense Agency. The U.S. Missile Defense Agency continues to request additional launch service support and continues to increase the requirement for management data. An additional eight staff is required to support these requirements and AADC's goal to contribute to the Alaska economy.

#### ALASKA SEAFOOD MARKETING INSTITUTE

An increase to the U.S. Department of Agriculture's Market Access Program (MAP) will result in additional promotional efforts in the international market. The additional State match required for this program will also result in additional promotional efforts in the domestic market

#### REGULATORY COMMISSION OF ALASKA

The Regulatory Commission of Alaska (RCA) is in the process of developing the Small Hydroelectric Power regulations which will allow the State to take over licensing of small hydroelectric power projects from the Federal Energy Regulatory Commission (FERC).

#### COMMUNITY ADVOCACY

Additional funding from the Environmental Protection Agency (EPA) for the Rural Utility Business Advisory (RUBA) program will allow the continuation of training programs developed to assist community residents in assuming responsibility of its local sanitation facility and system. The success of each entity's ability to manage and train its employees, manage its finances, and manage the day-to-day operations is paramount to the success of each local sanitation system. In fiscal year 2006 the training was discontinued due to increased personal services and travel costs.

#### ALASKA ENERGY AUTHORITY POWER COST EQUALIZATION PROGRAM

Increased funding will result in rural utilities receiving approximately 100 percent of their eligibility amount instead of the pro rated levels they have been receiving in recent years.

#### OFFICE OF ECONOMIC DEVELOPMENT

The U.S. undersecretary of Agriculture has agreed to consider creating sustained yield units in parts of the Tongass forest to better enable the Forest Service to reestablish a dependable timber supply in Southeast Alaska. The Forest Product Development Specialist will work with industry representatives and Forest Service personnel to move this item forward.

### **Major Department Accomplishments in 2005**

### COMMUNITY ADVOCACY

Staff provided extensive support to the Local Boundary Commission during the year. This included providing technical assistance, completing technical reviews of numerous petitions, initiating proceedings for local government boundary changes and special projects including city and borough incorporations, consolidations, borough detachments and city reclassifications. Staff completed the full value determination of the proposed Deltana borough and the proposed Copper River Basin Model Borough and started working on the Lake and Peninsula Borough. Staff became involved in solving the fuel shortage issues for 45 communities. Further, staff assisted these communities to purchase fuel to keep facilities and utilities functioning and provided technical assistance on managing bulk fuel. Staff responded to management emergencies in 10 rural communities. The Made in Alaska program continues to serve over one thousand permit holders with 1,190 products permitted as of early August.

### INVESTMENTS

The Commercial Fishing Revolving Loan Fund program promotes the development of a predominantly resident fishery by providing loans to Alaskan commercial fishing harvesters. Market conditions in the commercial fishing industry have dramatically changed in recent years creating tremendous challenges for commercial fishing harvesters that utilize the Commercial Fish Revolving Loan Fund. In fiscal year 2005, 140 new loans were approved, totaling a little over \$9.2 million, and 135 loan extension requests were processed.

The division approved 23 Small Business Economic Development (SBED) loans totaling \$3.1 million, which resulted in the creation/retention of 155 jobs.

The division also approved Rural Development Initiative Fund loans to businesses located in communities totaling \$931,500, which resulted in the creation/retention of 49 jobs.

### ALASKA AEROSPACE DEVELOPMENT CORPORATION (AADC)

AADC successfully executed the second year of providing services for its' anchor tenant, the U.S. Department of Defense, Missile Defense Agency (MDA). The first of several rockets was launched from Kodiak Launching Station to test the nation's missile defense system.

### QUALIFIED TRADE ASSOCIATION

The Alaska.com program has increased interest in travel to Alaska by 3%. Training seminars and renewed sponsorship of the Destination Specialist Alaska course resulted in 151 newly Certified Travel Agents. An increase in international visitors to Alaska resulted from working with partners to secure winter airline charters. A national magazine advertising campaign promoting Alaska was executed, which is estimated to have reached 22 million readers.

### INSURANCE

The Division of Insurance has implemented procedural changes to allow nonresident applicants to electronically file an insurance application and receive approval within 24 hours. Since this process has been implemented, 50% of initial applications received have been transmitted electronically. 15,316 licenses to persons selling insurance in Alaska were issued or renewed. Over 14,300 company appointments and 82,000 terminations of company appointments were processed. 459 consumer complaints were opened and investigated.

### ALASKA ENERGY AUTHORITY (AEA)

AEA, in cooperation with Alaska Vocational Training (AVTEC) produced bulk fuel and power plant operator training CDs and provided training for 63 students in different areas of power plant and bulk fuel. AEA committed to 54 loans for \$6.7 million through the Bulk Fuel Revolving Loan Fund program.

### ALASKA SEAFOOD MARKETING INSTITUTE (ASMI)

ASMI was able to increase consumption of fresh and frozen Alaska seafood in the U.S. and the key international markets. ASMI has put more effort on consumer campaigns and advertising for Alaska seafood products in the U.S. and conducted vigorous campaigns promoting canned salmon in the U.S. and Hispanic markets, while achieving greater alignment than ever before with industry trade spending. ASMI's Alaska pavilion in Europe's largest trade show generated projected sales over 12 months of over \$106 million for 15 participating Alaska seafood companies.

### REGULATORY COMMISSION OF ALASKA (RCA)

Issued 578 substantive orders and 103 procedural orders  
Processed 657 utility and pipeline tariff filings  
Handled 412 Rural Informal Services complaints

Reduced the number of pending dockets from 151 to 107  
Processed 431 non-regulated and 119 regulated Poser Cost Equalization filings

## **Prioritization of Agency Programs**

*(Statutory Reference AS 37.07.050(a)(13))*

Category A – Functions and programs that are essential to the Department's mission of promoting a healthy economy and strong communities in Alaska.

1. Local Government Development
2. Local Boundary Commission
3. Community and Business Development
4. Community Development Quota (CDQ) Program
5. Fisheries Development and Marketing
6. Development Financial Services
7. State Assessor and Property Tax
8. Land Management and Mapping
9. Rural Utility Business Advisor (RUBA)

Category B – Essential programs and functions other than those listed in Category A that are central to the Department's mission.

10. Alaska Energy Authority Programs
11. Alaska Aerospace Development

Category C – Regulatory programs established in statute to protect the consumer and to provide for a stable business climate.

12. Regulate Financial Institutions
13. Regulate Securities
14. Register Corporations
15. Regulate Insurance Industry
16. Occupational Licensing
17. Business Licensing
18. Regulate Public Utilities and Pipeline Carriers

- |  |   |
|--|---|
| 1. Local Government Development. Ensure local governments are functioning and viable by providing advice and information regarding public services, financial management training, election information, and financial assistance. | 10. Alaska Energy Authority Programs. Administer rural energy programs.   |
| 2. Local Boundary Commission. Offer recommendations regarding municipal boundary changes and incorporations.   | 11. Alaska Aerospace Development. Provide rocket launch services to government and commercial customers.  |
| 3. Community and Business Development. Provide grants, advice, information, financial management training, and financial assistance to tribal governments, communities and other organizations.                                    | 12. Regulate Financial Institutions. Regulate commercial banks, mutual savings banks, credit unions, trust companies, bank holding companies, small loan offices, premium finance offices, and Business and Industrial Development Corporations.                    |
| 4. Community Development Quota (CDQ) Program. Promote commercial fisheries related economic development in western Alaska through allocation of percentages of each fisheries species to coalitions of communities.                | 13. Regulate Securities. Regulate the offer and sale of securities in Alaska.   |
| 5. Fisheries Development and Marketing. Promote economic development of Alaska's commercial fisheries and seafood industry and market Alaska seafood products domestically and overseas.   | 14. Register Corporations. Provide legal recognition to businesses by serving as a filing agency.   |
| 6. Development Financial Services. Provide various   | 15. Regulate Insurance Industry. Develop and enforce the insurance statutes and regulations to: protect and educate the consumer; assure competitive, viable, ethical and lawful insurance is available to Alaskans; and enhance the insurance business environment |
|  | 16. Occupational Licensing. Administer 38 occupational licensing programs covering 130 occupations.   |
|  | 17. Business Licensing. License approximately 73,000  |

means of financing and facilitate the financing of businesses, commercial fisheries, and hatcheries in Alaska.

- 7. State Assessor and Property Tax. Assist municipalities regarding assessment and tax issues; make local property full and true value determinations; monitor local assessment practices for compliance with State law.
- 8. Land Management and Mapping. Ensure public projects have site control; administer the Municipal Lands Trust program; produce and provide community maps.
- 9. Rural Utility Business Advisor (RUBA). Encourage rural water and sewer utilities to operate as a business; offer business, finance, personnel and management assistance to local governments and organizations.

- 18. Regulate Utilities and Pipeline Carriers. Ensure affordable and reliable utility and pipeline services.

### Contact Information

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**Department Budget Summary by RDU**

*All dollars shown in thousands*

	FY2005 Actuals				FY2006 Management Plan				FY2007 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>												
Revenue Sharing	0.0	15,138.5	2,301.1	17,439.6	0.0	15,830.0	1,600.0	17,430.0	0.0	15,830.0	1,600.0	17,430.0
Alaska Energy Authority	0.0	0.0	15,700.0	15,700.0	0.0	0.0	18,700.0	18,700.0	0.0	0.0	25,160.0	25,160.0
<b>Non-Formula Expenditures</b>												
One Time Items	0.0	0.0	0.0	0.0	1,792.0	0.0	250.0	2,042.0	0.0	0.0	0.0	0.0
Executive Admin and Dev	900.6	58.3	3,489.2	4,448.1	1,225.6	0.0	2,314.9	3,540.5	1,311.7	0.0	3,714.1	5,025.8
Comm Assist & Ec Dev	3,827.1	1,026.7	3,138.0	7,991.8	7,055.6	1,920.2	4,113.3	13,089.1	4,926.4	3,071.3	4,336.4	12,334.1
Qualified Trade Assoc. Contract	2,000.0	0.0	2,000.0	4,000.0	2,505.1	0.0	2,500.0	5,005.1	2,505.1	0.0	2,500.0	5,005.1
Investments	0.0	0.0	3,562.4	3,562.4	0.0	0.0	4,002.2	4,002.2	0.0	0.0	4,171.4	4,171.4
Alaska Aerospace Devel Corp	0.0	0.0	14,981.6	14,981.6	0.0	0.0	23,240.5	23,240.5	0.0	0.0	24,126.2	24,126.2
AIDEA	59.9	0.0	6,296.5	6,356.4	0.0	0.0	7,397.2	7,397.2	0.0	0.0	7,792.5	7,792.5
Alaska Energy Authority	258.9	1.9	3,129.9	3,390.7	299.3	171.9	4,260.7	4,731.9	299.3	71.9	2,737.9	3,109.1
Alaska Seafood Marketing Inst	0.0	3,925.5	5,978.3	9,903.8	0.0	6,000.0	10,527.9	16,527.9	2,300.0	6,200.0	9,848.5	18,348.5
Banking and Securities	0.0	0.0	0.0	0.0	0.0	0.0	2,046.9	2,046.9	0.0	0.0	2,578.2	2,578.2
Banking, Securities, and Corp	0.0	0.0	2,839.6	2,839.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CDQ Program	0.0	0.0	0.0	0.0	0.0	0.0	414.9	414.9	0.0	0.0	0.0	0.0
Insurance	0.0	0.0	5,113.2	5,113.2	0.0	0.0	5,694.0	5,694.0	0.0	0.0	5,923.9	5,923.9
Corp, Bus & Prof Licenses	0.0	0.0	7,246.7	7,246.7	0.0	0.0	9,362.2	9,362.2	0.0	0.0	9,760.3	9,760.3
Reg Comm of Ak DCED State	0.0	0.0	5,634.3	5,634.3	0.0	0.0	6,075.3	6,075.3	325.0	0.0	6,343.1	6,668.1
Facilities Rent	364.7	0.0	409.8	774.5	384.6	0.0	409.8	794.4	494.6	0.0	467.7	962.3
AK State Community Services Com	65.8	1,323.8	10.6	1,400.2	72.0	3,047.0	101.3	3,220.3	76.1	3,062.7	101.9	3,240.7
<b>Totals</b>	<b>7,477.0</b>	<b>21,474.7</b>	<b>81,831.2</b>	<b>110,782.9</b>	<b>13,334.2</b>	<b>26,969.1</b>	<b>103,011.1</b>	<b>143,314.4</b>	<b>12,238.2</b>	<b>28,235.9</b>	<b>111,162.1</b>	<b>151,636.2</b>

<b>Funding Source Summary</b>			
<i>All dollars in thousands</i>			
<b>Funding Sources</b>	<b>FY2005 Actuals</b>	<b>FY2006 Management Plan</b>	<b>FY2007 Governor</b>
1002 Federal Receipts	21,474.7	26,969.1	28,235.9
1003 General Fund Match	291.1	382.7	767.3
1004 General Fund Receipts	7,181.9	12,932.8	11,452.2
1005 General Fund/Program Receipts	4.0	18.7	18.7
1007 Inter-Agency Receipts	10,410.8	9,756.8	9,781.7
1036 Commercial Fishing Loan Fund	3,124.4	3,382.0	3,531.1
1040 Real Estate Surety Fund	133.1	266.2	271.2
1044 Debt Retirement		250.0	
1061 Capital Improvement Project Receipts	2,601.7	3,723.3	3,988.1
1062 Power Project Loan Fund	858.7	1,016.5	1,056.5
1070 Fisheries Enhancement Revolving Loan Fund	400.0	523.0	539.0
1074 Bulk Fuel Revolving Loan Fund		53.7	53.7
1089 Power Cost Equalization Fund	15,700.0	18,700.0	25,160.0
1101 Alaska Aerospace Development Corporation Receipts	14,852.8	21,782.3	22,592.1
1102 Alaska Industrial Development & Export Authority Receipts	3,600.4	4,608.0	4,839.7
1107 Alaska Energy Authority Corporate Receipts	158.5	1,067.1	1,067.1
1108 Statutory Designated Program Receipts	1,558.2	5,142.0	4,393.5
1111 Fishermans Fund Income	115.0		
1141 RCA Receipts	5,634.3	6,075.3	6,343.1
1156 Receipt Supported Services	18,788.2	21,247.5	21,923.8
1164 Rural Development Initiative Fund	20.0	47.5	49.5
1166 Commercial Passenger Vessel Environmental Compliance Fund		250.0	250.0
1170 Small Business Economic Development Revolving Loan Fund	15.0	46.0	47.9
1175 Business License and Corporation Filing Fees and Taxes	3,860.1	4,958.9	5,139.1
1195 Special Vehicle Registration Receipts		115.0	135.0
<b>Totals</b>	<b>110,782.9</b>	<b>143,314.4</b>	<b>151,636.2</b>

<b>Position Summary</b>		
<b>Funding Sources</b>	<b>FY2006 Management Plan</b>	<b>FY2007 Governor</b>
Permanent Full Time	503	514
Permanent Part Time	4	4
Non Permanent	2	2
<b>Totals</b>	<b>509</b>	<b>520</b>

## FY2007 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Community Block Grants	70,000	6,045,000	0	6,115,000
Energy Projects	1,200,000	13,500,000	500,000	15,200,000
Kodiak Launch Complex Infrastructure	0	0	15,000,000	15,000,000
Manufacturing Extension Program	0	1,340,806	1,340,806	2,681,612
Re-Engineering Automated Business Licensing System	0	0	250,000	250,000
Alaska Aviation Heritage Museum - Building Demolition, Facility Improvements and Construction	750,000	0	0	750,000
Alaska Native Heritage Center Expansion and Improvements	250,000	0	0	250,000
Alaska Travel Industry Association - Independent Travel Marketing Campaign	1,000,000	0	0	1,000,000
Alaska Travel Industry Association - International Travel Trade and Marketing	250,000	0	0	250,000
Alaska Travel Industry Association - Long Range Tourism Growth	250,000	0	0	250,000
Alaska Works Partnership - Fairbanks Pipeline Training Center	3,000,000	0	0	3,000,000
Arctic Winter Games Team Alaska	250,000	0	0	250,000
Catholic Social Services - Brother Francis Shelter Completion	300,000	0	0	300,000
Chilkat Indian Village, IRA - Jilkaat Kwaan Cultural Heritage Center and Bald Eagle Observatory	1,500,000	0	0	1,500,000
Ice Alaska - Ice Park Facilities, Event	1,100,000	0	0	1,100,000
Institute of the North	100,000	0	0	100,000
Morris Thompson Cultural and Visitor Center - Construction	2,900,000	0	0	2,900,000
Tongass Coast Aquarium, Inc. Project Development	5,000,000	0	0	5,000,000
Special Olympics Alaska - Facility Completion and Statewide Training	250,000	0	0	250,000
Voices of Polynesian Islanders In Alaska - Polynesian Cultural Center	500,000	0	0	500,000
World Trade Center Alaska	0	0	200,000	200,000
City and Borough of Sitka - Sawmill Cove Industrial Park Water Line	1,000,000	0	0	1,000,000
City of Adak - Adak Small Boat Harbor Construction Phase 2	1,000,000	0	0	1,000,000
City of Aleknagik - Float Plane Dock Feasibility Study	90,000	0	0	90,000
City of Bethel - Public Safety Building	1,000,000	0	0	1,000,000
City of Galena - Boarding School Expansion	1,000,000	0	0	1,000,000
City of Nenana - Nenana Boarding School Construction and Maintenance	1,000,000	0	0	1,000,000
City of Perryville - Barge Landing Dock Design and Construction	100,000	0	0	100,000
City of Petersburg - Public Safety Building Design and Construction	350,000	0	0	350,000
City of Seward - T-Dock and Bulkhead Phase 2	2,205,900	0	0	2,205,900
City of Skagway - Health Clinic Construction	500,000	0	0	500,000
City of Wasilla - Sexual Abuse Task Force Investigator	75,000	0	0	75,000
City of Whittier - Boat Harbor and Waterfront Development	2,000,000	0	0	2,000,000
City of Wrangell - Downtown Street Revitalization	1,000,000	0	0	1,000,000
Ketchikan Gateway Borough - Water Line Replacement	750,000	0	0	750,000

<b>FY2007 Capital Budget Request</b>				
<b>Project Title</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
Lake and Peninsula Borough - Alternative Energy Demonstration Project	100,000	0	0	100,000
Matanuska Susitna Borough - Talkeetna Water and Sewer Repairs	20,000	0	0	20,000
Municipality of Anchorage - Anchorage Museum of History and Art Expansion	2,500,000	0	0	2,500,000
Municipality of Anchorage - Anchorage School District Taku Elementary School Skating Rink	50,000	0	0	50,000
Municipality of Anchorage - Port of Anchorage Intermodal Expansion Project	10,000,000	0	0	10,000,000
Language Section: Electrical Emergencies	240,000	0	90,000	330,000
Language Section: NPR-A Impact Grant Program	0	4,500,000	0	4,500,000
<b>Department Total</b>	<b>43,650,900</b>	<b>25,385,806</b>	<b>17,380,806</b>	<b>86,417,512</b>

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

**Summary of Department Budget Changes by RDU**

From FY2006 Management Plan to FY2007 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>13,334.2</b>	<b>26,969.1</b>	<b>103,011.1</b>	<b>143,314.4</b>
<b>Adjustments which will continue current level of service:</b>				
-One Time Items	-1,792.0	0.0	-250.0	-2,042.0
-Executive Admin and Dev	83.8	0.0	5.3	89.1
-Comm Assist & Ec Dev	-2,493.5	56.8	199.3	-2,237.4
-Investments	0.0	0.0	163.5	163.5
-Alaska Aerospace Devel Corp	0.0	0.0	228.1	228.1
-AIDEA	0.0	0.0	330.2	330.2
-Alaska Seafood Marketing Inst	0.0	-500.0	-682.4	-1,182.4
-Banking and Securities	0.0	0.0	528.1	528.1
-CDQ Program	0.0	0.0	-415.6	-415.6
-Insurance	0.0	0.0	222.1	222.1
-Corp, Bus & Prof Licenses	0.0	0.0	288.3	288.3
-Reg Comm of Ak	0.0	0.0	259.3	259.3
-AK State Community Services Com	4.0	15.4	0.6	20.0
<b>Proposed budget decreases:</b>				
-Comm Assist & Ec Dev	-5.0	0.0	0.0	-5.0
-Alaska Energy Authority	0.0	-100.0	-1,562.8	-1,662.8
<b>Proposed budget increases:</b>				
-Executive Admin and Dev	2.3	0.0	1,393.9	1,396.2
-Comm Assist & Ec Dev	369.3	1,094.3	23.8	1,487.4
-Investments	0.0	0.0	5.7	5.7
-Alaska Aerospace Devel Corp	0.0	0.0	657.6	657.6
-AIDEA	0.0	0.0	65.1	65.1
-Alaska Energy Authority	0.0	0.0	6,500.0	6,500.0
-Alaska Seafood Marketing Inst	2,300.0	700.0	3.0	3,003.0
-Banking and Securities	0.0	0.0	3.2	3.2
-CDQ Program	0.0	0.0	0.7	0.7
-Insurance	0.0	0.0	7.8	7.8
-Corp, Bus & Prof Licenses	0.0	0.0	109.8	109.8
-Reg Comm of Ak	325.0	0.0	8.5	333.5
-DCED State Facilities Rent	110.0	0.0	57.9	167.9
-AK State Community Services Com	0.1	0.3	0.0	0.4
<b>FY2007 Governor</b>	<b>12,238.2</b>	<b>28,235.9</b>	<b>111,162.1</b>	<b>151,636.2</b>