

State of Alaska FY2006 Governor's Operating Budget

**Dept. of Commerce, Community, and Economic Dev.
Office of Economic Development
Component Budget Summary**

Component: Office of Economic Development

Contribution to Department's Mission

Facilitate economic development in Alaska by increasing investment in Alaska and implementing tourism, fisheries and minerals development programs.

Core Services

- Provide policy recommendations and staff support to Governor and Commissioner on tourism and mineral issues.
- Provide a link between Alaska communities (especially rural communities), government, businesses, and industry sectors.
- Compile industry data and provide analysis.
- Support development of potential high growth industries and products.
- Review business environment and recommend and promote changes.
- Provide technical assistance to potential entrepreneurs.
- Support export-led and cluster-based development.

The end results, strategies, and performance measures for this component are currently under review and are being revised.

End Results	Strategies to Achieve Results
<p>A: Rural Alaska communities in economically distressed areas will have more opportunities to diversify their economies through tourism development.</p> <p><u>Target #1:</u> New product development, marketing strategies, marketing partnerships, business opportunities that result from Visitor Industry Product Development Program in three Alaska sub-regions or community clusters.</p> <p><u>Measure #1:</u></p> <p><u>Target #2:</u> Increased revenues and other economic benefits from visitors.</p> <p><u>Measure #2:</u> Lodging taxes, regional economic impact data</p>	<p>A1: Implement DCED's Rural Visitor Industry Product Development Program.</p> <p><u>Target #1:</u> 4-6 rural community clusters will receive intensive product development assistance.</p> <p><u>Measure #1:</u> Develop and deliver technical assistance plan for 4-6 rural community clusters to include 1) product and business development, 2) targeted training programs, and 3) critical infrastructure or service improvements.</p> <p>A2: Improve customer service skills and employability of Alaska's workforce.</p> <p><u>Target #1:</u> Increase number of students who complete AlaskaHost customer service training.</p> <p><u>Measure #1:</u> Increase the number of students who receive AlaskaHost training from 450 in FY04 to 565 in FY05 and increase number of students who receive training by 25% each year thereafter.</p>
End Results	Strategies to Achieve Results
<p>B: Increase the value of the minerals industry in Alaska</p>	<p>B1: Reduce barriers to minerals development in Alaska</p>

<p><u>Target #1:</u> 10% annual increase in exploration spending. <u>Measure #1:</u> Percentage increase in annual statewide mineral exploration.</p> <p><u>Target #2:</u> 10% annual increase in development expenditures. <u>Measure #2:</u> Percentage increase in annual statewide minerals development expenditures.</p> <p><u>Target #3:</u> 10% annual increase in production value. <u>Measure #3:</u> Percentage increase in annual statewide minerals production value.</p>	<p><u>Target #1:</u> Develop policies which remove barriers to mineral exploration and development. <u>Measure #1:</u> 25% of Minerals Commission recommendations are implemented each year.</p> <p><u>Target #2:</u> Be a strong advocate for mineral resource development. <u>Measure #2:</u> 10% increase in active junior mining companies in the state.</p> <p><u>Target #3:</u> Increase participation in trade shows. <u>Measure #3:</u> Participation in trade shows increases from 3 shows to 5 shows in FY05.</p>
End Results	Strategies to Achieve Results
<p>C: Redevelop a statewide forest products industry.</p> <p><u>Target #1:</u> Increase forest products industry employment. <u>Measure #1:</u> 25% employment increase in southeast region.</p>	<p>C1: Provide technical assistance and advocacy services through DCCED.</p> <p><u>Target #1:</u> Establish forester position in the Department of Commerce to join tourism, fisheries, and mining specialists in advocating for development in their respective industries. <u>Measure #1:</u></p>
End Results	Strategies to Achieve Results
<p>D: Through the Fisheries Revitalization Strategy, increase the economic return to the Alaska salmon industry.</p> <p><u>Target #1:</u> By 2006, increase the value of the salmon industry by 10% over the 2003 prices. <u>Measure #1:</u> Measure in both ex-vessel value and wholesale value on a price/pound basis.</p>	<p>D1: The Office will develop a grant program that increases product diversification.</p> <p><u>Target #1:</u> By 2006, the grant program will support an overall industry trend towards increased fillet production in Alaska to increase total fillet production by 10%. <u>Measure #1:</u> Through the Commercial Operators Annual Report information, the Office will measure fillet production of Alaska salmon by species in aggregate and by percentage of species.</p> <p>D2: The Office will develop a grant program that increases product diversification among its grantees.</p> <p><u>Target #1:</u> By 2006, grantees that received fillet processing equipment will increase fillet production by 50%. <u>Measure #1:</u> Through the Commercial Operators Annual Report information, the Office will measure the fillet production among its grantees that received funds for fillet equipment.</p> <p>D3: Through a high value marketing strategy grant program, influence an increase in market diversification of salmon products.</p> <p><u>Target #1:</u> By 2006, increase by 10% domestic and export consumption of high value product forms, specifically, fillets/fresh or frozen, smoked, minced products (nuggets/burgers) and pouch in retail and food service markets. <u>Measure #1:</u> Through retail scanner information,</p>

	<p>Commercial Operators Annual Reports, export information, and other data sources, measure increases in product form consumption in domestic and export markets.</p> <p>D4: Through a high value marketing strategy grant program, increase market diversification and profitability of marketing grantees.</p> <p><u>Target #1:</u> By 2006, increase by 20% domestic and export consumption of high value product forms, specifically, fillets/fresh or frozen, smoked, minced products (nuggets/burgers) and pouch in retail and food service markets, by marketing grantees. <u>Measure #1:</u></p> <p><u>Target #2:</u> Through retail scanner information, Commercial Operators Annual Reports, export information, and other data sources, measure increases in product form consumption in domestic and export markets by marketing grantees. <u>Measure #2:</u></p> <p>D5: Through quality improvements grants, increase the quality ratings for the Alaska salmon industry.</p> <p><u>Target #1:</u> By 2006, increase the % of salmon iced at the point of capture to at minimum 70%. <u>Measure #1:</u></p> <p><u>Target #2:</u> Use the ASMI quality survey to the fleet to determine level of improvements. <u>Measure #2:</u></p> <p>D6: Through quality improvements grants, increase the number of boats that use ice to chill salmon at the point of capture.</p> <p><u>Target #1:</u> By 2006, increase the number of boats using salmon iced at the point of capture to at minimum 70% of each fleet. <u>Measure #1:</u></p> <p><u>Target #2:</u> Through performance reports with grantees, determine the number of vessels converted to handle ice and those that implemented icing capacity through the season. <u>Measure #2:</u></p>
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Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Provide tourism planning and business development assistance. • Manage AlaskaHost hospitality training program. • Manage the Alaska Public Lands Information Center in Tok. • Maintain Tourism Satellite Account and Alaska Visitor Statistics Program. • Advocate for statewide mineral resource development. 	<ul style="list-style-type: none"> • Provide staff support for the Alaska Minerals Commission. • Prepare Alaska Minerals Commission Report and contribute to annual Alaska's Mineral Industry Report. • Management of the Fisheries Revitalization Strategy • Provide vital analytical support related to Internal Water Permits, fisheries-related legislation, market trends and federal government efforts.

Major Activities to Advance Strategies

- Provide a bridge between minerals industry and communities.
- Assist small businesses and entrepreneurs.
- Review business environment and recommend new product forms for the seafood industry.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$1,428,800

Personnel:

Full time	13
Part time	3
Total	16

Performance Measure Detail

A: Result - Rural Alaska communities in economically distressed areas will have more opportunities to diversify their economies through tourism development.

Target #1: New product development, marketing strategies, marketing partnerships, business opportunities that result from Visitor Industry Product Development Program in three Alaska sub-regions or community clusters.

Measure #1:

Target #2: Increased revenues and other economic benefits from visitors.

Measure #2: Lodging taxes, regional economic impact data

Analysis of results and challenges: Municipal lodging taxes revenues decreased 2% from \$19.6 million in 2002 to \$19.2 million in 2003. However, when Anchorage, Fairbanks, Fairbanks North Star Borough and Juneau are excluded, municipal lodging taxes increased 2% from \$4,049,492 to \$4,139,746.

Regional economic impact data was last estimated by the McDowell Group in 1999. Based on 1998 data, regional visitor industry employment (direct) was estimated to be as follows: Southeast (4,407 jobs), Southcentral (10,786), Southwest (864), Interior North (4,254), State total (20,311). Payroll and proprietor's income for the same time period: Southeast (\$86.1 million), Southcentral (\$213.2 million), Southwest (\$16.9 million), Interior North (\$74.2 million), State total (\$390.4 million).

Currently local data is not available that can be linked directly to visitor activity except for lodging taxes. The ability to measure jobs, income and tax revenues to regions and municipalities would help the state determine whether communities were increasing their benefits from visitor activity.

A1: Strategy - Implement DCED's Rural Visitor Industry Product Development Program.

Target #1: 4-6 rural community clusters will receive intensive product development assistance.

Measure #1: Develop and deliver technical assistance plan for 4-6 rural community clusters to include 1) product and business development, 2) targeted training programs, and 3) critical infrastructure or service improvements.

Analysis of results and challenges: A technical assistance plan is under development for Nome and the Seward Peninsula communities (12/10/04).

A2: Strategy - Improve customer service skills and employability of Alaska's workforce.

Target #1: Increase number of students who complete AlaskaHost customer service training.

Measure #1: Increase the number of students who receive AlaskaHost training from 450 in FY04 to 565 in FY05 and increase number of students who receive training by 25% each year thereafter.

Analysis of results and challenges: The number of students who completed AlaskaHost training increased 53% from 293 in 2003 to 453 in 2004. The number of students who completed AlaskaHost training in communities outside Anchorage, Fairbanks and Juneau increased 55.5% from 182 in 2003 to 283 in 2004.

B: Result - Increase the value of the minerals industry in Alaska

Target #1: 10% annual increase in exploration spending.

Measure #1: Percentage increase in annual statewide mineral exploration.

Analysis of results and challenges: Exploration investment in 2003 increased 4% over the previous year (\$27.6 million in 2003 versus \$26.5 million in 2002).

Target #2: 10% annual increase in development expenditures.

Measure #2: Percentage increase in annual statewide minerals development expenditures.

Analysis of results and challenges: Development investment increased 15% between 2002 and 2003 (\$34.1 million versus \$39.2 million)

Target #3: 10% annual increase in production value.

Measure #3: Percentage increase in annual statewide minerals production value.

Analysis of results and challenges: The cumulative value of the Alaska mining industry decreased from \$1.073 billion in 2002 to \$1.067 in 2003.

B1: Strategy - Reduce barriers to minerals development in Alaska

Target #1: Develop policies which remove barriers to mineral exploration and development.

Measure #1: 25% of Minerals Commission recommendations are implemented each year.

Target #2: Be a strong advocate for mineral resource development.

Measure #2: 10% increase in active junior mining companies in the state.

Target #3: Increase participation in trade shows.

Measure #3: Participation in trade shows increases from 3 shows to 5 shows in FY05.

Analysis of results and challenges: In FY04, the DCED minerals specialist represented the state at 3 trade shows (Minerals Roundup 2004, Prospectors and Developers Association of Canada, Alaska Miners Association Convention). In FY05 DCCED minerals specialist represented the state at MINExpo, Northwest Miners Association. Participation at Minerals Roundup 2005, Prospectors and Developers Association of Canada, and Alaska Miners Association Convention are planned for Spring 2005.

C: Result - Redevelop a statewide forest products industry.

Target #1: Increase forest products industry employment.

Measure #1: 25% employment increase in southeast region.

Analysis of results and challenges: This is a new measure and will be calculated starting in FY04.

C1: Strategy - Provide technical assistance and advocacy services through DCCED.

Target #1: Establish forester position in the Department of Commerce to join tourism, fisheries, and mining specialists in advocating for development in their respective industries.

Measure #1:

D: Result - Through the Fisheries Revitalization Strategy, increase the economic return to the Alaska salmon industry.

Target #1: By 2006, increase the value of the salmon industry by 10% over the 2003 prices.

Measure #1: Measure in both ex-vessel value and wholesale value on a price/pound basis.

D1: Strategy - The Office will develop a grant program that increases product diversification.

Target #1: By 2006, the grant program will support an overall industry trend towards increased fillet production in Alaska to increase total fillet production by 10%.

Measure #1: Through the Commercial Operators Annual Report information, the Office will measure fillet production of Alaska salmon by species in aggregate and by percentage of species.

D2: Strategy - The Office will develop a grant program that increases product diversification among its grantees.

Target #1: By 2006, grantees that received fillet processing equipment will increase fillet production by 50%.

Measure #1: Through the Commercial Operators Annual Report information, the Office will measure the fillet production among its grantees that received funds for fillet equipment.

D3: Strategy - Through a high value marketing strategy grant program, influence an increase in market diversification of salmon products.

Target #1: By 2006, increase by 10% domestic and export consumption of high value product forms, specifically, fillets/fresh or frozen, smoked, minced products (nuggets/burgers) and pouch in retail and food service markets.

Measure #1: Through retail scanner information, Commercial Operators Annual Reports, export information, and other data sources, measure increases in product form consumption in domestic and export markets.

D4: Strategy - Through a high value marketing strategy grant program, increase market diversification and profitability of marketing grantees.

Target #1: By 2006, increase by 20% domestic and export consumption of high value product forms, specifically, fillets/fresh or frozen, smoked, minced products (nuggets/burgers) and pouch in retail and food service markets, by marketing grantees.

Measure #1:

Target #2: Through retail scanner information, Commercial Operators Annual Reports, export information, and other data sources, measure increases in product form consumption in domestic and export markets by marketing grantees.

Measure #2:

D5: Strategy - Through quality improvements grants, increase the quality ratings for the Alaska salmon industry.

Target #1: By 2006, increase the % of salmon iced at the point of capture to at minimum 70%.

Measure #1:

Target #2: Use the ASMI quality survey to the fleet to determine level of improvements.

Measure #2:

D6: Strategy - Through quality improvements grants, increase the number of boats that use ice to chill salmon at the point of capture.

Target #1: By 2006, increase the number of boats using salmon iced at the point of capture to at minimum 70% of each fleet.

Measure #1:

Target #2: Through performance reports with grantees, determine the number of vessels converted to handle ice and those that implemented icing capacity through the season.

Measure #2:

Key Component Challenges

Mining

Efforts to attract investments in mineral projects is a key challenge. Infrastructure for mineral projects is necessary to stimulate mining investment in the State. Lack of access, power and qualified labor presents a very expensive project scenario for mineral company management; this becomes an issue in deciding venues for project investment. Only very significant projects such as MAN, Pebble Copper, Donlin Creek, Greens Creek, and Red Dog are able to handle the formidable expenses associated with the construction of supporting infrastructure. Lesser, but significant projects are shelved until appropriate infrastructure is available.

Stable and reasonable taxation is critical to attracting mining companies to the State. The uncertainty of state and municipal taxes vexes mining executives when considering mineral project investment venues that have similar geologic settings. The tax burden imposed on a mining company can significantly alter the economics of projects; this variable provides an uncertain investment environment to the project managers. In this regard, presenting a stable and reasonable tax environment to the mining industry is important to create an environment favorable to project investment.

Permitting efficiency and consistency is important in maintaining a stable investment environment. The dismantling of permits like the General Camp permit creates an aura of uncertainty and adds to the expense of permitting and the time required to obtain certain permits.

Fisheries

Competition from farmed salmon and other aquaculture products is a primary concern. The Alaska fishing industry is a dynamic and vital industry to Alaska. While many fisheries are strong, the Alaska salmon industry continues to suffer lower prices, due in large part to the increase of farmed salmon on the world market. Solutions for the Alaska salmon industry include increasing quality, providing product forms that meet changing consumer demands, and lowering costs and reducing inefficiencies where appropriate. Given the seafood industry's experience with farmed salmon, we can project with some certainty that the growth in other cold-water aquaculture species will have some level of impact on

Alaska's wild fisheries. A major task for the industry and, government that supports this industry, is to develop a response to these competitive forces before they begin to actually impact economic value.

Tourism

Many areas of rural Alaska continue to look to tourism development as a way to bring new wealth into communities hit hard by the downturns in the resource-based industries. They continue to lack resources necessary to prepare for and attract tourism development in their communities. They are requesting information and technical and planning assistance to help them make informed choices about tourism development.

Customer service training continues to be a priority need in rural areas. Even in places where tourism is well developed, customer service training is an ongoing need because of workforce turnover. Numerous organizations such as the Alaska Travel Industry Association, Alaska Association of Convention & Visitors Bureaus, Alaska Regional Development Organizations and the Cook Inlet Tribal Council have indicated their support for the State's AlaskaHost customer service training program. These groups have helped the Office of Economic Development identify necessary improvements to the program which include: update AlaskaHost and make it a State of Alaska-owned program, adapt the program to better relate to needs of rural Alaska, provide advanced training for managers and supervisors, develop a culture component to foster respect and understanding for Alaska Natives and their culture and help multicultural employees work with multicultural visitors

Though many of the independent travelers visiting Alaska enter via the Alaska and the Taylor Highways. Many travelers simply drive through the Alaska Highway (AKHC) on their way to other areas and do not consider the "Borderlands" region a tourist destination in itself. This issue is being partially addressed through the expansion of the Tok visitor center which will be able to provide more information to travelers.

Significant Changes in Results to be Delivered in FY2006

Mining

Establishing a reasonable and stable tax environment can be accomplished, at least in part, by appropriate education of the public, and the State and municipal administration relative to the economics of mining projects. Developing economic models of projects for public education is an important issue. Also, working through the Minerals Commission, the Legislature and supporting agencies to convey this message in appropriate context is important.

Developing long range plans for establishing appropriate infrastructure for mineral districts will convey a mining-friendly impression to the mining companies and encourage investment in the State. Working through the Minerals Commission, the Legislature, the Administration (DOT&PF, DNR – Land Planning and AIDEA) and the BLM to establish these plans will convey the appropriate impression and reality.

Permitting proficiency and consistency is important in supporting project development. The Administration has made significant advances in promoting permitting efficiency and promoting cooperation in permitting by establishing the Major Project group within the Mining Section of DNR. There is room for improvement in the process. General Permits for routine activities such as establishing camps and for performing other routine project support functions serve an important, but functional method of permitting. Working through the Minerals Commission relative to these and other related issues will provide meaningful permitting discussion and consideration.

Fisheries

The office will begin measuring the effectiveness of the grants awarded under the Fisheries Revitalization Strategy Program and will shift its focus from program development and implementation to industry and government support services in an effort to withstand the potential impact of farmed salmon.

Tourism

Implementation of the Developing Alaska Rural Tourism project that will provide hands-on technical assistance to four to six economically distressed regions and/or community clusters within rural Alaska to expand their visitor industry infrastructure, services, and attractions. This will result in more tourism within these rural communities, increase employment opportunities, and more advances to higher paying positions within the visitor industry.

AlaskaHost class attendance rates will double from 450 in FY 05 to 900 participants during FY 06 due to two main factors:

- 1) the AFN conference in Fairbanks and the Arctic Winter Games on the Kenai Peninsula in 2006;
- 2) A revised and expanded curriculum will reinvigorate the program and provide participants with increased knowledge (i.e. cross-cultural communication skills, advanced hospitality-related skills, and Alaska-specific customer service/tourism information).

Alaska Visitor Statistics Program will reveal new or emerging trends that have developed over the past five years. Since significant changes have occurred within the tourism industry since 9/11, the AVSP will serve as a useful tool to document the vitality and resilience of Alaska's visitor industry.

Major Component Accomplishments in 2004

Mining

Alaska Minerals Commission Report, 2004. The Minerals Commission produced the 16 page report for the Legislature and Administration in early January 2004. The report identified a number of critical items that impact mineral resource development in one form or another. The Commission is now in the process of meeting to formulate its report for the 2005 Legislature and Administration. This report will identify issues of concern needing Legislative and Administrative action for resolution.

Mineral Industry Report (Special Report 58). Considerable effort was devoted to collecting, analyzing and reporting data relative to the status of the minerals industry in the State for 2003. This report is now being printed and will be available by the first of November. The value of mineral production for 2003 was just over \$1 billion and is expected to increase significantly in future years.

Trade Show Participation. The Office of Economic Development has presented mining opportunities in the State by participation in a number of trade shows during 2004. The shows provide the opportunity to present the relative attractiveness of the State for mineral resource development. Items include presentation of existing projects and operations, geologic and geophysical information, data acquisition opportunities, tax regime, land status, and so forth. Mining Trade shows attended and to be attended during the year include 1) Roundup in Vancouver, BC 2) Prospectors and Developers Association of Canada, 3) Alaska Miners Association – Interior Conference, 4) MINExpo 2004 in Las Vegas, Nevada, 5) Alaska Miners Association annual meeting in Anchorage, 6) Northwest Mining Association meeting in Spokane, WA.

Project Support. The Office participates in permitting support, project promotion activities, and otherwise supports the development of projects such as Pogo, Kensington, Donlin Creek, Pebble Copper, Rock Creek, MAN (platinum group metals), and others as opportunities are presented.

Fisheries

Fisheries Revitalization Strategy. The fisheries staff have been involved in a number of important efforts to improve the health and strength of the Alaska salmon industry. Their major accomplishment was the successful development and implementation of the numerous programs totaling \$35 million and makup up the Fisheries Revitalization Strategy.

Through the Fisheries Revitalization Strategy, the State is assisted in the modernization of the processing capacity of Alaska's processing sector, is provided vital marketing funds to strengthen the positive attributes enjoyed by wild seafood, and provided other important infrastructure, financing and technical assistance to industry.

Administration Support. Staff also continued to provide vital analytical support for the Administration in a number of areas, including Internal Water Permit matters, fisheries-related legislation, changes in market trends, and federal government efforts. They have worked in all arenas of government, providing supporting economic information, working to improve the business environment, supporting small businesses and entrepreneurs, and spurring new product forms.

Tourism

Research. Completed the Visitor Arrival Studies for Fall/Winter 2003-2004 and Summer 2004. Developed Tourism Satellite Account, a powerful new tool that will help the state understand the economic effects of tourism in a way that is comparable to other industry sectors.

Local and Regional Planning and Development Efforts. Provided technical assistance for tourism planning, business development, product development, marketing, community and infrastructure planning and participated in tourism and economic development workshops and conferences throughout the State. Technical assistance included site visits to Hoonah, Nome, Mekoryuk, and Bethel to evaluate tourism developments or proposed projects.

AlaskaHost Program. Trained 453 AlaskaHost participants (283 participants outside of Juneau, Anchorage, and Fairbanks), and certified fourteen new AlaskaHost seminar leaders between January 2004 and September 2004.

Statutory and Regulatory Authority

AS 44.33.020	Department of Commerce, Community and Economic Development
AS 44.33.020 & AS 44.33.740	Rural Development
AS 44.33.431	Alaska Minerals Commission
AS 44.33.020(36)	Tourism Development

Contact Information
<p>Contact: Jo Ellen Hanrahan, Administrative Services Director Phone: (907) 465-2505 Fax: (907) 465-2563 E-mail: Jo_Ellen_Hanrahan@commerce.state.ak.us</p>

**Office of Economic Development
Component Financial Summary**

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	984.4	1,022.5
72000 Travel	0.0	69.2	69.2
73000 Services	0.0	58.1	55.1
74000 Commodities	0.0	19.1	19.1
75000 Capital Outlay	0.0	2.9	2.9
77000 Grants, Benefits	0.0	0.0	260.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	1,133.7	1,428.8
Funding Sources:			
1002 Federal Receipts	0.0	0.0	200.0
1004 General Fund Receipts	0.0	0.0	60.0
1007 Inter-Agency Receipts	0.0	70.3	70.7
1108 Statutory Designated Program Receipts	0.0	20.0	20.1
1175 Business License Receipts	0.0	1,043.4	1,078.0
Funding Totals	0.0	1,133.7	1,428.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	0.0	0.0	200.0
Interagency Receipts	51015	0.0	70.3	70.7
Statutory Designated Program Receipts	51063	0.0	20.0	20.1
Business License Receipts	51173	0.0	1,043.4	1,078.0
Restricted Total		0.0	1,133.7	1,368.8
Total Estimated Revenues		0.0	1,133.7	1,368.8

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	0.0	0.0	1,133.7	1,133.7
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	0.0	5.0	5.0
-Transfer Northern Forum Grant from the Governor's Office to the Office of Economic Development	60.0	0.0	0.0	60.0
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	20.5	20.5
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	0.0	9.6	9.6
Proposed budget increases:				
-Rural Visitor Industry Product Development Grant	0.0	200.0	0.0	200.0
FY2006 Governor	60.0	200.0	1,168.8	1,428.8

**Office of Economic Development
Personal Services Information**

Authorized Positions		Personal Services Costs			
<u>FY2005</u>					
<u>Management</u>	<u>Plan</u>	<u>FY2006</u>	<u>Governor</u>		
				Annual Salaries	746,323
Full-time	13	13		COLA	7,174
Part-time	3	3		Premium Pay	0
Nonpermanent	1	1		Annual Benefits	348,373
				<i>Less 3.99% Vacancy Factor</i>	(43,970)
				Lump Sum Premium Pay	0
Totals	17	17		Total Personal Services	1,057,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	0	0	0	3	3
Administrative Supervisor	0	0	0	1	1
Dev Spec I, Option A	0	0	1	0	1
Dev Spec II, Option A	0	0	1	0	1
Dev Spec II, Option B	0	1	2	0	3
Development Manager	0	0	1	0	1
Economist	1	0	0	0	1
Fisheries Development Spec	0	0	0	1	1
Grants Administrator I	0	0	1	0	1
Planner III	0	0	1	0	1
Special Projects Manager	1	0	0	0	1
Trade Specialist I	1	0	0	0	1
Trade Specialist II	1	0	0	0	1
Totals	4	1	7	5	17