

**State of Alaska**  
**FY2011 Governor's Operating Budget**

**Department of Commerce, Community, and Economic  
Development**  
**Banking and Securities**  
**RDU/Component Budget Summary**

**RDU/Component: Banking and Securities***(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

Protect consumers of financial services and maintain safe and sound state financial systems.

**Core Services**

- Register securities and license and examine those who sell and provide advice on securities.
- Charter, license and examine state financial institutions.
- Require accurate disclosure of election materials from Alaska Native Claims Settlement Act (ANCSA) corporations and shareholders and investigate proxy-related complaints.

**Results at a Glance**

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

**END RESULT A: Protect Alaska investors.**

- Met target. Enforcement actions against registered broker-dealers increased in FY08, demonstrating expanded enforcement activity for compliance with the Alaska Securities Act.

**Status of Strategies to Achieve End Result**

- Met target. A sufficient number of advisors were examined this year to achieve target of 100% examined within a two-year period.
- Met target. Two complaints were lodged in FY08, and examinations will occur after investigations upon showing of cause are completed.
- Met target. Number of securities offerings which were registered by the division increased slightly in FY08 and regulatory scrutiny resulted in an increased number of denied applications.
- Met target of registering sellers of securities that were in compliance. Increased scrutiny resulted in a decrease in the percentage of sellers being approved in FY08.

**END RESULT B: Protect Alaska borrowers.**

- Met target. No enforcement actions issued in FY08 due to unresolved violations.

**Status of Strategies to Achieve End Result**

- Met target. There were no unlicensed financial institutions; however, a number of unlicensed payday lenders (non-depository lenders) were identified, and investigations are in process.

**END RESULT C: Safe and sound state financial institutions.**

- Met target. No state banks in receivership.

**Status of Strategies to Achieve End Result**

- Target not met. 100% of state chartered bank and credit union exams and payday lender exams were completed on time in FY08. The percentages of on-time examinations in other categories increased over FY07.

**END RESULT D: ANCSA proxy and elections materials are filed.**

- The division met its target and received filings from all ANCSA corporations which were required to file.

**Status of Strategies to Achieve End Result**

- Met target. Although the number of complaints increased, 100% of the complaints received were investigated and compliance achieved.

**Major Activities to Advance Strategies**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Conduct examinations of licensed financial institutions and financial service businesses.</li> <li>• Coordinate examinations of depository institutions with the Federal Deposit Insurance Corporation (FDIC) and</li> </ul> | <ul style="list-style-type: none"> <li>• Supervise the activities of registered broker/dealers, investment advisors, and registered investment representatives that are licensed in the state.</li> <li>• Register Mutual Funds for sale in the State of Alaska.</li> </ul> |
|---|---|

### Major Activities to Advance Strategies

- the National Credit Union Administration.
- Prepare the division's annual Directory of Banks and Financial Institutions.
- Maintain accreditation with the Conference of State Bank Supervisors (CSBS).
- Require licensed depository and non-depository financial institutions to abide by statutes and take action against unlicensed financial companies.
- Investigate consumer complaints concerning state chartered or licensed depository and non-depository financial institutions.
- Service and respond to consumers' concerns and investigate complaints against non-depository lenders and financial services businesses.
- License and examine mortgage lenders, brokers and originators.
- License and examine money service businesses.
- Coordinate exams of licensed non-depository financial institutions with Mortgage and Money Transmitter Money Regulator Associations (AARMR & MTRA)
- Maintain a list of mortgage lender licensees on the division's website.
- Require licensed non-depository financial institutions to comply with statutes and take enforcement action against unlicensed entities.
- Participate in the Nationwide Mortgage Licensing System (NMLS) for mortgage licensees.
- License and examine state supervised investment advisors.
- Process broker/dealer applications for registration in Alaska and complete background checks with the Central Registration Depository (CRD).
- Register the sale of public securities offerings.
- Respond to investor complaints against investment firms and professionals.
- Issue interpretive letters regarding securities laws and regulations.
- Register and process requests for securities exemptions.
- Conduct for-cause examinations of broker/dealers, and respond to consumer complaints regarding inappropriate sales of securities.
- Conduct examinations of state investment advisors annually to ensure compliance with securities laws and regulations.
- Register securities, broker/dealers, and process requests for securities exemptions.
- Provide educational outreach to the public with particular emphasis on seniors and youth.
- Conduct seminars for Alaska consumers regarding investment accounts, fraud, choosing an investment professional, and other topics.
- Educate the public on ways to avoid becoming a victim of financial fraud.
- Provide educational programs on personal finances and money management; and work with outreach groups, such as AARP, to publicize these events.
- Provide oversight of ANCSA proxies and materials received by the division.
- Investigate complaints concerning material misstatements in proxies and related materials for certain ANCSA corporations and their shareholders.

### Key Component Challenges

#### TRAINING NEW EXAMINERS and COMPLYING WITH NEW FEDERAL MORTGAGE LENDING LAW.

The Division of Banking and Securities consists of three sections: Banking, Securities, and Consumer Finance (which regulates mortgage lending, money service businesses, and pay day lenders). The consumer finance section was added to the division in FY09.

At one point in FY09 the division's staffing was reduced to four examiners: one in banking, two in securities and one in consumer finance. Recruitment was difficult up until February of 2009 when the economic downturn seemed to jar loose a number of qualified candidates, whom the division hired.

FY10 begins with the division having eight new examiners and one additional examiner who moved from the banking section to become the consumer finance section's chief examiner. Most examiner training is provided by federal agencies and organizations outside of Alaska. Some on-line course work is completed as a pre-requisite to off-site training, but most of the classes are week-long and require travel to the east coast. While the division has developed training classes internally, most of the courses are out-of-state, and some are combined with conferences which promotes networking with counterparts from other states.

#### Exam, Travel & Training Needs by Section:

- *Banking Section:* This section has a total of five examiners. It requires a minimum of three senior examiners in order to conduct the examinations of banks. It is also important to be bringing along less experienced examiners. It can take up to five years to train a new examiner to be able to take on a senior position or to act as examiner in charge. The banking section is responsible for conducting eight safety and soundness examinations and approximately 68 compliance examinations on a 12-18 month cycle. Five of the eight

examinations are conducted jointly with the federal insurer (either FDIC or NCUA). Three are conducted solely by the division's banking section and represent the highest risk institutions in the state as they are not federally insured. Safety and soundness examinations are complex and require specialized knowledge of the following components: Capital Adequacy, Asset Quality, Management Ability, Earnings Adequacy, Liquidity Management, Sensitivity to Market Risk, Operations, Internal Controls and Audit, and a Compliance Review (CAMELS). This knowledge is obtained through formal classroom training (approximately 12 weeks over the course of 4 to 5 years) and on the job experience working with a senior examiner. Compliance examinations are less complex and do not require the same level of knowledge necessary to conduct a safety and soundness examination.

- Given the national and state trends in non-current and past due loans, it is important to continue with more in-depth reviews of our state-chartered financial institutions, and the only way to accomplish this is with a full staff.
- The division has an agreement with the FDIC which governs how safety and soundness examinations will be conducted. Our agreement with the FDIC states our two agencies will alternate overseeing safety and soundness examinations of banks.
- The division is an accredited examination agency with the Conference of State Bank Supervisors (CSBS). 47 of 50 state banking agencies are accredited. Accreditation is looked upon favorably by the FDIC as it demonstrates a banking section's ability to conduct a competent examination. In 2006, when the division first received its accreditation, the CSBS Review team cautioned us that accreditation standing could be revoked if the section experienced any reductions in staffing. At that time, our staff consisted of three senior examiners, one journeyman examiner, and one trainee, for a total of 5 bank examiners. The section now has one senior chief examiner, two journeyman examiners and two trainees. We need to move examiners through the training not only to keep our accreditation, but also to ensure adequate staffing to conduct exams.
- Total assets of all state-chartered banks in Alaska amounted to **\$1,953,698,000** as of December 31, 2008, an increase of \$48,465,000, or 2.54% from the year before. Approximately 43% of the total assets of all banks headquartered in Alaska were held in state-chartered institutions.
- Total assets for all state-chartered credit unions in Alaska amounted to **\$624,672,189** as of December 31, 2008, an increase of \$83,679,791 or 15.47% from the year before. Approximately 11.27% of the total assets of all credit unions were held in state-chartered institutions.
- These numbers illustrate the importance of the division's safety and soundness exams to Alaskan depositors.

*Securities Section:* This section has one chief examiner, one securities examiner with one year of experience and two securities examiner trainees. The section also includes three business registration examiners.

- The securities section examiners are responsible for administering and enforcing the Alaska Securities Act and associated regulations. Their administrative functions include regulating securities offerings (stocks, bonds, mutual funds etc.) and registering and examining the firms and individuals who sell securities or give investment advice. The enforcement function includes handling complaints and investigations of registered entities and regulated offerings as well as investigating unregistered activities (scams), whether offered directly by an individual or via phone, internet, newspaper or public meetings.
- The securities section's primary mission is protecting Alaska residents from investment activities that may cause financial harm. This has become even more important over the past year, as an economic down-turn always generates more fraud. It is expected that the current financial crises will spur investor scams and litigation of all kinds. States' securities divisions across the country are engaged proactively to warn and educate investors. The division is embarking upon an expanded investor education program, and we also need to be ready to sanction and prosecute those who break the law. Division examiners are trained to recognize fraud and will in turn participate in educational outreach to the public. While not listed as a separate "major challenge," setting up and expanding educational outreach in the schools, to senior groups, as well as reaching the public through focus groups and community councils with participation and attendance of legislators if possible, is a division goal in FY10.
- In addition to regulating the securities industry in Alaska, the division is the recipient of filings of copies of proxy solicitation materials for qualifying ANCSA (Alaska Native Claims Settlement Act) corporations. Under AS 45.55.139 of the Alaska Securities Act, passed in 1977, proxy solicitation material being made available to at least 30 Alaska resident shareholders must be filed with the Securities, at the same time of their distribution to shareholders, if the ANCSA corporation has at least 500 shareholders and more than \$1 million in total assets. Frequent complaints must be fielded and investigations undertaken involving proxy solicitations.

*Consumer Finance Section:* This section has one chief examiner, one examiner, and one licensing examiner. One additional examiner will be hired in FY10. The importance of competence in this area of oversight cannot be overstated. The mortgage lending industry has been at the forefront of both state and federal regulation. Payday lenders and money

service businesses are used more frequently during an economic downturn. These businesses are regulated by the division.

- The consumer finance section is responsible for administering two new Alaskan laws: the Alaska Mortgage Lending Regulation Act and the Uniform Money Service Business Act, both of which became effective July 1, 2008. Mortgage broker/lenders and mortgage loan originators were required to become licensed by March 1, 2009, and the section staff was very busy setting up the licensing system and issuing licenses. The purpose of these laws is to protect consumers and hinder predatory lending and fraudulent behavior.
- We anticipate that the section will be responsible for examining over 500 licensees in FY10. By the fall of 2009, we anticipate 476 mortgage licenses and 40 money service business licenses will have been issued. Training is absolutely imperative, because this is a new section and no examiners are experienced in performing exams.
- The section's challenge in FY10 is to become trained in the examination of regulated entities, while at the same time adapting to new federal licensing legislation known as the SAFE Mortgage Licensing Act (SAFE Act) mandated by Congress. Effective August 1, 2009, all mortgage licensing is being done through the Nationwide Mortgage Licensing System (NMLS) which was mandated by congress in the SAFE Act. Procedures will need to be developed for continued coordination and cooperation with the licensing component of the section.
- Alaska must revise its current mortgage lending statutes to become compliant with the licensing standards contained in the SAFE Act. Working with the legislature, the industry and revising the current mortgage lending regulations adds additional work load to an already busy new section.
- The importance of a sound regulatory scheme to a healthy mortgage lending industry has become evident. The objectives of the SAFE Act are to aggregate and improve the flow of information to and between state regulators; provide increased accountability and tracking of residential mortgage loan originators; enhance consumer protections; reduce fraud in the residential mortgage loan origination process; and provide consumers with easily accessible information regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, residential mortgage loan originators.

#### TRAVEL EXPENSE INCREASED

Several factors contribute to increased travel expenditures in FY10 and beyond, which were not anticipated by current expense authorizations:

1. The three division sections filled eight new examiners during FY09, and all new hires need training.
2. More examiners now live outside of Anchorage, where the majority of exams occur, resulting in increased travel costs.

The division is responsible for paying for travel to exams and training up-front, out of the division's travel budget. About 32% of the costs are reimbursed by either the financial institution or licensee being examined or the national organization which provides the training. Additionally, chartered financial institutions pay semi-annual fees which are intended to cover examination costs. Both reimbursed expenses and semi-annual fees are paid directly to the state's general fund.

The division generates over \$10 million in revenue from fees and anticipates FY10 budget expenditures of \$3.3 million. The operation of Banking and Securities is completely industry-supported through these assessed fees, giving back nearly \$7 million to the state's general fund. Without training and the ability to travel to conduct examinations, the exams will not be completed; the state will not meet its statutory obligations; and the division will not fulfill its mission to protect consumers of financial services. During these difficult economic times, it is important to maintain the professionalism of the division's examiners and the quality of service and examinations, in order to promote safe and sound state financial systems in Alaska.

#### LEGAL COSTS AND NEED FOR INCREASED, ON-GOING LEGAL SERVICES

Although the division received an increment for legal funding in FY10, there is potential that legal costs will continue to increase:

- First, the division continues to investigate alleged or suspected violations of the statutes under its jurisdiction. Resolving these complaints in a timely manner is a priority and will likely include closure or referrals for administrative or legal action. This work is not decreasing—in fact, we were given two new programs to oversee (mortgage lending and money service businesses).
- Second, the division anticipates bringing its first legal action in FY10 involving securities fraud.
- Third, since February of this year, when the Auction Rate Securities market collapsed, the division has received written complaints totaling over \$117 million from Alaskan investors. The Attorney General's office is providing legal advice in these matters. Many of the complaints are from institutional investors and will not be addressed in the current settlements being negotiated with investment firms by the other lead states in global settlements. Therefore, these complaints may ripen into enforcement actions requiring legal counsel.

- Fourth, the division requires the advice of the Attorney General's office for ANCSA proxy complaints and investigations, the extent of which is not expected to decrease for the time being.

In FY09, the budget for legal services was \$150,000. We anticipate this could easily increase to \$250,000 in FY10.

#### EXPANDED SECURITIES RESPONSIBILITIES: INDEXED ANNUITIES REGISTRATION

In March 2010, unless an appeal is successful, a new SEC rule will require issuers of equity-indexed annuities (EIAs) to begin registering their products as an investment product. Prior to the SEC rule, EIAs were considered an insurance product. The Security and Exchange Commission (SEC) contends that even though EIAs offer a guaranteed minimum value, their return is tied to the performance of a stock index; accordingly, this makes them securities because the consumer is subjected to investment risk.

The Division of Insurance can provide the total number of annuities sold in Alaska, but does not specifically track the EIA market. The total Alaska annuities market for the most recent data listed 182,330 ordinary and 268,069 group annuity policies written in 2007, for a total of 450,399 policies. The classification by the Division of Insurance was for direct premiums written, but this includes all types of annuities. A general measure of the EIA market as reported in the 2005 National Association of Variable Annuities report stated that EIA's account for 11 percent of the total annuity market. If this holds true in Alaska, the EIA market would require the division to register approximately 2,500 EIA products, which would translate yearly into 49,544 individual EIA policies. The EIA's would be treated as a federal-covered security, which requires a notice registration with the division. The pricing would be under our standard schedule of a \$100 application fee and either \$500 for a one-year or \$1,000 for a two-year authority to sell the EIA in Alaska.

Based on these assumptions, the total market would generate \$250,000 in application fees, and another \$1.25 million in registration fees for a total of nearly \$1.5 million per year in additional revenue to the state's general fund.

Information management system upgrades will be required by March of 2010. We are currently working to automate the Reg D filing process through our computer system upgrades, and similarly automate as much as possible the EIA registration and fee-paying activity. No additional labor component will be needed as existing staff members can review and process the registrations. At this point, it is unknown what enforcement provisions the section may have to deal with; however, the same anti-fraud provisions would apply as they currently do with other federal-covered securities.

As additional information is identified, we will be able to move forward with more concise planning regarding the implementation of this program. Tentatively, the only statutory change will be to amend the definition of a "security" under AS 45.55.990 to include equity-indexed annuities.

#### COMPUTER SYSTEM UPGRADES:

Recent federal Securities and Exchange Commission initiatives require states to move toward electronic processing of registrations, filings, and other documents currently in paper format, including payment and receipt of fees. The division must undertake significant IT development projects in order to implement the electronic changes and modernization dictated by the SEC.

- STAR System Replacement. The division must upgrade its IT systems. The division received an appropriation in its FY10 budget for system upgrades. This will likely not be enough to replace the following systems: (a) STAR, a commercial off-the-shelf (COTS) system designed to track securities data, which currently requires daily manual intervention to keep it running. This system is at risk of stopping altogether before a replacement system can be developed; (b) the ANCSA system which was developed in Microsoft access and has very limited capabilities; (c) the Banking system, which was developed in the 1990s using non-standard technologies, and which has limited capabilities that make tracking and enforcement time consuming for staff; and (d) the mortgage licensing system, which must interface with the federally mandated National Mortgage Licensing System (NMLS) to receive, review, and approve applications for mortgage originators and loan officers.

- Imaging System. The division is also working to develop an imaging system. The division currently stores most documentation in a hardcopy format. Replacing all hardcopy documentation with digitized images would streamline workflow, increase accessibility to documents and eliminate the cost of handling and storing paper. The division's staff works in both Juneau and Anchorage. This system will allow immediate sharing of all documents in both locations.

- Scanning ANCSA Records. The division, in an effort to be more responsive to ANCSA shareholders, is seeking to contract with a vendor to have all the ANCSA records scanned into a format that is publishable on CD-ROM for distribution to all libraries in Alaska. The documents would be scanned in a manner to follow the ALECSYS InfoBase style format and give an archive of all ANCSA corporation filings, and all private proxy solicitations. The need for this

project is substantial as it allows the division to reach out to communities across Alaska. After the archived information has been scanned, the division would be able to maintain all new information in an electronic format and would change the statute to permit electronic filing of all ANCSA related documents.

### **Significant Changes in Results to be Delivered in FY2011**

#### HB 162 Mortgage Lending 4th Year Fiscal Note Implementation

- This fiscal note decrement in the Equipment category does not affect provision of services. The purpose of the funding was to purchase equipment for new mortgage lending examiners.

#### HB221 National Mortgage Lending System Registry (NMLSR) 2nd Year Note Implementation

- This decrement does not negatively affect services. The purpose of the funding was to pay a one-time fee to join with the NMLSR and to allow for training of examiner staff at the NMLSR headquarters.

#### Reduce Excess Federal Authorization for the Rural Alaska Financial Education Grant Program

- This federal funding and this program ended and will have no impact on our future services.

#### Transfer position authorization \$62.9 from Corporations, Business and Professional Licensing (CBPL) to Banking for PCN 082110

- DBS paid for the services of this Occupational Licensing Examiner position through an Reimbursement Service Agreement (RSA) in FY10, and due to the transfer from CBPL to DBS in FY11 needs this additional funding for the increase in our Personal Services. This will not affect our services to be delivered. The duties of this position remain the same in FY11 as they were in FY10.

#### Increase for Travel to Exams & Increase for Accreditation with Conference of State Bank Supervisors (CSBS)

- These increases are needed to accommodate the increased cost of travel to conduct exams.
- The division has statutory responsibilities to examine state chartered and licensed financial institutions, firms and individuals who sell securities or give investment advice, as well as mortgage brokers/lenders, pay day lenders, and money service businesses.
- The current state of the economy compels states to maintain adequate regulatory oversight over banking, securities and mortgage lending. Furthermore, during an economic downturn, consumers turn to pay day lenders and money service businesses in greater numbers, necessitating diligent regulatory oversight of these businesses.
- The division is responsible for paying for travel to exams and training up-front, out of the division's travel budget. Some exam costs are reimbursed by either the financial institution or licensee being examined or the national organization which provides the training. Additionally, chartered financial institutions pay semi-annual fees which are intended to cover examination costs. Both reimbursed expenses and semi-annual fees are paid directly to the state's general fund.
- The division's expenses are entirely receipt supported, with surplus going to the general fund.

### **Major Component Accomplishments in 2009**

- Conducted 44 examinations of depository and non-depository institutions utilizing approximately 1,200 examiner hours.
- Recruited for and filled seven vacant examiner positions: four in banking, two in securities and one in consumer finance.
- Prepared the 2008 Overview of Payday Lending in Alaska based on annual report filings of 36 licensed payday loan offices and posted at our home page.
- Prepared the 2008 Overview of Premium Finance Lending in Alaska based on annual report filings from 24 licensed premium finance offices and posted at our home page.
- Prepared and distributed the 2008 Business Industrial Development Corporation Report on Economic Development to the legislature.
- Prepared the quarterly Statement of Financial Condition for all banks headquartered in Alaska and posted at our home page.
- Registered 50 exemptions under the Revised Alaska Trust Company Act.
- Registered three banks under the Model Foreign Bank Act

- Conducted investigations of consumer complaints, and enforcement actions against unlicensed entities.
- Received 34 applications for a money transmitter license and issued 31 licenses. Investigated 20 cases involving money transmitter businesses and collected \$56,252 in fines due to investigator's efforts.
- During FY09 (through June 30, 2009) the division issued 285 new mortgage licenses. Thirty-one exemption requests were received, and 15 exemptions were issued. Eight cases are under investigation.
- During FY09 the Division received 2,092 applications for selling securities, of which 514 individuals and firms required manual review; of these, 253 were denied registration, terminated, or asked to vacate their application.
- The securities section registered 4,480 mutual fund filings (including renewals). It reviewed and approved 308 securities registrations and processed 197 exemptions. It issued three interpretive and three no-action letters.
- The section received written auction rate securities complaints totaling over \$117 million from Alaskan investors. The division worked with other lead states in acquiring Alaska's share of global settlements with investment firms and is finalizing the written agreements with each firm.
- The section received a total 80 ANCSA complaints. Of those filed, 15 were investigated, while 65 were determined to be not within the division's jurisdictional parameters.
- The seven staff members of the securities section collected over \$9.3 million in fees in FY09.
- The division participated with AARP for education outreach in 13 communities across Alaska. The division provided a grant from the Investor Protection Trust (IPT) to AARP in the amount of \$75,000. The grant covers production of course material, site reservations, and travel costs. The section is working on a new series of brochures for the public to cover a variety of consumer-related information.

### Statutory and Regulatory Authority

AS 06	Financial Institutions
AS 10.13	Business and Industrial Development Corporation Act
AS 34.55	Land Sales Act
AS 45.55 and AS 45.57	Securities
3 AAC 01, 02, 03, 06, 07, 12, 13 & 14	Financial Institutions
3 AAC 08	Securities

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### Banking and Securities Component Financial Summary

*All dollars shown in thousands*

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,405.3	1,971.5	2,036.4
72000 Travel	120.3	169.6	312.6
73000 Services	1,135.2	1,163.9	843.9
74000 Commodities	55.5	53.4	43.4
75000 Capital Outlay	7.5	28.0	28.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,723.8</b>	<b>3,386.4</b>	<b>3,264.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	250.0	0.0
1156 Receipt Supported Services	2,723.8	3,136.4	3,264.3
<b>Funding Totals</b>	<b>2,723.8</b>	<b>3,386.4</b>	<b>3,264.3</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
<b>Unrestricted Revenues</b>						
Receipt Supported Services	51073	9,192.5	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>9,192.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	0.0	0.0	0.0	250.0	0.0
Receipt Supported Services	51073	2,723.8	0.0	0.0	3,136.4	3,264.3
<b>Restricted Total</b>		<b>2,723.8</b>	<b>0.0</b>	<b>0.0</b>	<b>3,386.4</b>	<b>3,264.3</b>
<b>Total Estimated Revenues</b>		<b>11,916.3</b>	<b>0.0</b>	<b>0.0</b>	<b>3,386.4</b>	<b>3,264.3</b>

**Summary of Component Budget Changes  
From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>0.0</b>	<b>250.0</b>	<b>3,136.4</b>	<b>3,386.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer Receipt Supported Services authorization from CBPL to Banking for PCN 08-2110	0.0	0.0	62.9	62.9
-FY2011 Health Insurance Cost Increase Non-Covered Employees	0.0	0.0	2.0	2.0
<b>Proposed budget decreases:</b>				
-Delete funding for implementation of HB 221 (National Mortgage Lending System and Registry)	0.0	0.0	-91.0	-91.0
-Delete funding for HB162 Mortgage Lending Implementation	0.0	0.0	-10.0	-10.0
-Reduce excess federal authorization from the Rural Alaska Financial Education Grant Program	0.0	-250.0	0.0	-250.0
<b>Proposed budget increases:</b>				
-Increase to perform statutorily required examinations for annual accreditation of financial institutions	0.0	0.0	164.0	164.0
<b>FY2011 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>3,264.3</b>	<b>3,264.3</b>

**Banking and Securities  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2010 Management Plan	FY2011 Governor		
Full-time	23	23	Annual Salaries	1,412,025
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	727,547
			<i>Less 4.82% Vacancy Factor</i>	(103,172)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>23</b>	<b>23</b>	<b>Total Personal Services</b>	<b>2,036,400</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant I	0	0	1	0	1
Business Reg Examiner	1	0	2	0	3
Division Director	1	0	0	0	1
Financial Instit Exam I	0	0	2	0	2
Financial Instit Exam II	1	0	0	0	1
Financial Instit Exam III	3	0	2	0	5
Financial Instit Exam IV	0	0	1	0	1
Investigator III	1	0	0	0	1
Occup Licensing Examiner	1	0	0	0	1
Office Assistant II	0	0	1	0	1
Secretary	1	0	0	0	1
Securities Examiner I	3	0	0	0	3
Securities Examiner II	2	0	0	0	2
<b>Totals</b>	<b>14</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>23</b>

**Component Detail All Funds**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

	<b>FY2009 Actuals</b>	<b>FY2010 Conference Committee</b>	<b>FY2010 Authorized</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>	<b>FY2010 Management Plan vs FY2011 Governor</b>	
71000 Personal Services	1,405.3	1,971.5	1,971.5	1,971.5	2,036.4	64.9	3.3%
72000 Travel	120.3	141.6	169.6	169.6	312.6	143.0	84.3%
73000 Services	1,135.2	1,092.9	1,163.9	1,163.9	843.9	-320.0	-27.5%
74000 Commodities	55.5	53.4	53.4	53.4	43.4	-10.0	-18.7%
75000 Capital Outlay	7.5	28.0	28.0	28.0	28.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>2,723.8</b>	<b>3,287.4</b>	<b>3,386.4</b>	<b>3,386.4</b>	<b>3,264.3</b>	<b>-122.1</b>	<b>-3.6%</b>
<b>Fund Sources:</b>							
1002 Fed Rcpts	0.0	250.0	250.0	250.0	0.0	-250.0	-100.0%
1156 Rcpt Svcs	2,723.8	3,037.4	3,136.4	3,136.4	3,264.3	127.9	4.1%
<b>General Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>250.0</b>	<b>250.0</b>	<b>250.0</b>	<b>0.0</b>	<b>-250.0</b>	<b>-100.0%</b>
<b>Other Funds</b>	<b>2,723.8</b>	<b>3,037.4</b>	<b>3,136.4</b>	<b>3,136.4</b>	<b>3,264.3</b>	<b>127.9</b>	<b>4.1%</b>
<b>Positions:</b>							
Permanent Full Time	20	22	22	23	23	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios With Descriptions  
Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
<b>FY2010 Conference Committee</b>												
	ConfCom	3,287.4	1,971.5	141.6	1,092.9	53.4	28.0	0.0	0.0	22	0	0
1002 Fed Rcpts		250.0										
1156 Rcpt Svcs		3,037.4										
<b>ADN #08-0-0019 National Mortgage Lending Sys and Registry Ch 31 SLA 2009 (HB 221) (Sec 2, Ch 12, SLA 2009, P 46, L 25)</b>												
	FisNot	98.0	0.0	28.0	70.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		98.0										
Implementation of the fiscal note for Ch 31 SLA 2009 - Nationwide Mortgage Lending System and Registry (HB 221). This legislation allows the State to enroll in the National Mortgage Lending System (NMLS) database and national testing system prior to the federally mandated July 31, 2009 deadline.												
<b>ADN 800082 DOP funding transferred to Commerce, Community and Economic Development</b>												
	Atrin	0.6	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		0.6										
Pursuant to Section 1, Chapter 12, SLA 2009, page 2 - line 29-31, page 3 - line 3, \$66,400 is distributed to state agencies in order to pay service costs charged by the Department of Administration, Division of Personnel for centralized personnel services.												
The amounts transferred to state agencies from DOP are as follows: DCED, \$12.3; Revenue, \$7.3; Law, \$5.3; Labor, \$12.1; H&SS, \$21.9; Administration, \$7.5.												
<b>ADN 800083 ETS funding transferred to Commerce, Community and Economic Development</b>												
	Atrin	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		0.4										
Pursuant to Section 1, Chapter 12, SLA 2009, page 4 - lines 6-12, \$97,200 is distributed to state agencies in order to pay service costs charged by the Department of Administration, Enterprise Technology Services for centralized personnel services.												
The amounts transferred to state agencies from ETS are as follows: DCED, \$8.0; Revenue, \$23.9; Law, \$3.6; Labor, \$26.4; DNR, \$2.9; H&SS, \$17.2; Administration, \$15.2.												
<b>Subtotal</b>		<b>3,386.4</b>	<b>1,971.5</b>	<b>169.6</b>	<b>1,163.9</b>	<b>53.4</b>	<b>28.0</b>	<b>0.0</b>	<b>0.0</b>	<b>22</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
<b>ADN 800074 Transfer PCN 08-2110 from Corporations, Business and Professional Licensing to Banking &amp; Securities</b>												
	Trin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Transfer Occupational Licensing Examiner (08-2110) from Corporations, Business and Professional Licensing (CBPL) to Banking and Securities. This Occupational Licensing Examiner position has been working exclusively on the Mortgage Lending program within Banking and Securities through a												

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Reimbursable Services Agreement. It is being transferred to align the position and the Mortgage Lending program into a single division. Funding for this position will be through Receipt Supported Services. The department will also be submitting a transaction in the FY2011 Governor's request to transfer the funding authorization from CBPL to Banking and Securities to fund this position.												
	<b>Subtotal</b>	<b>3,386.4</b>	<b>1,971.5</b>	<b>169.6</b>	<b>1,163.9</b>	<b>53.4</b>	<b>28.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23</b>	<b>0</b>	<b>0</b>
***** <b>Changes From FY2010 Management Plan To FY2011 Governor</b> *****												
<b>Transfer Receipt Supported Services authorization from CBPL to Banking for PCN 08-2110</b>												
1156 Rcpt Svcs	Trin	62.9	62.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This technical transaction aligns the PCN funding with the position work and organizational location. This PCN performs mortgage lending functions which are located in the Division of Banking and Securities. The PCN was transferred from the Division of Corporations, Business and Professional Licensing to the Division of Banking and Securities at management plan.												
<b>Delete funding for implementation of HB 221 (National Mortgage Lending System and Registry)</b>												
1156 Rcpt Svcs	Dec	-91.0	0.0	-21.0	-70.0	0.0	0.0	0.0	0.0	0	0	0
Implementation of Ch 31 SLA 2009 - Nationwide Mortgage Lending System and Registry (HB 221) included a fiscal note of \$98.0 RSS. The second year funding is deleted, per the fiscal note. This legislation allowed the state to enroll in the National Mortgage Lending System (NMLS) database and national testing system prior to the federally mandated July 31, 2009 deadline. The fiscal note provided for the fee to join, for sending employees to required training, and for updating the database to accommodate the registry. This was completed in FY2010.												
<b>Delete funding for HB162 Mortgage Lending Implementation</b>												
1156 Rcpt Svcs	Dec	-10.0	0.0	0.0	0.0	-10.0	0.0	0.0	0.0	0	0	0
This legislation requires the licensing and regulation of people and companies originating, lending or brokering mortgage loans. The fiscal note provided for the set up costs for the Division to implement licensing of the mortgage lending industry. The program is now implemented.												
<b>Reduce excess federal authorization from the Rural Alaska Financial Education Grant Program</b>												
1002 Fed Rcpts	Dec	-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
Rural Alaska Financial Education Grant was funded by the capital budget Chapter 61 SLA 2001 – therefore the \$250.0 in operating authority is not needed. The purpose of the grant is to teach rural Alaska how to do electronic banking, to set up ATM machines, open accounts, manage accounts, and other financial skills. Administration of the grant originated in Banking, transferred to DCRA, and then transferred to OED where it now resides.												
<b>Increase to perform statutorily required examinations for annual accreditation of financial institutions</b>												
	Inc	164.0	0.0	164.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP	
										PFT	PPT		
1156 Rcpt Svcs		164.0											
<p>This increment will allow Banking and Securities to perform statutorily required exams and to continue National Accreditation. In a period of economic downturn there is a corresponding increase in fraud and scams rendering it critical for the division to apply due diligence in examining Banks, Securities, and Consumer Finance entities. Given the national and state trends in non-current and past due loans, it is very important to continue with more in-depth reviews of our state-chartered financial institutions which total over \$2 billion in assets.</p> <p>The division has filled eight previously vacant examiner positions, which will allow for implementing statutory exam schedules. Another impact on travel costs is that all new examiners need specialized training in areas such as: Capital Adequacy, Asset Quality, Management Ability, Earnings Adequacy, Liquidity Management, Sensitivity to Market Risk, Operations, Internal Controls and Audit, and a Compliance Review (CAMELS).</p> <p>The banking section is responsible for conducting eight safety and soundness examinations and approximately 68 compliance examinations on a 12-18 month cycle. Five of the eight examinations are conducted jointly with the federal insurer (either FDIC or NCUA). Three are conducted solely by the division's banking section and represent the highest risk institutions in the state as they are not federally insured.</p> <p>The division is an accredited examination agency with the Conference of State Bank Supervisors (CSBS), this is up for evaluation and renewal in FY11. Forty-seven of fifty state banking agencies are accredited. Accreditation is looked upon favorably by the FDIC as it demonstrates a banking section's ability to conduct a competent examination.</p> <p>The banking industry pays overall fees for operations of the division, and reimburses the State for specific examinations.</p>													
<b>FY2011 Health Insurance Cost Increase Non-Covered Employees</b>													
1156 Rcpt Svcs	SalAdj	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Costs associated with Health Insurance Increases: \$2.0													
<b>Totals</b>		<b>3,264.3</b>	<b>2,036.4</b>	<b>312.6</b>	<b>843.9</b>	<b>43.4</b>	<b>28.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2011 Governor (7749)  
**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Month	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
08-?013	Financial Instit Exam III	FT	A	GP	Juneau	2A	21A / B	12.0		66,228	0	0	33,222	99,450	0
08-?031	Financial Instit Exam III	FT	A	GP	Anchorage	2A	21B	12.0		66,228	0	0	33,222	99,450	0
08-?032	Financial Instit Exam III	FT	A	GP	Juneau	2A	21A / B	12.0		66,228	0	0	33,222	99,450	0
08-2041	Investigator III	FT	A	GP	Anchorage	2A	18L / M	12.0		72,624	0	0	35,330	107,954	0
08-2110	Occup Licensing Examiner	FT	A	GP	Anchorage	2A	13C / D	12.0		39,936	0	0	24,556	64,492	0
08-2210	Financial Instit Exam III	FT	A	GP	Anchorage	2A	21B / C	12.0		66,989	0	0	33,473	100,462	0
08-3001	Division Director	FT	A	XE	Anchorage	AA	27F / J	12.0		114,996	0	0	50,456	165,452	0
08-3002	Administrative Assistant I	FT	A	GP	Juneau	2A	12C / D	12.0		37,483	0	0	23,747	61,230	0
08-3003	Financial Instit Exam IV	FT	A	SS	Juneau	2A	22J / K	12.0		89,760	0	0	40,625	130,385	0
08-3004	Securities Examiner I	FT	A	GP	Anchorage	2A	21B / C	12.0		67,665	0	0	33,695	101,360	0
08-3008	Securities Examiner II	FT	A	SS	Anchorage	2A	22J / K	12.0		88,410	0	0	40,180	128,590	0
08-3010	Securities Examiner I	FT	A	GP	Anchorage	2A	21B / C	12.0		67,327	0	0	33,584	100,911	0
08-3014	Securities Examiner I	FT	A	GP	Anchorage	2A	21C / D	12.0		68,984	0	0	34,130	103,114	0
08-3021	Securities Examiner II	FT	A	SS	Anchorage	2A	22B / C	12.0		75,135	0	0	35,805	110,940	0
08-3024	Business Reg Examiner	FT	A	GP	Juneau	2A	13C / D	12.0		40,384	0	0	24,704	65,088	0
08-3027	Financial Instit Exam III	FT	A	GP	Anchorage	2A	21B / C	12.0		66,904	0	0	33,445	100,349	0
08-3028	Business Reg Examiner	FT	A	GP	Juneau	2A	13F / G	12.0		45,300	0	0	26,324	71,624	0
08-3030	Financial Instit Exam I	FT	A	GP	Juneau	2A	17B / C	12.0		51,021	0	0	28,210	79,231	0
08-3088	Financial Instit Exam I	FT	A	GP	Juneau	2A	17B / C	12.0		50,405	0	0	28,007	78,412	0
08-3089	Secretary	FT	A	GP	Anchorage	2A	11C / D	12.0		34,748	0	0	22,846	57,594	0
08-3095	Business Reg Examiner	FT	A	GP	Anchorage	2A	13D / E	12.0		40,950	0	0	24,890	65,840	0
08-3098	Office Assistant II	FT	A	GP	Juneau	2A	10E / F	12.0		34,924	0	0	22,904	57,828	0
08-3099	Financial Instit Exam II	FT	A	GP	Anchorage	2A	19B / C	12.0		59,396	0	0	30,970	90,366	0

<b>Total Positions</b>		<b>New</b>	<b>Deleted</b>	<b>Total Salary Costs:</b>	1,412,025
<b>Full Time Positions:</b>	23	0	0	<b>Total COLA:</b>	0
<b>Part Time Positions:</b>	0	0	0	<b>Total Premium Pay:</b>	0
<b>Non Permanent Positions:</b>	0	0	0	<b>Total Benefits:</b>	727,547
<b>Positions in Component:</b>	23	0	0	<b>Total Pre-Vacancy:</b>	2,139,572
				<b>Minus Vacancy Adjustment of 4.82%:</b>	(103,172)
<b>Total Component Months:</b>	276.0			<b>Total Post-Vacancy:</b>	2,036,400
				<b>Plus Lump Sum Premium Pay:</b>	0
				<b>Personal Services Line 100:</b>	2,036,400

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Personal Services Expenditure Detail**  
**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2011 Governor (7749)  
**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

<b>PCN Funding Sources:</b>	<b>Pre-Vacancy</b>	<b>Post-Vacancy</b>	<b>Percent</b>
1156 Receipt Supported Services	2,139,572	2,036,400	100.00%
<b>Total PCN Funding:</b>	<b>2,139,572</b>	<b>2,036,400</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column.  
[No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Travel**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
72000	Travel		120.3	169.6	312.6
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>72000 Travel Detail Totals</b>			<b>120.3</b>	<b>169.6</b>	<b>312.6</b>
72100	Instate Travel	Instate Transportation - Transportation costs for travel relating to field work, administration, examinations, conventions and meetings.	50.8	65.0	208.0
72400	Out Of State Travel	Out of State Transportation - Transportation costs for travel relating to field work, administration, examinations, conventions and meetings.	63.3	102.0	102.0
72700	Moving Costs	Moving and relocation costs.	5.9	2.3	2.3
72900	Other Travel Costs	Miscellaneous travel-related expenses.	0.3	0.3	0.3

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Services**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services		1,135.2	1,163.9	843.9
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>73000 Services Detail Totals</b>			<b>1,135.2</b>	<b>1,163.9</b>	<b>843.9</b>
73025	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses. CSBS and Supervisor Dues.	129.1	134.9	64.9
73050	Financial Services	Accounting, auditing, management consulting, grantee monitoring, loan servicing and insurance related services.	13.2	0.5	0.5
73052	Mgmt/Consulting (Non IA Svcs Financial)	Federal Grant Revenue, Alaska Rural Financial Education program. No longer exists, to be deleted in FY10.	0.0	250.0	0.0
73150	Information Technlgy	Communication expenditures for telephones, fax, and modems.	8.3	3.0	3.0
73156	Telecommunication	Local, long-distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	6.5	7.5	7.5
73225	Delivery Services	Promotional materials distribution, courier services, and product shipping.	12.9	5.0	5.0
73450	Advertising & Promos	Professional Services - Promotional programs in the domestic and export markets such as creative development for advertising, public relations services, market research, trade liasions' and market representatives' contracts, coupons, customer rebates, retail product demonstration services, and other promotional services. Print media advertisements, quality assurance guidelines, posters, electronic media placements and public notices.	1.1	2.0	2.0
73650	Struc/Infstruct/Land	Structure, infrastructure and land repairs, maintenance, rentals and leases.	4.8	5.5	5.5

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Services**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>73000 Services Detail Totals</b>			<b>1,135.2</b>	<b>1,163.9</b>	<b>843.9</b>
73675		Equipment/Machinery Machinery, furniture and equipment purchase, repair, maintenance, rental, and leases.	2.5	3.0	3.0
73750		Other Services (Non IA Svcs) Program management/consulting, economic/development, safety-related services, printing, copying, and other services.	3.5	1.3	1.3
73805	Admin	IT-Non-Telecommnctns Enterprise Technology Services - Multiple computer services - including mainframe applications, Alaska Budget System (ABS), antivirus and MICS.	14.0	16.5	16.5
73805	E&ED	IT-Non-Telecommnctns Division of Libraries, Archives and Museums - micrographic services for microfiche/microfilm	1.5	1.5	1.5
73806	Admin	IT-Telecommunication Enterprise Technology Services - Non-telephone telecommunication services, including dedicated circuits, space and power, radio circuits, videoconferencing, etc. (EPR).	12.0	11.0	11.0
73806	Admin	IT-Telecommunication Enterprise Technology Services - Phone services, including line rental, voice mail, equipment and fax equipment on State network (PBX).	15.1	13.6	13.6
73809	Admin	Mail Division of General Services - Pro-rated share of expenses relating to central mailroom support and services.	9.9	9.9	9.9
73810	Admin	Human Resources Division of Personnel - Human resource and personnel services	16.0	16.0	16.0
73811	Admin	Building Leases Rental of State-owned buildings - Juneau Community Building estimated at 32.3 Atwood Building estimated at 29.6.	42.5	42.5	42.5
73812	Law	Legal Legal services and fees.	149.9	149.9	149.9
73812	Law	Legal Dept Law Regulations Review.	0.0	13.7	13.7
73814	Admin	Insurance Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, aviation, public official bonds, and overhead.	0.3	0.3	0.3
73815	Admin	Financial Div. of Finance – Computer services for state accounting (AKSAS) and payroll (AKPAY) systems	1.2	1.2	1.2

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Services**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>73000 Services Detail Totals</b>			<b>1,135.2</b>	<b>1,163.9</b>	<b>843.9</b>
73816	ADA Compliance	Labor Division of Vocational Rehabilitation - Pro-rated share of expenses relating to Americans with Disabilities Act (ADA) enforcement.	0.3	0.3	0.3
73819	Commission Sales (IA Svcs)	State Travel Office US Travel LLC, STO Advance Only, for all US Travel payments.	2.0	2.0	2.0
73821	Hearing/Mediation (IA Svcs)	Admin Hearing Officer services	0.3	12.2	12.2
73827	Safety (IA Svcs)	PubSaf Mortgage Lending Fingerprinting.	27.9	27.5	27.5
73848	State Equip Fleet	Trans State Equipment Fleet Services.	0.2	0.5	0.5
73979	Mgmt/Consulting (IA Svcs)	Administrative Services Division of Administrative Services - Management support services.	387.2	317.0	317.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office Commissioner's office - Management support services.	83.5	35.6	35.6
73979	Mgmt/Consulting (IA Svcs)	Corp, Bus & Prof Licensing CBPL Office of Consumer Affairs Investigator Service.	121.7	80.0	80.0
73979	Mgmt/Consulting (IA Svcs)	Labor Relations DOA Salary Survey.	13.0	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Corp, Bus & Prof Licensing Mortgage Lending Services.	54.8	0.0	0.0

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Commodities**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
74000	Commodities		55.5	53.4	43.4
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>74000 Commodities Detail Totals</b>			<b>55.5</b>	<b>53.4</b>	<b>43.4</b>
74200	Business	Standard office supplies and replacement furniture.	55.5	53.4	43.4

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Capital Outlay**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
75000	Capital Outlay		7.5	28.0	28.0
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>75000 Capital Outlay Detail Totals</b>			<b>7.5</b>	<b>28.0</b>	<b>28.0</b>
75300	Structs & Infrastr	Structures & Infrastructures.	7.5	28.0	28.0

**Unrestricted Revenue Detail**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51073	Receipt Supported Services	9,192.5	0.0	0.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51137	DCED Banking & Securities Fees				9,192.5	0.0	0.0
Banking revenue is generated from assessing semiannually each state-chartered financial institution a fee for a regular examination based on total assets; special examinations of financial institutions; fees collected for the licensing of small loan and premium finance companies; and applications for new organizations and facilities.							

**Restricted Revenue Detail**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51010	Federal Receipts	0.0	250.0	0.0

**Detail Information**

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51010	Federal Receipts Alaska Rural Financial Education program.				0.0	250.0	0.0

**Restricted Revenue Detail**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51073	Receipt Supported Services	2,723.8	3,136.4	3,264.3

**Detail Information**

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51137	DCED Banking & Securities Fees			0	2,723.8	3,136.4	3,264.3

Banking revenue is generated from assessing semiannually each state-chartered financial institution a fee for a regular examination based on total assets; special examinations of financial institutions; fees collected for the licensing of small loan and premium finance companies; and applications for new organizations and facilities.

**Inter-Agency Services**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)

**RDU:** Banking and Securities (536)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2009 Actuals	FY2010		
					Management Plan	FY2011 Governor	
73805	IT-Non-Telecommnctns	Enterprise Technology Services - Multiple computer services - including mainframe applications, Alaska Budget System (ABS), antivirus and MICS.	Inter-dept	Admin	14.0	16.5	16.5
73805	IT-Non-Telecommnctns	Division of Libraries, Archives and Museums - micrographic services for microfiche/microfilm	Inter-dept	E&ED	1.5	1.5	1.5
				<b>73805 IT-Non-Telecommnctns subtotal:</b>	<b>15.5</b>	<b>18.0</b>	<b>18.0</b>
73806	IT-Telecommunication	Enterprise Technology Services - Non-telephone telecommunication services, including dedicated circuits, space and power, radio circuits, videoconferencing, etc. (EPR).	Inter-dept	Admin	12.0	11.0	11.0
73806	IT-Telecommunication	Enterprise Technology Services - Phone services, including line rental, voice mail, equipment and fax equipment on State network (PBX).	Inter-dept	Admin	15.1	13.6	13.6
				<b>73806 IT-Telecommunication subtotal:</b>	<b>27.1</b>	<b>24.6</b>	<b>24.6</b>
73809	Mail	Division of General Services - Pro-rated share of expenses relating to central mailroom support and services.	Inter-dept	Admin	9.9	9.9	9.9
				<b>73809 Mail subtotal:</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>
73810	Human Resources	Division of Personnel - Human resource and personnel services	Inter-dept	Admin	16.0	16.0	16.0
				<b>73810 Human Resources subtotal:</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>
73811	Building Leases	Rental of State-owned buildings - Juneau Community Building estimated at 32.3 Atwood Building estimated at 29.6.	Inter-dept	Admin	42.5	42.5	42.5
				<b>73811 Building Leases subtotal:</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>
73812	Legal	Legal services and fees.	Inter-dept	Law	149.9	149.9	149.9
73812	Legal	Dept Law Regulations Review.	Inter-dept	Law	0.0	13.7	13.7
				<b>73812 Legal subtotal:</b>	<b>149.9</b>	<b>163.6</b>	<b>163.6</b>
73814	Insurance	Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, aviation, public official bonds, and overhead.	Inter-dept	Admin	0.3	0.3	0.3
				<b>73814 Insurance subtotal:</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
73815	Financial	Div. of Finance – Computer services for state accounting (AKSAS) and payroll (AKPAY) systems	Inter-dept	Admin	1.2	1.2	1.2
				<b>73815 Financial subtotal:</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
73816	ADA Compliance	Division of Vocational Rehabilitation - Pro-rated share of expenses relating to Americans with Disabilities Act (ADA) enforcement.	Inter-dept	Labor	0.3	0.3	0.3
				<b>73816 ADA Compliance subtotal:</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
73819	Commission Sales (IA Svcs)	US Travel LLC, STO Advance Only, for all US Travel payments.	Inter-dept	State Travel Office	2.0	2.0	2.0

**Inter-Agency Services**  
**Department of Commerce, Community, and Economic Development**

**Component:** Banking and Securities (2808)  
**RDU:** Banking and Securities (536)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010		
				FY2009 Actuals	Management Plan	FY2011 Governor
<b>73819 Commission Sales (IA Svcs) subtotal:</b>				<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
73821	Hearing/Mediation (IA Svcs)	Hearing Officer services	Inter-dept Admin	0.3	12.2	12.2
<b>73821 Hearing/Mediation (IA Svcs) subtotal:</b>				<b>0.3</b>	<b>12.2</b>	<b>12.2</b>
73827	Safety (IA Svcs)	Mortgage Lending Fingerprinting.	Inter-dept PubSaf	27.9	27.5	27.5
<b>73827 Safety (IA Svcs) subtotal:</b>				<b>27.9</b>	<b>27.5</b>	<b>27.5</b>
73848	State Equip Fleet	State Equipment Fleet Services.	Inter-dept Trans	0.2	0.5	0.5
<b>73848 State Equip Fleet subtotal:</b>				<b>0.2</b>	<b>0.5</b>	<b>0.5</b>
73979	Mgmt/Consulting (IA Svcs)	Division of Administrative Services - Management support services.	Intra-dept Administrative Services	387.2	317.0	317.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's office - Management support services.	Inter-dept Commissioner's Office	83.5	35.6	35.6
73979	Mgmt/Consulting (IA Svcs)	CBPL Office of Consumer Affairs Investigator Service.	Inter-dept Corp, Bus & Prof Licensing	121.7	80.0	80.0
73979	Mgmt/Consulting (IA Svcs)	DOA Salary Survey.	Inter-dept Labor Relations	13.0	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Mortgage Lending Services.	Inter-dept Corp, Bus & Prof Licensing	54.8	0.0	0.0
<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>				<b>660.2</b>	<b>432.6</b>	<b>432.6</b>
<b>Banking and Securities total:</b>				<b>953.3</b>	<b>751.2</b>	<b>751.2</b>
<b>Grand Total:</b>				<b>953.3</b>	<b>751.2</b>	<b>751.2</b>