

Reappropriation for Analysis of State Corporations

FY2017 Request: \$0

Reference No: AMD 61100

AP/AL: Appropriation
Category: Development

Project Type: Research / Studies / Planning

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Cheryl Lowenstein

Estimated Project Dates: 06/30/2016 - 06/30/2020

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Brief Summary and Statement of Need:

In response to Administrative Order No. 281, this project will fund efforts to evaluate the current structure and focus of Alaska Housing Finance Corporation (AHFC), the Alaska Energy Authority (AEA), and the Alaska Industrial Development and Export Authority (AIDEA). The Department of Administration will engage consulting expertise necessary to evaluate and make recommendations as prescribed by the Administrative Order. The total project cost is estimated to be approximately \$1 million with contributions from AIDEA and AHFC in addition to the proposed reappropriation of \$500,000.

Funding:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
1004 Gen Fund							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:

As outlined in the Administrative Order, the objectives are to:

1. Create economic vitality in Alaska with opportunities for every community in Alaska to grow and prosper.
2. Streamline and better focus the State's economic development institutions, specifically the Alaska Housing Finance Corporation (AHFC), the Alaska Energy Authority (AEA), and the Alaska Industrial Development and Export Authority (AIDEA);
3. Identify enterprise or other models of development that can be applied to housing, power generation and transmission, water and wastewater, broadband, health, and natural resource industries and infrastructure to simultaneously increase quality, access, and reduce costs of providing services;

4. Engage with stakeholders in a transparent and open process to develop strategies for economic development that optimizes the use of State powers and resources and strengthens the relationships among public, tribal, nonprofit, and private enterprise stakeholders;
5. Efficiently use the assets of public corporations of the State;
6. Engage with stakeholders in a transparent and open process to find efficiencies and reduce costs associated with the State's public corporations;
7. Protect the interests of bondholders, assets of the State, and affected entities to ensure an orderly process and maximum protection of State finances; and
8. Identify State lands and facilities having a potential for economic development.

In developing the plan of recommendations, the Commissioners of the Department of Revenue and the Department of Commerce, Community, and Economic Development shall provide options to enhance the State's economic development strategies and tools in order to efficiently use the assets of AHFC, AEA, and AIDEA; consolidate the State's existing enterprise and development related statutory authority, powers, and resources; expand the authority, powers, and resources of the State for enterprise-driven initiatives using industry best practice financing and development techniques; and enhance the use of enterprise-based approaches to further develop housing, power generation and transmission, water and wastewater, and broadband, health, and natural resource industries and infrastructure in Alaska that simultaneously increase quality, access, and reduce cost. The analysis shall develop an inventory of any assets owned by AHFC, AEA, and AIDEA that could be appropriately sold to a third party while maintaining important public purpose benefits; provide options to transfer and consolidate essential routine and complementary functions between AHFC, AEA, AIDEA, and other agencies and departments of the State; ensure a positive process that engages the stakeholders of the corporations and the State; perform due diligence appropriate for the recommendations.

The unexpended and unobligated balance, estimated to be \$500,000, of the appropriation made in sec. 1, ch. 18, SLA 2014, page 3, lines 8 - 9 (Department of Commerce, Community and Economic Development, Alaska Energy Authority – Energy Plan Implementation - \$500,000) is reappropriated to the Department of Administration for the analysis of state corporations.