

State of Alaska FY2009 Governor's Operating Budget

Department of Commerce, Community, and Economic Development Investments RDU/Component Budget Summary

RDU/Component: Investments

(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

To promote economic development;

To provide interagency and interdepartmental loan servicing of other loan portfolios that increase operational efficiencies; and

To protect the State's investments in the loan funds under administration and provide a return on capital when it does not impair program missions.

Core Services

Provide direct state loan origination and servicing under five active loan programs: Commercial Fishing, Fisheries Enhancement, Small Business Economic Development, Rural Development Initiative Fund, and Self-Help Group Home.

Provide servicing of loan portfolios owned by other state agencies.

Protect the financial integrity of the loan funds under administration through loan servicing efforts and provide a return on capital to the state when appropriate.

End Result	Strategies to Achieve End Result
<p>A: Economic development through direct state lending in those industries and in those areas that are not adequately serviced by the private sector.</p> <p><u>Target #1:</u> Create or maintain 400 jobs annually in the Alaska commercial fishing industry. <u>Measure #1:</u> The number of direct jobs created or maintained.</p> <p><u>Target #2:</u> Create or maintain 80 rural jobs annually statewide as a result of Rural Development Initiative Fund (RDIF) and Small Business Economic Development (SBED) loans. <u>Measure #2:</u> The number of rural jobs created or maintained.</p> <p><u>Target #3:</u> Provide financing to Alaskan private non-profit aquaculture corporations to produce \$40 million in hatchery-reared salmon to Alaskan commercial fisheries annually. <u>Measure #3:</u> Total annual value of hatchery-reared salmon to various commercial fisheries.</p>	<p>A1: Increase financial services provided to Alaskan commercial fishing harvesters.</p> <p><u>Target #1:</u> Provide financial services to 750 commercial fishing harvesters annually. <u>Measure #1:</u> The number of harvesters provided with financial services annually through new loans, loan restructurings, workouts, refinancing and other lending activities under the Commercial Fishing Revolving Loan Fund.</p> <p>A2: Promote development of predominately resident fisheries by increasing or maintaining the percentage of limited entry permits held by Alaska residents.</p> <p><u>Target #1:</u> Maintain the number of permits held by Alaskans at 78% or greater. <u>Measure #1:</u> The percentage of limited entry permits held by Alaska residents.</p> <p>A3: Utilize the Rural Development Initiative Fund and the Small Business Economic Development loan fund to increase the number of jobs created or maintained in rural communities.</p> <p><u>Target #1:</u> Generate sixteen new Rural Development Initiative Fund and Small Business Economic Development loans originated and serviced for the Alaska Industrial Development and Export Authority (AIDEA) annually. <u>Measure #1:</u> The number of new Rural Development</p>

	<p>Initiative Fund and Small Business Economic Development Loans.</p> <p>A4: Promote enhancement of the state's fisheries by decreasing response time to loan applications from private non-profit aquaculture associations.</p> <p><u>Target #1:</u> Process Fisheries Enhancement loan applications in 18 days or less. <u>Measure #1:</u> The number of days to process Fisheries Enhancement loan applications.</p>
End Result	Strategies to Achieve End Result
<p>B: Interagency and interdepartmental servicing of loan portfolios.</p> <p><u>Target #1:</u> Generate \$1.6 million or more annually in new loans. <u>Measure #1:</u> The annual dollar amount of loans generated from loan portfolios serviced for other agencies.</p>	<p>B1: Provide prudent financial management of loan funds serviced for other agencies.</p> <p><u>Target #1:</u> Maintain the cumulative delinquency rate of revolving loan portfolios serviced for agencies other than the Alaska Division of Investments at 8% or less. <u>Measure #1:</u> The average annual delinquency rate of all loans serviced for other agencies.</p>
End Result	Strategies to Achieve End Result
<p>C: A return of capital to the state through financial management of loan funds.</p> <p><u>Target #1:</u> Generate \$4 million in excess earnings annually that may be utilized to fund government operations. <u>Measure #1:</u> The amount of excess earnings generated annually from the operation of loan funds.</p>	<p>C1: Generate capital excess to loan demand and operational needs to help fund government operations.</p> <p><u>Target #1:</u> Maintain the cumulative delinquency rate of all loan portfolios serviced by the Alaska Division of Investments (ADI), whether serviced for other agencies or owned by ADI, at 8% or less. <u>Measure #1:</u> Average annual delinquency rate of all loan funds.</p> <p><u>Target #2:</u> Maintain the delinquency rate of the Commercial Fishing Revolving Loan Fund at 10% or less. <u>Measure #2:</u> Average annual delinquency rate of the Commercial Fishing Revolving Loan Fund.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Promote Program Awareness through Marketing/Outreach Efforts • Loan Origination • Loan Servicing • Promote Awareness of Loan Servicing Capabilities • Loan Refinancing • Loan Modifications and Workouts • Loan Collections • Originate Loans in Rural Areas that Focus on Job Creation 	<ul style="list-style-type: none"> • Pursue Additional Funding Opportunities when Appropriate • Continue Utilizing Fisheries Business Assistance Contract • Continue Public Outreach Efforts to Rural Alaska • Continue Participation in the Volunteer Tax and Loan Program • Participate in Hatchery Corporation Board Meetings • Administer Salmon Enhancement Tax Distribution • Provide Loans To Newly Created Community Quota Entites

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$4,355,200	Personnel:	
	Full time	39
	Part time	0
	Total	39

Performance Measure Detail

A: Result - Economic development through direct state lending in those industries and in those areas that are not adequately serviced by the private sector.

Target #1: Create or maintain 400 jobs annually in the Alaska commercial fishing industry.

Measure #1: The number of direct jobs created or maintained.

Number of Jobs Created or Maintained Through Commercial Fishing Revolving Loans

Year	Jobs Created/Maintained
FY 2005	603
FY 2006	400
FY 2007	357

Analysis of results and challenges: The reduction in jobs in FY07 is due to a substantial increase in the number of loan repayments made, which in turn resulted in a dramatic reduction in the number of extension requests processed. Fewer extension requests reduced the number of jobs maintained. Maintaining local ownership of fishery resources and the jobs associated with this ownership is critically important to Alaska's economy. Lending activity results in the creation of new jobs and the maintenance of existing jobs for Alaska residents, in addition to providing a necessary source of capital to the commercial fishing industry. Maintaining employment levels is critical to Alaska's economy, particularly in rural areas of the state. The Commercial Fishing Revolving Loan Fund (CFRLF) plays a significant role in the rural economy, as commercial fishing is often the only viable economic activity.

Target #2: Create or maintain 80 rural jobs annually statewide as a result of Rural Development Initiative Fund (RDIF) and Small Business Economic Development (SBED) loans.

Measure #2: The number of rural jobs created or maintained.

Number of Jobs Created or Maintained Through Rural Development Initiative Fund and Small Business Economic Development Loans

Year	Jobs Created/Maintained
FY 2003	38
FY 2004	31
FY 2005	204
FY 2006	186
FY 2007	88

Analysis of results and challenges: The RDIF and SBED loan funds are revolving loan funds that utilize borrower repayments, from existing loans, to fund new loans. ADI received additional grants in the amount of 2.5 million dollars between FY02 and FY04. With additional funding available ADI initiated a significant outreach effort in rural areas of the state. The increase in jobs in FY05 and FY06 was the result of these outreach efforts, which dramatically increased loan volume. The creation of jobs is a keystone of economic development efforts. The primary goal of the Rural Development Initiative Fund (RDIF) and the Small Business Economic Development (SBED) programs is economic development through job creation in rural areas. The reduction in

FY07 reflects a decrease in available funding. ADI anticipates FY08 results to mirror FY07.

Target #3: Provide financing to Alaskan private non-profit aquaculture corporations to produce \$40 million in hatchery-reared salmon to Alaskan commercial fisheries annually.

Measure #3: Total annual value of hatchery-reared salmon to various commercial fisheries.

Total Value of Hatchery-Reared Salmon to Statewide Commercial Fisheries

Year	Hatchery Salmon Value
1998	\$41,700,000
1999	\$46,800,000
2000	\$57,000,000
2001	\$44,300,000
2002	\$29,100,000
2003	\$39,900,000
2004	\$26,500,000
2005	\$39,300,000
2006	\$59,100,000

Analysis of results and challenges: Salmon hatcheries provide a significant financial contribution to numerous coastal economies. The Alaska Division of Investments (ADI) provides the salmon aquaculture industry in Alaska with a source of low-cost capital through the Fisheries Enhancement Revolving Loan Fund (FERLF). This capital is specifically tailored by statute to meet the needs of this unique industry and is not available in the private sector. Measuring the amount of money generated annually as a result of salmon raised by FERLF participants is a good indicator of the program's effectiveness. The most recent information available from the Alaska Department of Fish & Game (ADF&G) Calendar Year 2006 (CY06), indicates a total market value of hatchery-reared salmon of \$59.1 million. The dramatic increase in CY06 is due to very strong fish returns in several different fisheries.

A1: Strategy - Increase financial services provided to Alaskan commercial fishing harvesters.

Target #1: Provide financial services to 750 commercial fishing harvesters annually.

Measure #1: The number of harvesters provided with financial services annually through new loans, loan restructurings, workouts, refinancing and other lending activities under the Commercial Fishing Revolving Loan Fund.

Harvesters Provided with Financial Services under the Commercial Fishing Revolving Loan Fund

Year	Commercial Harvesters
FY 2004	841
FY 2005	1032
FY 2006	912
FY 2007	760

Analysis of results and challenges: One of the primary benefits of the lending activity and financial services provided under the Commercial Fishing Revolving Loan Fund (CFRLF) is the creation and maintenance of jobs. There is a direct link between new loans and job creation as resident borrowers hire licensed crew to operate their small business enterprises. In addition, the Alaska Division of Investments (ADI) efforts in restructuring troubled loans serves as an economic buffer to the significant potential loss of jobs that would result without such efforts. The reduction in FY07 was due to a reduction in the number of our borrowers requiring assistance through our loan extension program. A smaller number of our borrowers needed this assistance as they were able to make their loan payments in a timely manner. ADI expects similar results in FY08.

A2: Strategy - Promote development of predominately resident fisheries by increasing or maintaining the percentage of limited entry permits held by Alaska residents.

Target #1: Maintain the number of permits held by Alaskans at 78% or greater.

Measure #1: The percentage of limited entry permits held by Alaska residents.

The Percentage of Limited Entry (LE) Permits Held by Alaskan Residents

Year	Alaskan Owned LE Permits
FY 1998	77%
FY 1999	78%
FY 2000	78%
FY 2001	78%
FY 2002	78%
FY 2003	78%
FY 2004	78%
FY 2005	78%
FY 2006	77%
FY 2007	77.2%

Analysis of results and challenges: A statutory mission of the Commercial Fishing Revolving Loan Fund is to provide long term, low interest loans to commercial fishing harvesters to promote resident fisheries. The overall resident ownership of limited entry permits is one of the ways to measure program success. Resident ownership is particularly important in rural areas where economic opportunities are limited.

A3: Strategy - Utilize the Rural Development Initiative Fund and the Small Business Economic Development loan fund to increase the number of jobs created or maintained in rural communities.

Target #1: Generate sixteen new Rural Development Initiative Fund and Small Business Economic Development loans originated and serviced for the Alaska Industrial Development and Export Authority (AIDEA) annually.

Measure #1: The number of new Rural Development Initiative Fund and Small Business Economic Development Loans.

The Number of New Rural Development Initiative Fund (RDIF) and Small Business Economic Development (SBED) Loans Originated and Serviced for Alaska Industrial Development and Export Authority

Year	New Loans ~ SBED & RDIF
FY 2003	5
FY 2004	9
FY 2005	23
FY 2006	22
FY 2007	14

Analysis of results and challenges: The Small Business Economic Development and Rural Development Initiative Fund loan programs were designed specifically for creating and maintaining jobs in rural areas of the state. The RDIF and SBED loan funds are revolving loan funds that utilize borrower repayments, from existing loans, to fund new loans. ADI received additional grants in the amount of 2.5 million dollars between FY02 and FY04. With additional funding available ADI initiated a significant outreach effort in rural areas of the state. The increase in jobs in FY05 and FY06 was the result of these outreach efforts, which dramatically increased loan volume. The reduction in FY07 reflects a decrease in available funding. ADI anticipates FY08 results to mirror FY07.

A4: Strategy - Promote enhancement of the state's fisheries by decreasing response time to loan applications from private non-profit aquaculture associations.

Target #1: Process Fisheries Enhancement loan applications in 18 days or less.

Measure #1: The number of days to process Fisheries Enhancement loan applications.

Fisheries Enhancement Loan Application Response Time

Year	Days to Process FE App
FY 2004	24
FY 2005	17
FY 2006	5
FY 2007	21

Analysis of results and challenges: Efficient processing of applications benefits the aquaculture industry during periods of economic stress such as we are currently experiencing. Projects funded through loans are not as likely to be jeopardized by delays and cost overruns when applications are processed timely. FY06 processing days was based on one loan, while FY07 is based on eight. Additionally, the FY06 borrower contacted our ADI Loan Officer prior to submission of their application, which made the actual processing of their application much faster than usual once it was actually received by ADI.

B: Result - Interagency and interdepartmental servicing of loan portfolios.

Target #1: Generate \$1.6 million or more annually in new loans.

Measure #1: The annual dollar amount of loans generated from loan portfolios serviced for other agencies.

New Loans Generated From Loan Portfolios Serviced for Other Agencies

Year	New Loans Generated
FY 2003	\$1,374,600
FY 2004	\$1,031,400
FY 2005	\$2,989,100
FY 2006	\$2,540,000
FY 2007	\$1,618,575

Analysis of results and challenges: The RDIF and SBED loan funds are revolving loan funds that utilize borrower repayments, from existing loans, to fund new loans. ADI received additional grants in the amount of 2.5 million dollars between FY02 and FY04. With additional funding available ADI initiated a significant outreach effort in rural areas of the state. The increase in loans generated in FY05 and FY06 was the result of these outreach efforts, which dramatically increased loan volume. In FY05, those steps led to a dramatic increase in loan volume and a higher level of utilization of the funds. Based on available funding, ADI anticipates similar results in FY08 as was achieved in FY07.

B1: Strategy - Provide prudent financial management of loan funds serviced for other agencies.

Target #1: Maintain the cumulative delinquency rate of revolving loan portfolios serviced for agencies other than the Alaska Division of Investments at 8% or less.

Measure #1: The average annual delinquency rate of all loans serviced for other agencies.

Average Annual Delinquency Rate of Portfolios Serviced for Other Agencies

Year	Average Delinquency Rate
FY 2003	11.0%
FY 2004	10.2%
FY 2005	14.8%
FY 2006	6.8%
FY 2007	2.6%

Analysis of results and challenges: The consolidation of lending functions across various agencies to the Alaska Division of Investments (ADI) results in more efficient government. Maintaining low delinquency rates on the loan funds administered by ADI results in greater operational efficiencies and a higher rate of return to the loan funds. The majority of loans serviced for other agencies are small business loans aimed at rural areas. Commercial lending in rural Alaska requires experience and knowledge in rural economic conditions to stimulate economic development while maintaining prudent lending practices. ADI accomplishes this by utilizing an experienced and knowledgeable staff. Improved market conditions and efficient program management led to dramatic improvements in delinquency rates in FY06 and FY07.

C: Result - A return of capital to the state through financial management of loan funds.

Target #1: Generate \$4 million in excess earnings annually that may be utilized to fund government operations.

Measure #1: The amount of excess earnings generated annually from the operation of loan funds.

Excess Earnings Utilized for Government Operations

Year	Excess Earnings Utilized
FY 2000	\$1,508,600
FY 2001	\$3,115,500
FY 2002	\$2,040,200
FY 2003	\$4,530,100
FY 2004	\$2,875,300
FY 2005	\$5,557,000
FY 2006	\$4,000,000
FY 2007	\$5,500,000

Analysis of results and challenges: Proper financial management of the Alaska Division of Investments loan portfolios creates earnings that can be made available for the operations of state government. Excess interest earnings from continuing operations of the loan funds, combined with interest earned by the Treasury from cash in the loan funds, can be utilized without sacrificing program goals when managed carefully. Improved market conditions and efficient program management resulted in increased earnings in FY07.

C1: Strategy - Generate capital excess to loan demand and operational needs to help fund government operations.

Target #1: Maintain the cumulative delinquency rate of all loan portfolios serviced by the Alaska Division of Investments (ADI), whether serviced for other agencies or owned by ADI, at 8% or less.

Measure #1: Average annual delinquency rate of all loan funds.

Average Annual Delinquency Rate of All Loan Funds

Year	Average Delinquency Rate
FY 2000	6.9%
FY 2001	10.4%
FY 2002	15.1%
FY 2003	15.6%
FY 2004	10.7%
FY 2005	6.3%
FY 2006	2.1%
FY 2007	2.6%

Analysis of results and challenges: Maintaining an appropriately low delinquency rate on loan funds under the Alaska Division of Investments (ADI) administration increases cash flow into the funds, making more funds available to lend and generating more interest income. Delinquency management is an integral part of the financial management of loan funds. ADI accomplishes this by utilizing an experienced and knowledgeable collections staff. Improved market conditions and focused collection efforts led to dramatic improvements in delinquency rates in FY06 and FY07. Improved market conditions and efficient program management resulted in extremely low delinquency rates in FY06 and FY07.

Target #2: Maintain the delinquency rate of the Commercial Fishing Revolving Loan Fund at 10% or less.

Measure #2: Average annual delinquency rate of the Commercial Fishing Revolving Loan Fund.

Average Annual Delinquency Rate of the Commercial Fishing Revolving Loan Fund

Year	Average Delinquency Rate
FY 2000	25.0%
FY 2001	17.0%
FY 2002	20.4%
FY 2003	21.5%
FY 2004	13.5%
FY 2005	9.6%
FY 2006	4.8%
FY 2007	4.9%

Analysis of results and challenges: The commercial fishing industry in Alaska has experienced dramatic and stressful changes in the recent past, primarily as a result of the impact of farmed salmon on world markets. The Alaska Division of Investments (ADI) has utilized many creative solutions to help meet the needs of the industry and accomplish program goals while at the same time protecting the integrity of the Commercial Fishing Revolving Loan Fund. ADI will continue to effectively manage delinquencies by utilizing an experienced and knowledgeable collections staff. Improved market conditions and efficient program management resulted in lower delinquency rates in FY06 and FY07.

Key Component Challenges

Rural Economic Development

Lack of infrastructure, elevated costs including travel expenses and lack of capital present a tremendous challenge to reach rural Alaska residents with information regarding our loan programs to expand economic activity and employment opportunities through outreach visits to remote locations.

Salmon Industry

The commercial fishing industry continues to experience competition as world markets adapt to the ever changing supply of fisheries products. Commercial fishing is very cyclical with periods of low returns mixed with strong returns. Without capital Alaskan harvesters will not be able to compete and the loss of commercial fishing operations in our villages can have devastating economic affects.

Loan Servicing Software Replacement

Replacing loan servicing software created a tremendous increase in workload associated with running two systems in parallel as well as developing and testing needed enhancements. The new system has also required the development of new policies and procedures. Although the project has taken longer than anticipated we expect customization to be completed in fiscal year 2009.

Significant Changes in Results to be Delivered in FY2009

No significant changes.

Major Component Accomplishments in 2007

Commercial Fishing Revolving Loan Fund Program (CFRLF). In fiscal year 2007, the Division made 156 new loans totaling nearly \$8.7 million and processed sixty-four loan extension requests. The Division also developed a streamlined application process to assist borrowers in their refinancing efforts as they submit their applications for the lower interest rates. As a result of our efforts, the Division processed five refinancing applications in FY07. In FY07 the Commercial Fishing Revolving Loan Fund borrowers experienced some of the lowest delinquency rates in history, as well as the fewest number of loan extension requests on record. The Commercial Fishing Revolving Loan Fund produced excess earnings of approximately \$5.5 million dollars that was available to fund other government operations.

Fisheries Enhancement Revolving Loan Fund Program (FERLF). During fiscal year 2007, the Division made eight loans totaling \$3.1 million. These loans provided one hatchery with a Hydro Electric Generator with cost savings paying for the loan in one year; provided operating capital to several hatcheries to cover expenses for poor salmon returns in calendar year 2006 and provided net pens and an improved fish ladder and weir.

Small Business Economic Development (SBED) Loan Program. This program provides loans to small businesses located in areas of the state that have experienced economic difficulties. The purpose of the program is to create jobs and stimulate economic activity in these communities. During fiscal year 2007, the Division made eight loans totaling \$.8 million. These loans resulted in the retention of 22 jobs and the creation of 25 new jobs.

Rural Development Initiative Fund (RDIF). During fiscal year 2007, the Division made seven loans totaling \$.8 million. These loans provided funds for the purchase of a small tender vessel, new heating oil truck, floating processor, tender vessel and a small airplane hanger that was converted into a small warehouse. These loans have resulted in the creation of 11 jobs and the creation of 21 new jobs.

Volunteer Tax and Loan Program (VTLP). During the 2007 tax season, the Volunteer Tax and Loan Program teams, comprised of advanced college accounting students and tax supervisors, as well as Alaska Business Development Center consultants, visited a total of sixty-nine villages in eight areas to provide tax preparation and loan application services as well as financial counseling. Another fifteen villages were assisted via mailed returns for a total of eighty-four communities that received assistance. The eight areas around the state that were assisted included Western, Yukon Delta, Kodiak, Bristol Bay, Southeast, Interior, Pribilofs and the Aleutian Islands. Volunteer Tax and Loan Program volunteers prepared over 3,016 tax returns, assisting approximately 6,500 people. As a result of these efforts, more than \$3.7 million in tax-refunds are returning to these communities.

Salmon Enhancement Tax Distribution. A total of \$4.5 million was disbursed in fiscal year 2007 to six associations:

Prince William Sound Aquaculture Association, Northern Southeast Regional Aquaculture Association, Southern Southeast Regional Aquaculture Association, Chignik Regional Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association.

Statutory and Regulatory Authority

AS 45.88.010 -.050, .500	Alternative Energy Revolving Loan Fund
AS 44.33.240 -.275	Child Care Facility Revolving Loan Fund
AS 16.10.300 -.370	Commercial Fishing Loan Act
AS 16.10.500 -.620	Fisheries Enhancement Loan Program
AS 45.98.010 -.070	Historical District Revolving Loan Fund
AS 27.09.010 -.060	Mining Loan Fund
AS 45.89.010 -.070, .500	Residential Energy Conservation Fund
AS 45.95.010 -.080	Small Business Revolving Loan Fund
AS 26.15.010 -.170	WWII Veterans Revolving Fund
AS 44.88.400 -.430	Small Business Economic Development Revolving Loan Fund
AS 44.88.600 -.900	Rural Development Initiative Fund
AS 44.29.210 -.230	Alcoholism and Drug Abuse Revolving Loan Fund
AS 44.33.020	Dept of Commerce, Community, & Economic Dev
3 AAC 41.010 -.900	Veterans Loan Assumptions
3 AAC 77.010 -.900	Repossessed Property
3 AAC 78.010 -.900	Alternative Energy Loans
3 AAC 79.010 -.900	Residential Energy Conservation
3 AAC 80.010 -.900	Commercial Fishing Loans
3 AAC 81.010 -.900	Fisheries Enhancement Loans & Grants
3 AAC 82.010 -.900	Child Care Facility Loans
3 AAC 83.010 -.900	Historical District Loans
3 AAC 86.010 -.900	Small Business Loan Assumptions
3 AAC 87.010 -.900	Mining Loans
3 AAC 89.010 -.900	Fisheries Enhancement Tax Appropriation
3 AAC 99.800 -.820	Small Business Economic Development Loans
3 AAC 170.010 -.900	Rural Development Initiative Fund

Contact Information

Contact: Greg Winegar, Director
Phone: (907) 465-2510
Fax: (907) 465-2103
E-mail: greg.winegar@alaska.gov

Investments Component Financial Summary

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,518.7	2,700.2	2,871.6
72000 Travel	44.8	31.2	31.2
73000 Services	1,306.6	1,398.7	1,409.7
74000 Commodities	78.6	37.9	37.9
75000 Capital Outlay	16.8	4.8	4.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,965.5	4,172.8	4,355.2
Funding Sources:			
1007 Inter-Agency Receipts	1.0	3.9	4.0
1036 Commercial Fishing Loan Fund	3,411.6	3,532.4	3,679.8
1070 Fisheries Enhancement Revolving Loan Fund	489.1	539.1	571.1
1164 Rural Development Initiative Fund	43.0	49.5	51.0
1170 Small Business Economic Development Revolving Loan Fund	20.8	47.9	49.3
Funding Totals	3,965.5	4,172.8	4,355.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	4.0	4.0	4.0
Unrestricted Total		4.0	4.0	4.0
Restricted Revenues				
Interagency Receipts	51015	1.0	3.9	4.0
Commercial Fishing Loan Fund	51100	3,411.6	3,532.4	3,679.8
Fisheries Enhance. Revolving Loan Fund	51245	489.1	539.1	571.1
Rural Development Initiative Fund (2000)	51435	43.0	49.5	51.0
Small Business Dev Revolving Loan Fund	51467	20.8	47.9	49.3
Restricted Total		3,965.5	4,172.8	4,355.2
Total Estimated Revenues		3,969.5	4,176.8	4,359.2

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	0.0	4,172.8	4,172.8
Adjustments which will continue current level of service:				
-FY 09 Health Insurance Increases for Exempt Employees	0.0	0.0	0.2	0.2
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	0.0	126.2	126.2
Proposed budget increases:				
-Program Coordinator Position Costs in Administrative Services	0.0	0.0	20.0	20.0
-Core Service Increases Paid to Department of Administration	0.0	0.0	36.0	36.0
FY2009 Governor	0.0	0.0	4,355.2	4,355.2

**Investments
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>		<u>FY2009</u>		
<u>Plan</u>		<u>Governor</u>		
			Annual Salaries	1,858,262
Full-time	39	39	COLA	121,243
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,072,196
			<i>Less 5.90% Vacancy Factor</i>	(180,101)
			Lump Sum Premium Pay	0
Totals	39	39	Total Personal Services	2,871,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant IV	0	0	1	0	1
Accounting Spvr I	0	0	1	0	1
Accounting Spvr II	0	0	1	0	1
Accounting Tech I	0	0	4	0	4
Accounting Tech II	0	0	3	0	3
Accounting Tech III	0	0	2	0	2
Administrative Clerk II	0	0	2	0	2
Administrative Clerk III	1	0	1	0	2
Administrative Officer I	0	0	1	0	1
Division Director	0	0	1	0	1
Loan Closer/Processor I	0	0	2	0	2
Loan Closer/Processor II	1	0	3	0	4
Loan Closer/Processor III	0	0	1	0	1
Loan/Collection Manager	0	0	1	0	1
Loan/Collection Off I	2	0	4	0	6
Loan/Collection Off II	0	0	3	0	3
Loan/Collection Officer III	1	0	2	0	3
Secretary	0	0	1	0	1
Totals	5	0	34	0	39