

**State of Alaska**  
**FY2018 Governor's Operating Budget**

**Department of Natural Resources**  
**Agriculture Revolving Loan Program Administration**  
**Component Budget Summary**

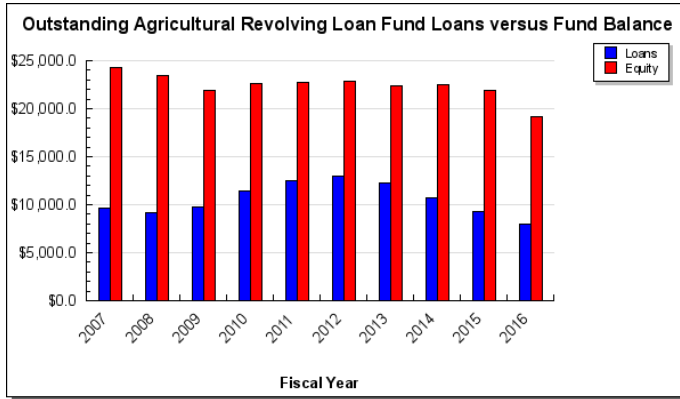
Component: Agriculture Revolving Loan Program Administration

**Contribution to Department's Mission**

Promote and encourage development of an agriculture industry in Alaska.

**Results**

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



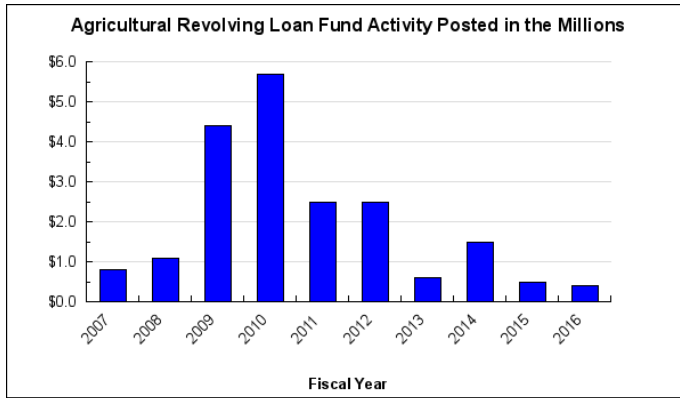
**Core Services**

- Provide moderate interest rate loans for Agricultural Development.

**Measures by Core Service**

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

**1. Provide moderate interest rate loans for Agricultural Development.**



**Major Component Accomplishments in 2016**

- The ARLF program celebrated 63 years of continued service to Alaska agriculture in August.
- Increased outreach and promotion of the ARLF by attending the Sustainable Agriculture Research and Education (SARE) conference.
- Promoted industry growth through competitive loans to borrowers with a viable business plan.
- Contributed to industry stability by providing continued financing for existing agricultural enterprises.
- Contractor completed an environmental inspection and provide remediation of the asset known as the Matanuska Maid Blow Mold Manufacturing Facility.

### Key Component Challenges

- Provide moderate interest loans to promote development of a viable agriculture industry.
- Maintain healthy revolving loan fund to meet industry needs.
- Sale of Agricultural Revolving Loan Fund (ARLF) assets to recapitalize fund.

### Significant Changes in Results to be Delivered in FY2018

- Increase outreach and promotion of the ARLF.
- Broker's Opinion of Value to be completed on Mt. McKinley Meat and Sausage property.
- Dispose of the Mt. McKinley Meat and Sausage property in Palmer.
- Close on the sale of Matanuska Maid Palmer Property.

### Statutory and Regulatory Authority

AS 03.09, AS 03.10

Contact Information
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**Agriculture Revolving Loan Program Administration  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2017</u> <u>Management</u> <u>Plan</u>	<u>FY2018</u> <u>Governor</u>		
Full-time	5	2	Annual Salaries	108,829
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	72,730
			<i>Less 3.01% Vacancy Factor</i>	<i>(5,459)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>2</b>	<b>Total Personal Services</b>	<b>176,100</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant I	0	0	0	1	1
Loan/Collection Off I	0	0	0	1	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>

**Component Detail All Funds**  
**Department of Natural Resources**

**Component:** Agriculture Revolving Loan Program Administration (2235)  
**RDU:** Agriculture (603)

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	558.4	515.6	515.6	524.8	176.1	-348.7	-66.4%
72000 Travel	3.9	24.0	24.0	24.0	19.1	-4.9	-20.4%
73000 Services	457.0	494.6	494.6	494.6	293.3	-201.3	-40.7%
74000 Commodities	957.9	1,506.5	1,506.5	1,497.3	7.2	-1,490.1	-99.5%
75000 Capital Outlay	29.4	0.0	0.0	0.0	0.0	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>2,006.6</b>	<b>2,540.7</b>	<b>2,540.7</b>	<b>2,540.7</b>	<b>495.7</b>	<b>-2,045.0</b>	<b>-80.5%</b>
<b>Fund Sources:</b>							
1021Agriculture Loan (DGF)	2,006.6	2,540.7	2,540.7	2,540.7	495.7	-2,045.0	-80.5%
<b>Unrestricted General (UGF)</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>Designated General (DGF)</b>	<b>2,006.6</b>	<b>2,540.7</b>	<b>2,540.7</b>	<b>2,540.7</b>	<b>495.7</b>	<b>-2,045.0</b>	<b>-80.5%</b>
<b>Other 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>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	5	5	5	5	2	-3	-60.0%
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 Natural Resources**

**Component:** Agriculture Revolving Loan Program Administration (2235)  
**RDU:** Agriculture (603)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2017 Conference Committee To FY2017 Authorized *****												
<b>FY2017 Conference Committee</b>	ConfCom	2,540.7	515.6	24.0	494.6	1,506.5	0.0	0.0	0.0	5	0	0
1021 Agric Loan		2,540.7										
<b>Subtotal</b>		<b>2,540.7</b>	<b>515.6</b>	<b>24.0</b>	<b>494.6</b>	<b>1,506.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
<b>Align Authority to Comply with Vacancy Guidelines</b>	LIT	0.0	9.2	0.0	0.0	-9.2	0.0	0.0	0.0	0	0	0
Transfer authorization to personal services from commodities to comply with vacancy guidelines due to a change in personnel. The commodity line covers meat purchases including boxes meat, live animal purchases, agricultural supplies and asset supplies. Since demand fluctuates the division can reduce the amount of boxed meat purchases resulting in available authority.												
<b>Subtotal</b>		<b>2,540.7</b>	<b>524.8</b>	<b>24.0</b>	<b>494.6</b>	<b>1,497.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
<b>FY2018 Salary and Health Insurance Increases</b>	SalAdj	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1021 Agric Loan		2.5										
Includes: ACOA COLA, 2.25% per contract ending 6/30/2018; GGU HI increase from \$1346 to \$1389; LTC HI increase from \$1363 to \$1432.: \$2.5 FY2018 PS Health Ins.: \$2.5												
<b>Align Authorization to Manage Vacancy Factor</b>	LIT	0.0	4.9	-4.9	0.0	0.0	0.0	0.0	0.0	0	0	0
Due to the travel freeze the Board of Agriculture and Agriculture Revolving Loan Fund (ARLF) staff did not travel freeing up funds to transfer to personal services to maintain a vacancy factor.												
<b>Align Authority to Support Board of Agriculture Meetings</b>	LIT	0.0	0.0	0.0	-8.1	8.1	0.0	0.0	0.0	0	0	0
Transfer authorization to supplies from services line item to support Board of Agriculture meeting preparation and loan program operations. Authorization is available in the services line due to anticipated decreased activity in legal services from the Department of Law. Most asset property has been sold and the fund delinquency is low resulting in decreased legal services needed through interagency transfer.												
<b>Reverse Mount McKinley Meat &amp; Sausage</b>	OTI	-2,047.5	-356.1	0.0	-193.2	-1,498.2	0.0	0.0	0.0	-3	0	0

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Natural Resources**

**Component:** Agriculture Revolving Loan Program Administration (2235)  
**RDU:** Agriculture (603)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
1021 Agric Loan		-2,047.5										
<p>Intent language from SLA 2016, "It is the intent of the legislature to allow for a one-time increment funding of Mt. McKinley Meat &amp; Sausage (MMM&amp;S) with the purpose of allowing appropriate time for negotiations between a private entity and the Board of Agriculture for the lease or sale of MMM&amp;S."</p> <p>The Board of Agriculture and Conservation (BAC) issued an initial request for proposal for Lease with Option to Purchase in May 2016 with the stipulation that the facility remain a USDA inspected slaughter facility. The BAC declined the only proposal received and is in the process of reissuing an RFP that will not require the property to remain a USDA inspected slaughter facility or have specific lease terms. The BAC will consider the lease proposal with the best terms. If a buyer is not found, the plant is anticipated to close no later than July 1st, 2017. This property is an asset of the Agricultural Revolving Loan Fund, any proceeds from the sale of the property will become available to finance new loans.</p>												
	<b>Totals</b>	<b>495.7</b>	<b>176.1</b>	<b>19.1</b>	<b>293.3</b>	<b>7.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Natural Resources**

**Scenario:** FY2018 Governor (13956)  
**Component:** Agriculture Revolving Loan Program Administration (2235)  
**RDU:** Agriculture (603)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
10-1727	Loan/Collection Off I	FT	A	GP	Palmer	200	16E / F	12.0		58,441	0	0	37,812	96,253	0
10-3052	Administrative Assistant I	FT	A	GP	Palmer	99	12L / M	12.0		50,388	0	0	34,918	85,306	0
20-6122	Corr Indus Prod Mgr II	FT	A	GP	Palmer	99	18Q	12.0		0	0	0	0	0	0
20-6169	Corr Indus Prod Mgr I	FT	A	GP	Palmer	99	16O / P	12.0		0	0	0	0	0	0
20-6425	Corr Indus Prod Mgr I	FT	A	GP	Palmer	200	16E / F	12.0		0	0	0	0	0	0
<b>Total</b>													<b>Total Salary Costs:</b>	108,829	
<b>Positions</b>													<b>Total COLA:</b>	0	
<b>Full Time Positions:</b>													<b>Total Premium Pay:</b>	0	
<b>Part Time Positions:</b>													<b>Total Benefits:</b>	72,730	
<b>Non Permanent Positions:</b>															
<b>Positions in Component:</b>													<b>Total Pre-Vacancy:</b>	181,559	
													<b>Minus Vacancy Adjustment of 3.01%:</b>	(5,459)	
													<b>Total Post-Vacancy:</b>	176,100	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	176,100	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1021 Agricultural Loan Fund	181,559	176,100	100.00%
<b>Total PCN Funding:</b>	<b>181,559</b>	<b>176,100</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 (1676)**  
**Department of Natural Resources**  
**Travel**

**Component:** Agriculture Revolving Loan Program Administration (2235)

Line Number	Line Name	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel	3.9	24.0	19.1
Object Class	Servicing Agency	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>2000 Travel Detail Totals</b>		<b>3.9</b>	<b>24.0</b>	<b>19.1</b>
2000	In-State Employee Travel	0.9	18.1	13.2
2001	In-State Non-Employee Travel	3.0	5.9	5.9

**Line Item Detail (1676)**  
**Department of Natural Resources**  
**Services**

**Component:** Agriculture Revolving Loan Program Administration (2235)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor	
3000	Services		457.0	494.6	293.3	
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor	
<b>3000 Services Detail Totals</b>			<b>457.0</b>	<b>494.6</b>	<b>293.3</b>	
3000	Education Services	Training and conferences	0.3	0.1	0.1	
3001	Financial Services	Loan service fees, expense management, and consulting	19.3	12.5	14.3	
3003	Information Technology	Software licensing	1.6	1.8	1.8	
3004	Telecommunications		5.8	7.7	7.7	
3006	Delivery Services		3.7	3.7	3.7	
3007	Advertising and Promotions	Advertise board meetings and asset disposals	8.9	8.9	8.9	
3008	Utilities	Utilities, heating oil, gas, electric, waste disposal, water, and sewer necessary to maintain assets	133.8	161.3	1.3	
3009	Structure/Infrastructure/Land	Property and facility appraisals to facilitate asset disposals, facility repairs, and maintenance	6.4	21.8	21.8	
3010	Equipment/Machinery	Minor repair and maintenance of vehicles and equipment	1.5	1.5	1.5	
3011	Other Services	Professional service contracts and special projects	27.3	27.3	27.3	
3016	Inter-Agency Economic Development	Correct - Department-wide	Mount McKinley Meat Plant inmate wage	35.0	35.0	0.0
3016	Inter-Agency Economic Development	Law - Department-wide	Legal services	100.6	100.0	91.9
3016	Inter-Agency Economic Development	NatRes - Administrative Services (424)	Accounting support	76.7	76.7	76.7
3016	Inter-Agency Economic Development	NatRes - Information Resource Mgmt.	Computer Information Center (CIC)	1.0	1.0	1.0

**Line Item Detail (1676)**  
**Department of Natural Resources**  
**Services**

**Component:** Agriculture Revolving Loan Program Administration (2235)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor	
<b>3000 Services Detail Totals</b>			<b>457.0</b>	<b>494.6</b>	<b>293.3</b>	
	Development (427)	support				
3016	Inter-Agency Economic Development	NatRes - Public Information Center (2441)	Public Information Center (PIC) support	4.2	4.2	4.2
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide		3.7	3.7	3.7
3021	Inter-Agency Mail	Admin - Department-wide		0.2	0.2	0.2
3022	Inter-Agency Human Resources	Admin - Department-wide		0.6	0.9	0.9
3027	Inter-Agency Financial	Admin - Department-wide	AKPAY, ALDER, and IRIS	0.6	0.6	0.6
3037	State Equipment Fleet	Trans - Department-wide	Fuel, equipment fixed costs, maintenance and repair, and equipment replacement	25.8	25.7	25.7

**Line Item Detail (1676)**  
**Department of Natural Resources**  
**Commodities**

**Component:** Agriculture Revolving Loan Program Administration (2235)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities		957.9	1,497.3	7.2
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>4000 Commodities Detail Totals</b>			<b>957.9</b>	<b>1,497.3</b>	<b>7.2</b>
4000	Business	Office and computer supplies, aerial photos, maps, and data processing	8.7	8.7	7.2
4002	Household/Institutional	Meat purchased for resale and live animal purchase for slaughter and resale. Processing, agricultural supplies, herbicides, insecticides, asset feed supplies, and related material necessary to manage assets	935.9	1,464.3	0.0
4004	Safety	Bottled water to maintain certified kitchen facility	1.4	1.4	0.0
4005	Building Materials	Structural repair supplies	0.5	2.6	0.0
4011	Electrical		2.5	3.5	0.0
4012	Plumbing		1.7	3.1	0.0
4013	Lube Oils/Grease/Solvents	Lube oils and solvents to maintain equipment	0.7	0.7	0.0
4015	Parts and Supplies	Repair and maintenance supplies including vehicle and parts for other equipment	5.0	5.0	0.0
4016	Paint/Preservatives	Paint to meet inspection requirements	0.7	1.6	0.0
4019	Small Tools/Minor Equipment	Hand tools	0.8	6.4	0.0

**Line Item Detail (1676)**  
**Department of Natural Resources**  
**Capital Outlay**

**Component:** Agriculture Revolving Loan Program Administration (2235)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5000	Capital Outlay		29.4	0.0	0.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>5000 Capital Outlay Detail Totals</b>			<b>29.4</b>	<b>0.0</b>	<b>0.0</b>
5004	Equipment	Replacement equipment such as boiler, water heater, compressor, and saw blades	29.4	0.0	0.0

**Revenue Detail (1681)**  
**Department of Natural Resources**

**Component:** Agriculture Revolving Loan Program Administration (2235)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>6021 Agric Loan (1021 Agric Loan)</b>			<b>1,887.8</b>	<b>1,454.6</b>	<b>0.0</b>
6351 Agricultural Loan Fund - Late Fees			6.3	0.0	0.0
6353 Agricultural Revolving Loan Fund - Chrgs for Srvc Misc			20.8	20.8	0.0
6354 Agricultural Rvlvng Loan Fnd-Chrgs for Srvc Svc Rndrd Rcpts			228.3	228.3	0.0
6355 Agricultural Rvlvng Loan Fund-Chrgs for Srvc Sale of Prdcts			1,205.5	1,205.5	0.0
6356 Agricultural Revolving Loan Fund - Rents and Royalties			3.9	0.0	0.0
6357 Agricultural Revolving Loan Fund - Short Term Loan Interest			423.0	0.0	0.0

**Inter-Agency Services (1682)**  
**Department of Natural Resources**

**Component:** Agriculture Revolving Loan Program Administration (2235)

				FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>Component Totals</b>				<b>248.4</b>	<b>248.0</b>	<b>204.9</b>
With Department of Corrections				35.0	35.0	0.0
With Department of Law				100.6	100.0	91.9
With Department of Natural Resources				81.9	81.9	81.9
With Department of Administration				5.1	5.4	5.4
With Department of Transportation/Public Facilities				25.8	25.7	25.7
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3016	Inter-Agency Economic Development	Correct - Department-wide	Mount McKinley Meat Plant inmate wage	35.0	35.0	0.0
3016	Inter-Agency Economic Development	Law - Department-wide	Legal services	100.6	100.0	91.9
3016	Inter-Agency Economic Development	NatRes - Administrative Services (424)	Accounting support	76.7	76.7	76.7
3016	Inter-Agency Economic Development	NatRes - Information Resource Mgmt. (427)	Computer Information Center (CIC) support	1.0	1.0	1.0
3016	Inter-Agency Economic Development	NatRes - Public Information Center (2441)	Public Information Center (PIC) support	4.2	4.2	4.2
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide		3.7	3.7	3.7
3021	Inter-Agency Mail	Admin - Department-wide		0.2	0.2	0.2
3022	Inter-Agency Human Resources	Admin - Department-wide		0.6	0.9	0.9
3027	Inter-Agency Financial	Admin - Department-wide	AKPAY, ALDER, and IRIS	0.6	0.6	0.6
3037	State Equipment Fleet	Trans - Department-wide	Fuel, equipment fixed costs, maintenance and repair, and equipment replacement	25.8	25.7	25.7