

State of Alaska FY2022 Governor's Operating Budget

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

RDU/Component: Economic Development

Contribution to Department's Mission

Promote economic development opportunities.

Results

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

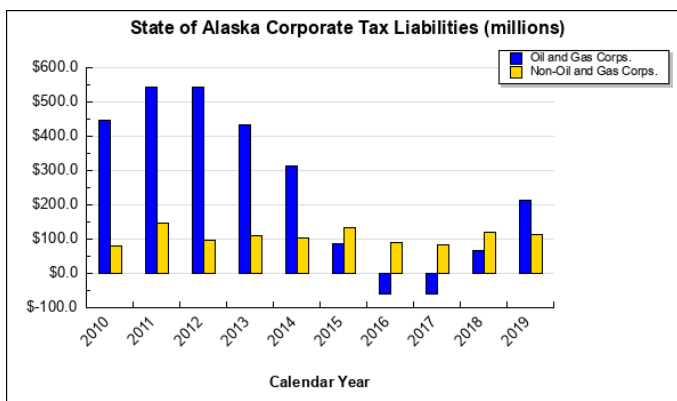
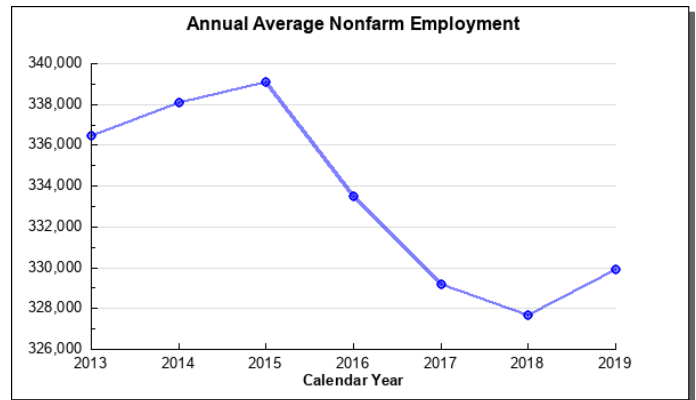
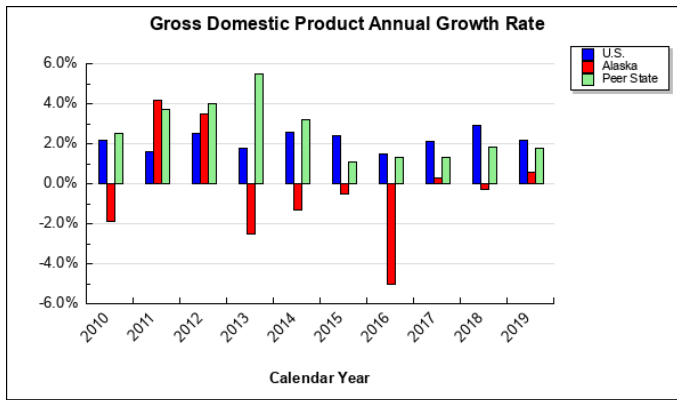
Core Services

- Maximize economic opportunities for Alaskans.
- Research

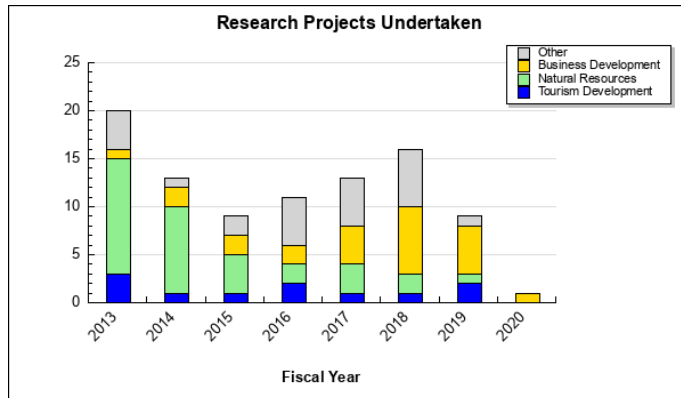
Measures by Core Service

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

1. Maximize economic opportunities for Alaskans.



2. Research



Major Component Accomplishments in 2020

Economic Development's Alaska Development Team supported Alaskan businesses and industries in COVID-19 pandemic response. The AKDT worked with the regional Small Business Administration to provide information about the Paycheck Protection Program and Economic Injury Disaster Loans, and partnered with the Department of Health and Social Services (DHSS) in response to Health Mandate 10 to solicit Community/Workforce Protective Plans for essential service and critical infrastructure businesses.

Business Development

The Alaska Development Team (AKDT) provided industry insight to Alaska's key industries, including:

- Oil and gas
- Mining
- Commercial fishing
- Mariculture
- Tourism
- Aerospace and Logistics
- Healthcare
- University of Alaska research and innovation
- Department of Defense military/defense spending
- Broadband and Telecommunications
- Public Private Partnerships

Oil and Gas

In response to a request from a North Slope producer, the AKDT coordinated with a logistics company, an oilfield services provider, and the Department of Transportation and Public Facilities to ensure delivery of a critical piece of prototype oilfield reservoir development equipment that was held at the Canadian border. As a result, the prototype was delivered in time to meet test window to prove the technology.

Mining

The Alaska Development Team supported an exhibit at the Association of Mineral Exploration's "Roundup" conference in Vancouver, British Columbia, in partnership with other state agencies. The team facilitated meetings with Graphite One and federal entities regarding Alaska's strategic critical minerals and high priority infrastructure projects. As a result, critical mineral mining is now included as an eligible sector for the federal "FAST-41" efficient coordinated permitting process.

Commercial Fishing

The Alaska Development Team provided COVID-19 support to the commercial fishing industry, which is a \$4.6 billion industry annually to Alaska and provides jobs in many coastal communities. Over several months, the AKDT hosted a series of meetings for the seafood processor industry in response to concerns that the federal COVID-19 travel

restrictions would prevent industry workers travelling on H-2B visas into the country. The industry expressed concerns that they would not have enough employees to meet seasonal demand. DCCED, the Department of Labor and Workforce Development (DOLWD), and the Department of Health and Social Services (DHSS) convened several meetings and continued to monitor the outcomes of the travel restrictions. As a result of those meetings, DOLWD intensified their web presence to attract displaced workers. These sessions were critical in providing much needed dialogue with industry on travel, operating guidelines under DHSS restrictions, submission of safety plans, and special orders of protective personal equipment (PPE).

Mariculture

Mariculture is a growing industry; in fall 2020 the industry achieved its largest single harvest in North America with over 40 tons of kelp from one farm. This important milestone demonstrated marketability, scalability, and a growth path for others to follow. The AKDT team convened and hosted several meetings with the Department of Natural Resources, the Department of Environmental Conservation, and the Department of Fish and Game to address concerns from the Mariculture task force. A draft action plan was developed from those meetings to assist this new industry. AKDT also participated in the Alaska Symphony of Seafood held in Juneau.

Tourism

The AKDT worked closely with the Alaska Travel Industry Association (ATIA), and has been instrumental in helping ATIA develop and submit grants to the federal government in support of Alaska's tourism industry. The AKDT works with communities looking to improve their tourism offerings, and with the private sector looking to develop "Alaska Destinations." Although interest in deploying new projects in Alaska has slowed in the wake of the pandemic, there are still projects that have been greenlit and funded for Alaska.

Aerospace and Logistics

The AKDT worked closely with the Alaska Aerospace Corporation (AAC) to develop additional aerospace opportunities for Alaska. The AKDT took the lead in developing the relationship between AAC and the government of Brazil. Additionally, the AKDT has worked to actively recruit aerospace companies from around the world to take advantage of Alaska's unique advantages in aerospace.

Broadband and Telecommunications

The AKDT has taken the lead as the State of Alaska's point of contact for Broadband issues. Importantly, the AKDT efforts in conjunction with the Denali Commission provided critical funding to update the State of Alaska's Statewide Broadband Plan. Completion of the Broadband Plan significantly improved the state's competitive position for federal funds.

Miscellaneous Development

Participated in a working group sponsored by the U.S. Department of Housing and Urban Development (HUD) and the regional Small Business Association to expand Opportunity Zones. The team organized and conducted a statewide workshop with a private audit firm who presented the program attributes to a statewide audience.

Successfully transitioned the Made in Alaska material and permit holders to the Division of Community and Regional Affairs.

At the request of the Fairbanks North Star Borough, the AKDT provided instrumental support to the University of Alaska Small Business Development Center in applying for a grant from the U.S. Department of Defense Office of Economic Adjustment to study the military supply chain in Alaska.

Completed Reports and Publications

DCCED commissioned the Institute of Social and Economic Research (ISER) to produce a statewide survey on the economic impacts of COVID-19 as well as to project said impacts going forward. The AKDT assisted ISER in this effort by coordinating data gathering activities with the Division of Banking & Securities as well as the Department of Labor & Workforce Development, Department of Revenue and the U.S. Small Business Administration.

The AKDT prepared the governor's annual Alaska Export Report detailing the state of Alaskans exports to its top 20 export partners.

Key Component Challenges

The division has been tasked with carrying out the Governor’s “Open for Business” strategy. The division will provide strategic and financial analysis for existing and new business growth opportunities utilizing its core expertise and experience with research and statewide economic development strategy implementation. This will require the division’s resources to be devoted to locating and developing opportunities to expand and diversify Alaska’s economy by finding ways to support and incentivize new and existing business growth. Staff will need to rapidly become subject matter experts on the key industry sectors of Oil & Gas, Mining, Fisheries, Mariculture, Aviation, Transportation, Tourism, Military, Agriculture, Communications, manufacturing and Research & Development.

Significant Changes in Results to be Delivered in FY2022

No significant changes are anticipated.

Statutory and Regulatory Authority

AS 44.33 Department of Commerce, Community, and Economic Development
AS 44.33.740 Rural Development

Contact Information
<p>Contact: Jim Andersen, Division Operations Manager Phone: (907) 465-2510 E-mail: jim.andersen@alaska.gov</p>

Economic Development Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2021</u> <u>Management</u> <u>Plan</u>	<u>FY2022</u> <u>Governor</u>		
Full-time	3	1	Annual Salaries	72,048
Part-time	0	0	Premium Pay	0
Nonpermanent	2	1	Annual Benefits	44,877
			<i>Less 0.28% Vacancy Factor</i>	(325)
			Lump Sum Premium Pay	0
Totals	5	2	Total Personal Services	116,600

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Development Assistant	1	0	0	0	1
Division Director - Px	1	0	0	0	1
Totals	2	0	0	0	2

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

Component: Economic Development (2743)
RDU: Economic Development (598)

Non-Formula Component

	FY2020 Actuals	FY2021 Conference Committee	FY2021 Authorized	FY2021 Management Plan	FY2022 Governor	FY2021 Management Plan vs FY2022 Governor	
71000 Personal Services	439.7	400.0	400.0	400.0	116.6	-283.4	-70.9%
72000 Travel	5.5	0.0	0.0	16.3	16.3	0.0	0.0%
73000 Services	210.2	146.6	146.6	130.3	77.9	-52.4	-40.2%
74000 Commodities	4.5	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	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%
Totals	659.9	546.6	546.6	546.6	210.8	-335.8	-61.4%
Fund Sources:							
1001 CBR Fund (UGF)	0.0	136.7	136.7	136.7	0.0	-136.7	-100.0%
1004 Gen Fund (UGF)	526.4	409.9	409.9	409.9	210.8	-199.1	-48.6%
1007 I/A Rcpts (Other)	133.5	0.0	0.0	0.0	0.0	0.0	0.0%
Unrestricted General (UGF)	526.4	546.6	546.6	546.6	210.8	-335.8	-61.4%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	133.5	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	3	3	3	3	1	-2	-66.7%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	3	3	3	2	1	-1	-50.0%

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

Component: Economic Development (2743)

RDU: Economic Development (598)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2021 Conference Committee To FY2021 Authorized *****												
Conference Committee												
	ConfCom	546.6	400.0	0.0	146.6	0.0	0.0	0.0	0.0	3	0	3
1001 CBR Fund		136.7										
1004 Gen Fund		409.9										
Subtotal		546.6	400.0	0.0	146.6	0.0	0.0	0.0	0.0	3	0	3
***** Changes From FY2021 Authorized To FY2021 Management Plan *****												
Align Authorization with Anticipated Expenditures												
	LIT	0.0	0.0	16.3	-16.3	0.0	0.0	0.0	0.0	0	0	0
Align authorization to support planned travel in the Division of Economic Development and for the Alaska Development Team. When funding for the Alaska Development Team was restored in the FY2021 budget, funding was omitted from the travel line. This transfer aligns authority in the component with anticipated expenditures.												
Delete Long-Term Vacant Development Associate (08-T173)												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	-1
Delete Development Associate position that was created in September 2019 but was not filled.												
The following position will be deleted: Full-time temporary exempt Development Associate (08-T173), range 18, located in Anchorage												
Subtotal		546.6	400.0	16.3	130.3	0.0	0.0	0.0	0.0	3	0	2
***** Changes From FY2021 Management Plan To FY2022 Governor *****												
Delete Vacant Development Associate (08-T172)												
	Dec	-96.6	-96.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	-1
1004 Gen Fund		-96.6										
Delete Development Associate position that is currently vacant.												
The following position will be deleted: Full-time temporary exempt Development Associate (08-T172), range 18, located in Anchorage.												
Transfer Alaska Development Team Staff to the Office of the Governor for Statewide Economic Development												
	Atout	-239.2	-186.8	0.0	-52.4	0.0	0.0	0.0	0.0	-2	0	0
1004 Gen Fund		-239.2										
Transfer two Alaska Development Team positions from the Department of Commerce, Community and Economic Development to the Office of the Governor to												

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

Component: Economic Development (2743)

RDU: Economic Development (598)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
manage economic development activities at the statewide level. This realignment will allow cabinet-level focus on engaging the business community and outreach, as well as direct coordination with the Governor's Office and the Governor on the economic impact of policies across departments. These positions were previously funded in part by an unbudgeted reimbursable services agreement from the Office of the Governor.												
The following positions are transferred:												
Full-time Business Development Officer (08-1274), range 27, located in Anchorage												
Full-time Development Manager (08-T007), range 28, located in Anchorage												
Fund Source Adjustment of CBRF to UGF												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1001 CBR Fund		-136.7										
1004 Gen Fund		136.7										
Replace Constitutional Budget Reserve Fund (CBRF) used as a one-time funding mechanism in FY2021.												
Totals		210.8	116.6	16.3	77.9	0.0	0.0	0.0	0.0	1	0	1

Line Item Detail (1676)
Department of Commerce, Community, and Economic Development
Travel

Component: Economic Development (2743)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
2000	Travel		5.5	16.3	16.3
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
2000 Travel Detail Totals			5.5	16.3	16.3
2000	In-State Employee Travel	In-State Transportation - Transportation costs for travel relating to administration, meetings, boards and commissions.	1.0	6.3	6.3
2002	Out of State Employee Travel	Out-of-State Transportation - Transportation costs for travel relating to administration, meetings, boards and commissions.	4.5	10.0	10.0

Line Item Detail (1676)
Department of Commerce, Community, and Economic Development
Services

Component: Economic Development (2743)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000	Services		210.2	130.3	77.9
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals			210.2	130.3	77.9
3000	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.	2.6	2.0	2.0
3003	Information Technology	Information Technology - Training, consulting, equipment and software leases, licensing and maintenance.	0.7	0.5	0.5
3004	Telecommunications	Local, long distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	4.9	3.0	1.5
3007	Advertising and Promotions	Advertising, promotions and legal notices.	30.7	15.0	7.5
3011	Other Services	Other services, including printer/copy machine services, contracting services, marketing collateral materials, and State Travel Office fees.	0.3	1.0	1.0
3017	Inter-Agency Information Technology Non-Telecommunications	Office of Information Technology - core services chargeback and pass-through billings for specialty licensing and other items.	1.9	2.0	2.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Office of Information Technology - core services chargeback and pass-through billings for specialty licensing and other items.	31.0	20.0	10.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide Office of Information Technology - telecommunications chargeback.	3.5	3.5	1.5

Line Item Detail (1676)
Department of Commerce, Community, and Economic Development
Services

Component: Economic Development (2743)

Object Class		Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals				210.2	130.3	77.9
3022	Inter-Agency Human Resources	Admin - Department-wide	Division of Personnel and Labor Relations - Human resource and personnel services.	2.1	3.0	1.6
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent: Atwood Building.	6.6	3.0	3.0
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent: Linny Pacillo Parking Garage.	2.8	2.8	2.8
3026	Inter-Agency Insurance	Admin - Department-wide	Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	Division of Finance - Computer services for State accounting (IRIS), payroll (IRIS HRM), and reporting (ALDER) systems.	0.6	0.6	0.6
3038	Inter-Agency Management/Consulting	Commerce - Administrative Services (1028)	Administrative Services support.	111.5	65.8	35.8
3038	Inter-Agency Management/Consulting	Commerce - Commissioner's Office (1027)	Commissioner's Office support.	10.9	8.0	8.0

Line Item Detail (1676)

**Department of Commerce, Community, and Economic Development
Commodities**

Component: Economic Development (2743)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
4000	Commodities		4.5	0.0	0.0
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
4000 Commodities Detail Totals			4.5	0.0	0.0
4000	Business	Supplies for office, library, training, and instructional needs, including small equipment, tools and subscriptions.	4.5	0.0	0.0

Revenue Detail (1681)

Department of Commerce, Community, and Economic Development

Component: Economic Development (2743)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
5007 I/A Rcpts (1007 I/A Rcpts)			133.5	357.2	0.0
5301 Inter-Agency Receipts	Gov - Department-wide	Reimbursable services agreement with the Office of the Governor for Alaska Development Team support. The unspent balance of this agreement carried forward into FY2021.	490.7	0.0	0.0
5301 Inter-Agency Receipts	Gov - Department-wide	Reimbursable services agreement with the Office of the Governor for Alaska Development Team support. The unspent balance of the FY2020 agreement carried forward into FY2021.	-357.2	357.2	0.0

Inter-Agency Services (1682)

Department of Commerce, Community, and Economic Development

Component: Economic Development (2743)

	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
Component Totals	169.1	106.8	63.4
With Department of Administration	46.7	33.0	19.6
With Department of Commerce, Community, and Economic Development	122.4	73.8	43.8

Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Office of Information Technology - core services chargeback and pass-through billings for specialty licensing and other items.	31.0	20.0	10.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide Office of Information Technology - telecommunications chargeback.	3.5	3.5	1.5
3022	Inter-Agency Human Resources	Admin - Department-wide Division of Personnel and Labor Relations - Human resource and personnel services.	2.1	3.0	1.6
3023	Inter-Agency Building Leases	Admin - Department-wide State-owned facility space rent: Atwood Building.	6.6	3.0	3.0
3023	Inter-Agency Building Leases	Admin - Department-wide State-owned facility space rent: Linn Pacillo Parking Garage.	2.8	2.8	2.8
3026	Inter-Agency Insurance	Admin - Department-wide Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide Division of Finance - Computer services for State accounting (IRIS), payroll (IRIS HRM), and reporting (ALDER) systems.	0.6	0.6	0.6
3038	Inter-Agency Management/Consulting	Commerce - Administrative Services (1028) Administrative Services support.	111.5	65.8	35.8
3038	Inter-Agency Management/Consulting	Commerce - Commissioner's Office (1027) Commissioner's Office support.	10.9	8.0	8.0

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

Scenario: FY2022 Governor (17280)
Component: Economic Development (2743)
RDU: Economic Development (598)

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
08-124X	Division Director - Px	FT	A	XE	Anchorage	N00	27J	1.0	**	10,582	0	0	5,175	15,757	15,757
08-T172	Development Associate	NP	A	XE	Anchorage	N00	18B / C	12.0		0	0	0	0	0	0
08-T174	Development Assistant	NP	A	XE	Anchorage	N00	17C / D	12.0		61,466	0	0	39,702	101,168	101,168
Total													Total Salary Costs:	72,048	
Positions													Total COLA:	0	
Full Time Positions:													Total Premium Pay:	0	
Part Time Positions:													Total Benefits:	44,877	
Non Permanent Positions:													Total Pre-Vacancy:	116,925	
Positions in Component:													Minus Vacancy Adjustment of 0.28%:	(325)	
Total Component Months: 13.0													Total Post-Vacancy:	116,600	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	116,600	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	116,925	116,600	100.00%
Total PCN Funding:	116,925	116,600	100.00%

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.

State of Alaska
Department of Commerce, Community and Economic Development
Division of Economic Development
FY2022 Governor Organization Chart

