

**Department of Commerce, Community and Economic Development
FY24 Midyear Status Report**

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
1	Banking and Securities / Banking and Securities	Increased Legal Costs and Financial Examiner 4 (08-#071) for Investigations and Enforcement	\$481.0 GF/Prgm (DGF) 1 PFT Position	Has the Examiner 4 position been hired? If so, when? Is the plan still that this position will lead a small enforcement team? It was mentioned that multiple cases have been identified historically, but have not been referred to the Department of Law due to staffing resources. Does this increment and new position provide the resources necessary to investigate and enforce a challenging and growing financial industry?
<p>Agency Response</p> <p>The Financial Examiner 4 was recruited for and filled, but recently became vacant and is currently in active recruitment. This position supervises two Investigator positions.</p> <p>This position provides additional staff support to advance necessary enforcement actions. The division's enforcement actions increased 60% from calendar year 2020 to calendar year 2022, and the volume of activity is not anticipated to decline. This position will allow the division to continue efforts to decrease backlogs and initiate enforcement activities as necessary to protect Alaskans from financial crimes.</p>				
2	Community and Regional Affairs / Community and Regional Affairs	Grant Funding to Palmer Emergency Food and Services Inc.	\$125.0 Gen Fund (UGF) IncOTI	When was this grant agreement signed and the funding distributed? Was it distributed in a lump sum? Was the grant agreement solely for food supplies or were there other expenditures allowed?
<p>Agency Response</p> <p>The grant agreement for \$125,000 was fully executed on September 6, 2023. This is a cost-reimbursable grant based on quarterly financial and progress reports documenting eligible expenditures, and as of January 15, 2024, \$24,000 has been disbursed. The objective of the project is to improve capacity to collect, store, and distribute food by upgrading the current operational processes at the Palmer Food Bank. Funding may also be used for: purchasing equipment including a larger walk-in freezer, Connex storage unit, a cargo vehicle, and facility utilities.</p>				
3	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Add Licensing Supervisor, Admin Assistants (7), & Licensing Examiners (4) to Address Increases in Professional Licensing	\$1,545.0 Rcpt Svcs (DGF) 12 PFT Positions	Which positions and how many have been filled? What were their hiring dates?
<p>Agency Response</p> <p>The Records and Licensing Supervisor position for the State Medical Board licensing team was filled 10/30/2023. All other positions have been have been created and are in active recruitment.</p>				

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4	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Funding for Big Game Board Executive Director	\$160.0 GF/Prgm (DGF) 1 PFT Position IncOTI	Is this position filled and when was the hire date?
Agency Response This position has not yet been filled.				
5	Tourism Marketing / Tourism Marketing	Tourism Marketing Grant to the Alaska Travel Industry Association (ATIA)	\$2,500.0 Gen Fund (UGF) IncOTI	Please provide details on how this funding has been utilized to date and if it will be fully expended by fiscal year end.
Agency Response This one-year operating grant runs from July 1, 2023-June 30, 2024. This is a cost-reimbursable grant based on monthly financial and progress reports documenting eligible expenditures. To date, funding has been used towards data management, website development and management, advertising, public relations, 2024 Vacation Planner, travel trade and international efforts, personnel and fringe, and administration. As of the November 30, 2023, status report, \$815,156.25 has been disbursed. This grant is expected to be fully expended by the end of the fiscal year. The objectives of the grant include, <ul style="list-style-type: none"> •Promote large scale awareness of Alaska's diverse experiences both statewide and year-round to potential visitors. •Enhance and strengthen Alaska's destination brand both domestically and internationally. •Establish Alaska as an innovative leader in the travel and tourism industry. •Continued focus on cultural and substantial integration in all brand efforts. •Generate high-quality leads and requests for trip-planning information. •Monitor and generate reporting mechanisms to measure effectiveness and efficiency of the program. 				
6	Alaska Oil and Gas Conservation Commission / Alaska Oil and Gas Conservation Commission	(SB 48) CARBON OFFSET PROGRAM ON STATE LAND Fiscal Note	\$908.0 Gen Fund (UGF) 2 PFT Positions	Have the Senior Carbon Engineer and Carbon Assistant positions been filled? If so, when?
Agency Response Both positions are in active recruitment. The Alaska Oil and Gas Conservation Commission is optimistic that both positions will be filled in spring 2024.				

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7	Alaska Gasline Development Corporation / Alaska Gasline Development Corporation	Support Ongoing Operations of the Alaska Gasline Development Corporation	\$3,086.1 Gen Fund (UGF) IncOTI	Is this funding projected to be fully utilized in FY24? Will any be available for carry-forward into FY25?
Agency Response This funding is anticipated to be fully expended in FY24.				
8	Alaska Gasline Development Corporation / Alaska Gasline Development Corporation	Language Sec 72(v) & (w) HB39 -GA 4/18- Fed Receipts and State Match to the Alaska Liquefied Natural Gas Project Fund	Total: \$6,500.0 \$4,000.0 Fed Rcpts (Fed) \$2,500.0 GF/Match (UGF)	Has the grant from the Department of Energy's National Energy Technology Lab been secured? Please provide an update on progress.
Agency Response The Alaska Gasline Development Corporation (AGDC) has worked with the U.S. Department of Energy to verify grant terms and finalize eligibility. AGDC anticipates receipt of the award in spring 2024.				
9	Alaska Energy Authority / Alaska Energy Authority	Power Cost Equalization Technician Support and Administrative Cost Increases	\$233.9 PCE Endow (DGF)	Has this position been filled? If so, when and have they been successful assisting communities with the PCE program?
Agency Response This position was filled on August 8, 2023. This position has provided the needed support to ensure timely Power Cost Equalization (PCE) payments. Since this position was hired, the Alaska Energy Authority has made all PCE payments to communities within 30 days. This position has also supported ongoing PCE program administration and audit functions.				
10	Alaska Seafood Marketing Institute / Alaska Seafood Marketing Institute	General Fund Participation in Seafood Marketing	\$5,000.0 Gen Fund (UGF) IncOTI	Explain how this funding is being used in FY24 and why it is unnecessary in FY25? What is unique about FY24 to require the UGF? Will it be fully expended in FY24?

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		<p>Agency Response</p> <p>Starting in 2023 and continuing into 2024, the Alaska Seafood industry is experiencing a significant imbalance between supply and demand for nearly all Alaska species that has placed undue stress on Alaska’s seafood industry. Market distortions, inflation, a strong U.S. dollar, and the loss of global markets due to unfair trade competition, notably from Russia and China, have created market turbulence. Experts warn that these market conditions have thrust the Alaska seafood industry into an economic squeeze, echoing challenges not witnessed for decades.</p> <p>As of 1/18/24, ASMI is has spent \$2.76 million and encumbered \$2.1 million of this funding, and will expend the entirety of the funds in FY24. The primary focus for this funding has been the U.S. Domestic market on the following species and products: sockeye, keta and pink salmon, surimi, and sablefish. The ASMI Board identified these key species as requiring additional near-term focus due to volume and value challenges experienced by Alaska’s fishermen and processing community. This funding has allowed ASMI to increase nationwide store and foodservice penetration, heightened digital coupon promotions, and create brand partnerships that would not be achieved without additional funding.</p> <p>Additionally, ASMI has expanded international promotions in Japan and Europe and supported marketing activities to diversify Alaska seafood exports from the Chinese market. ASMI marketing activities were expanded in Southeast Asia and Latin America in FY24. ASMI also conducted a trade mission to Morrocco in FY24 as North Africa and the Middle East have been identified as a new market for Alaska seafood exports with great potential.</p>		