

DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
FY15 Increment Status

Governor's Budget Items Approved as Requested

Item #	Approp/Allocation	Description	Amount/Fund Source	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions?	Dpt Comments/Responses
4	Alaska Energy Authority/Alaska Energy Authority Power Cost Equalization	FY15 Power Cost Equalization Program Funding	\$8,264.0 PCE Endowment (DGF)	<p>The Alaska Energy Authority's (AEA) FY15 projections for the total cost for the Power Cost Equalization (PCE) Program is \$41.4 million (an increase of \$8.3 million over FY14). These projections are based on a variety of factors, but the key driver of this increase is the assumption that an increase in the base rate or "floor" will be more than offset by increases in the cost of fuel in participating communities.</p> <p>For the first time, projected program costs are less than the seven percent maximum payout from the PCE Endowment allowable under the statutory formula (AS 42.45.070-085). The higher allowable payout is attributable primarily to an additional deposit of \$400 million in FY11 to the (at that time) approximately \$365 million PCE Endowment. As of 5/31/14, the balance of the PCE Endowment was \$962 million. The estimated amount of general funds required to subsidize the PCE Program is zero.</p> <p>Legislative Fiscal Analyst Comment: This funding is merely a projection of costs; open-ended language in Section 15(g) of HB 266 (the operating budget) appropriates the amount of general funds necessary to pay for the PCE Program under the statutory formula.</p>	\$ -	Is it anticipated that UGF be necessary in FY15?	No UGF is anticipated in FY15.

Legislative Additions and Deletions

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15	Regulatory Commission of Alaska/Regulatory Commission of Alaska	Analysis of Independent Electric Utilities System in the Railbelt	\$250.0 UGF	The legislature added funding to the Regulatory Commission of Alaska for personal and contractual services costs associated with determining whether creating an independent system operator or similar structure for electric utilities in the Railbelt area is a viable option.	\$ -	When will this determination be made and will it be made public in a report?	The Regulatory Commission of Alaska anticipates completing an interim report on the Railbelt Independent Electric Utilities System Determination project in early March, with a final determination and public report expected in June 2015.

Fiscal Notes

Item #	Bill #	Title	Amount/Fund Source	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions?	Dpt Comments/Responses
17	HB 140 (Chapter 87, SLA 2014)	Regulations: Notice, Review, Comment	\$98.9 RSS (DGF) 1 PFT Position	<p><u>Corporations, Business and Professional Licensing</u></p> <p>HB 140 requires several changes to requirements pertaining to the adoption, amendment or repeal of a state regulation. The department shall:</p> <ul style="list-style-type: none"> •submit a copy of every regulation or order of repeal adopted by the department to the governor for review; •respond to timely requests for changes from the governor; •accept additional levels of public comment; •respond to and record the additional public comments; and •meet additional public notice requirements. <p>One full-time Administrative Assistant II was added by the fiscal note to support an existing Regulations Specialist with the coordination of public notices, public comments and responses, cost estimates, copyright research and regulatory board meeting scheduling. The fiscal note also includes costs for additional review by a regulations attorney, startup costs to configure the existing professional licensing database, develop and implement regulations, establish procedures and purchase supplies. Per AS 08.01.065, licensing fees for each professional licensing program will be set so the revenue collected approximately equals the regulatory costs.</p>	\$ 39.4	Potential negative supplemental of \$39.4 Receipt Supported Services (DGF) -- half of the years personal services authorization.	PCN 08-2114 was established on 11/14/14. It was posted for recruitment 11/26/14 and the department anticipates a hire by 1/1/2015.

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Fiscal Notes (continued)

Item #	Bill #	Title	Amount/Fund Source	FY15 CC Book Comment	GF Dec?	LFD Notes/Questions?	Dpt Comments/Responses
18	HB 160 (Chapter 36, SLA 2014)	Licensing of Athletic Trainers	\$48.1 RSS (DGF)	<u>Corporations, Business and Professional Licensing</u> HB 160 establishes the professional licensing of Athletic Trainers. The fiscal note includes startup costs to configure the existing professional licensing database, develop and implement regulations, establish procedures and purchase supplies. Per AS 08.01.065, licensing fees for each professional licensing program will be set so the revenue collected approximately equals the regulatory costs.	\$ -	When will professional licensing of Athletic Trainers start?	The division is drafting regulations for public notice in December, which will then be public noticed before adoption. Once regulations are adopted, licensure will begin.
19	HB 328 (Chapter 114, SLA 2014)	Board/Licensing of Massage Therapists	\$69.8 RSS (DGF)	<u>Corporations, Business and Professional Licensing</u> HB 328 establishes a board and professional licensing of Massage Therapists. The fiscal note includes startup costs to configure the existing professional licensing database, develop and implement regulations, establish procedures and purchase supplies. Per AS 08.01.065, licensing fees for each professional licensing program will be set so the revenue collected approximately equals the regulatory costs.	\$ -	When will professional licensing of Massage Therapists start?	Once the board is appointed, the division will assist them to convene and adopt regulations. Licensure begins July 1, 2015.
20	HB 361 (Chapter 41, SLA 2014)	Licensing of Behavior Analysts	\$46.6 RSS (DGF)	<u>Corporations, Business and Professional Licensing</u> HB 361 establishes the professional licensing of Behavioral Analysts. The fiscal note includes startup costs to configure the existing professional licensing database, develop and implement regulations, establish procedures and purchase supplies. Per AS 08.01.065, licensing fees for each professional licensing program will be set so the revenue collected approximately equals the regulatory costs.	\$ -	When will professional licensing of Behavioral Analysts start?	Regulations were adopted in November and approved by the Lieutenant Governor on November 26, 2014. Professional licensing of Behavior Analysts will begin on December 26, 2014.
21	SB 138 (Chapter 14, SLA 2014)	Gas Pipeline; AGDC; Oil & Gas Production Tax	\$2,999.4 AGDC-LNG (Other) 6 PFT Positions	<u>Alaska Gasline Development Corporation / Alaska Liquefied Natural Gas (LNG) Participation</u> SB 138 expands the purpose of the Alaska Gasline Development Corporation (AGDC) by authorizing it to participate in advancing an Alaska liquefied natural gas project (AKLNG) while continuing to advance the in-state natural gas pipeline project. The fiscal note includes six new full-time positions and FY15 operating costs specific to the AKLNG initiative. The operating costs include personal services, travel for corporate staff and the AGDC Board members, additional office space, and one-time communication, IT equipment, and furnishings for the new staff. The Alaska Liquefied Natural Gas Project Fund (fund code 1235) was established and was capitalized with an almost \$70 million, FY14 supplemental appropriation (this transaction can be found under the "Fund Capitalization" pseudo-agency). Funding will pass directly from the fund to AGDC. AGDC also received a supplemental appropriation for FY14 operating costs specific to the AKLNG initiative.	\$ -	As of 12/15/14, four positions were vacant. No negative supplemental recommended since positions are funded with Alaska Liquefied Natural Gas Project funds (Other).	The AGDC-LNG positions were established on July 1, 2014. The Vice President was filled on 10/01/14, and the incumbent will analyze the needs of the corporation and determine how best to fill the other positions. This process is currently underway and AGDC anticipates filling the remaining vacant positions in the very near future. 08-733X - AKLNG Program Manager - Vacant 08-734X - Vice President, AKLNG - Filled 10/01/14 08-735X 0 Contract Compliance Officer - Vacant 08-736X - Manager, Financial Accounting - Vacant 08-737X - Administrative Assistant - Vacant 08-738X - Administrative Assistant - Filled 09/02/14