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Press Release

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Commissioner Hladick Outlines Impact of Partial Government Shutdown

Alaskans are advised that certain services provided by the Department of Commerce, Community and Economic Development will be affected

June 1, 2015 JUNEAU – In response to the ongoing budget impasse, Department of Commerce, Community and Economic Development employees were sent layoff notices this afternoon. Commissioner Chris Hladick shares Governor Bill Walker's optimism that the legislature will reach a compromise and the layoffs will be recalled prior to the end of this fiscal year. However, in recognition of the impact of possible reductions in service, the department will provide as much information and advance notice as possible to the public and potentially affected parties, and will continue to issue press releases as the details unfold.

Alaskans would experience significant reductions in services provided by the Department of Commerce, Community, and Economic Development (DCCED) should a partial state government shutdown occur, including impacts to local governments and the private sector.

The divisions most affected are determined by the percentage of unrestricted general funds received, not by the value of the work or responsibilities. The highest impacts would be seen by communities, businesses, and individuals who engage with or receive services from the Division of Community and Regional Affairs (DCRA) and the Division of Economic Development (DED). In DCRA, services reduced or cut would include rural utility assistance, the Local Boundary Commission, various planning, research and analysis functions, the Alaska Native Language Preservation Council, and a curtailment in both grants administration and local government support functions. In DED, economic development activities would be suspended, although most loan operations would continue (Commercial Fishing Revolving Loan program, etc.).

Layoff letters have not been sent to state corporations that do not fall under the personnel act. Accordingly, there would be minimal impact to services provided by the Alaska Energy Authority, the Alaska Industrial Development and Export Authority, the Alaska Gasline Development Corporation, and the Alaska Seafood Marketing Institute.

The remainder of DCCED agencies are not funded by unrestricted general funds through the operating budget, and it is anticipated would be able to recall the majority of their employees. These include the Alcoholic Beverage Control Board, the Division of Banking and Securities, the Division of Corporations, Business and Professional Licensing, the Regulatory Commission of Alaska, and the Division of Insurance. DCCED anticipates minimal impact to services from these divisions. For example, the Alcoholic Beverage Control Board would continue to regulate sale of alcohol and proceed with regulation of marijuana.

The mission of the Department of Commerce, Community and Economic Development is to promote a healthy economy, support strong communities, and protect consumers in Alaska. For additional information about DCCED divisions and corporate agencies, please visit commerce.alaska.gov.