

ALASKA STATE LEGISLATURE

SESSION ADDRESS:

Alaska State Capitol
Juneau Alaska 99801
Phone: 907-465-3743
Toll-free: 1-800-565-3743
Fax: 907-465-2381
Rep.Shelley.Hughes@akleg.gov

**INTERIM ADDRESS:**

600 E Railroad Avenue
Wasilla AK 99654
Phone: 907-376-3725
Fax: 907-376-4768

Representative Shelley Hughes
House District 8 ~ Greater Palmer

Honorable Senator Dunleavy, Chair
Labor and Commerce Committee
State Capitol, Room 510
Juneau, AK 99801

CSHB71(FIN) ARDORS Reauthorization

Sponsor Statement

March 28, 2013

HB71 extends the date of the Alaska Regional Economic Assistance program, enabling the creation of Alaska Regional Development Organizations (ARDORs). This bill extends the termination date of the program for three years. There are 12 ARDORs across the state, and they serve as the state's contribution to economic development in Alaska's urban and rural areas. They enable local officials and businesses to pool their limited resources and work together on economic development projects, develop public and private partnerships, and provide technical assistance.

In 1988 the ARDORs were formed in state statute. At that time the state believed that each region had its own concerns and challenges, and the best strategy would be to approach economic development with partners. ARDORs are non-partisan and can bring entities together for common goals and increase economic development in the regions. The ARDORs have leveraged the state funding by at least three to one and as much as eight to one.

House Labor and Commerce Committee heard the bill and changed the termination date from June 30, 2018 to June 30, 2016 to coincide with the outcome of Legislative Audit's review of the program. The ARDOR program has not been audited since its inception 25 years ago.

House Finance Committee heard the bill and offered a committee substitute that incorporated the requirement for the Department of Commerce, Community and Economic Development to prepare a report to the legislature February 1, 2014 and annually thereafter. The report would include financial information and project status information for each ARDOR as well as an economic development plan for statewide and regional projects.

The addition of the audit and reporting requirements will improve the accountability of the ARDORS and how they use state funds to improve the economic health of their regions.