

# ALASKA 2022-2027 STRATEGIC PLAN SUMMARY

In October 2022, the State of Alaska released the Alaska 2022-2027 Comprehensive Economic Development Strategy. The State Strategy Committee oversaw the development of 6 goals and 49 objectives for the 49th state, along with economic analysis and a SWOT summary. The inclusive planning processes represents input from small businesses, industries, tribes, Native organizations, municipalities, education institutions, nonprofits, and elected officials involved in various elements of the planning process. The Plan's goals and objectives are listed below.

## STRENGTHEN ECONOMIC ENGINES

**Regulatory:** Ensure a stable and predictable regulatory, permitting, and tax structure for the development of natural resources.

**Oil & Gas:** Develop Alaska's North Slope natural gas and heavy oil.

**Stranded Resources:** Improve access to facilitate the development of stranded resources.

**Mining:** Expand exploration for, and production of, critical minerals.

**Alternative Energy:** Develop alternative, low-emission uses for existing natural resources

**Military:** Attract new public and private investment in Alaska's defense sector.

**Timber:** Revitalize Alaska's forest products industry.

**Air Cargo:** Leverage the state's international air cargo hub to grow new business opportunities.

**Seafood:** Maximize the value of Alaska's seafood industry

**Tourism:** Grow and develop Alaska as a world-class visitor destination.



## CULTIVATE & GROW EMERGING SECTORS

**Mariculture:** Accelerate the growth of mariculture production for shellfish, kelp, and aquatic plants.

**Aerospace:** Develop an in-state aerospace sector based on space launches, unmanned aircraft, and aviation technology.

**Agriculture:** Grow Alaska's agricultural output and value to increase food security, substitute for imported food, and develop export products.

**Maritime:** Expand the maritime industrial sector to perform more boat and ship building and repair work in-state.

**Manufacturing:** Expand the capacity of Alaska's manufacturers to substitute imported products as well as expand to markets outside the state.

**Minerals:** Position Alaska as a key processing location for critical minerals.

**Sustainable Energy:** Develop Alaska as a global center of clean, sustainable energy innovation to attract and grow innovative firms.



## SUPPORT A STRONG BUSINESS CLIMATE & ENTREPRENEURIAL ECOSYSTEM

**University:** Utilize the assets of the University of Alaska System to grow knowledge-economy firms in Alaska.

**Training:** Ensure the availability of advising, training, and technical assistance services to small businesses.

**Start-ups:** Increase the number of investable startup companies based in Alaska.

**Access to Capital:** Ensure adequate access to capital for Alaska's small businesses and entrepreneurs.

**Technical Expertise:** Enhance the digital competencies of Alaska's businesses and entrepreneurs.

**Inclusivity:** Continue to support programs for rural business enterprises, minority, women-owned, and disadvantaged businesses.

**Regulatory:** Reduce the regulatory burden on small businesses and entrepreneurs.

**Entrepreneurs:** Ensure a supportive business environment for startup companies.

**Promote Alaska:** Promote Alaska's advantages as a place to do business.



## BUILD & UPDATE ECONOMIC FOUNDATIONS

**Broadband:** Ensure access to broadband in all Alaska communities that meets an acceptable standard for speed, reliability, and affordability.

**Ferries:** Ensure the continuation of the Alaska Marine Highway System as a commercial artery for the communities of coastal Alaska.

**Air:** Preserve the Bypass Mail and Essential Air Service programs, which have a significant beneficial impact for Rural Alaska families and businesses.

**Housing:** Increase the supply of affordable housing for urban and rural communities throughout Alaska.

**Marine Infrastructure:** Upgrade and, where needed, expand port, harbor, and waterfront infrastructure.

**Affordable Energy:** Reduce the cost of energy.

**Affordable Health Care:** Reduce the cost of health care.

**Transportation Infrastructure:** Improve transportation infrastructure throughout Alaska.

**Recreation:** Strategically invest in recreational and quality of life amenities.



## DEVELOP ALASKA'S WORKFORCE & HUMAN CAPITAL

**Workforce Coordination:** Align and coordinate statewide workforce development efforts.

**Education:** Maximize the educational opportunities of Alaskans.

**Workforce Attraction:** Attract working-age individuals and families to Alaska.

**Remote Workers:** Develop and expand opportunities for remote work in Alaska.

**Childcare:** Expand the availability of quality, licensed childcare

**WIOA:** Implement the Alaska Workforce Innovation and Opportunity Act (WIOA).

**Infrastructure Bill Preparedness:** Prepare Alaskans for job opportunities to be created by federally-funded infrastructure projects.

**Planning:** Develop or update and implement workforce development plans.

**Alternative Energy Workforce:** Prepare the Alaska workforce for job opportunities in low- and no-emissions energy technologies

**Regulatory:** Streamline and simplify regulatory processes.



## BUILD A RESILIENT ECONOMY

**Resiliency Planning:** Develop a resiliency framework for economic recovery from external shocks and persistent economic deficiencies.

**Resilience Capacity:** Leverage economic engines and emerging sectors to respond to supply chain disruptions, natural disasters, and external shocks.

**Resilient Infrastructure:** Build new, and upgrade existing, infrastructure capable of withstanding natural disasters and the impacts of climate change.

**Rural Resilience:** Increase economic opportunity and self-sufficiency in Rural Alaska while preserving subsistence lifestyle.





# IV. EMERGING SECTORS

Windmills in Kodiak



Homer oysters

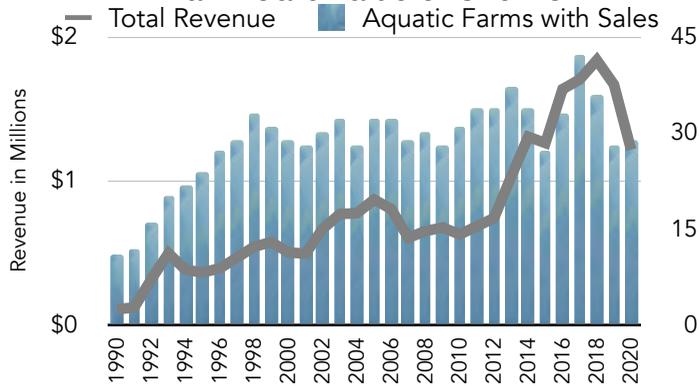


Welder at Ketchikan shipyard

## Mariculture

- In 2021, there were 49 applications for mariculture operations in Alaska, 31 operations with production, and one hatchery/nursery.
- Seaweed production in Alaska grew by 232% in 2021, to 536,390 lbs sold.
- Oyster production declined for the third year in a row in 2021, with 4.6 million oysters sold.

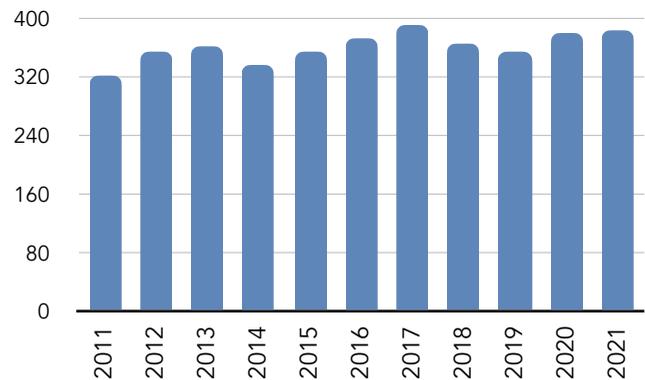
Alaska Aquatic Farm Production:  
Farm Gate Value of Shellfish



## Marine Services Industry

- Approximately 380 jobs in boat and ship building and repair statewide in 2020.
- Alaska has a fleet of over 9,000 vessels greater than 28ft in length.

Ship, boat building, and repair  
annual employment



## Energy Innovation

- Alaska's energy innovation sector includes renewable energy, no- or low-emissions energy sources, electrification of transportation, carbon capture, utilization, and storage (CCUS), and decarbonizing industrial processes.
- Installed solar capacity on the Railbelt grew by nearly 600% from 2016-2021 to more than 11 MW. A further 8.5 MW is currently under construction.
- The state has more than 150 islanded microgrids in rural villages, several of which have pioneered the integration of diesel generators with wind turbines and other renewable energy systems.
- The Renewable Energy Atlas of Alaska testifies to rich biomass, geothermal, hydroelectric, ocean and river hydrokinetic, solar, and wind resources across the state.
- Federal legislation in 2021 and 2022, along with public concerns about climate change and rising fuel prices, are driving a push toward decarbonization, adoption of low-cost renewable energy resources, and electrification of transportation.

Sources: ADOL, ACEP, REAP, ADF&G, AFDF, McKinley Research Group  
Photo credits: Jakolof Bay Oyster Company and Vigor Alaska



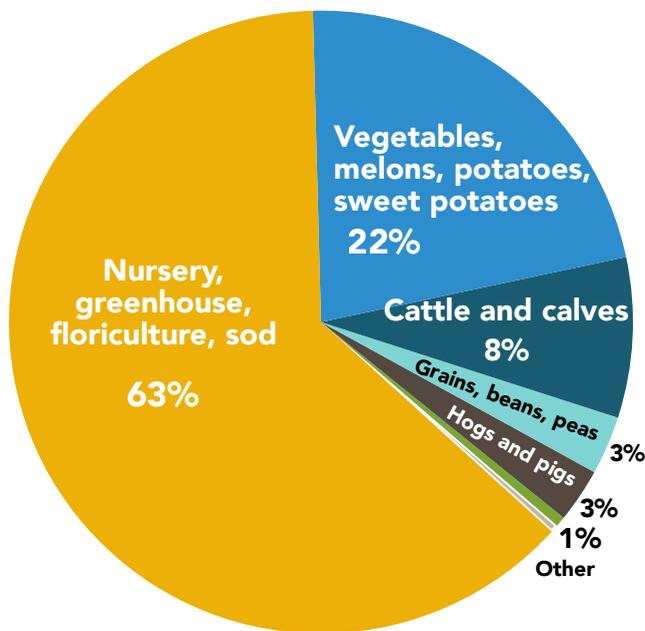
Barley harvest in Delta Junction

Denali

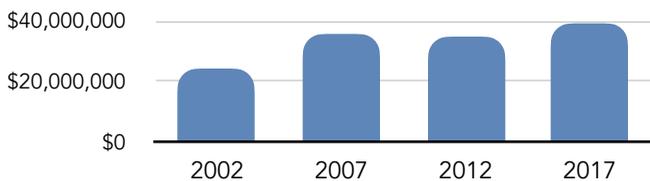
## Agriculture

- Alaska has approximately 850,000 acres of operated farmland.
- Approximately 1,050 farms operated in 2021.
- Agriculture revenue has increased over the last two decades, reaching \$39 million in sales in 2017 in real 2021 dollars.

Alaska Agriculture Revenue by Type



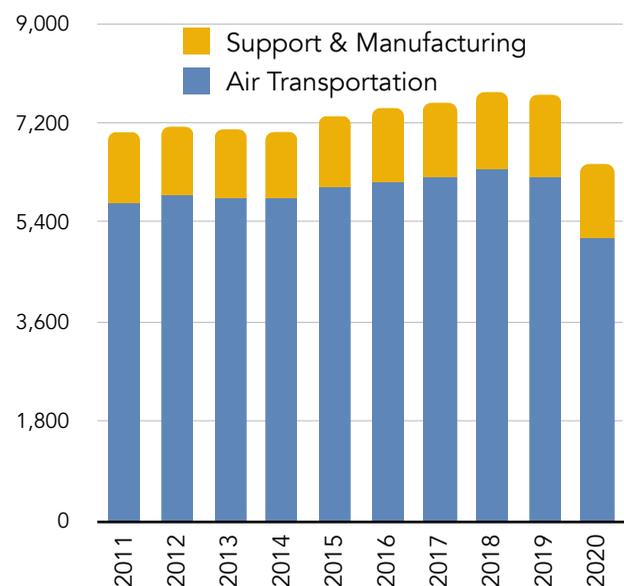
Agriculture Revenue by Year



## Aerospace and Aviation

- A total of 6,451 jobs were supported by aerospace and aviation-related industries in 2020.
- Aircraft engine and parts manufacturing exported \$96 million in products in 2020, ranking 14th in the state's total exports.
- FAA's Alaska Region has 2.4 million square miles of airspace.
- Alaska hosts an FAA-designated test range for unmanned aircraft, and the University of Alaska Fairbanks is a global leader in the field.
- The Pacific Spaceport Complex – Alaska hosted its first private sector launch in 2018. In 2021, the launch site hosted 2 launches, both commercial.

Aviation & Aerospace Jobs



Sources: USDA, ADOL, US Census, Alaska Aerospace Corporation 2021 Annual Report  
Photo credits: Jim McCann and Bill Jacobson

# Goal 3: A Strong Business Climate & Entrepreneurial Ecosystem

*A thriving business community rests on a supportive environment that makes Alaska a good place to start and run a business. This section addresses the needs of small “main street” businesses as well as tech-savvy startups with aspirations of scalable growth. Alaska’s economy needs both types to maintain the circulation of money in-state, and to spur the creation of new Economic Engines.*



## University

Universities are centers for knowledge transfer and can be utilized as a tool to stimulate entrepreneurial activity. Marketing and commercializing university intellectual property, developing instruction and internship opportunities around entrepreneurship, and aligning R&D with the state’s Economic Engines and Emerging Sectors are all ways in which the university could encourage entrepreneurial growth.

**Objective 3.1.** Utilize the assets of the University of Alaska System to grow knowledge-economy firms in Alaska. **Actions:**

- Market and commercialize intellectual property generated from university research.
- Provide credit and non-credit instruction and internship opportunities allowing students to explore entrepreneurship.
- Align university research with the R&D needs of Economic Engines and Emerging Sectors, especially in energy, Arctic technologies, resource development, ocean sciences, health care technologies, biosciences, and aerospace.

## Training

A suite of organizations across Alaska support small businesses and startups. Ensuring continued funding and support for organizations secures continued provision of the services those organizations offer. Building awareness of workforce programs, like the DOLWD small business programs, is one example of ways to ensure alignment, mutual referrals, and coordination between business assistance providers.

**Objective 3.2.** Ensure the availability of advising, training, and technical assistance services to small businesses. **Actions:**

- Maintain state, federal, and private sector investment in the Alaska Small Business Development Center (SBDC), Procurement Technical Assistance Center (PTAC), Manufacturing Extension Partnership (MEP), and other programs of the UAA BEI.
- Support Community Development Financial Institutions (CDFIs) and similar entities providing credit and training to small businesses.
- Spread awareness of the Department of Labor and Workforce Development’s (DOLWD) workforce programs for small businesses.
- Ensure alignment, mutual referrals, and coordination between business assistance providers.
- Provide training, education, and awareness about alternative enterprise models such as employee-owned cooperatives.

## Start-ups

A healthy startup ecosystem has a dynamic mix of companies. High growth, investable startups are an important part of generating new economic value and diversification. Encouraging the development of these startups in Alaska is important.

**Objective 3.3:** Increase the number of investible startup companies based in Alaska. **Actions:**

- Grow the capacity of new and existing startup accelerator programs to serve more entrepreneurs.
- Expand the technical assistance offerings available to high potential, high-growth startups.

- Create more opportunities for catalytic events such as sprints or Startup Weekends which encourage shared entrepreneurial learning and networking.
- Develop a research and development tax credit (credit against income) to incentivize the formation of new companies and valuable intellectual property.
- Support and promote Alaska-based venture capital funds.
- Encourage development of corporate innovation arms, such as corporate venture funds and R&D operations.
- Train Alaska startup founders how to raise angel and venture capital in order to increase cash inflow and money circulation in Alaska.

## Access to Capital

To meet the financial needs of the diverse mix of businesses and business owners across Alaska a variety of tools are necessary. Implementing new loan and grant programs, increasing utilizations of the State's loan programs, growing access to microloans, expanding Alaska's angel investor community, and developing crowdfunding participation may improve access to capital.

**Objective 3.4: Ensure adequate access to capital for Alaska's small businesses and entrepreneurs.**

### Actions:

- Implement the Alaska SBDC's tribal and small business financing programs funded by the U.S. Treasury's State Small Business Credit Initiative (SSBCI).
- Increase utilization of DCCED business loan programs and the Alaska Industrial Development and Export Authority (AIDEA) Loan Participation program.
- Increase the availability of microloans, especially in underserved areas.
- Increase the use of Alaska's Intrastate Crowdfunding for innovative businesses.
- Create Entrepreneurial Capital Catalyst Grants to invest in starting and restarting high growth-potential businesses underserved by the capital marketplace.
- Increase participation in Alaska's angel investor community to meet the capital needs of high growth-potential startups.
- Centralize navigation of financing programs for entrepreneurs and businesses.

## Technical Expertise

In an increasingly digital world, the importance of digital competency is only growing. Developing competencies in E-commerce, artificial intelligence, machine learning, and cybersecurity technical assistance are two strategies which could improve business competency.

**Objective 3.5: Enhance the digital competencies of Alaska's businesses and entrepreneurs.** **Actions:**

- Provide e-commerce trainings and resources for all communities, especially those newly connected to broadband utilizing Digital Equity Act funding.
- Provide cybersecurity technical assistance to businesses, especially those contracting with the federal government.

## Inclusivity

Programs already exist to serve diverse populations across the state. Rural business plan competitions and cohort-based business trainings throughout the state should be expanded and continued.

**Objective 3.6: Continue to support programs for rural business enterprises, minority, women-owned, and disadvantaged businesses.** **Actions:**

- Continue and expand rural business plan competitions and cohort-based business trainings throughout the state.

## Regulatory

State and local governments should formally evaluate various regulations to locate areas for simplification or streamlining to allow for easier compliance for small and entrepreneurial firms.

**Objective 3.7: Reduce the regulatory burden on small businesses and entrepreneurs.** **Actions:**

- Formally evaluate state regulations to locate areas for simplification or streamlining.

## Entrepreneurs

Pursuing federal funding for entrepreneurial support organizations to provide local and online resources to entrepreneurs helps grow a network of resources. In addition, state and local governments can evaluate the use of procurement preferences for startup businesses.

**Objective 3.8: Ensure a supportive business environment for startup companies.** **Actions:**

- Pursue federal funding for entrepreneurial support organizations that provide local and online resources to entrepreneurs.
- Evaluate the use of procurement preferences for startup businesses in state and local government procurement.

## Promote Alaska

The State of Alaska has a suite of brands and platforms at its disposal to market Alaska and Alaskan businesses. Programs like Made in Alaska, Alaska Grown, Silver Hand, and Travel Alaska build the Alaskan business brand. In addition, the state government can highlight the successes of Alaska startup companies on its communication channels.

**Objective 3.9: Promote Alaska's advantages as a place to do business.** **Actions:**

- Support programs like Made in Alaska, Alaska Grown, Silver Hand, and Travel Alaska.
- Highlight Alaska startup companies on state government communication channels.
- Create an online marketplace for Made in Alaska.