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To: House Finance
Subject: Public Testimony on CSHB 30(L&C)

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Submitted to the Alaska Legislature, Labor and Commerce Committee

Date: May 12, 2025

Re: Constitutional Concerns, Overlaps, Surveillance Risks, and Equity Issues in the Office of Entrepreneurship Bill

Chairperson and Members of the Committee,

Thank you for the opportunity to provide testimony on CSHB 30(L&C), which proposes the creation of an Office of Entrepreneurship within the Department of Commerce. While this bill may be well-intended in its goal to support small businesses and entrepreneurs in Alaska, I must raise serious concerns regarding its constitutionality, redundancies, cost implications, and potential harm to rural and marginalized communities.

I. Constitutional Violations and Privacy Risks

1. Right to Privacy (Alaska Constitution, Article I, Section 22):

The bill authorizes the Office to collect, analyze, and share business data across state agencies, economic development organizations, and potentially the military or local law enforcement. This opens the door to surveillance and data tracking of small business owners without clearly defined limits, oversight, or consent protocols.

Alaska's Constitution explicitly guarantees the right to privacy. Without proper guardrails, this bill violates that right by enabling government overreach into private enterprise data.

2. Due Process Concerns (5th and 14th Amendments):

There is no clear mechanism for businesses to challenge how their data is collected, interpreted, or used. If flagged, denied services, or reported to other agencies, entrepreneurs are left without notice or recourse, violating procedural due process.

3. Equal Protection Issues (14th Amendment, Alaska Constitution Art. I, Sec. 1):

The bill lacks any language to ensure equitable access for Indigenous, rural, or marginalized communities. Without affirmative protections, the Office may unintentionally prioritize urban, connected, or corporate interests—resulting in systemic exclusion.

II. Overlaps and Inefficiencies

Alaska already has economic development agencies, small business support programs, and grant coordination mechanisms. This bill duplicates many existing functions without consolidating or streamlining them. The lack of coordination with existing agencies—such as the AIDEA, AEA, or regional development corporations—creates bureaucratic redundancy.

Cost concerns must also be addressed. By layering new offices and duplicative administrative roles, the bill could double the cost to taxpayers while delivering marginal benefits, especially if it fails to serve hard-to-reach areas.

III. Impact on Rural and Marginalized Communities

Communities in rural Alaska—many of which are Indigenous—face longstanding barriers to capital, infrastructure, and state-level support. Yet this bill does not offer:

Any tribal consultation requirement

Any guaranteed inclusion of rural voices in program planning or leadership

Any accessibility mechanisms such as broadband-neutral strategies, multilingual services, or cultural liaisons

Without these, the Office of Entrepreneurship risks reinforcing existing inequalities and becoming another inaccessible, urban-centric bureaucracy.

IV. Recommendations to Fix the Bill

To ensure the bill is constitutional, equitable, and effective, I recommend the following amendments:

Data and Privacy Protections

Include language that limits data collection, prohibits sharing with law enforcement or military without a warrant, and establishes explicit consent protocols.

Require an annual privacy audit and a publicly available data governance charter.

Due Process Protections

Mandate a grievance and appeal process for businesses adversely affected by the Office's determinations.

Equity Requirements

Create a Rural and Marginalized Communities Advisory Council within the Office.

Require that at least 40% of resources and program outcomes serve rural, Indigenous, and economically disadvantaged entrepreneurs.

Eliminate Redundancy

Consolidate functions that overlap with existing departments.

Require the Office to coordinate with AIDEA, AEA, and local development entities before launching new programs or contracts.

Sunset Clause & Independent Oversight

Add a 5-year sunset clause unless extended by the legislature after review.

Establish independent oversight to monitor privacy risks, surveillance threats, and equitable access.

Conclusion

CSHB 30(L&C) must not become a vehicle for surveillance, redundancy, or urban favoritism. Without substantial revisions, it risks violating Alaska's strong constitutional privacy guarantees, burdening taxpayers, and excluding the very communities it claims to help. I urge the committee to amend the bill to protect privacy, uphold due process, ensure equity, and eliminate redundancy.

Thank you for your time and commitment to justice and good governance.

Susan Allmeroth

Two Rivers