



# AIDEA and HB 124

**Alaska House State Affairs Committee  
January 27, 2026**

**Randy Ruaro, Executive Director**

# Introduction to AIDEA

# The Policy Behind AIDEA

- Alaska Constitution. Art. VIII, Sec. 1  
“Statement of Policy” It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use”
- Alaska Statehood Act. Section 6(i)  
“All grants ... shall include mineral deposits ... together with the right to prospect for, mine, and remove the same.”
- Why?  
Alaskans and Congress were worried about the lockup of federal land that had occurred. (99% of land in Alaska held by Federal government, much of it in withdrawals). Alaskans wanted the right to work, support their families. And produce enough revenue for the State of Alaska to fund the education and health needs of Alaskans. Congress also wanted Alaska to succeed as a state financially and produce minerals and products for the nation.

# How Did The Alaska Constitution and the Alaska Statehood Act Produce AIDEA?

- The Alaska Legislature passed Senate Bill 153 on April 24, 1961, and House Bill 14 on April 4, 1967. The bills were signed by the Governor creating AIDEA.
- Based on an understanding that while there was plenty of resources in Alaska, development of those resources required access to financing.
- From that 2nd Legislature to today – the 34<sup>th</sup> Legislature - the value of AIDEA as an independent corporation charged with helping make sure Alaskans could work and support their families, and the State could support itself has been recognized.

Be it enacted by the Legislature of the State of Alaska:

## Article I

### Organization of Development Corporation

**Section 1. Purpose.** The purpose of this Act is to create an instrumentality of the state to develop, stimulate, and advance the business prosperity and economic welfare of Alaska and its citizens. This shall be accomplished by providing critically needed investment capital for development loans to encourage and assist the wholesome development of new business and industry in Alaska and to rehabilitate and expand existing business and industry. By providing development loans to all types of business activity, whether of an industrial, agricultural, or recreational nature, the economic stability of the state will be strengthened, the employment opportunities of its citizens enlarged, and their standard of living and general welfare enhanced.

Be it enacted by the Legislature of the State of Alaska:

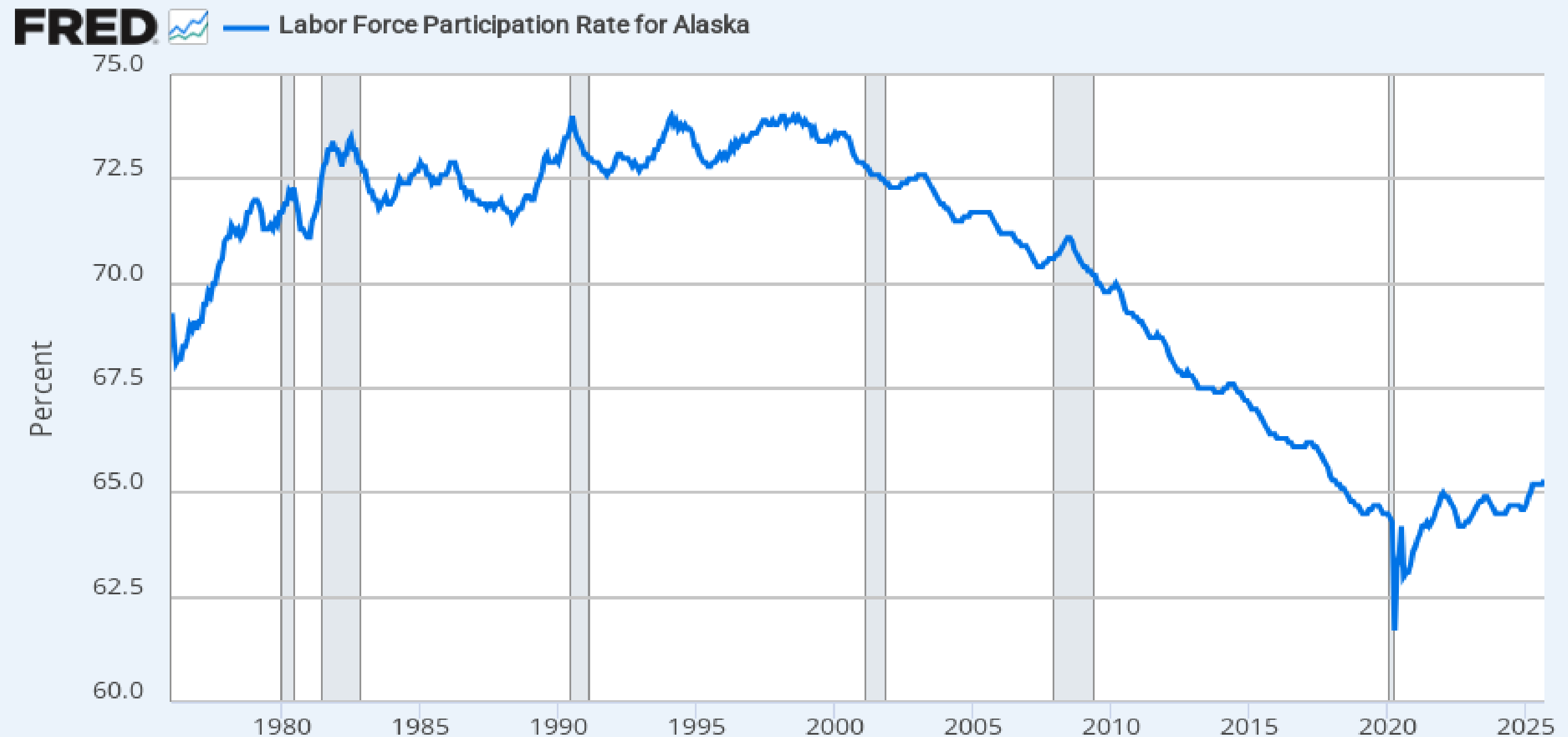
### Sec. 44.61.140

(a) The real and personal property of the authority and its assets, income, and receipts are declared to be property of a political subdivision of the state and together with any project financed under this chapter and a leasehold interest created in a project occupant or other person under this chapter, devoted to an essential public and governmental function and purpose, ...

# The Policy Against Unemployment and Poverty

- The Legislature that created AIDEA was particularly worried about the harmful effects of unemployment. In other words, harm from not developing Alaska's resources, especially in rural Alaska.
- AS 44.88.010(a)(2) – Legislative Finding. “Unemployment is a serious menace to the health, safety, and general welfare [to Alaskans living in areas of high unemployment] but also to the people of the entire state.”
- Harmful effects of unemployment and poverty on Alaskans includes increased suicide rates, increased mental health issues, homelessness, poorer educational outcomes, etc.

# Labor Participation Rate / Earnings



Source: U.S. Bureau of Labor Statistics via FRED®

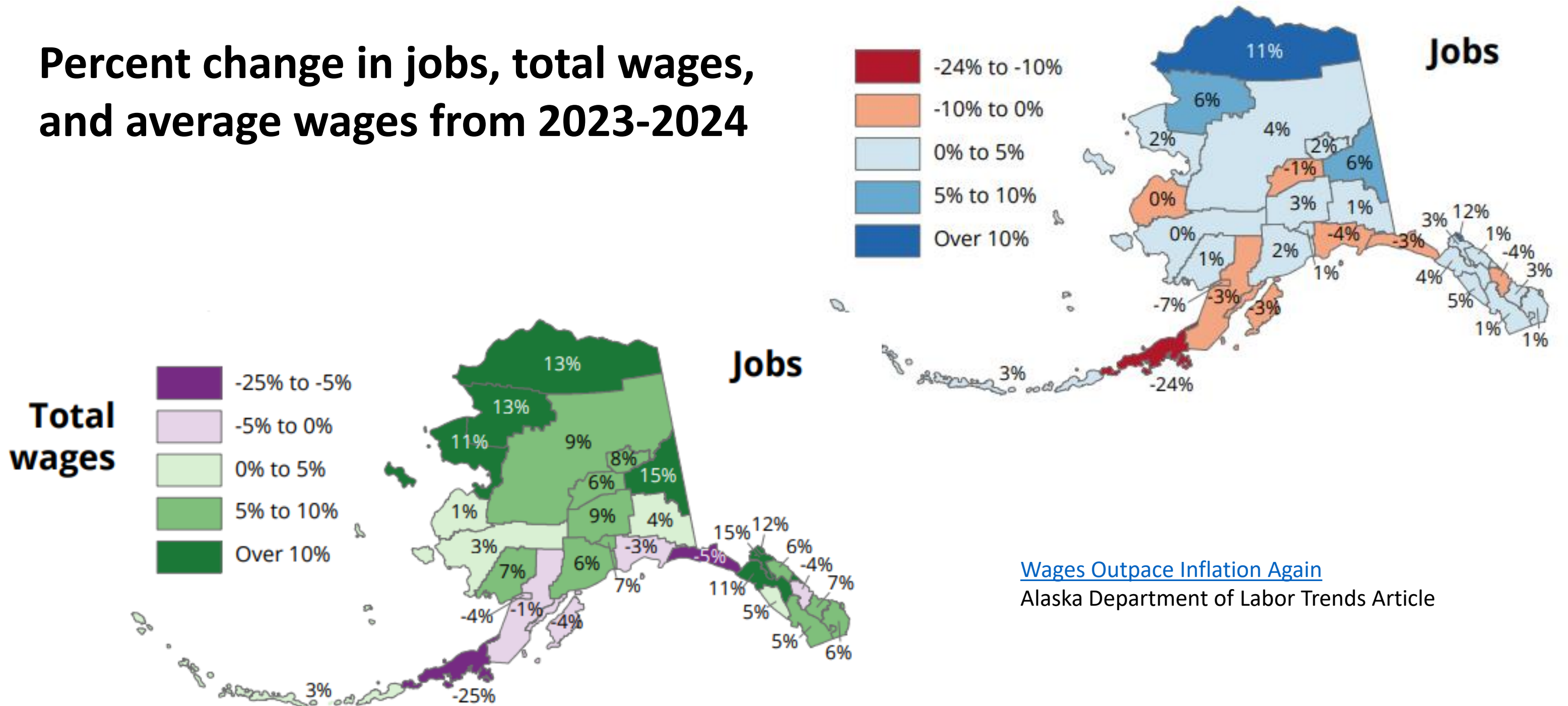
*Shaded areas indicate U.S. recessions.*

myf.red/g/1QSZq



# Earnings Levels in Alaska

## Percent change in jobs, total wages, and average wages from 2023-2024



[Wages Outpace Inflation Again](#)  
Alaska Department of Labor Trends Article

# How was AIDEA Designed to Work?

- AIDEA was designed to be separated (almost entirely) from the politics of the legislature, the legislative process, and from the State and the State Treasury
- AS 44.88.020 – AIDEA was created as a public corporation but with a “separate and independent existence” from the State of Alaska
- AS 44.88.030 – AIDEA is managed by a Board of Directors, appointed by the Governor. Actions must be approved by a majority vote of Board
- AS 44.88.060 – AIDEA must manage assets as a reasonable and prudent investor under AS 37.10.071(c)
- AS 44.88.080(1) to (32) AIDEA given broad powers to achieve its mission. Including ability to enter into “contracts” and own property rights in those contracts



# How is AIDEA Designed to Work (continued)

- AS 44.88.190(a) – AIDEA can use its credit (AA+) to lend and invest in companies or borrow funds
- AS 44.88.190(a) – AIDEA is not a “state agency” as the term is used for reference to legislative control of funding in the Executive Budget Act. AS 37.07. With one exception. Annual operating budget
- AS 44.88.205 – AIDEA’s annual operating budget – even though it uses only AIDEA generated funds – is subject to legislative control
- AS 44.88.190(b) – AIDEA’s “funds, income, or receipts may not be considered or constitute money of the state, nor may real property in which the authority has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way land belonging to the state.”

# Legal Challenges to the Statutory Structure of AIDEA



- Legal challenges to AIDEA and its structure as an independent corporation with control over its own assets was brought almost immediately in 1961
- DeArmond v. Alaska State Development Corporation, 376 P.2d 717 (Alaska 1962). The Alaska Supreme Court upheld AIDEA's statutes finding that the Legislature, exercising its authority under Art. II of the Constitution, had the ability to create AIDEA in the way it chose.

# How has AIDEA Been Doing?

# What Can it do in the Future?

# AIDEA Earns AA+ Bond Rating Highlighting Financial Strength and Alaska Commitment



- The Alaska Industrial Development and Export Authority (AIDEA) has received an AA+ bond rating from S&P Global Ratings, underscoring the agency's robust financial health.
- The AA+ rating is the highest AIDEA has ever received. It places AIDEA among the top state-affiliated development banks nationwide, matching or exceeding the ratings of most peers.
- The new rating will foster a strong ability to finance job creation and economic growth across Alaska.
- With the AA+ rating, AIDEA can leverage its financial resources more effectively, expanding support for impactful projects and key initiatives statewide. The rating also enables AIDEA to offer funds at lower costs and interest rates, benefiting Alaska businesses and communities. This milestone will help us further our mission to stimulate job creation, investment and sustainable economic opportunity for all Alaskans.

[Alaska Industrial Development & Export Authority | S&P Global Ratings](#)

[S&P Global Ratings Direct Research Update for AIDEA](#)

# FY 2025 Annual Report

## Record-Breaking Performance



FY2025 was the strongest financial performance in AIDEA’s history.

**\$67.4 Million**

Statutory Net Income

**\$17.0 Million**

Dividend Declared  
(to State General Fund)  
+\$6.5 Million (ANWR)

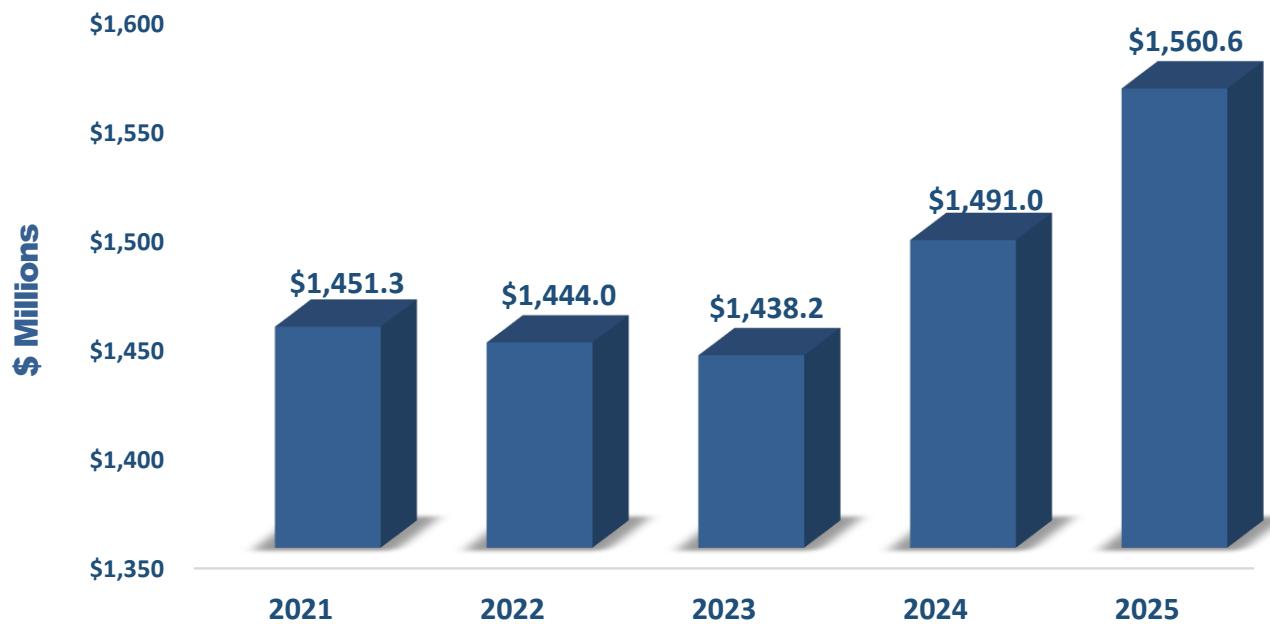
**\$512 Million+**

Cumulative Dividends

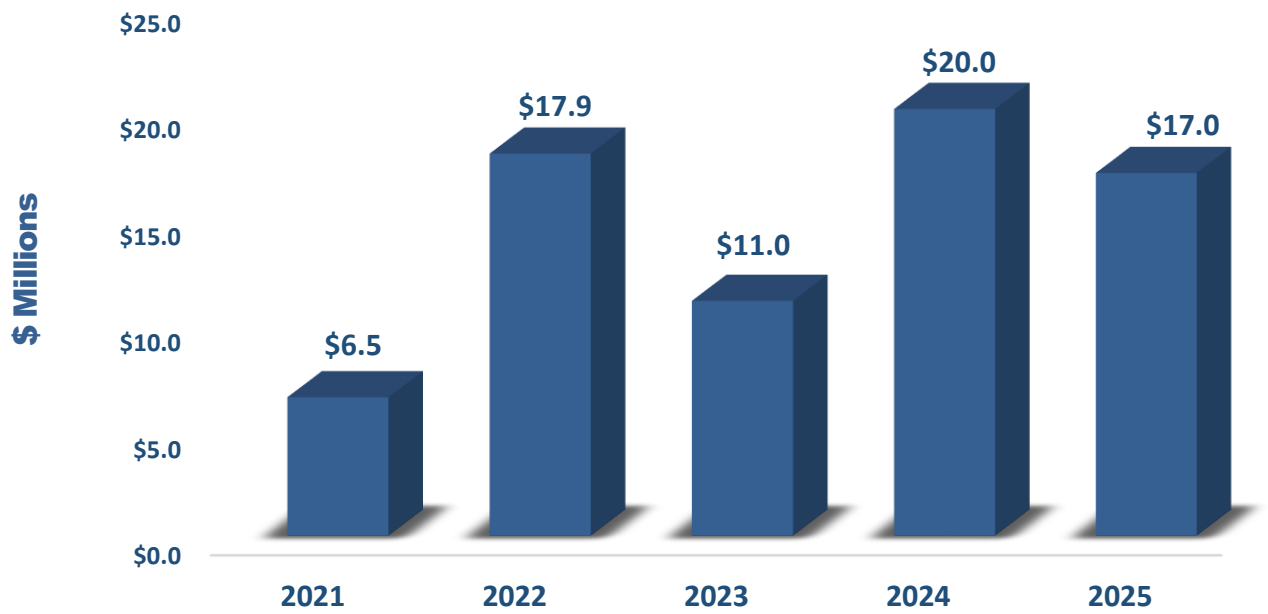
**AA+**

Credit Rating (S&P Global  
Ratings) - Highest in History

AIDEA NET POSITION



AIDEA DIVIDEND PAYMENTS

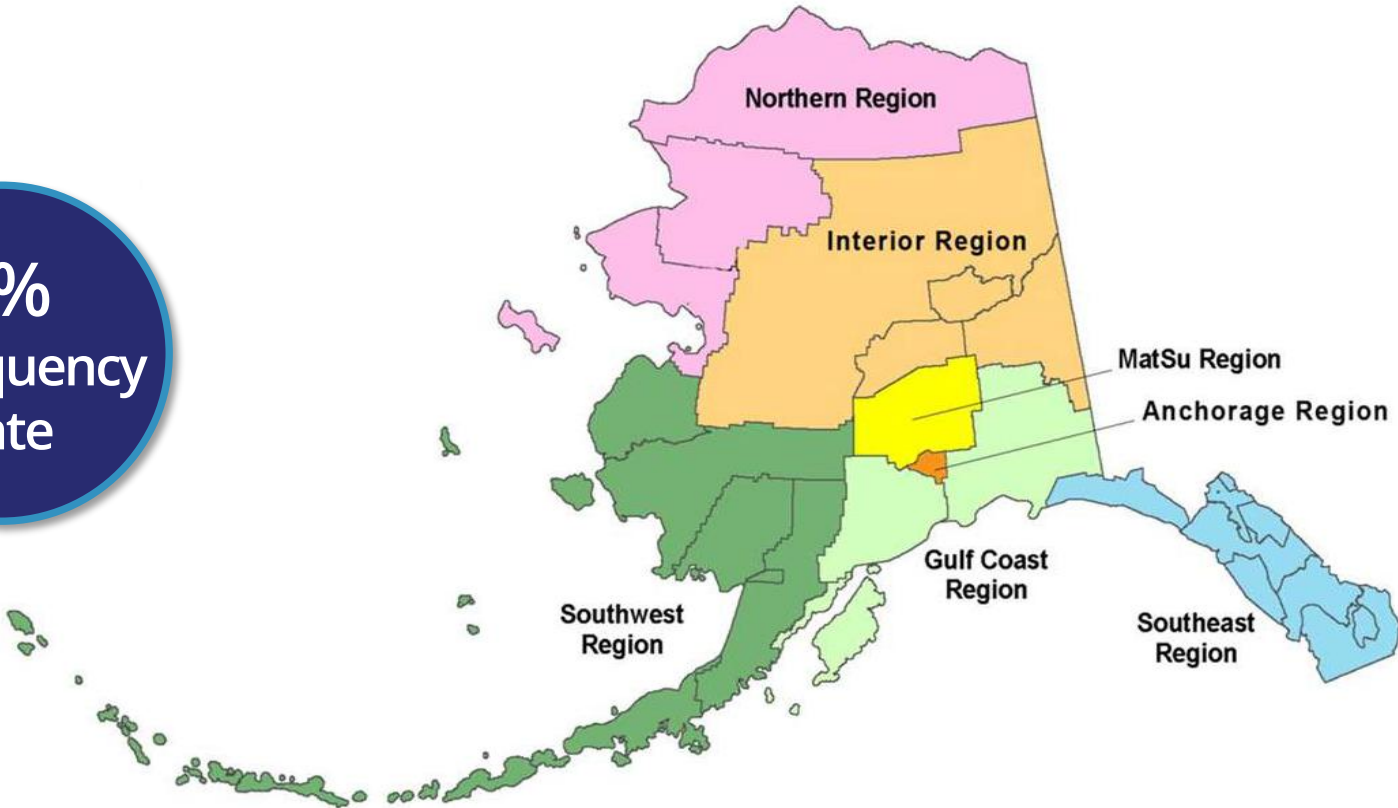


# Loan Participation Program (LPP) Highlights and Regional Diversity

Learn more about the  
Loan Participation Program  
<https://bit.ly/AIDEAlpp>



## FY2025 LPP HIGHLIGHTS



**REGIONAL DIVERSITY OF PARTICIPATION LOANS** IN WHOLE NUMBERS  
**OUTSTANDING BALANCES AS OF 12/31/2025**

REGION	LOAN PARTICIPATIONS CURRENT MONTH END BALANCE	LOAN PARTICIPATIONS PREVIOUS MONTH END BALANCE	MONTH OVER MONTH PERCENTAGE CHANGE	CURRENT MONTH % OF TOTAL	
ANCHORAGE	\$145,155,153	\$148,541,853	-2.28%	41.88%	<div></div>
MATSU	\$79,183,111	\$79,497,787	-0.40%	22.85%	<div></div>
SOUTHEAST	\$53,116,584	\$53,275,808	-0.30%	15.32%	<div></div>
GULFCOAST	\$33,060,600	\$33,189,801	-0.39%	9.54%	<div></div>
INTERIOR	\$26,032,540	\$26,110,482	-0.30%	7.51%	<div></div>
NORTHERN	\$8,299,836	\$8,420,334	-1.43%	2.39%	<div></div>
SOUTHWEST	\$1,759,756	\$1,775,040	-0.86%	0.51%	<div></div>
STATEWIDE TOTALS	\$346,607,579	\$350,877,203	-1.23%		

\* New Loans include Pending Commitments and Anticipated Fundings.  
(Does not include OREO, PPF Loans, or Assumptions; Does not include Outstanding Balance to be Funded on Development Project Loans)



# AIDEA SMALL BUSINESS LOANS DCCED MANAGED PROGRAMS



For more information  
on the RDIF Program,  
visit  
<https://bit.ly/AIDEArdif>



For more  
information on the  
SBED Program, visit  
<https://bit.ly/AIDEAsbed>



## Strengthening Alaska's Small Business Economy in 2025

In 2025, AIDEA advanced its mission to support small businesses and rural communities through two key programs: the Rural Development Initiative Fund (RDIF) and the Small Business Economic Development (SBED) program. These tools continue to deliver meaningful economic impact across Alaska, helping entrepreneurs grow, hire, and invest in their communities.

### Recapitalizing SBED to Meet Demand

By early 2025, the SBED Fund faced a significant funding shortfall. With only \$298,593 available for lending and \$1.2–\$1.5 million in active loan requests, the program risked a nine-month pause in new lending. At the same time, the RDIF held \$5.89 million in available funds but was underutilized due to statutory constraints. To maintain lending continuity, the AIDEA Board approved Resolution G25-12 on December 10, 2025.

### Resolution G25-12 Authorized:

- Up to \$3 million transferred from the AIDEA Revolving Fund to SBED
- Up to \$3 million transferred from RDIF to SBED

This strategic rebalancing ensured uninterrupted access to capital for small businesses statewide.

### AIDEA's Commitment to Small Business Growth

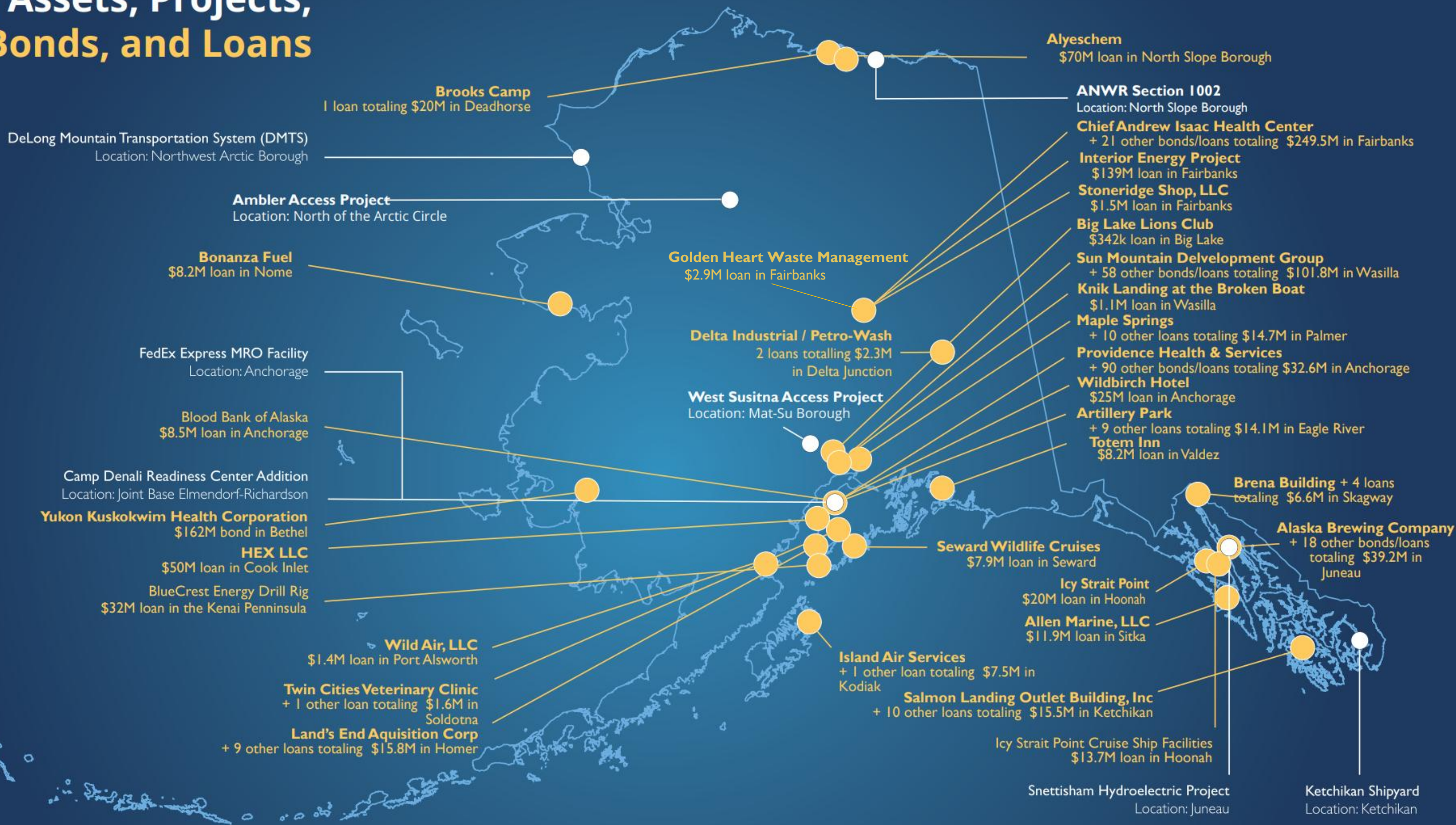
The success of RDIF and SBED in 2025 was supported by AIDEA's strong financial performance and organizational momentum throughout the year. Backed by the leadership of Executive Director Randy Ruaro and the dedication of AIDEA's staff, these programs remain essential tools for building resilient local economies.

With renewed funding and strong demand, RDIF and SBED are positioned to play an even greater role in Alaska's economic future—empowering entrepreneurs, supporting rural communities, and driving long-term private-sector job growth.

\* This type of AIDEA loan program is administered by the State of Alaska Department of Commerce, Community, and Economic Development, Division of Investments.



# AIDEA Assets, Projects, Bonds, and Loans



**AIDEA Bonds and Loans Funded**  
(including an example of one bond or loan and total funded in community)

\$522,059,965 in Bonds | \$575,016,250 in Loans



# Healthcare Funding

- **Harry & Sally Porter Heart Center in Fairbanks, AK** - AIDEA participated in financing of the Center \$12.5 M in revenue bonds
- **Providence Health Services in Anchorage, AK** - AIDEA issued \$122.72 M in tax-exempt conduit revenue bonds
- **Blood Bank of Alaska** - AIDEA Provided funding to complete construction of the new 57,000 sf laboratory and collection facility.
- **Yukon Kuskokwim Health Corporation in Bethel, AK** - AIDEA financed \$161.9 M of the initial construction
- **Chief Andrew Isaac Health Center in Fairbanks, AK** - AIDEA provided \$145 M in funding for the Tanana Chiefs Health Center.
  - [AIDEA Board Approves Conduit Bonds Issuance - Alaska Business Magazine Article](#)

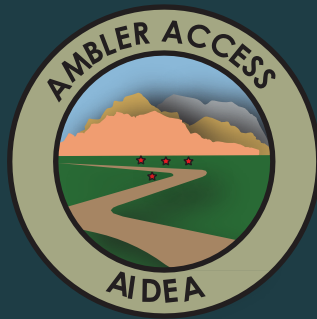


**Harry & Sally Porter Heart Center in Fairbanks, AK**



**Yukon Kuskokwim Health Corporation in Bethel, AK**





# Ambler Access Project

## Potential Benefits

### Mine Construction

- 2,777 direct jobs with \$286 million in wages annually
- 2,034 additional indirect and induced jobs with \$108 million in wages annually

### Mining Operations

- 495 direct jobs with \$72 million in wages annually
- 3,436 additional indirect and induced jobs with \$228 million in wages annually

### Road Construction and Operations

- An annual average of 360 direct jobs over the road construction period
- Up to 81 direct annual jobs for road operations and maintenance over the life of the road

### Government Revenue Generation

- \$393 million in mining license tax revenues
- \$524 million in corporate income taxes
- \$214 million in production royalties
- \$13 million in claim rents



Learn more about this project at [www.ambleraccess.org](http://www.ambleraccess.org)

"Jobs help.  
Jobs help a lot."



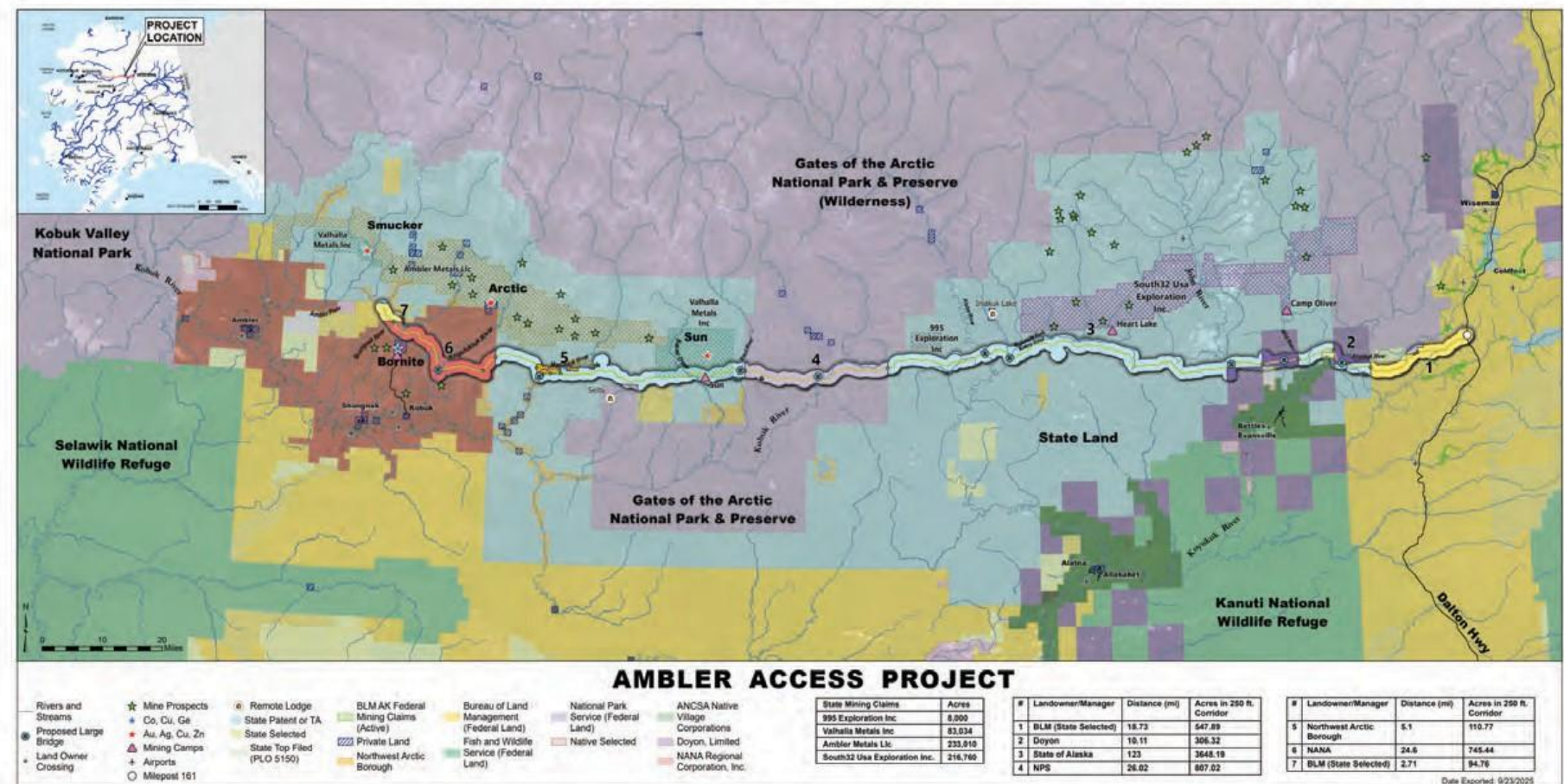
Watch this informative video:  
<https://bit.ly/AAPJobsHelp>



"If not resource  
development,  
then what?"



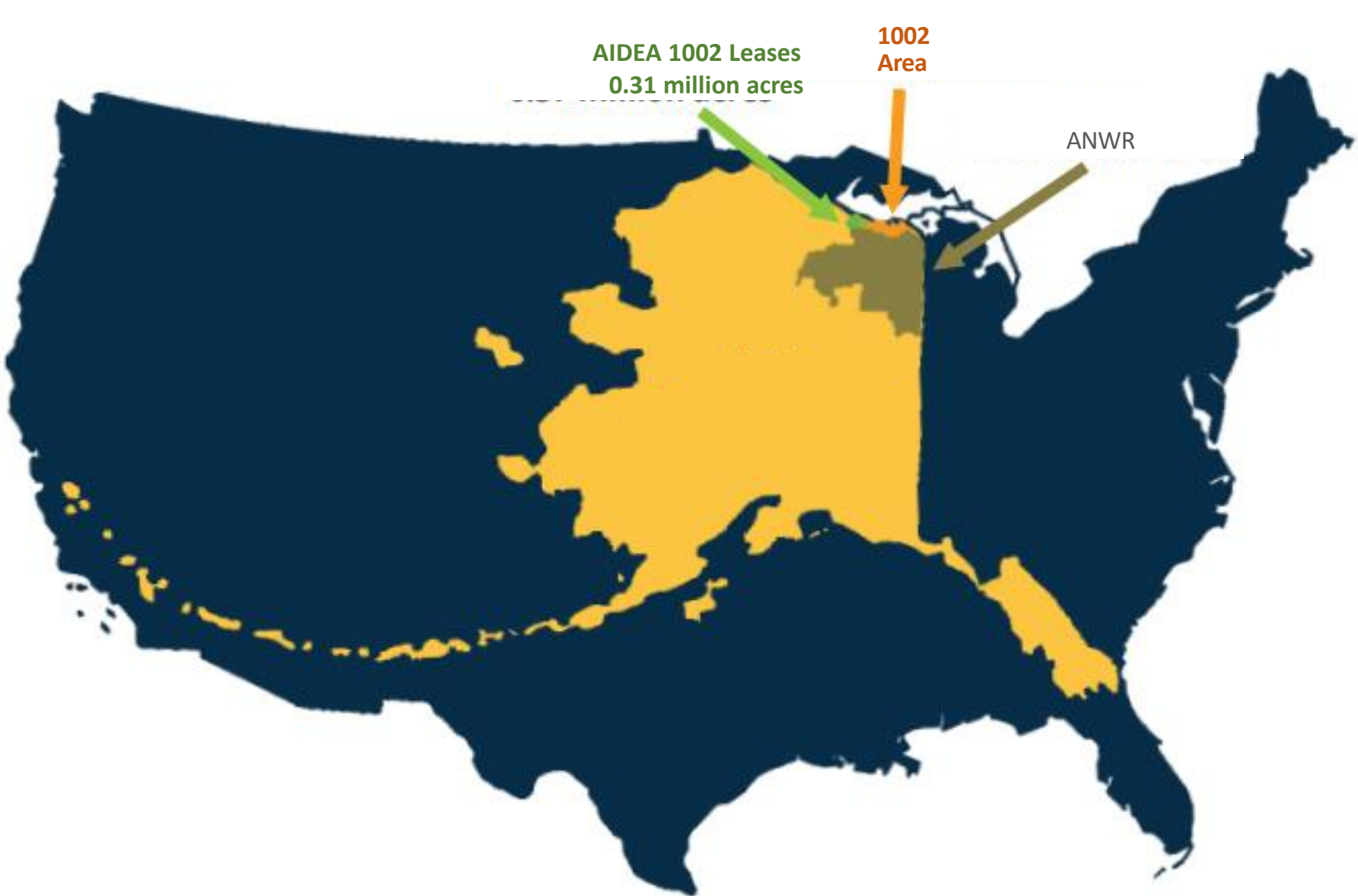
Watch this informative video:  
<https://bit.ly/AAPthanWhat>



Like the Red Dog Road and Port, the Ambler Access Project, once constructed, will have similar benefits to local communities. Benefits to local communities, such as:

- Fuel at over 50% discount compared to current community prices
- Surface transportation for essential materials, equipment, goods and services
- First responder access
- Potential fiber optic connection

# Section 1002 Area Leases of the Arctic National Wildlife Refuge (ANWR)



AIDEA 's ANWR Section  
1002 Webpage:  
<https://bit.ly/AIDEA1002>



- ★ Estimated annual tax and royalty revenue for the state of roughly \$2 billion
- ★ Recoverable oil on AIDEA leases has an estimated volume of 4 to 6 billion barrels

## Estimated Revenues & Jobs

Government Revenues (in Millions of 2017 Dollars)	Annual Average	Total
North Slope Borough property taxes	\$49	\$1,119
State of Alaska royalties	\$782	\$15,648
State of Alaska taxes	\$1,220	\$24,425
Federal royalties	\$782	\$15,648
Federal taxes	\$673	\$13,459

Source: Northern Economics, Inc. 2023 estimate

Effects	Jobs (average number of part-time and full-time jobs)	Annual Average	Peak
Direct	Exploration	250	650
	Development	2,260	3,300
	Production	770	1,200
Indirect	Exploration	130	390
	Development	1,720	2,500
	Production	1,020	1,600

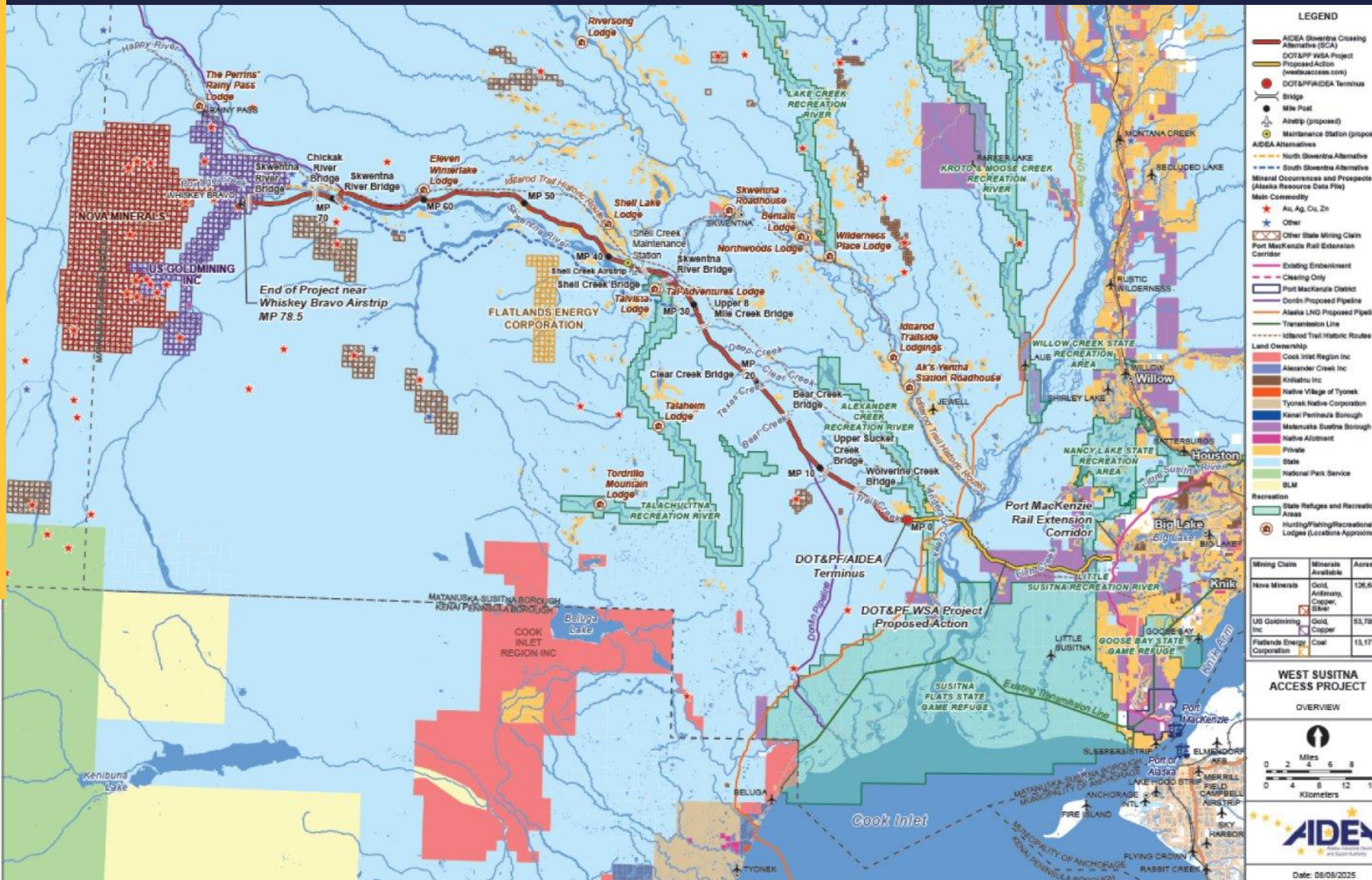
Source:Northern Economics, Inc. 2023 estimates based on IMPLAN 2021 data year and assumptions listed in Section 3.4.10 Economy of the Supplemental EIS for the Coastal Plain Oil and Gas Leasing Program.

Development of the 1002 Coastal Plain holds significant potential for economic growth. According to the Final Supplemental Environmental Impact Statement (SEIS), leasing and development could generate billions of dollars in revenue for local, state, and federal governments while creating thousands of jobs.



# West Susitna Access Project

*The West Susitna Access Project  
is more than a transportation  
initiative – it is a cornerstone of  
Alaska's future prosperity.*



## Potential Benefits



Gold, copper, silver, coal, antimony, and other mineral resources.



Opportunities for clean energy, including geothermal, solar, wind, carbon capture and sequestration, and biomass resources.



More than 700,000 acres available for harvest.



Active energy exploration in the areas of the Susitna River, including Upper Cook Inlet, where active oil and gas-producing fields exist in the study area.



More than 65,000 acres of land has been identified for potential agricultural uses.



Many opportunities for recreational access including snowmachining, fishing, hunting, boating, recreational mining, and use of cabins.



Land Use Secured for Antimony Refinery at Port MacKenzie Article  
<https://bit.ly/WSAPlandSecured>



Department of War Awards \$43.4M to Secure Antimony Supply Article  
<https://bit.ly/43mAntimonyAward>



# Maritime & Logistics

## Investing in Coastal Alaska

### Ketchikan Shipyard

- **Operator Transition:** Successfully transitioned operations from Vigor to JAG Marine Group.
- **Growth Projection:** JAG Marine is expected to increase the value of work at the yard by **200-300%** within the next 12-18 months.
- **Mission:** Supports the Alaska Marine Highway System (AMHS) and preserves skilled maritime jobs in Southeast Alaska. (From 15 jobs to 150 jobs currently)
- **Workforce Training:** Partnership with Sealaska, Tlingit-Haida Tribe, JAG, and the State of Alaska.

### FedEx Maintenance, Repair, and Operations (MRO) Hangar

- AIDEA financed the MRO facility (completed in 1995) supporting wide-body aircraft maintenance.
- Vital for cementing Anchorage's status as a global cargo hub.





# Energy Security and Affordability



## Interior Energy Project (IEP)

- **Goal:** Stabilize and lower energy prices for Fairbanks and the Interior.
- **Mechanism:** Creating an integrated natural gas supply chain.

## Cook Inlet Energy Security (HEX, LLC)

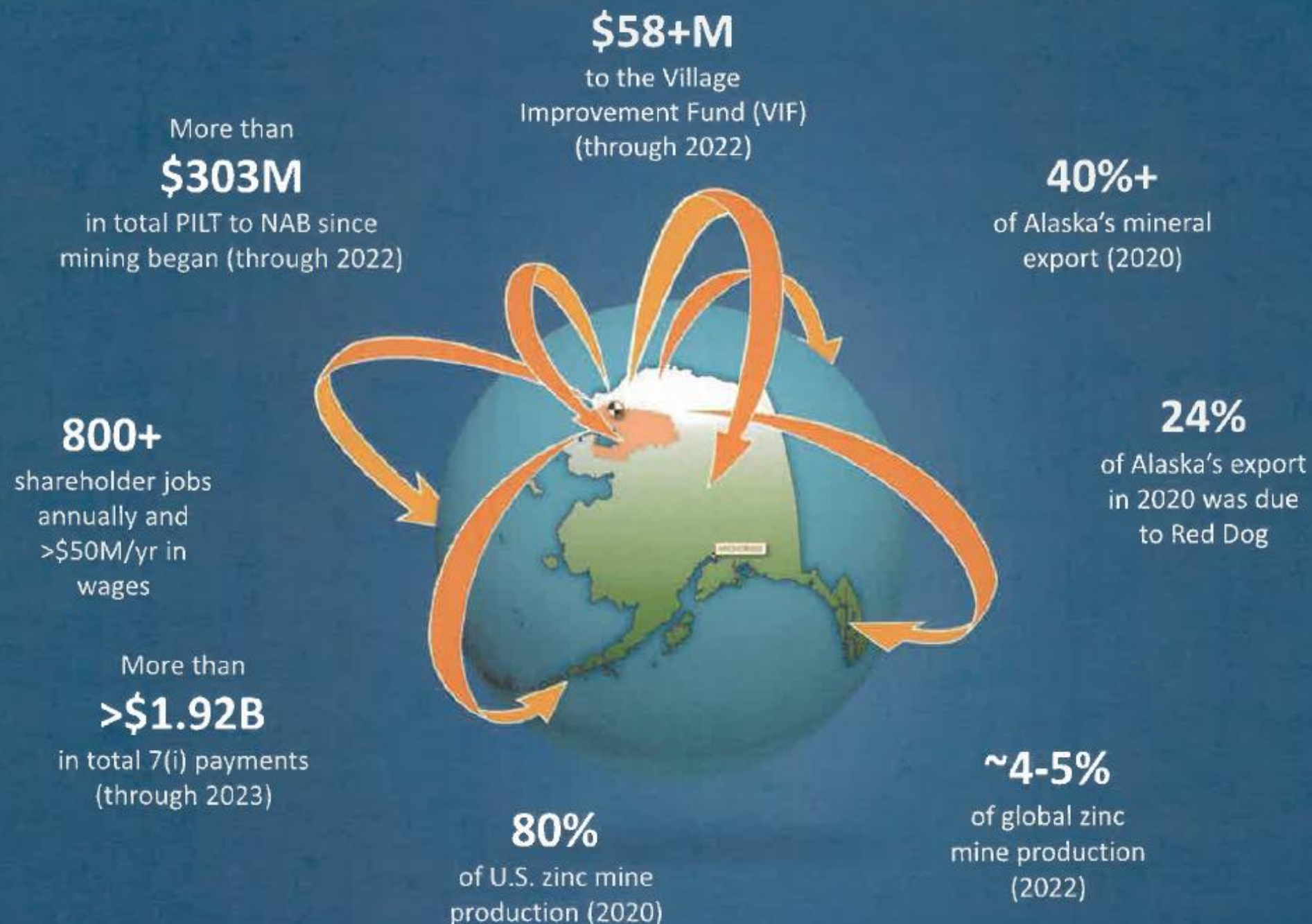
- **Action:** Strategic funding to HEX Cook Inlet.
- **Impact:** Strengthened long-term gas supply outlook for Southcentral Alaska.

## SETS Fund

- Sustainable Energy Transmission and Supply Development Fund provides tools to lend and guarantee energy projects.



# Direct Investment Model The Red Dog Mine System



## Project Profile of the DeLong Mountain Transportation System (DMTS) at Red Dog

**Key Impacts:** Revenue from Red Dog mine made up 83% of the revenue for the Northwest Arctic Borough in 2020.

- 57% of that revenue went to schools and public services.
- \$1.9 billion in total 7(i) contributions through 2023.
- 2/3rds of ANCSA corporations are dependent on 7(i).
- In 7 years (FY 14-FY20) 69% of 7(i) revenue payments came from Red Dog.
- In FY 22 76% of 7(i) came from Red Dog.

Source: NANA Presentation by Lance Miller, Ph.D., NANA Regional Corporation Power point, available on worldwide web

# Future Horizons 2026 & Beyond



## EMERGING INVESTMENTS

### DATA CENTERS

Leveraging Alaska's cold climate and energy resources to build digital infrastructure for AI.

### TOKENIZATION

Exploring blockchain platforms to democratize investment and accelerate project financing.

### NEW ENERGY SOURCES

- Geothermal (Mt. Augustine)
- Methanol (Alyeschem)
- Other projects in progress

# What is in HB 124 and how would it affect AIDEA?



# How would HB 124 affect AIDEA?

- Section 8 of the bill would force AIDEA to sell \$1.2 billion in assets so that its assets were no more than \$500 million at any time. AIDEA has over \$550 million just in assets that exist in the form of loans to small and medium size businesses, such as the loan that was just recently made to Golden Heart Waste Management. To comply with the bill, AIDEA may have to sell not only every asset it has, such as the Red Dog Mine and Port (likely at significant loss in value), it would have to notify its thousands of small business loan borrowers that their loans could be sold, and be subject to changed terms, etc. After AIDEA complies with the language of the bill selling assets at huge losses through forced sales, it would not be able to conduct any new business that would put it over the \$500 million asset threshold.
- Section 9 of the bill, subsection 5, would make virtually any project of significant size, above \$10,000,000 in value (ANWR, Ambler, etc.), subject to a new legislative approval process, in which approval would have to be introduced in a bill, pass through multiple committees where it could be stopped for any reason or no reason by a committee chair, eventually pass through all committees and the entire legislature, and then and presumably, survive a Governor veto process, and the legislative process for overrides. The complete uncertainty of the and subjective power of legislative committee chairs, the veto process, etc., would make funding of any significant process so time consuming and uncertain that it is highly unlikely any project would ever be brought to AIDEA. The federal and state permitting process is uncertain enough now. To add uncertainty to AIDEA's process of financing projects makes the overall ability to get a project permitted and financed even harder and more uncertain.
- Section 13 of the bill attempts to make proprietary and confidential financial information submitted by a project applicant to AIDEA open to the public. Businesses have a right to protect confidential and proprietary information. That right should not be taken away and if it is, no one will bring a project to AIDEA for financing.



# How would HB 124 affect AIDEA?



- AIDEA was set up to be an independent corporation with a mission of economic development and jobs. Every prior legislature since 1962 has agreed that politics of the legislature need to be left out of the decision-making process, and that AIDEA's assets and funds are not "state funds" subject to control and being taken away by the legislature. Asserting ad hoc control over AIDEA will cause the corporation to lose much of the current AA+ bond rating needed to finance projects.
- AIDEA has two projects it is developing that could produce billions in annual revenue for the state (ANWR and Ambler Road), and thousands of jobs. Those projects would immediately be shut down if the bill passed due to the complete uncertainty of whether the legislature could control the projects, approve them one year, change their mind the next, and prevent funding of the projects.

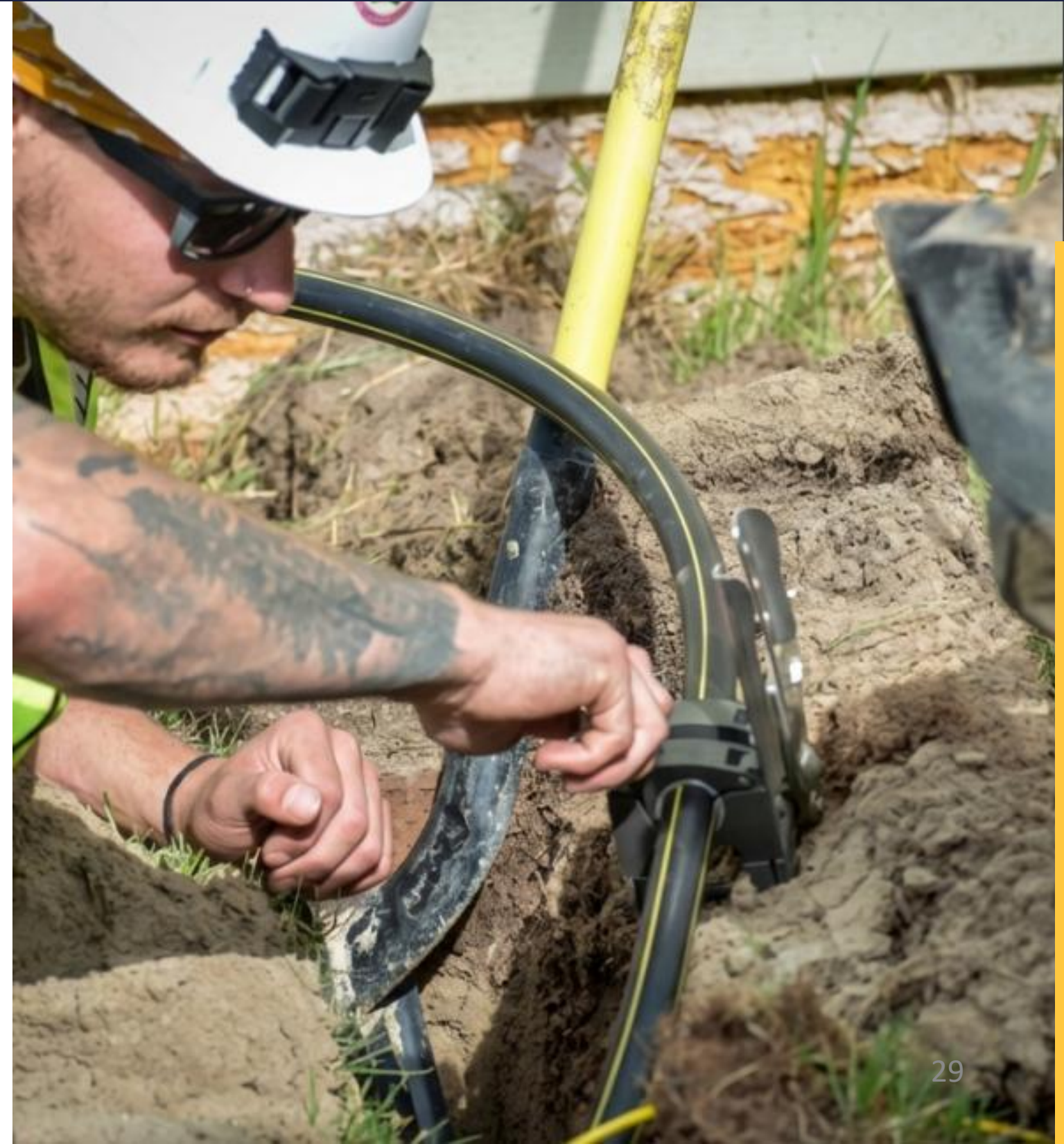
# Constitutional and Financial Issues

- Forced divestment by the legislature as proposed in this bill breaksexisting contracts for AIDEA's assets, exposes AIDEA to litigation, andwould result in significant losses.
- The U.S. Constitution (Art. I, Sec. 10) "No state shall impair theobligation of contracts".
- The Alaska Constitution (Art. I, Sec. 15) "No law impairing theobligation of contracts ... shall be passed"
- If forced by Legislature to sell assets and break contracts, other partycan sue AIDEA for damages.
- Such losses count when calculating net income for dividend purposes.

# Ready for Renaissance

- ✓ AA+ bond rating
- ✓ Strongest balance sheet in history
- ✓ Major federal roadblocks removed
- ✓ Building the economy of tomorrow

**Alaska is open for business.  
AIDEA is the partner of choice.**



# Questions?



# Thank You

INVESTING IN ALASKANS



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