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SHELLEY HUGHES

Economic Development
Trade & Tourism Committee
Chairman
Energy Committee
State Affairs Committee
Military & Veterans' Affairs Committee
University Subcommittee
Fish & Game Subcommittee

Alaska State Legislature



House of Representatives District 8 ~ Greater Palmer

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Senator Anna Fairclough, Chair
Representative Mike Hawker, Vice Chair
Legislative Budget and Audit Committee
State Capitol Building
Juneau, AK 99801

Honorable Senator Fairclough and Representative Hawker,

I respectfully request the Legislative Budget and Audit Committee to consider and schedule an audit of the regional economic assistance program housed in the Department of Commerce, Community and Economic Development. This program has not been audited during its 25 years.

The Alaska regional economic assistance program was established in 1988 (Chapter 94 SLA 1988). The new statutes formed regional development organizations to address economic problems of specific regions in the state and to coordinate private and public resources to support economic development in those regions. The program was intended to provide the state with information on regional economic issues and opportunities for international trade. Additionally, the program provided assistance in local economic diversification and development efforts to help address a recession and encourage regions of the state to become economically self-sufficient.

Alaska Regional Development Organizations (ARDOR) were authorized as part of the original legislation. The State provides funding in the form of grants to ARDORs. There are currently 12 ARDORs and each is eligible to receive up to \$100,000 in annual financial assistance from the state.

Given the significant changes to the State's economic landscape since the program was created in 1988 and in light of declining state resources, I respectfully request an audit of the program to address the following objectives:

1. Evaluate the need for the ARDOR program in terms of whether the program is meeting its statutory purpose by reviewing the program's activities for the period FY 08 through FY 13. This evaluation should include determining whether the program is administered

in compliance with legislative intent and statutory requirements and the degree to which grantees were successful in meeting their established goals.

2. Determine the extent to which the ARDOR program duplicates the efforts of other government, nonprofit, or private entities in terms of encouraging economic development in regions of the state.
 3. Evaluate the need for economic development by region and compare the need with the areas being served by the program.
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4. Summarize the legislative intent of the program at creation in 1988 and significant program changes.
 5. Summarize the ARDOR program expenditures for the period FY 08 through FY 13 including administration costs, amounts granted to ARDORs, grant match requirements, grant recipients and region served.

Thank you for your consideration of this audit request. If you have further questions, please contact my Legislative Aide, Ginger Blaisdell at 465-5265.

Sincerely,



Shelley Hughes
Representative
District 8 ~ Greater Palmer