

**From:** [Brian Holst JSD Board of Education](#)  
**To:** [Senate Finance Committee](#)  
**Subject:** Innovation, Education and the Economy  
**Date:** Monday, March 30, 2015 3:42:56 PM

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Senate Finance Committee:

I am Brian Holst, from Juneau, Alaska. I serve as the Executive Director of the Juneau Economic Development Council. I also am an elected member of the Juneau Board of Education and serve on the State of Alaska Early Childhood Coordinating Council. Thank you for the opportunity to testify.

I am here to ask you to continue to take a long view of our economy. Consider investments today that will reap benefits into the future, well past this current economic uncertainty we are facing.

Questions on the minds of many are: How do we develop our economy so that we are less reliant on oil? How do we make sure that we maximize the positive impact on Alaskans from the many different resources we do extract? And how do we compete in the global economy so that Alaskans can enjoy a high standard of living?

In advanced economies, the main driver of growth is innovation. When I say Innovation, I refer to the very concrete process of discovering more efficient ways of getting work done or the emergence of a new idea or concept that advances society and/or expands business opportunity.

What is Alaska's capacity to innovate?

Our capacity to innovate as Alaskans hugely depends on decisions made by the Legislature. The ability of our firms to develop products to compete on the global market is highly correlated to the talent we either import to Alaska or develop here. To develop our local talent, we need sustained investment in education from the early years through to our University system. Concretely, I ask that you:

- 1) deliver on last year's promise of additional one-time funding for our K-12 schools and
- 2) that in order to make sure our investment in K-12 is maximized, please find funds to support programs like Parents as Teachers and other opportunities for early childhood education.

Nobel Prize Economist, James Heckman of the University of Chicago, has shown that the return on investment to the economy of public resources is highest when investments are made at the youngest ages. <http://heckmanequation.org/content/resource/invest-early-childhood-development-reduce-deficits-strengthen-economy>

As difficult as these times are, let's continue to Invest in Alaska's Capacity to Innovate for the sake of a stronger economy. Please prioritize funding for early education and our public schools.

Thank you.

Brian Holst