

32ND ALASKA STATE LEGISLATURE



REPRESENTATIVE ANDY JOSEPHSON

Sponsor Statement for House Bill 271- AIDEA Reform

HB 271 aims to improve upon the governance structures of the Alaska Industrial Development and Export Authority (AIDEA) and provides legal mechanisms for additional transparency and oversight of this public corporation.

Currently, AIDEA is under considerable scrutiny from the public and the media. Concerns have been raised about the integrity of decision-making processes used by the authority and relating to personnel matters within the authority. These concerns have been aggravated by extensive use of executive sessions during AIDEA board meetings, limited public engagement on major development projects, a perceived lack of responsiveness to public comments and little transparency in AIDEA's business agreements.

First established in 1967, AIDEA has a long and complex history. Over the years, the role AIDEA plays in the economy of the state has shifted and its financing programs have expanded markedly. AS 44.88, the chapter of statute governing the authority, is a hodgepodge of various funds, programs, and legal requirements. There is little in statute to ensure that AIDEA acts in the best interest of the public and state economy when financing projects and little required scrutiny. HB 271 would address these issues by restructuring the AIDEA Board to be more diverse and less susceptible to political whims of any given administration. It would also create a uniform set of processes for approval of projects requiring \$10 million in financing (or more) and would require the authority to be forthright with the public about business dealings and contracts.

Additionally, under the framework created by HB 271, AIDEA would systematically analyze the impacts of projects at all stages of development and outcomes after completion to ensure that AIDEA is in fact achieving the statutory directives of promoting balanced growth of the economy, creating stable employment opportunities in the state, and providing state businesses with adequate financial and technical assistance.

The need for AIDEA reform has been discussed perennially and this reform is timely. HB 271 provides the necessary framework for AIDEA to become a transparent and trusted development finance organization, working to support the economic stability and future responsible development of Alaska.