

Fiscal Note

State of Alaska
2025 Legislative Session

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| Bill Version: | CSHB 30(STA) |
| Fiscal Note Number: | 2 |
| (H) Publish Date: | 3/12/2025 |

Identifier: HB030-DCCED-OOE-02-15-24
 Title: OFFICE OF ENTREPRENEURSHIP
 Sponsor: HOLLAND
 Requester: (H) STATE AFFAIRS

Department: Department of Commerce, Community and
 Economic Development
 Appropriation: Executive Administration
 Allocation: Commissioner's Office
 OMB Component Number: 1027

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2026 Appropriation Requested | Included in Governor's FY2026 Request | Out-Year Cost Estimates | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|----------------|----------------|----------------|----------------|
| | | | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| OPERATING EXPENDITURES | FY 2026 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| Personal Services | 868.9 | | 868.9 | 868.9 | 868.9 | 868.9 | 868.9 |
| Travel | 27.0 | | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 |
| Services | 200.0 | | 185.0 | 185.0 | 185.0 | 185.0 | 185.0 |
| Commodities | 72.0 | | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 1,167.9 | 0.0 | 1,092.9 | 1,092.9 | 1,092.9 | 1,092.9 | 1,092.9 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund (UGF) | 1,167.9 | | 1,092.9 | 1,092.9 | 1,092.9 | 1,092.9 | 1,092.9 |
| Total | 1,167.9 | 0.0 | 1,092.9 | 1,092.9 | 1,092.9 | 1,092.9 | 1,092.9 |

Positions

| | | | | | | | |
|-----------|-----|--|-----|-----|-----|-----|-----|
| Full-time | 5.0 | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/26

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

| | | | |
|--------------|--|--------|---------------|
| Prepared By: | Hannah Lager, Administrative Services Director | Phone: | (907)465-2625 |
| Division: | Division of Administrative Services | Date: | 02/14/2025 |
| Approved By: | Hannah Lager, Administrative Services Director | Date: | 02/14/25 |
| Agency: | Commerce, Community, and Economic Development | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This legislation amends a reporting requirement for the Office of Procurement and Property Management, removes the business license fee for certain new businesses, and creates the Office of Entrepreneurship (OOE) in the Department of Commerce, Community, and Economic Development (DCCED).

The OOE will be established as a new component in the Executive Administration and Development results delivery unit. The OOE is charged with promoting entrepreneurship in the state, as well as providing direct technical assistance to new businesses. Additionally, HB 30 adds a new section requiring state agencies to spend 5% of their appropriations for “economic development programs” for the benefit of new businesses in the state and to notify the OOE of those expenditures. Furthermore, the OOE is required to provide an annual report to the legislature detailing legislation enacted in the previous year that supports, hinders, or otherwise affects new businesses in the state.

The OOE will be led by a Division Director. Two Program Coordinators will be tasked with providing direct technical assistance to new businesses and promoting entrepreneurship. The Program Coordinators will work closely with the Research Analyst to analyze the impacts of new legislation on businesses and will collaboratively compile and prepare the annual report to the legislature. One Accountant 3 will monitor, track, and report on the 5% economic development program expenditure requirement on state programs. The OOE will be supported by one Administrative Assistant 2.

The department does not currently have office space available for the OOE. New office space will need to be secured, estimated at 1,000 square feet at \$2.50 per square foot per month.

If this legislation passes, the following expenses will be incurred to establish and support the OOE:

Personal Services:

| | |
|---------|--|
| \$222.7 | One full-time Division Director (range 27) located in Juneau. |
| \$279.6 | Two full-time Program Coordinators 2 (range 20) located in Juneau. |
| \$124.7 | One full-time Research Analyst 3 (range 18) located in Juneau. |
| \$143.2 | One full-time Accountant 3 (range 18) located in Juneau. |
| \$ 98.7 | One full-time Administrative Assistant 2 (range 14) located in Juneau. |

Travel:

| | |
|---------|--|
| \$ 12.0 | Travel for three positions two times per year for in-state trainings needed to implement and comply with this legislation (\$2.0 / position / year). |
| \$ 15.0 | Three out of state trips per year to attend trainings and conferences related to entrepreneurship and growth opportunities. |

Services:

| | |
|---------|---|
| \$ 15.0 | Department of Law regulations review in FY2026 only. |
| \$150.0 | Statewide and allocated core services costs for six positions (\$25.0 / position / year). |
| \$ 30.0 | Office space rental (\$2.50 / square foot / month) |
| \$ 5.0 | Annual advertising costs (brochures, pamphlets, online marketing, etc.). |

Commodities:

| | |
|--------|---|
| \$60.0 | One-time set up costs for equipment and space for six positions in FY2026 only (\$10.0 / position). |
| \$12.0 | Ongoing supply and equipment costs (\$2.0 / position / year). |