

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	CSHB 34(L&C)
Fiscal Note Number:	2
(H) Publish Date:	3/3/2025

Identifier: HB034-DCCED-COMM-01-24-25
 Title: AK INNOVATION COUNCIL
 Sponsor: HOLLAND
 Requester: (H) Labor and Commerce

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	165.5		165.5	165.5	165.5	165.5	165.5
Travel	200.0		200.0	152.5	152.5	152.5	152.5
Services	180.6		180.6	179.2	179.2	179.2	179.2
Commodities	10.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	556.1	0.0	546.1	497.2	497.2	497.2	497.2

Fund Source (Operating Only)

1004 Gen Fund (UGF)	556.1		546.1	497.2	497.2	497.2	497.2
Total	556.1	0.0	546.1	497.2	497.2	497.2	497.2

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
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 If yes, by what date are the regulations to be adopted, amended or repealed? **06/30/27**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Commerce, Community, and Economic Development	Date:	01/24/2025
Approved By:	Hannah Lager, Administrative Services Director	Date:	01/24/25
Agency:	Commerce, Community, and Economic Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This legislation creates the Alaska Innovation Council (AIC) within the Department of Commerce, Community, and Economic Development (DCCED). The AIC is made up of nineteen members. Appointees include members from a variety of professional backgrounds focused on economic development and entrepreneurship in the state; two Commissioners of State agencies; four Executive Directors of State corporations; and four legislative members. The council must meet at least three times per year and is charged with advising the Governor, the Legislature, government agencies, research institutions, and private sector organizations on a variety of topics related to innovative economic development strategies and entrepreneurship initiatives. DCCED is responsible for staffing the AIC.

The AIC must prepare an annual innovation and competitiveness plan each year that includes recommendations on: certain economic development opportunities in the state; promoting new business growth; stimulating financial investment and entrepreneurship; monitoring progress on economic development initiatives; assessing regional development organizations; and analyzing how regional development organizations support certain other organizations.

Contractual support will be required for research, data collection and analytics, and report writing as directed by the Council. In DCCED, staff support for the AIC will be provided by one Project Manager in the Commissioner's Office. This position will support meetings of the AIC; track deliverables and projects between meetings; facilitate contracts and deliverables with contractual partners; support travel planning for the AIC; and commission interactions with state agencies, the legislature, and other partners. The council is required to meet a minimum of three times per year; in this fiscal note, four AIC meetings are projected for FY2026 and FY2027 as the council forms and develops processes, procedures, and norms. Beginning in FY2028, three meetings per year are planned. Travel is projected for all members for all meetings as the council is anticipated to have members from all over the state, and meetings outside of the Anchorage area are anticipated. For purposes of this fiscal note, the stipend for board members is estimated at \$0.1 (\$100.00) per meeting day, which is paid to all members except the Governor and legislators appointed to the AIC.

Costs shown in this fiscal note include:

Personal services: \$165.5 Program Manager, range 21, in Juneau

Travel:
 \$190.0 Travel for AIC members to four meetings per year in FY2026 and FY2027
 \$142.5 Travel for AIC members to four meetings per year in FY2028 and out years
 \$10.0 Four trips per year for the Program Manager to AIC meetings and to facilitate AIC operations

Services:
 \$150.0 Contractual support for research, data collection and analytics, and report writing in each year
 \$4.8 Stipend of \$0.1 (\$100.00) per day for 14 members to attend four meetings per year in FY2026 and FY2027
 \$3.6 Stipend of \$0.1 (\$100.00) per day for 14 members to attend three meetings per year in FY2028 and out years
 \$25.0 Statewide and department core services and allocated costs (\$25.0/position)

Commodities: \$10.0 New employee startup costs (computer, furniture, etc.) in FY2026 only