

HOUSE FINANCE COMMITTEE

April 24, 2025

10:08 a.m.

10:08:50 AM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 10:08 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Andy Josephson, Co-Chair
Representative Calvin Schrage, Co-Chair
Representative Jeremy Bynum
Representative Alyse Galvin
Representative Sara Hannan
Representative Nellie Unangiq Jimmie
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Jamie Allard
Representative DeLena Johnson
Representative Will Stapp

ALSO PRESENT

Representative Andy Josephson, Sponsor; Corbin Morrison, Staff, Representative Ky Holland Staff; Representative Ky Holland, Sponsor; Hannah Lager, Administrative Services Director, Department of Commerce, Community and Economic Development; Brodie Anderson, Staff, Representative Neal Foster.

PRESENT VIA TELECONFERENCE

Samuel Laffey, Governor's Appointee, State Assessment Review Board; Jared Reynolds, Director, Center for Economic Development, University of Alaska, Anchorage; Tom Mayer, Chief Procurement Officer, Department of Administration.

SUMMARY

HB 23 APPLICABILITY OF HUMAN RIGHTS COMMISSION

CSHB 23(L&C) was REPORTED out of committee with six "do pass" recommendations and one "no recommendation" and with one new fiscal impact note from the Office of the Governor.

HB 30 OFFICE OF ENTREPRENEURSHIP

HB 30 was HEARD and HELD in committee for further consideration.

CONSIDERATION OF GOVERNOR'S APPOINTEES: SAMUEL LAFFEY, STATE ASSESSMENT REVIEW BOARD

Co-Chair Foster reviewed the meeting agenda.

#hb23

HOUSE BILL NO. 23

"An Act relating to the definition of 'employer' for the purposes of the State Commission for Human Rights."

[10:10:49 AM](#)

Co-Chair Foster noted that the bill had been heard twice in prior meetings [March 27, 2025, and April 9, 2025]. He asked the bill sponsor to address the committee.

REPRESENTATIVE ANDY JOSEPHSON, SPONSOR, provided a brief recap of the legislation. He reported that the bill made four changes: renaming the commission to the Alaska State Commission for Civil Rights, requiring that commissioners may only be removed for just cause, and changing the date and method of delivery (electronic) for the commission's annual report to prior to the start of legislative session and granted the commission's jurisdiction to extend to employees of Alaska's many nonprofit organizations. He considered the final change the most important provision in the bill.

[10:12:28 AM](#)

Representative Galvin asked for confirmation that the commission's name was changed in the legislation. Co-Chair Josephson answered in the affirmative and restated the name as the Alaska Commission for Civil Rights.

Co-Chair Schrage MOVED to REPORT CSHB 23(L&C) out of committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, CSHB 23(L&C) was REPORTED out of committee with six "do pass" recommendations and one "no recommendation" and with one new fiscal impact note from the Office of the Governor.

Co-Chair Foster noted that Mr. Laffey was trying to call in from Kenya.

^CONSIDERATION OF GOVERNOR'S APPOINTEES: SAMUEL LAFFEY, STATE ASSESSMENT REVIEW BOARD

[10:14:26 AM](#)

Co-Chair Foster asked Mr. Laffey to introduce himself and provide details on why he is up for the job.

SAMUEL LAFFEY, GOVERNOR'S APPOINTEE, STATE ASSESSMENT REVIEW BOARD (via teleconference), introduced himself. [The phone connection was lost.]

[10:15:24 AM](#)

AT EASE

[10:15:54 AM](#)

RECONVENED

Co-Chair Foster moved to the next item on the agenda.

#hb30

HOUSE BILL NO. 30

"An Act establishing the office of entrepreneurship; relating to new businesses in the state; relating to reports concerning procurements by agencies; and relating to initial business license fees for new businesses in the state."

[10:17:36 AM](#)

AT EASE

[10:19:11 AM](#)

RECONVENED

CORBIN MORRISON, STAFF, REPRESENTATIVE KY HOLLAND STAFF, reviewed the sectional analysis (copy on file) with prepared remarks:

House Bill 30 establishes the Office of Entrepreneurship (OOE), a new statewide effort to grow Alaska's startup ecosystem and drive innovation in emerging industries. This is about creating the jobs of the future—right here, for Alaskans.

By investing in entrepreneurs and streamlining support for new businesses, HB 30 helps remove the barriers that hold back our homegrown talent. It ensures that our state's resources are directed where they can have the greatest impact—supporting those who are building, inventing, and taking risks to create new opportunities across Alaska.

This office will also bring much-needed accountability by producing an annual report on how legislation affects small businesses. And importantly, it sets a baseline investment directing 5 percent of the state's economic development budget toward programs that support startups and entrepreneurs.

With HB 30, we are saying clearly: Alaska is open for business, and Alaskans shouldn't have to leave to pursue opportunity. Whether it's technology, clean energy, manufacturing, or other high-growth sectors, this bill helps ensure that innovation starts—and stays—right here in our state.

REPRESENTATIVE KY HOLLAND, SPONSOR, explained the bill. He relayed that the bill was crafted after a national approach to increasing economic development and opportunity for those wanting to start a new business, create jobs, etc. He delineated that 100 percent of new jobs came from entrepreneurs and new businesses and in Alaska, contributed to 89 percent of new job growth. He emphasized that new businesses created continued growth in the Alaskan economy.

Co-Chair Foster noted that Representative Tomaszewski had joined the meeting.

Representative Holland provided a PowerPoint presentation titled "House Bill 30: Office of Entrepreneurship" (copy on

file). He began on slide 2 titled "Economic outlook in Alaska:"

Slow economic growth
Job loss in key industries
Talent and family outmigration

We cannot rely on our legacy sectors to create the jobs of the future.

Representative Holland shared that one of the approaches to entrepreneurship was examining economic growth and opportunities in the future. He had worked with entrepreneurs in Alaska for the prior 10 years and helped start 80 businesses. He was motivated by the relatively stagnant economic status of the state, out migration, and a desire to help young people remain in the state by providing opportunities. He turned to slide 3 titled "Alaska Needs To Diversify And Support Emerging Sectors:"

Future growth will come from value-added support of existing economic engines and investment in emerging sectors and jobs.

Diversification and technology growth aligns with our CEDS, state and national economic development trends, and history.

He proceeded to Slide 4 titled "What Is An Emerging Sector and Why They Matter For Alaska:"

Small or nascent industries with high growth potential based on Alaska's competitive advantages. They include mariculture, aerospace, energy technology, and agriculture.

New and young businesses create virtually all net job growth in America Research shows that for every 1 percent increase in the U.S. entrepreneurship rate, the poverty rate decreases by 2 percent.

- New businesses
- grow local GDP
 - increase community wealth
 - create homegrown jobs
 - diversify goods and services

Representative Holland elaborated that HB 30 was based on a movement called "The Right to Start" operating in 30 states. The movement offered a legislative framework that recognized entrepreneurship and creating capacity through private market forces, and the state's role in the process. In general, economic innovation often originated in four areas of focus: the university, industry clusters, community initiatives, or state involvement. He indicated that Alaska was "struggling" in all four areas of new innovation. He hoped that through the bill, the state would become a catalyst for the three other sectors.

[10:25:14 AM](#)

Representative Holland moved to slide 5 titled "Alaska's Comprehensive Economic Development Strategy (CEDS):"

Developed between January and July of 2022, the CEDS is a five-year economic development plan for Alaska, active from 2022-2027.

- The CEDS outlines several goals for a resilient and growing Alaska economy, including
- Accelerating growth in emerging sectors
- support for entrepreneurial ecosystem

Representative Holland indicated that in addition to the emerging sectors, support CEDS included 6 pillars with one being economic development through innovation and entrepreneurship in the state's emerging sectors. He concluded that state policy supported entrepreneurship and through that support emerging sectors. The bill provided the framework for the stated policy to diversify and support future job growth.

Co-Chair Foster noted that the governor's appointee called in from Kenya. He asked to hear from Mr. Laffey.

HB 30 was HEARD and HELD in committee for further consideration. [the hearing continued during the current meeting following consideration of the governor's appointee.]

[10:26:20 AM](#)

Co-Chair Foster asked to hear about Mr. Laffey's qualifications for the State Assessment Review Board.

Mr. Laffey relayed that he was a licensed Alaska attorney and worked for the Office of Public Advocacy (OPA) where he represented indigent Alaskans. He believed that he was qualified to serve on the board and was very interested in serving. He discussed his qualifications. He was very passionate about oil and gas development and finance. He received a Master of Business Administration (MBA) degree. His emphasis in law school was on property law. He felt that he would be an asset to the board based on the description of the board's duties and having interactions with its current membership. He noted that there was currently not an attorney on the board and much of the board's work evaluated "factual matters" as well as interpreting state precedent and made decisions on relative state statutes and case law that applied to the work of the board. He believed that his background and skill sets would be an asset to the board.

Co-Chair Foster assumed he did not live in Kenya. He merely wanted to ensure Mr. Laffey was an Alaska resident. Mr. Laffey replied that he lived in Anchorage, he was currently visiting relatives in Kenya. He shared that several years ago he met his wife in Anchorage who was from Kenya.

[10:30:11 AM](#)

Co-Chair Josephson stated that the House Finance Committee had reviewed the qualifications of Mr. Laffey and recommended moving the individual's name forward.

There being NO OBJECTION, it was so ordered.

Mr. Laffey thanked the committee for its patience and time for consideration.

[10:31:38 AM](#)

Co-Chair Foster returned to HB 30.

#hb30

HOUSE BILL NO. 30

"An Act establishing the office of entrepreneurship; relating to new businesses in the state; relating to

reports concerning procurements by agencies; and relating to initial business license fees for new businesses in the state."

[10:32:24 AM](#)

Representative Holland advanced to slide 6 titled "HB 30: Support For Entrepreneurial Ecosystem And Emerging Sectors:"

Creates Office of Entrepreneurship in Department of Commerce, Community and Economic Development (DCCED).

Duties of the Office of Entrepreneurship

Promote entrepreneurship

Assist new business as they navigate interactions with the state of Alaska

Coordinate and streamline service delivery for new businesses

Annually review policy changes that impact new businesses Directs state agency money to support programs or organizations that help new businesses.

Representative Holland relayed that DCCED had the same functions in prior years but did not specifically develop an Office of Entrepreneurship. He explained that the department had a \$2 million per year budget in prior years for economic development through innovation and entrepreneurship. He had prior experience working with the department and staff at the time. He emphasized that the office was not meant to replace any existing programs that he listed. The proposed office would promote entrepreneurship and assess businesses and would be focused on navigating different functions of the state like licensing, setting up a corporation, and explaining how to coordinate and streamline other state services and next steps. He focused on the fourth point on the slide that assessed whether the state was creating new pathways to help new businesses start up. He continued to the final focus of the bill that was to ask the state to specifically examine how they could direct some of its funding to support programs or organizations that helped new

businesses. The five percent carve out was meant to create the environment and support new businesses.

[10:35:09 AM](#)

Representative Holland discussed slide 7 titled "What changed from v. LS0230/G to H:"

The Committee Substitute for House Labor & Commerce yielded these changes:

1. The Office of Entrepreneurship is now required to actively seek and use volunteers to assist in the performance of their duties.
2. Enables the department to determine whether office facilities are necessary to perform duties.
3. Office of Entrepreneurship enabling statutes sunset December 2030.

Representative Holland calculated that over 50,000 hours of volunteer work was done in the area over 10 years. He observed that there was an energetic group of people involved in working with startups. The role of the office would be to lift up and support the volunteer advocacy. He pointed to the third change and noted that there had been some concerns regarding the original sunset in the bill. The sunset was shortened to a period of three years. He noted his strong support for the sunset date and wanted to accomplish good work and show that it was valuable in a shorter time frame.

[10:36:47 AM](#)

Representative Holland discussed slide 8 titled "Fiscal Notes for HB 30:"

1. Department of Commerce, Community and Economic Development

\$661.7 first-year appropriation requested

\$616.7 out-year cost estimates

This cost represents three new positions to perform the functions of the office

2. Department of Administration
\$500 only in first year only

This is the cost to conduct a disparity study to determine whether new businesses are underrepresented in statewide contracts

Representative Tomaszewski asked about the disparity study and what it would entail. Representative Holland answered that the study asked the question as to what extent Alaska was spending money to support new businesses less than 5 years old in accessing state contracts and opportunities for products and services versus the amount spent on established services. He felt that the amount was too high and would like to see a simpler study. Representative Tomaszewski asked if there would be anything in the study addressing how the state of Alaska was in the way or hindering entrepreneurship progress in areas like regulations. Representative Holland answered in the negative and offered that the intent of the study was to provide a snapshot of startups access to the state. He pointed to slide 6 and read "Annually review policy changes that impact new businesses..." He explained that it was the area where the state could evaluate what it was doing for startups or where it was hindering entrepreneurship, that would happen on an annual basis.

[10:40:44 AM](#)

Representative Holland advanced to slide 9 titled "The Startup Process (and where OoE will help)":

- Ecosystem Building - Ideation
- Business Modelling - Business Strategy
- Business Planning - Startup Financing
- Execution - Business Exits

Representative Holland discussed the startup process from the idea to a viable business. He reiterated that about 89 percent of Alaska's new job growth came from startups. He communicated that much work went on prior to the business opening and he stressed that most startups were not bankable businesses. Businesses that could obtain a bank loan already had revenue in operation for some time. He

noted that much work went into the business prior to its execution through programs that helped the entrepreneur explore ideas and learn how to create a business. He reported that much of the work of OOE would happen at the front end of a business' establishment and would help create business opportunities in the emerging sector. He addressed slide 10 titled "Alaska: State of Entrepreneurship" by The University of Alaska Center for Economic Development (2018):"

"Over the last decade, startups in Alaska consistently added 4,000 to 6,000 jobs to the economy each year. Firms that are aged five years or younger accounted for 89% of Alaska's net employment growth in the private sector."

Co-Chair Josephson asked about Representative Holland's professional background and what led to his interest in the topic. Representative Holland answered that he spent 40 years involved in a wide variety of activities in the area and to help people "create the future they wanted for themselves." He helped create community associations, housing development, non-profit corporations, industry associations, etc. He shared that 10 years prior, he sold his x-ray manufacturing business in Anchorage he operated due to his background as a mechanical engineer. He had accidentally fallen into teaching an entrepreneurship class at Alaska Pacific University that supported his background in helping people create their desired future. He used his background in business and his love of working with people and community and found an intersection for himself. He had been volunteering his time over the past 10 years in this "eco system." He committed to working in Alaska intersecting his business background and background in working with people.

[10:45:32 AM](#)

Representative Hannan was wondering why the first part of the bill used the measure of procurement with state offices as the measure of success for the office. She did not think that many of the emerging sectors had the goal to obtain procurement contracts with the state, yet the bill focused heavily on that metric. She deduced that it would apply to only a specific set of entrepreneurs. She asked why the bill focused almost half the bill on the metric of procurement with the state as a measure of success for the

program. Representative Holland answered that the amount of language devoted to the topic in the bill did place more emphasis on that than he hoped the impact of the program would be. However, he did believe it was an important provision. He returned to slide 6 and pointed to the duties of the OOE and read: "Promote entrepreneurship and assist new business as they navigate interactions with the state of Alaska..." He believed that it represented entrepreneurs of many various types. He acknowledged that part of the bill was dedicated to identifying opportunities to work with the state. He furthered that the office was not intended to replace the rest of community entrepreneurial activities through various established programs. However, it was intended to open a door to the significant spending by the state. He indicated that one area of entrepreneurship was identifying a "steppingstone" to initial pilot programs or existing state work. He exemplified Launch Alaska that was focused on providing pilot programs for energy startups with electrical utilities and power users. He mentioned Health Tie that helped identify business opportunities in the healthcare industry. He felt the OOE would open a door to the public sector and help entrepreneurs find business opportunities with the state. He listed a few examples like helping the Department of Transportation and Public Facilities (DOT) with ice sensors, or in the area of housing, etc. However, it was not intended to be the sole purview of the office that would assist all emerging sectors.

[10:50:04 AM](#)

Representative Hannan remarked that the sponsor was not responsible for the fiscal notes. She noted that the fiscal note from the Department of Administration (DOA) was \$500 thousand and the cost to develop the OOE was \$661 thousand. She wanted to know what businesses were helped and became successful overall and not who got a contract with the state as a measure of a successful business. She thought that most creative entrepreneurs wanted to find a niche, and it might not be via a state procurement contract. She relayed that the piece of the bill derailed her because most entrepreneurs likely did not set out to get a state contract. Representative Holland agreed with Representative Hannan's concerns. He noted that the fiscal note for the report was a one-time expense and was estimated by the department. He would like to work on tightening up the report and believed that it was a significant amount. On

the other hand he thought it would be important to figure out how to create an opportunity for more Alaskan wealth via Alaskan businesses. He reiterated that he would like to see the number reduced.

[10:53:11 AM](#)

Representative Jimmie asked where the office would be located and how the OOE would help entrepreneurs in rural areas like in her district. Representative Holland replied that he did not specify where the office would be located, it would be up to DCCED. He elucidated that in terms of the benefits to rural communities; he hoped the office would serve as a statewide door to economic opportunities. He thought the office being housed within DCCED was a good fit due to the Alaska Regional Development Organizations (ARDORs) program under the department's umbrella. He pointed out that the regional ARDORs had their own CEDS documents, and he assumed there was a CEDS document for Representative Jimmie's region. He discerned that much of the spending done through the state was one of the major economic drivers like through Alaska Energy Authority (AEA), housing or medical assistance that was spread through the state and particularly in rural areas. The office would determine how it was using state money in every part of the state, and he hoped it opened up the door across the state in rural areas to help support local businesses.

[10:55:48 AM](#)

Representative Jimmie noted that the bill's data was from a 2018 report. She asked if there was a post-Covid updated report. Representative Holland answered that an invited testifier could elaborate on the topic. He highlighted slide 11 titled "Expected Outcomes from HB 30:"

New Businesses And Jobs

Reduced Costs For New Businesses

Improve State Integration With Startup Ecosystem

Economic Opportunity For The Next Generation Of Alaskans

Representative Holland concluded that every state task force report like the Energy Security Task Force Report, Fisheries Report, etc. all talked about the need for business development and creating new business opportunities.

Representative Bynum referenced the statement on slide 4: "research showed that for every 1 percent increase in the U.S. entrepreneurship rate, the poverty rate decreased by 2 percent." He asked for the research source. He referenced the sectional and read: "AS 44.33.857 requires that state agencies must spend 5 percent of the total economic development budget each year to support programs or organizations that help new businesses in Alaska [Section 3]." He asked for more information on the idea behind it and how it would reach the scope of all agencies and the expected impact. He wondered how the bill would help revitalize legacy industries like logging that had shrunk dramatically in the state and new logging industries were struggling.

[11:00:06 AM](#)

Representative Holland responded that he would follow up with the source related to poverty. He would follow up on the 5 percent question. He noted that the legislation was more prescriptive on how 5 percent was distributed across the state and in local jurisdictions. The challenge with transition industries was that the bill was not attempting economic redesign of the state's economy. The legislation was more aligned to help Alaskans establish businesses and providing new businesses and services supporting the existing economy. He thought that new businesses and services might support established industries like oil and gas. He deemed that the issue of transitioning industries was a different question and challenge than what the bill intended to do.

[11:02:15 AM](#)

Representative Bynum related that other established industries were changing and struggling, and he hoped the bill could help revitalize existing industries. Representative Holland believed Representative Bynum's issue was a very important point and touched the heart of a separate bill, HB 34 [Alaska Innovation Council] that was scheduled to be heard in House Finance later in the day. He

indicated that it was focused on macro-economic issues. House Bill 30 was a bill focused on micro-economics.

Co-Chair Foster confirmed that the discussion on both bills would continue in the afternoon.

Representative Holland noted that the invited testifier spoke to HB 34 as well.

Co-Chair Foster asked whether the testifier would like to speak to both bills concurrently.

JARED REYNOLDS, DIRECTOR, CENTER FOR ECONOMIC DEVELOPMENT, UNIVERSITY OF ALASKA, ANCHORAGE (via teleconference), answered that he was flexible, but had separate data points for each bill.

Co-Chair Foster chose to keep the testimony separate.

Mr. Reynolds shared that the Center for Economic Development (CED) worked across the state to provide local communities, economic development entities, and entrepreneurs access to resources necessary to succeed. The center conducted research and worked directly with entrepreneurs and communities providing a unique perspective on entrepreneurship in the state. The relationship provided data and helped the center understand the success and challenges that existed. The center was updating it's "Alaska's State of Entrepreneurship Report" that was first published in 2018. He shared some updated analysis. He delineated that Alaska was a state full of entrepreneurs and ranked eighteenth in the country in startup density and started new businesses at a higher rate than the national average at 7.6 startups per one thousand residents versus 7.4 nationally. Over the last decade, startups created 41 thousand net new jobs in Alaska. He pointed out that without the new jobs; Alaska's economy would have lost jobs with many middle aged firms struggling to grow. He highlighted some areas of concern. The state ranked 42nd in "scaling," the number of jobs per business establishments (3.3 jobs per business) and ranked 49th for high growth firm density. The discrepancy was especially prevalent outside of Anchorage. He identified the issues of expansion, business stagnation, supply chain, capital issues, and market access that forced some businesses to leave the state. Alaskan entrepreneurs faced barriers to achieving growth. In addition, Alaskan entrepreneurs were

aging and nearly one-fifth were over the age of 65 and two-fifths were over 55, which was well ahead of the national average. He offered some recommendations to address the challenges. He mentioned a "more coordinated ecosystem" that addressed "some of the silos between the ARDORs and entrepreneurship organizations and university programs. He suggested creating opportunities to connect rural and urban talent and help rural talent connect with statewide resources. He commented that strengthening the "pipeline" to assist emerging entrepreneurs between the ages of 25 to 44 that was currently underserved and underrepresented in the state. Finally, he suggested leveraging data to guide policy such as the State of Entrepreneurship Report.

[11:09:27 AM](#)

Co-Chair Foster held off questions until later in the afternoon meeting. He requested a review of the three fiscal notes.

TOM MAYER, CHIEF PROCUREMENT OFFICER, DEPARTMENT OF ADMINISTRATION (via teleconference), relayed that he did not have access to the fiscal note. He explained that the Department of Administration (DOA) submitted the fiscal note because Section 1 subsection (6) of HB 30 asked the department to report on "...statistically underrepresented demographic segments and geographic areas of the state..." He emphasized that without a definition to assist with a disparity study it was difficult to know exactly what the provision was attempting to determine. He believed that the report should be written by DCCED mainly because the licensing was under its purview.

Representative Holland noted that the bill had been changed from a prior committee, and the original bill modified the biennial procurement report to an annual report, which was reverted to biennial in the new CS. He did not believe they had received an updated fiscal note. Mr. Mayer responded that the department did not submit an updated fiscal note and whether it was annual or biennial did not affect the costs. The fiscal note reflected the cost specifically for the disparity study and was the typical cost of around \$500 thousand based on the Department of Transportation and Public Facilities and other agencies disparity studies. He noted that the cost was a best "guess."

[11:13:13 AM](#)

Co-Chair Foster cited the published fiscal impact note (FN1(DOA)) with a cost of \$500 thousand in Services in FY 2026 allocated to the Office of Procurement and Property Management and noted the fund source was Undesignated General Funds (UGF).

Representative Hannan asked why he recommended that DCCED write the report rather than DOA. Mr. Mayer answered that his office did not manage business licensing and only reported on all the procurement that happened in all agencies across the state every two years. Representative Hannan asked if his office could produce a procurement report that would assist DCCED gather information intersecting with businesses under licensing. Mr. Mayer replied that his office reported as directed under AS.36.35.40, a biannual procurement report on all procurement activities that were undertaken by all executive branch agencies. He delineated that the bill mandated a report on business licenses and ages for underrepresented demographic segments and geographic areas. The information would be new for the report, and he could begin to collect the data, but the department's perspective was that the report including the disparity study should be done through DCCED, who dealt with business licensing.

Representative Hannan noted she would take up her following questions offline with the sponsor.

11:16:00 AM

HANNAH LAGER, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, reviewed the one new fiscal impact note, dated April 4, 2025, allocated to the Office of Entrepreneurship. She explained that the cost included \$661 thousand to support the ongoing operations of the office in FY 26 and in subsequent fiscal years. The fiscal note included One full-time Division Director (range 27) at \$222.7 thousand, \$139.8 thousand for one full-time Program Coordinator 2 (range 20), and \$124.7 thousand for one full-time Research Analyst 3 (range 18). The positions would be located in Juneau with the caveat that it depended on where DCCED could find the most qualified staff. She noted there were additional typical costs associated with the office for travel, services, and commodities.

Co-Chair Foster noted there were two notes in packets from DCCED and asked if she would speak to the one allocated to licensing. Ms. Lager noted that the other note was from a previous bill version and was no longer applicable.

Co-Chair Josephson reported that there were previous positions in the department and asked what happened to them. Ms. Lager answered that previously DCCED had a Division of Economic Development that operated for many years and ran several programs such as; the tourism marketing program costing \$15 million to \$17 million per year and also ran the former Tok Visitors Office. The position count specifically related to the economic development and entrepreneurship work was roughly 11 in 2016 and due to significant budget cuts, the number was reduced to five positions by 2019. The department attempted to determine how best to run the program with fewer staff and over time the positions had been reduced to the current 1.5 positions located in the Commissioner's Office. Co-Chair Josephson asked if there was any function of the positions in the 2016 timeframe that was similar to entrepreneurship development. Ms. Lager responded that the work varied in any given year. She recalled a project focused on converting logging plants into smaller diameter timber plants. She noted that some positions were called "Development Specialists Type A" that focused on small business work but in any given year the work was based on economic activities happening in the state.

Co-Chair Foster asked to hear from Brodie Anderson related to the other fiscal note

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, reviewed the fiscal impact note from DCCED, allocated to Corporations, Business and Professional Licensing (FN3(CED)). He explained that the fiscal note was referred to the committee, but the fiscal note should have been eliminated in the prior committee. The fiscal note was no longer applicable to the bill.

Co-Chair Foster added that the fiscal note was not merely zeroed out but was eliminated. Mr. Anderson answered in the affirmative.

Representative Bynum thanked Mr. Anderson.

Co-Chair Foster thanked Representative Holland.

HB 30 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the schedule for the afternoon.

#

ADJOURNMENT

[11:22:51 AM](#)

The meeting was adjourned at 11:22 a.m.