

HOUSE FINANCE COMMITTEE
May 12, 2025
9:09 a.m.

9:09:48 AM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 9:09 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Andy Josephson, Co-Chair
Representative Calvin Schrage, Co-Chair
Representative Jamie Allard
Representative Jeremy Bynum
Representative Alyse Galvin
Representative Sara Hannan
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative DeLena Johnson
Representative Nellie Unangiq Jimmie

ALSO PRESENT

Representative Ky Holland, Sponsor; Cameron Ebersold, Staff, Representative Ky Holland.

PRESENT VIA TELECONFERENCE

Jacqueline Summers, Executive Director, Health Testbed Innovative Enterprises, Anchorage.

SUMMARY

HB 30 OFFICE OF ENTREPRENEURSHIP

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

HB 34 AK INNOVATION COUNCIL

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

SB 64 ELECTIONS

SB 64 was SCHEDULED but not HEARD.

Co-Chair Foster reviewed the meeting 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."

9:11:03 AM

REPRESENTATIVE KY HOLLAND, SPONSOR, explained that both HB 30 and HB 34 were intended to begin and expand a conversation on diversifying the economy, supporting emerging sectors, and aligning state actions with the vision, plans, and recommendations. He noted that the recommendations were already articulated in the Comprehensive Economic Development Strategy (CEDs) [created by the Department of Commerce, Community and Economic Development (DCCED)] and other similar reports. He explained that the purpose was to establish a framework by which strategies could be developed and plans supported, as well as to strengthen the existing economic ecosystem.

Representative Holland stated that HB 30 created the Office of Entrepreneurship and was modeled after efforts in other states that recognized the role of state government in fostering and supporting startups. The bill required that a small 5 percent portion of the state's economic development investments be directed specifically toward startups. He explained that a past version of the bill also required that an impact study be conducted to determine the extent to which businesses younger than five years were accessing state contracts and opportunities. However, he intended to eliminate the reporting requirement and its accompanying fiscal note after receiving negative community feedback on the requirement.

Representative Holland emphasized that the overall goal of HB 30 was to ensure that DCCED provided renewed focus and support for startups. He stated that ten years prior, the department had operated with approximately \$2 million and a number of staff dedicated to economic development, but the resources had since been reallocated or eliminated. The state's current allocation for economic development was zero dollars, which meant that Alaska was not investing in emerging sectors. He explained that HB 30 was an attempt to restore modest support. The bill carried a fiscal note (copy on file) for a small number of staff positions, but the positions already existed and were vacant. He clarified that the positions were transferred to the Office of the Governor and remained unfilled.

Representative Holland stated that he stood behind the fiscal note and stressed the importance of investing in Alaska's future economy and job opportunities. He explained that the bill was intended to re-engage the state in creating opportunities that would encourage families to remain in Alaska and give students reasons to be optimistic about their future in the state. He noted that Ms. Jacqueline Summers was available online if committee members had more detailed questions.

[9:15:11 AM](#)

Co-Chair Foster OPENED public testimony.

Representative Allard stated that she needed to step out for a meeting and emphasized that she did not want anyone to interpret her departure as rudeness. She would return as soon as the other meeting concluded.

Co-Chair Foster explained that individuals wishing to provide written testimony on HB 30 could do so by emailing the House Finance Committee.

[9:16:45 AM](#)

JACQUELINE SUMMERS, EXECUTIVE DIRECTOR, HEALTH TESTBED INNOVATIVE ENTERPRISES, ANCHORAGE (via teleconference), indicated that she supported Representative Holland's statements. She shared that she had been conducting a series of informal interviews and her research confirmed that entrepreneurship played an important role in

developing new ideas and solving problems in Alaska. She noted that entrepreneurs often became business owners by accident and needed support to succeed. She added that without assistance, entrepreneurs frequently made mistakes that jeopardized their success. She emphasized that HB 30 and HB 34 were important for supporting entrepreneurship efforts. She expressed her strong support for both bills. She indicated that she would remain available for questions.

[9:17:44 AM](#)

Co-Chair Foster CLOSED public testimony.

Co-Chair Josephson asked Representative Holland to clarify whether the amendment he intended to propose would leave the bill unchanged except for striking the annual report requirement on page 4.

Representative Holland responded in the affirmative. He deferred to his staff for additional detail.

CAMERON EBERSOLD, STAFF, REPRESENTATIVE KY HOLLAND, explained that the bill contained two separate reporting requirements. The first was a procurement report conducted by the Department of Administration (DOA). As currently written, the bill required the department to identify whether businesses less than five years old in Alaska were receiving procurement contracts. The provision carried a fiscal note of \$500,000 [FN1 by DOA, control code Ztaay](copy on file) for an impact study, which the possible amendment would remove. The second report that examined how legislation affected new businesses would remain unchanged.

Representative Galvin expressed support for the concept behind HB 30. She agreed that Alaska needed to explore new types of revenue sources. She noted that other states had invested strategically in order to generate greater long-term returns and she thought that Alaska needed to follow a similar model. She reminded the committee that the state was expected to experience reduced revenue from oil and gas over the next three to four years because of ongoing investment in growth. She emphasized that the state must consider innovative approaches to diversify its revenue base.

Representative Stapp recommended that if Representative Holland intended to introduce an amendment, the committee should instead consider adopting a committee substitute (CS).

Co-Chair Foster agreed that the suggestion was reasonable and that the change would be easy to incorporate.

Representative Holland noted there had been questions from members during a previous committee meeting and he had made a document available earlier that day (copy on file)[titled "HB 30 HFIN questions"] that he hoped had answered the questions.

Co-Chair Foster set an amendment deadline for HB 30 for Thursday, May 15, 2025, at 5:00 p.m. He noted that it was likely that the committee would consider a CS for the bill.

9:23:02 AM

AT EASE

9:24:08 AM

RECONVENED

Co-Chair Foster relayed that the committee would likely incorporate the amendment into the bill rather than considering a CS.

Co-Chair Josephson observed that subsections (4), (5), and (6) of the bill were being repealed, but when he looked at the 2024 version of the statutes, the subsections did not appear to exist. He commented that the matter could be addressed offline but asked if Representative Holland could clarify.

Mr. Ebersold asked Co-Chair Josephson if he could repeat the question.

Co-Chair Josephson clarified that the bill repealed a law on page 4, he did not see the laws being repealed in the 2024 version of the statutes. He observed that the subsections were added on page 2 of the bill. He suggested that he might be missing something.

Mr. Ebersold responded that the subsections were added by the bill. He explained that the House Labor and Commerce Committee had introduced and adopted an amendment that

sunset the program after five years. He explained that the sections being repealed were the same sections being added in Section 3, which established the Office of Entrepreneurship.

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

#hb34

HOUSE BILL NO. 34

"An Act establishing the Alaska Innovation Council; and relating to financial disclosures for members of the Alaska Innovation Council."

9:26:37 AM

Representative Holland explained that HB 34 was a macroeconomic bill. He remarked that HB 30 focused on the success of individuals, their ability to access resources, and their potential to grow and expand businesses and their impact in Alaska, while HB 34 provided a broader perspective by establishing the Alaska Innovation Council (AIC). He relayed that the council would bring together key leadership across the state, including the university, the State of Alaska, entrepreneurs, industry leaders, and providers of risk capital. The economic leaders would collaborate to identify strategic opportunities for Alaska, determine the unique areas where Alaska had the potential to grow, and establish the policies and programs necessary to support diversification of the economy and the growth of emerging sectors.

Representative Holland emphasized that initiatives already identified as priorities included energy, technology, mariculture, logistics, and unmanned aerial vehicles. He asserted that the priority areas represented the future of Alaska's economy and required support to develop and expand. He noted that over the past ten years, 89 percent of net new job creation had come from businesses less than five years old. He stressed the importance of creating new jobs in emerging industries that would attract young workers and would provide the foundation for the state's future.

Representative Holland clarified that traditional industries such as oil, gas, and mining would remain

essential components of the state's economy. However, growth would come from emerging sectors identified in the state's economic development strategy. He remarked that Alaska needed to position itself where the future opportunities lay, while continuing to invest in its legacy economic engines. He stated that AIC would serve as the convening body to bring together both public and private leadership and resources to identify, prioritize, and implement actions that would move the state forward.

Representative Holland explained that the bill was modeled after the Oregon Innovation Council, which began with similar legislation to create convening power. He added that Oregon had leveraged the council into an economic driver that fostered significant growth. He noted that the model followed examples in Alberta and Calgary, where a decline caused by the loss of 35 percent of oil, gas, and mining workforce and leadership had been reversed through a strategy of identifying innovation opportunities, partnering with universities, and aligning local talent. He remarked that Calgary had transformed into an economic leader in North America.

Representative Holland compared Alberta's economy to Alaska's, noting that both were remote and dependent on natural resources. He explained that Alberta had built on its resource base to create a future economy and had become a model for innovation, entrepreneurship, job growth, and new business creation. He hoped to build a similar model in Alaska.

[9:31:34 AM](#)

Co-Chair Foster OPENED public testimony. He asked if Ms. Summers wished to provide testimony.

[9:31:59 AM](#)

Ms. Summers remarked that there was an unbelievable opportunity to look at the future for Alaska, but a guiding group was needed to lead the work. She observed that many efforts were underway in the state but the efforts were not coordinated or aligned toward a common goal. She asserted that the council would be instrumental in avoiding a "scattershot" approach and would enable a focused effort that could gain traction and succeed. She reiterated her support for the bill.

Co-Chair Foster thanked Ms. Summers and asked for confirmation that she served as the executive director of the Health Testbed Innovation Enterprises in Anchorage.

Ms. Summers responded in the affirmative and added that she also conducted consulting work.

[9:33:10 AM](#)

Co-Chair Foster CLOSED public testimony.

Representative Galvin understood that several similar organizations and federal programs already existed, including the federal Small Business Innovation Research Program and the U.S. Economic Development Administration. She asked how AIC would work with federal entities to ensure that the efforts were complementary rather than duplicative.

Representative Holland responded that the two organizations referenced by Representative Galvin were among a dozen or more similar entities. He noted that each program carried out important work but the essential piece that was missing was the convening ability to bring all of the organizations into the same room. He stressed that it was essential to link and leverage the programs. He explained that the strength of a startup ecosystem came from helping people identify the next relevant program or step and guiding them through the process. He stated that building an economic ecosystem was different from replicating existing work.

Representative Holland relayed that there were no current efforts to convene the organizations. He compared the need to convene the organizations to a similar need at the Alaska Workforce Investment Board (AWIB), which linked and leveraged individual workforce development efforts. He emphasized that connecting the development efforts provided pathways for students moving from high school to dual credit, into post-secondary training, and for those with apprenticeship or military training who sought to complete degrees. He asserted that the same type of coordinated pathway was needed for business development. He added that several programs were in danger due to lack of funding and could be lost soon. He remarked that while avoiding duplication was important, the more urgent matter was the

strategic discussion of what would happen if the essential programs disappeared.

Co-Chair Foster set an amendment deadline for HB 34 for Thursday, May 15, 2025, at 5:00 p.m.

HB 34 was HEARD and HELD in committee for further consideration.

[9:39:23 AM](#)

Co-Chair Foster reviewed the meeting agenda for the afternoon.

ADJOURNMENT

[9:39:47 AM](#)

The meeting was adjourned at 9:39 a.m.