

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

January 22, 2026

3:19 p.m.

DRAFT

MEMBERS PRESENT

Representative Ashley Carrick, Chair
Representative Andi Story, Vice Chair
Representative Rebecca Himschoot
Representative Ky Holland
Representative Sarah Vance
Representative Kevin McCabe
Representative Steve St. Clair

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 133

"An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to payment of grants to named recipients that are not municipalities; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 124

"An Act relating to the Alaska Industrial Development and Export Authority; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 133

SHORT TITLE: PAYMENT OF CONTRACTS

SPONSOR(S): REPRESENTATIVE(S) HIMSCHOOT

03/12/25

(H)

READ THE FIRST TIME - REFERRALS

03/12/25	(H)	CRA, STA
03/25/25	(H)	CRA AT 8:00 AM BARNES 124
03/25/25	(H)	Heard & Held
03/25/25	(H)	MINUTE(CRA)
03/27/25	(H)	CRA AT 8:00 AM BARNES 124
03/27/25	(H)	Heard & Held
03/27/25	(H)	MINUTE(CRA)
04/03/25	(H)	CRA AT 8:00 AM BARNES 124
04/03/25	(H)	Heard & Held
04/03/25	(H)	MINUTE(CRA)
04/08/25	(H)	CRA AT 8:00 AM BARNES 124
04/08/25	(H)	Heard & Held
04/08/25	(H)	MINUTE(CRA)
04/10/25	(H)	CRA AT 8:00 AM BARNES 124
04/10/25	(H)	Heard & Held
04/10/25	(H)	MINUTE(CRA)
04/29/25	(H)	CRA AT 8:00 AM BARNES 124
04/29/25	(H)	Moved CSHB 133(CRA) Out of Committee
04/29/25	(H)	MINUTE(CRA)
04/30/25	(H)	CRA RPT CS(CRA) NEW TITLE 4DP 2NR
04/30/25	(H)	DP: HOLLAND, HALL, HIMSCHOOT, MEARS
04/30/25	(H)	NR: PRAX, RUFFRIDGE
04/30/25	(H)	FIN REFERRAL ADDED AFTER STA
05/15/25	(H)	STA AT 3:15 PM GRUENBERG 120
05/15/25	(H)	Heard & Held
05/15/25	(H)	MINUTE(STA)
05/17/25	(H)	STA AT 1:00 PM GRUENBERG 120
05/17/25	(H)	Heard & Held
05/17/25	(H)	MINUTE(STA)
01/22/26	(H)	STA AT 3:15 PM GRUENBERG 120

BILL: HB 124

SHORT TITLE: AIDEA

SPONSOR(s): REPRESENTATIVE(s) CARRICK

03/05/25	(H)	READ THE FIRST TIME - REFERRALS
03/05/25	(H)	STA, FIN
01/22/26	(H)	STA AT 3:15 PM GRUENBERG 120

WITNESS REGISTER

STUART RELAY, Staff
Representative Ashley Carrick
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced the changes associated with the committee substitute (CS) for HB 133; presented the sectional

analysis of HB 124, on behalf of Representative Carrick, prime sponsor.

ELLA LUBIN, Staff
Representative Rebecca Himschoot
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained changes associated with the CS to HB 133 on behalf of Representative Himschoot, prime sponsor.

HANNAH LAGER, Director
Administrative Services
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 133.

ACTION NARRATIVE

[3:19:49 PM](#)

CHAIR ASHLEY CARRICK called the House State Affairs Standing Committee meeting to order at 3:19 p.m. Representatives St. Clair, Himschoot, Holland, Vance, Story, and Carrick were present at the call to order. Representative McCabe arrived as the meeting was in progress.

^#hb133

HB 133-PAYMENT OF CONTRACTS

[3:20:36 PM](#)

CHAIR CARRICK announced the first order of business would be HOUSE BILL NO. 133 "An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to payment of grants to named recipients that are not municipalities; and providing for an effective date."

[3:21:57 PM](#)

REPRESENTATIVE STORY moved to adopt the proposed committee substitute (CS) for HB 133, Version 34-LS0114\L, Dunmire, 1/20/26, as the working document.

CHAIR CARRICK objected for the purpose of discussion.

[3:22:27 PM](#)

STUART RELAY, Staff, Representative Ashley Carrick, introduced the changes associated with the CS for HB 133 [included in the committee file], which read as follows [original punctuation provided]:

Section 1: Unchanged
Section 2: Page 2 line 33 - page 2 line 28. Deleted
Section 2: Unchanged, former section 3
Section 3: Former section 4. Effective date changed from July 1, 2026, to July 1, 2027.

[3:23:48 PM](#)

REPRESENTATIVE HOLLAND wondered why section 2 was removed with the CS and asked for the impact of taking this out.

[3:24:44 PM](#)

ELLA LUBIN, Staff, Representative Rebecca Himschoot, Alaska State Legislature, on behalf of Representative Himschoot, prime sponsor, explained changes associated with the CS to HB 133. Section 2 would amend current statute, and it was decided not to amend current statute at this time.

[3:25:14 PM](#)

CHAIR CARRICK corrected an earlier statement that CS for HB 133 was just technical changes.

CHAIR CARRICK removed her objection to adopting the CS for HB 133, Version 34-LS0114\L, Dunmire, 1/20/26. There being no objection, Version L was before the committee.

[3:26:04 PM](#)

REPRESENTATIVE HIMSCHOOT, as prime sponsor, reintroduced HB 133, Version L, and clarified the intent of the bill. She said HB 133 is a good governance bill. When the state is late with payments, there is no harm to the state and lots of harm to the contractor. She talked about the payment of contracts and the small margins to support groups while waiting for state payment of contracts. She is seeking to find parity between groups: Non-profits, tribes and municipalities, and private contractors.

[3:27:41 PM](#)

REPRESENTATIVE CARRICK asked for any questions.

[3:27:45 PM](#)

REPRESENTATIVE VANCE asked Representative Himschoot about conversations regarding this bill, and any updates on what can be done to shorten the agencies' timeline.

REPRESENTATIVE HIMSCHOOT answered it is different in every agency; a couple are on time, and some are in arrears from 60 to 90 days. The reasons are different across the board.

REPRESENTATIVE VANCE asked if this bill would be more effective in making these changes.

REPRESENTATIVE HIMSCHOOT stated what this bill would do is give the legislature standing. She said every year through budget process the legislature tries to give agencies what it asks for but it is not always what it needs. The legislature wants to provide the 10 percent penalty that agencies provide to contractors to non-profits, tribes, and municipalities.

REPRESENTATIVE VANCE said that she can see the mechanism for why, but the catch would be on the executive branch. She asked Representative Himschoot how she envisions a complaint being resolved under the proposed legislation.

REPRESENTATIVE HIMSCHOOT answered that it remains to be seen. The legislation can't be enforced until it exists. She said that she would imagine that a few groups would come together and bring a case to the state.

[3:31:42 PM](#)

REPRESENTATIVE ST. CLAIR asked a follow-up to Representative Vance's question about enforceability and who would pay the fine, the executive branch or the agencies.

REPRESENTATIVE HIMSCHOOT clarified that the agency would be responsible.

REPRESENTATIVE ST. CLAIR stated this gives him a clearer picture of what the legislature are talking about and asked if there was anyone available from the agency who deals with grants.

REPRESENTATIVE HIMSHOOT stated there is an agency representative available.

[3:34:25 PM](#)

The committee took an at-ease from 3:34 p.m. to 3:35 p.m.

[3:34:31 PM](#)

CHAIR CARRICK announced that Hannah Lager was available to answer questions.

[3:35:58 PM](#)

REPRESENTATIVE ST. CLAIR asked how many grants does the state puts out annually.

HANNAH LAGER, Director of Administrative Services, Department of Commerce, Community and Economic Development (DCCED) replied that she could not speak for the whole state. She said DCCED usually is in the 100s range. Most grants fall under grants to new recipients or grants to municipalities, so it would affect a small portion of the grants.

REPRESENTATIVE ST. CLAIR asked for a ballpark number of grants that would fall under Alaska Statute 45.45.010, grants that exceed \$25,000.

MS. LAGER said that most of grants are above \$25,000. In response to follow-up questions, she said the number of DCCDC grants that would be impacted by the legislation would vary year by year. The grant portfolio currently is larger than \$1 million. She gave examples of grants that it would apply to. She noted that the vast majority are granted to recipients not affected by this legislation.

[3:39:44 PM](#)

REPRESENTATIVE STORY asked the bill sponsor if she had ever thought about 45 days instead of 30 days.

REPRESENTATIVE HIMSCHOOT said she had not thought about 45 days as she is trying to level the playing field.

ELLA LUBIN added that some agencies are already making the 30-day deadline.

REPRESENTATIVE STORY asked whether there is an idea of the current contracts, the amount of cost that is paid in penalties.

REPRESENTATIVE HIMSCHOOT said that it has been difficult to get information from the agency's side. Contractors don't want to provide this information to avoid having a black mark with the agency and allowing them to be competitive on future contracts.

REPRESENTATIVE STORY said she would think in legislative audit books, there would be a category for arrears payments. This would be a question for the auditor.

REPRESENTATIVE HIMSCHOOT said it is a great question.

[3:42:24 PM](#)

REPRESENTATIVE HOLLAND asked the bill sponsor whether she had any thoughts about how this can be used so that this Healthcare Transformation Act funding which is coming quickly can help the non-profits to be more successful.

REPRESENTATIVE HIMSCHOOT said that she would like to have this in place before \$72 million starts to flow.

[3:44:46 PM](#)

REPRESENTATIVE VANCE noted that the Department of Transportation & Public Facilities (DOT&PF) was one of the agencies that hadn't been timely. She said the Department of Health has many contracts. A lot of doctors don't want to work with the state because of the delay. A large percentage of these dollars are federal, and the dollars must be distributed in a certain way and timeline. She asked whether the legislature understands the root of the problem and if part of the problem may be the timing of the federal dollars.

REPRESENTATIVE HIMSCHOOT responded that at DOT&PF the issue is with private contracts. She offered her understanding that nothing is awarded until the state has the funding and then the award is given and then the clock starts.

[3:47:02 PM](#)

CHAIR CARRICK said that last session when discussing this bill, the committee asked what some of the challenges are. Challenges identified were low staffing, high turnover, low institutional

knowledge, and one agency had just one type of software. She asked Representative Himschoot if she sees HB 133, Version L, to help agencies do some cleanup.

REPRESENTATIVE HIMSCHOOT answered that she checked with those agencies where it is working, and it was suggested having one grant payment system like in other states. Some standardization would help across agencies. She hoped the legislation would help the process to become more efficient and effective.

CHAIR CARRICK acknowledged it was a loaded question.

[3:49:17 PM](#)

REPRESENTATIVE ST. CLAIR said he is "a budget guy" and looking at the break down in the fiscal notes, he observed that the agencies listed \$1.3 million in the undesignated general fund (UGF). He asked how the legislature would fund this.

REPRESENTATIVE HIMSCHOOT said that the legislature needs to figure it out.

REPRESENTATIVE ST. CLAIR asked won't this increase the fiscal note?

REPRESENTATIVE HIMSCHOOT stated that the goal is to not pay out interest; that is the purpose of the bill.

[3:52:17 PM](#)

REPRESENTED ST. CLAIR asked Ms. Lager about software that the agency would like to get and put into place.

[3:52:40 PM](#)

MS. LAGER said she was pleased to say that new grant software has been rolled out.

REPRESENTATIVE ST. CLAIR asked if other agencies are using grant software.

MS. LAGER stated other departments are using grant software. The one chosen for DCCED was very specific and chosen through the procurement process.

[3:54:18 PM](#)

CHAIR CARRICK reminded members that there were a couple hearings on this in the previous session and set an amendment deadline.

CHAIR CARRICK announced HB 133, Version L, was held over.

^#hb124

HB 124-AIDEA

3:55:00 PM

CHAIR CARRICK announced the final order of business would be HOUSE BILL NO. 124 "An Act relating to the Alaska Industrial Development and Export Authority; and providing for an effective date."

She said this would be just an introductory session to HB 124 and a chance to gather questions. Next week, the committee will hear directly from Alaska Industrial Development and Export Authority (AIDEA) for the staff to answer questions and have further discussion.

3:55:51 PM

The committee took an at-ease from 3:56 p.m. to 3:58 p.m.

[During the at-ease, Chair Carrick turned the gavel over to Vice Chair Story.]

3:58:41 PM

CHAIR CARRICK, as prime sponsor, said that she was excited to bring forward HB 124. She noted that AIDEA had provided many documents for the committee to review [in the committee file].

She began a PowerPoint presentation [hard copy included in the committee files] entitled "The AIDEA Accountability Act HB 124." The presentation reviewed the mission, brief history and economic impact of AIDEA. She said this proposed legislation is not about getting rid of AIDEA but about striking a balance.

CHAIR CARRICK continued, on slide 3, "AIDEA projects and loans." She shared that a small number of projects are under \$10 million to some that are over \$50 million. She highlighted some projects.

CHAIR CARRICK said the purpose of HB 124 is to strike a balance between AIDEA's mission while enhancing oversight. Other state-

owned organizations don't have the same oversight, but AIDEA is a bit fundamentally different.

CHAIR CARRICK said she is trying to help juxtapose public backlash against AIDEA with the desire for AIDEA to move forward.

[4:05:09 PM](#)

STUART RELAY, Staff, Representative Ashley Carrick, Alaska State Legislature, on behalf of Representative Carrick presented the sectional analysis of HB 124 [included in the PowerPoint and as a separate document that read as follows, original punctuation provided]:

Section 1: Short title; The AIDEA Accountability Act.

Section 2: Amends AS 44.88.030(a)

- Requires legislative confirmation for Board Members
- Increases the size of the board from 7 to 9 members.
- Designates at least one board (1) board seat for someone representing an environmental advocacy organization.
- Adds two (2) board members: one (1) appointed by the Speaker of the House, and one (1) appointed by the President of the Senate.

Section 3: Amends AS 44.88.030(c)

- Conforming language relating to the increased number of board members.
- Increases the length of board terms from two (2) to three (3) years.
- Prohibits Governor's from removing board members. •

Section 4: Requires the AIDEA Board to establish a personnel policy and minimum qualifications for the executive director.

Section 5: Conforming language relating to Section 14.

Section 6: Requires the AIDEA Board to adopt regulations by passing a resolution.

Section 7: Amends AS 44.88.085(d)

- Increases public notice requirement from 15 to 30 days for board meetings.

- Requires the Board to give each testifier at least two (2) minutes for their testimony.
- Requires the Board to publish written responses to public comments.
- Requires the Board to publish a written justification when they adopt, amend, or repeal regulations.

Section 8: Adds new section - AS 44.88.107, Caps the size of the AIDEA Revolving Fund, and all its sub funds at \$500 million. If the fund goes over \$500 million, surplus funds go into the general fund.

Section 9: Adds new section - AS 44.88.179 requiring the following actions to be taken for all projects over \$10 million.

- Seek approval from a municipality or borough if a project is within their boundaries.
- Produce the following findings relating to a project
 - It is economically advantageous.
 - The project applicant is financially responsible.
 - Address concerns about demand on public roadways and facilities relating to this project.
 - Employment projections and data.
 - The project is economically and financially feasible.
 - The project is legal.
- Produce a report about the projected economic, social, and environmental effects of the project
- Host a public hearing on the project.
- Submit a report to the legislature that includes all documents relating to the findings required in this section.
- Gain approval from the legislature by law.

Section 10: Prohibits AIDEA Board members from voting on measures in which they have an indirect ownership interest.

Section 11-12: Updates annual reporting requirements to the Legislature.

- (Sec. 11) Specifies that AIDEA's annual report is due to the Legislature on January 10. This requirement is already in statute; this is a conforming change suggested by Legal Services.

- (Sec. 12) Requires AIDEA to develop performance metrics, and those metrics must be included in the annual report. Those metrics include an analysis of:
 - Job creation
 - Industry growth
 - Financial and technical assistance provided to state business and private investment increases.
- (Sec. 12) Requires the annual report to include the findings of AIDEA's annual audit.
- (Sec. 12) Requires the annual report to include a summary of actions taken at all board meetings.

Section 13: Requires AIDEA to be subject to the Alaska Public Records Act. •

Section 14: Requires the Attorney General to approve all lawsuits pursued by AIDEA. If the Attorney General approves a lawsuit, the legislature must be notified. Approval by the AG is not required for AIDEA to respond to a lawsuit.

Section 15: Repeals AS 44.88.380, which provides immunity for AIDEA employees for damages for acts done while performing the duties of their position.

Section 16: Transition; Appointment of Board Members

- The terms of board members (except the Commissioners of DCCED and DOR) expire when the Legislature confirms at least two of the Governor's appointments.
- The term lengths of newly appointed AIDEA Board members, appointed by the governor after the effective date of this act are as follows.
 - Two members for one-year terms.
 - Two members for two-year terms.
 - One member for a three-year term.
- The Speaker of the House and President of the Senate shall appoint board members on or before the 30th day of the first regular session of the 35th legislature.
- Previous board members are not prohibited from serving on the Board.

Section 17: Effective date, January 1, 2027.

[4:10:51 PM](#)

REPRESENTATIVE MCCABE asked, "What did AIDEA do to make you so mad?" He said that this is not a minor adjustment, but "rips the guts out" of a program and puts it under supervision of the legislature. He questioned the need to micromanage AIDEA.

CHAIR CARRICK countered that this is essentially dissolving AIDEA's capacity to do its work. A lot of reforms are broad and sweeping but are for the public's benefit not just the legislature, such as timely public notice, allowing for public testimony for regulation changes, and submitting the board for the Public Records Act.

REPRESENTATIVE MCCABE asked for confirmation that AIDEA was one of only five or six of the public corporations that returned a dividend to the state, in the amount of \$20 million.

CHAIR CARRICK agreed that AIDEA did return a dividend and was the only corporation to do so. Historically, over the last number of years, AIDEA has returned a low dividend considering the range available for returning a dividend. She didn't want to comment on their specific investment and economic factors that led to that distribution. This proposed legislation is a mechanism for the legislature to be a little more involved in AIDEA's governance, therefore allowing for more development.

REPRESENTATIVE MCCABE said that this could be fleshed out when AIDEA comes to visit.

[4:13:37 PM](#)

REPRESENTATIVE HOLLAND first asked a clarifying question on the sectional analysis, regarding two elements in section 9. On the findings related to a project, he asked whether one would be compliant with comprehensive plans that would be applicable to that jurisdiction. The second question is how the prime sponsor would expect the approval of the legislature on these larger projects, as the legislature only meets once a year.

CHAIR CARRICK said she did not see that the proposed legislation is specifically addressing comprehensive plans. Many of the communities affected by most projects don't have municipal governance. She addressed concerns on public roadways that the local community would be consulted. She asked Representative Holland to restate the second question.

REPRESENTATIVE HOLLAND said he was curious about the last bullet, "gain approval by the legislature by law." He wondered

how this would impact AIDEA on processing large projects in a timely manner.

CHAIR CARRICK said this is a great question and the biggest policy question: At what threshold does the legislature set the project's approval to ensure AIDEA is able to do its work in a timely fashion? She said that projects over a size that the legislature determines are "large projects" would receive an additional level of approval and oversight. The threshold is currently set at \$10 million as a "large project." It is my intent that a project the size of Ambler Road would qualify as a large project. The Interior gas buildout in Fairbanks, \$139 million project, is a very large project. There could be different interpretations and balance on how it would affect timelines. The legislature wants AIDEA to be able to "strike while the iron is hot" within reason.

[4:18:15 PM](#)

REPRESENTATIVE HIMSCHOOT had a couple questions as far as the idea of using a comprehensive plan of the community on page 4 of the bill. If there were a comprehensive plan, it wouldn't be difficult to make a resolution. She asked if that would cover the need to align with the comprehensive plan for a project.

CHAIR CARRICK answered probably and a lot of the legislation is policy calls in terms of what the intent was and what would take place. She said this may be an area that needs to be worked on.

REPRESENTATIVE HIMSCHOOT said the next question is about AIDEA itself having a long history and has AIDEA been reviewed in this way.

CHAIR CARRICK said that her staff could answer this question, and it is a great question for AIDEA when its representative presents to us next week.

[4:20:16 PM](#)

STUART RELAY stated that in his research, there was some reform in the '80s related to bonding which was the last big reform of AIDEA.

REPRESENTATIVE HIMSCHOOT said she has not thoroughly read the statutes, but it is only the corporation that is required to share a dividend.

CHAIR CARRICK said she believes it is the only one required.

4:21:17 PM

REPRESENTATIVE VANCE explained she is trying to understand the motivation and goal of the bill. A few years ago, there was a bill about public processes, as AIDEA was always going into executive sessions. She said that she sees components in this bill as indicating that there isn't transparency with AIDEA. This bill gives the perception of micromanaging AIDEA, anti-economic development, and it looks like overregulation. She stated that if the bill was about creating a clearer public process and transparency, then she could support it.

CHAIR CARRICK said that she appreciated that question. She reviewed the mission of AIDEA. The proposed legislation is just a starting point for hearing from peers and colleagues and to strike a better balance. She confirmed that there have been a lot of public pushbacks, especially on some hot button topics. She would like to elevate the good work and heavily supported work that AIDEA does across the state, while not ignoring the need for transparency, or people's concerns. Some of the large projects have more scrutiny as the projects impact a lot of communities involved. She stated her intention to put out a bill that strikes a better balance.

4:25:50 PM

REPRESENTATIVE MCCABE said his staff did a little research in this period of budgetary issues and found that AIDEA has returned about a half billion dollars to state. He said AIDEA is a good source for revenue and should be left alone. He asked, "Would you be supportive of AIDEA being a good place for the spur project?"

CHAIR CARRICK responded that nothing in HB 124 says that a project couldn't go forward; it would require more oversight. She said with the spur line, AIDEA would be a great mechanism. She stated that the threshold for qualifying as a project needs extra scrutiny by the legislature.

REPRESENTATIVE MCCABE said another concern involves an environmental person on the board to further hamstring AIDEA.

CHAIR CARRICK said this was a direct request from constituents, objecting to insertion that it would be a hamstring mechanism. Many projects in the state are not going forward because the

legislature does not have the expertise in this area. She wondered if having an environmental advocacy person would spur additional energy projects.

[4:31:14 PM](#)

REPRESENTATIVE HOLLAND noted that AIDEA's assets total about \$1.7 billion. A dividend of 5 percent would be about \$70 million instead of \$20 million this year. The statute gives the AIDEA board a decision about that percentage of dividend to return to the state. He asked, "Is there consideration of dividend as part of the look at AIDEA?"

CHAIR CARRICK responded that she was open to considering it.

REPRESENTATIVE HOLLAND stated that the bill would require AIDEA to divest two-thirds of its current portfolio. He asked for more clarity of what is in the AIDEA portfolio.

CHAIR CARRICK answered that this is a great question for when AIDEA is before the committee. She added that this information is not easily available.

[4:37:44 PM](#)

VICE CHAIR STORY thanked Representative Carrick for bringing forward HB 124, the legislature wants to ensure all the entities are sound and the public have confidence in them. She received e-mails about the lack of public process and how that can be improved. Also, e-mails say in recent years there have not been as many jobs as the legislature thought there was to be. Moody downgraded AIDEA's credit rating in 2019 due to a lack of transparency. Building public confidence in AIDEA is something to strive for as well as with whatever agency the legislature is working with.

[HB 124 was held over.]

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[4:39:52 PM](#)

The committee took an at-ease from 4:39 to 4:41 p.m.

[4:41:11 PM](#)

CHAIR CARRICK reviewed the upcoming agenda.

4:42:13 PM

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:42 p.m.