

SCOMM

124:2

Alaska State Legislature

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State Capitol
Juneau, AK 99801-1182
(907) 465-4955

House Special Committee on Economic Development, Trade and Tourism

AGENDA **Tuesday, February 6, 2001**

Tuesday, February 6

Overview: Alaska Science and Technology Foundation (ASTF)
Dr. James Kenworthy, Executive Director

This meeting will be teleconferenced



Legislative/Chamber Briefing

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 Technology Foundation (ASTF)**
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 272-4333



Legislative/Chamber Briefing

**Alaska Economy
 Business Survey
 Summit Process**



Alaska Science and Technology Innovation Index

Where Alaska is doing well:

- Growth rate in technology jobs, but starting from a small base
- Households with internet access and computers, Alaska ranks 1st in the nation
- Percentage of adults with high school degree



Alaska Science and Technology Innovation Index

Where Alaska is doing average:

- Per capita personal income equal to US average
- Percentage of workforce with Ph.D.'s in Science & Engineering
- Adults with college degrees



Alaska Science and Technology Innovation Index

Where Alaska is doing poorly:

- High outward migration of college students and younger aged workers
- Slow growth rate of per capita income, Alaska is lowest of the 50 states
- Low percentage of high-tech workers
- Venture capital is essentially nil
- Low R&D expenditures per capita and low share of industry R&D



Economic Development

**Economic Dev = Expansion of
 state economic base**

Base = traded goods/services

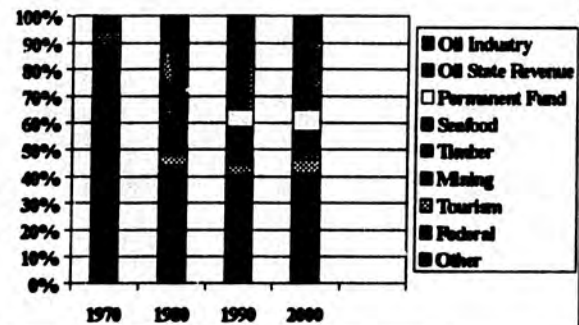
**Oil, Seafood, Mining, Tourism,
 Forest Products, Tech, services
 sold outside state**



Jobs In Base

State/Local Government (Oil Paid Only)	37,000
Federal	16,400
Oil & Gas	8,500
Mining	3,000
Seafood	6,000
Forest Products	1,000
Other Manufacturing	2,700
Self-Employed Fish/Tourism/Ag	???

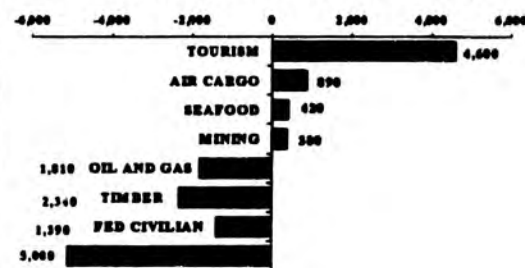
Composition of State Economic Base



Comparing AK to US 1985-1999 (Peak to Peak)

AK Growth Rate	20.3%
U.S. Growth Rate	31.3%
"Lost" Jobs	25,628

BASIC JOBS: Growth Since 1990



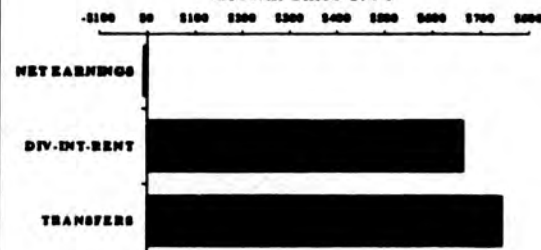
SOURCE: ISER, UAA

% INCOME GROWTH: 1990 TO 1998

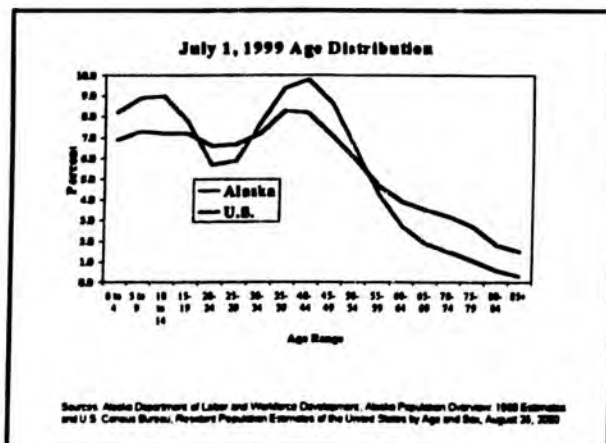


SOURCE: ISER, UAA

PERSONAL INCOME: Growth Since 1990



SOURCE: ISER, UAA



Conclusions

Not Getting Richer

Adding Jobs Faster than Wealth

Fixed Economic Base tied to Fiscal Problem

Time to Address Structural Issues

Conclusions (cont'd)

Alaska Declining Share of World Market for Oil, Salmon, Timber

Being Commodity Exporter is Pushing on String

Products which embed technology produce more wealth

Need to export more final products and services

Business Survey

480 Respondents Nov-Dec/00

State/Local Chambers

Resource Dev. Council

Alaska High Tech Business Council

Commonwealth North

27 Other Industry Groups

DCED/ASTF

Business Survey

Alaska's Economy

	<u>Current</u>	<u>3-5 Years</u>
Excellent	5%	11%
Good	48%	44 %
Average	41%	36%
Poor	5%	8%

Business Survey Key Issues

1. Opportunity for Young People to Have a Good Career in Alaska

95% Important/Very Important

49% AK Poor, 35% Average



Business Survey Key Issues

2. Adequate Supply Skilled Workers

94% Important/Very Important

36% AK Poor

47% Average



Business Survey Key Issues

3. Quality of Life

93% Important/V Imp

12% AK Excellent

49% AK Good



Business Survey Key Issues

4. Quality and Availability

Higher Ed/Post-HS Training/K-12

91-92% Important/V Imp

68%-76% AK Poor/Average



Business Survey Key Issues

5. Level and Growth of Personal Income

92% Important/Very Important

32% AK Poor, 47% Average



Business Survey AK Issues

Ranked Lowest

- 1. Dependence on Oil and Gas to fund
public services** **57% Poor**
- 2. Lack of state fiscal plan,** **53% Poor**
- 3. Lack of state econ dev strat** **53% Poor**
- 4. Lack of local/regional strat** **44% Poor**



Business Survey Other Issues

% AK Average/Poor

Cost of Doing Business	80%
Lack of Risk Capital	78%
Participation in New Economy	76%
Scope/quality of Physical Infrast.	75%
Environment Reg and Permit	74%

Business Survey

<u>Investment Principles</u>	<u>Agree</u>
Sustainable Market Economics	91%
Appropriate Risk/Reward	86%
Appropriate Cost and Benefits	85%
Build Local Capacity	80%
Bang for Buck/ROI	69%
Equity/Fairness	54%

SURVEY CONCLUSIONS

Glass Half Empty/Full on current economy
AK not growing wealth and enterprises like US
Good Quality of Life but concern if good jobs
for children
Need to start work to improve growth inputs
(tech, skilled workers, capital)
97% want private/public work together to
focus on economic growth

Summit Process

Process

Ask Alaska Next
Statewide Summit
Regional Plans ?

Summit Process

**Statewide Summit (Personal
Opinion, not Group)**

- 1. Define Success**
- 2. Define Investment Principles**
- 3. Not tell Regions what to do or use
Process for political/budget battles**
- 4. Strengthen public/private partnerships
to attack problems/opportunities**

Legislative/Chamber Briefing

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**COMMITTEE: HOUSE
ECONOMIC DEVELOPMENT,
TRADE & TOURISM**

SUBJECT: Overview: Alaska Science & Technology Foundation - by James Kenworthy, Executive Director



DATE: February 6, 2001

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(No Acronyms, Please)

**DO YOU
WANT TO
TESTIFY ?**

[illegible]