

ALASKA STATE LEGISLATURE
House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair



Rep. Bob Herron, Co-Chair



HCR 21 – Creating an Economic Development Planning Commission

Presentation to the House Economic Development,
Trade & Tourism Committee
March 23, 2010

HCR 21 Components

- 10-Member Economic Development Planning Task Force in the Legislative Branch
- Integrate Legislature into ongoing economic development planning efforts
- Report suggested strategies and legislation to the Governor, Legislative Council, and LB&A
- Sunsets June 30, 2012

HCR 21

- Legislature can monitor ongoing economic development initiatives.
- Creates mechanism for Legislature to collaborate with private sector and identify places for legislative action/state participation.
- Shows the Legislature's commitment to active participation in the implementation of statewide processes.
- Responds to identified shortcoming in previous economic development efforts.

Current Statewide Processes

- Alaska Forward
 - Led by the Alaska Partnership for Economic Development (ARDORs), other members
 - \$500K Denali Commission money for Phase I
 - Currently working on Phase II funding
- Legacy
 - Governor Palin's Administrative Order
 - Project has morphed under Governor Parnell
 - New format not yet finalized
- Other regional, industry-specific efforts

Alaska's Economic Development "System": Many economic development organizations with diverse funding sources, geographic scopes, missions and approaches

Geographic Scope	Key Organizations			
State Level	<i>Funding Agencies</i>	Alaska Industrial Dev't and Export Authority	Denali Commission	Alaska Growth Capital
		USDA Rural Development	Economic Development Administration	Small Business Administration
	<i>Research and Technical Assistance</i>	Alaska Dept of Commerce, Community and Econ. Dev't	Univ. of Alaska Center for Econ. Dev't	Small Business Dev't Center
<i>Business and Community Support</i>	Alaska Manufacturing Extension Partnership	Alaska Village Initiatives	Numerous Industry Specific Support Orgs	
	Alaska State Chamber of Commerce	Alaska Municipal League	Numerous Industry Organizations	
Regional Level	Alaska Regional Development Organizations (ARDORs)	Regional Tribal Organizations	Western Alaska Community Dev't Quota (CDQ) Groups	
Borough/ Municipal Level	Local Chambers of Commerce	Local Econ. Dev't Groups	Local Tribal Organizations	

Kinds of Opportunities Commission

May Identify

- Could identify financial tools to target particular areas of economic development:
 - Loan programs, incentive/tax programs
 - Target particular industry clusters, geographic regions, or other policy goals
- Enables the Legislature to address identified needs by preparing legislation in advance of sessions
- Possible restructuring of departmental participation in economic development
 - public corporation to work on economic development issues
 - new department
 - new division

Commission Membership

Appointment Authority

- One State Representative ← House Finance Co-Chairs
- One State Senator ← Senate Finance Co-Chairs
- Two Public Members ← House Speaker
- Two Public Members ← Senate President
- One Public Member ← House Finance Co-Chairs
- One Public Member ← Senate Finance Co-Chairs
- DCCED Commissioner ← By Statute
- L&WFD Commissioner ← By Statute

Goal of HCR 21 is to provide Legislature with direct input and collaboration with private sector on subjects of economic development.

HCR 21 – Timeline

- March, 2010: AK Forward Phase I Report
- April 30, 2010: Commission begins work
- January 30, 2011: First Legislative Report Deadline
- May 2010 (tentative): AK Forward Phase II Summit (Report Following)
- December 15, 2011: Second Report Deadline
- June 30, 2012: Sunset

Why is HCR 21 Needed?

- “Lack of an overall Alaska Strategic plan for Economic Development is a barrier to expanded AIDEA participation in major projects.”
 - AIDEA Strategic Plan
- “There is a lack of statewide planning, leadership, and coordination. Although Alaska has a large number and variety of economic development entities, their focus is local or regional, rather than statewide, and this limits their effectiveness.”
 - Alaska Forward: Phase I Situational Analysis Executive Summary
- Calling for a Comprehensive Economic Development Strategy for Alaska and supporting both the “Alaska Forward” project and the Governor’s “Legacy” plan.
 - Alaska State Chamber of Commerce 2010 Position Paper

Econ. Dev. & HCR 21 Documents

- CS HCR 21 (version S), Sponsor Statement, Fiscal Note, Letter of Support
- Alaska Forward Project Executive Summary
- “Legacy” Planning Process Outline
- Econ. Dev. In State Government Briefing Paper
- Chart of Alaska Economic Development “System”
- HCR 21 Powerpoint
- Legislative Research Report: Alaska Economic Development Orgs
- AlanAusterman.com: Econ. Dev. Library

HCR 21 – FISCAL NOTE

- \$130,000 Total (GF) – RDU: Legislative Council
- \$108,000 for Commission Staff (Range 21, Step C)
- \$11,000 for Travel (excluding per diem)
- \$11,000 for Per Diem
- Costs to print Commission Report and Teleconference meeting will be absorbed within existing budget
- Assumptions
 - 3 Meetings require travel (rest by teleconference)
 - 1 Anchorage meeting and 2 Fairbanks meetings
 - Per diem for 2 days per travel meeting
 - 3 Anchorage-based members; 1 Fairbanks-based member

HCR 21, Econ. Dev. Commission

Sponsored by House Community & Regional
Affairs Committee

Questions? Please call Rob Earl, Rep. Herron's office (465.5141).

Thank-you House Economic Development,
Trade & Tourism Committee!

Seed Clusters: Fortunately Alaska has several “clusters-in-the-making”

- Cold climate technology
- Rocket launch technology
- Cold climate housing
- Specialized super computing capabilities
- Distance delivery -- education, medical, and management services
- Alternative energy and clean-energy (bio fuels, clean coal/coal gasification, etc)
- Specialty solvents
- Light aircraft operations and maintenance/navigation
- Marine and arctic biological sciences/potential for aquaculture
- Remote communications technologies/systems
- Aerospace technology/operations
- Naturally grown/grazed food products

From a strategic standpoint, these areas should be nurtured, as many of the jobs of the future will emerge from these seeds



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House OKs Economic Development Planning Commission

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Published: April 15, 2010

CR 21 plans to encourage, create economic development

Wednesday, April 14, 2010, Juneau, Alaska – The Alaska State House today passed House Concurrent Resolution 21, legislation creating the Economic Development Planning Commission within the legislature. The bill was sponsored by the House Community & Regional Affairs Committee, which passed by a vote of 39-1.

The commission would consist of an 11-member board: one state Representative and one state Senator appointed by their presiding officers; two public members appointed by the co-chairs of House Finance; two public members appointed by the co-chairs of Senate Finance; one public member appointed by the House Minority Leader; one public member appointed by the Senate Minority Leader; the Commissioner of the Alaska Dept. of Commerce,

Community & Economic Development; the Commissioner of the Alaska Dept. of Labor & Workforce Development; and the president of the Alaska Partnership for Economic Development.

"HCR 21 will provide a much-needed mechanism for implementing plans and ideas that are vital for economic development, especially in rural areas like the Y-K Delta that have such a need for job creation," C&RA Co-Chair Bob Herron, D-Bethel, said. "Many plans in the past have failed at the implementation stage, and this commission's unique combination of legislative and private sector membership should help bring the most viable economic development ideas to fruition."

The commission would monitor the economic development planning processes currently underway from both the public and private sectors, and make recommendations to the legislature on those initiatives that may require statutory action. It would also be tasked with issuing recommendations in advance of the 2011 and 2012 Legislative Sessions, with an initial report due Jan. 30, 2011.

"There are a number of economic development efforts underway in the state, and this helps centralize an effort to unite the public and private sectors," House Finance Fiscal Policy Subcommittee Chairman Alan Austerman, R-Kodiak, said. "It's important to put the two together, so our legislative efforts are coordinated with the needs of the private sector and economic development efforts from around Alaska."

"The Commission created by HCR 21 will assist the legislature and the administration with information and direction as we strive to enhance Alaska's economic diversity," C&RA Co-Chair Cathy Muñoz, R-Juneau, said. "One of our committee's goals this session has been to create opportunities through a collaborative effort. The Economic Development Planning Commission accomplishes this goal as a conduit and clearinghouse for ideas invaluable to

Alaska's economic future.”

HCR 21 now heads to the Alaska State Senate for consideration.

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CS FOR HOUSE CONCURRENT RESOLUTION NO. 21(EDT)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE, AND TOURISM

Offered: 3/25/10

Referred: Labor and Commerce, Finance

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A RESOLUTION

1 **Creating and relating to the Economic Development Planning Commission.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** the state has a significant need for economic development; and

4 **WHEREAS** it would be beneficial to the state and its citizens to develop visions and
5 strategies to encourage economic development; and

6 **WHEREAS** Wyoming, North Dakota, Indiana, and Oregon, among other states, have
7 taken steps to integrate private sector leadership into economic development efforts
8 administered by their state governments; and

9 **WHEREAS** multiple economic development strategic planning initiatives are
10 underway in Alaska, including the Alaska Partnership for Economic Development's Alaska
11 Forward Initiative and the Governor's Legacy Initiative;

12 **BE IT RESOLVED** that the Alaska State Legislature establishes in the legislative
13 branch the Economic Development Planning Commission to develop and recommend to the
14 Governor and to the legislature visions and strategies that will encourage economic
15 development in the state; and be it

16 **FURTHER RESOLVED** that the Alaska Legislative Council shall provide adequate

1 staffing for the commission; and be it

2 **FURTHER RESOLVED** that the commission shall consist of the following
3 members:

4 (1) one member of the House of Representatives appointed by the chair or
5 jointly by the co-chairs of the House Finance Committee;

6 (2) one member of the Senate appointed by the chair or jointly by the co-
7 chairs of the Senate Finance Committee;

8 (3) one public member appointed by the Speaker of the House of
9 Representatives who is not an officer of the state or employed by officers of the state, who is
10 working in the private sector, and who possesses business expertise and demonstrated
11 leadership skills;

12 (4) one public member appointed by the House Minority Leader who is not an
13 officer of the state or employed by officers of the state, who is working in the private sector,
14 and who possesses business expertise and demonstrated leadership skills;

15 (5) one public member appointed by the President of the Senate who is not an
16 officer of the state or employed by officers of the state, who is working in the private sector,
17 and who possesses business expertise and demonstrated leadership skills;

18 (6) one public member appointed by the Senate Minority Leader who is not an
19 officer of the state or employed by officers of the state, who is working in the private sector,
20 and who possesses business expertise and demonstrated leadership skills;

21 (7) one public member with private sector business expertise and
22 demonstrated leadership skills, appointed by the chair or jointly by the co-chairs of the House
23 Finance Committee;

24 (8) one public member with private sector business expertise and
25 demonstrated leadership skills, appointed by the chair or jointly by the co-chairs of the Senate
26 Finance Committee;

27 (9) the commissioner of commerce, community, and economic development,
28 ex officio, or the commissioner's designee;

29 (10) the commissioner of labor and workforce development, ex officio, or the
30 commissioner's designee; and be it

31 **FURTHER RESOLVED** that appointed public members of the commission serve

1 without compensation but are entitled to per diem and travel expenses authorized for boards
2 and commissions under AS 39.20.180; and be it

3 **FURTHER RESOLVED** that a vacancy in the commission shall be promptly filled
4 in accordance with the requirements applicable to the original commission member who left
5 the office; and be it

6 **FURTHER RESOLVED** that the commission shall

7 (1) review recommendations produced by various economic development
8 planning processes, including the Alaska Forward Initiative, the Governor's Legacy Initiative,
9 and others, advise the legislature on its potential role in implementing the vision or the plans
10 or both, and provide draft legislation to accomplish the recommendations;

11 (2) consider and make recommendations regarding methods, programs, and
12 financing that may be used by the state to foster economic development;

13 (3) prepare proposed legislation to carry out recommendations of the
14 commission that the commission determines may need to be implemented by law;

15 (4) present its recommendations and proposed legislation to the Alaska
16 Legislative Council and to the legislative budget and audit committee not later than
17 January 30, 2011; and be it

18 **FURTHER RESOLVED** that the commission may, after considering the
19 recommendations in the Alaska Forward Initiative, the Legacy Initiative, and other economic
20 development strategies, prepare legislation to restructure economic development activities of
21 state government so that those functions are moved from existing state agencies to a

22 (1) newly created public corporation or a newly created department; or

23 (2) division within the Department of Commerce, Community, and Economic
24 Development; and be it

25 **FURTHER RESOLVED** that the commission may, not later than December 15,
26 2011, present a supplemental report, which may include additional recommendations and
27 proposed legislation; and be it

28 **FURTHER RESOLVED** that the commission is authorized to begin work
29 immediately on the appointment of the members who are appointees or on April 30, 2010,
30 whichever date is earlier, and is terminated on June 30, 2012.