

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

May 5, 2022

3:35 p.m.

MEMBERS PRESENT

Senator Mike Shower, Chair
Senator Mia Costello
Senator Roger Holland
Senator Scott Kawasaki

MEMBERS ABSENT

Senator Lora Reinbold, Vice Chair

COMMITTEE CALENDAR

HOUSE BILL NO. 123

"An Act providing for state recognition of federally recognized tribes; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 47

"An Act renaming the Alaska Native Language Preservation and Advisory Council as the Council for Alaska Native Languages; and relating to the Council for Alaska Native Languages."

- HEARD & HELD

PRESENTATION BY THE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT,
"WHERE ARE THE JOB SEEKERS?"

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 123

SHORT TITLE: STATE RECOGNITION OF TRIBES

SPONSOR(S): REPRESENTATIVE(S) ZULKOSKY

03/03/21	(H)	READ THE FIRST TIME - REFERRALS
03/03/21	(H)	TRB, STA
03/30/21	(H)	TRB AT 8:00 AM DAVIS 106
03/30/21	(H)	Heard & Held

03/30/21 (H) MINUTE (TRB)
 04/01/21 (H) TRB AT 8:00 AM DAVIS 106
 04/01/21 (H) Moved HB 123 Out of Committee
 04/01/21 (H) MINUTE (TRB)
 04/05/21 (H) TRB RPT 3DP 1NR
 04/05/21 (H) DP: FIELDS, TARR, ZULKOSKY
 04/05/21 (H) NR: CRONK
 04/17/21 (H) STA AT 3:00 PM GRUENBERG 120
 04/17/21 (H) Heard & Held
 04/17/21 (H) MINUTE (STA)
 04/22/21 (H) STA AT 3:00 PM GRUENBERG 120
 04/22/21 (H) Moved HB 123 Out of Committee
 04/22/21 (H) MINUTE (STA)
 04/26/21 (H) STA RPT 5DP 1NR
 04/26/21 (H) DP: VANCE, CLAMAN, STORY, TARR, KREISS-
 TOMKINS
 04/26/21 (H) NR: KAUFMAN
 05/19/21 (H) LIMIT ALL DEBATE TO 2 MIN EACH Y23 N16
 E1
 05/19/21 (H) MOTION TO TABLE UC
 05/19/21 (H) TAKEN FROM TABLE UC
 05/19/21 (H) TRANSMITTED TO (S)
 05/19/21 (H) VERSION: HB 123
 01/18/22 (S) READ THE FIRST TIME - REFERRALS
 01/18/22 (S) STA, CRA
 02/10/22 (S) STA AT 3:30 PM BUTROVICH 205
 02/10/22 (S) Heard & Held
 02/10/22 (S) MINUTE (STA)
 02/15/22 (S) CRA REFERRAL REMOVED
 02/15/22 (S) STA AT 3:30 PM BUTROVICH 205
 02/15/22 (S) Heard & Held
 02/15/22 (S) MINUTE (STA)
 03/03/22 (S) STA AT 3:30 PM BUTROVICH 205
 03/03/22 (S) <Bill Hearing Canceled>
 03/10/22 (S) STA AT 3:30 PM BUTROVICH 205
 03/10/22 (S) -- MEETING CANCELED --
 03/17/22 (S) STA AT 3:30 PM BUTROVICH 205
 03/17/22 (S) Heard & Held
 03/17/22 (S) MINUTE (STA)
 03/31/22 (S) STA AT 3:30 PM BUTROVICH 205
 03/31/22 (S) Heard & Held
 03/31/22 (S) MINUTE (STA)
 05/05/22 (S) STA AT 3:30 PM BUTROVICH 205

BILL: HB 47

SHORT TITLE: COUNCIL FOR ALASKA NATIVE LANGUAGES
 SPONSOR(s): REPRESENTATIVE(s) STORY

02/18/21 (H) PREFILE RELEASED 1/8/21
 02/18/21 (H) READ THE FIRST TIME - REFERRALS
 02/18/21 (H) TRB, STA
 04/06/21 (H) TRB AT 8:00 AM DAVIS 106
 04/06/21 (H) Moved HB 47 Out of Committee
 04/06/21 (H) MINUTE(TRB)
 04/07/21 (H) TRB RPT 3DP 1NR
 04/07/21 (H) DP: FIELDS, ORTIZ, ZULKOSKY
 04/07/21 (H) NR: CRONK
 04/07/21 (H) FIN REPLACES STA REFERRAL
 04/07/21 (H) BILL REPRINTED
 04/08/21 (H) TRB AT 8:00 AM DAVIS 106
 04/08/21 (H) -- MEETING CANCELED --
 04/21/21 (H) FIN AT 1:30 PM ADAMS 519
 04/21/21 (H) Heard & Held
 04/21/21 (H) MINUTE(FIN)
 04/26/21 (H) FIN AT 1:30 PM ADAMS 519
 04/26/21 (H) Moved HB 47 Out of Committee
 04/26/21 (H) MINUTE(FIN)
 04/28/21 (H) FIN RPT 8DP 3NR
 04/28/21 (H) DP: ORTIZ, EDGMON, LEBON, THOMPSON,
 WOOL, JOSEPHSON, MERRICK, FOSTER
 04/28/21 (H) NR: CARPENTER, JOHNSON, RASMUSSEN
 05/19/21 (H) LIMIT ALL DEBATE TO 2 MIN EACH Y23 N16
 E1
 05/19/21 (H) TRANSMITTED TO (S)
 05/19/21 (H) VERSION: HB 47
 01/18/22 (S) READ THE FIRST TIME - REFERRALS
 01/18/22 (S) STA, FIN
 05/05/22 (S) STA AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

LOGAN BASNER, Staff
 Representative Tiffany Zulkosky
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Answered questions on behalf of the sponsor of HB 123.

REPRESENTATIVE ANDI STORY
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 47.

NICHOLE THAM, Operations Manager

Division of Community and Regional Affairs
Department of Commerce, Community, and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 47.

DAN ROBINSON, Research & Analysis Chief
Central Office
Division of Administrative Services
Department of Labor & Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Delivered a PowerPoint titled "Where are the Job Seekers?"

ACTION NARRATIVE

[3:35:39 PM](#)

CHAIR MIKE SHOWER called the Senate State Affairs Standing Committee meeting to order at 3:35 p.m. Senators Kawasaki, Costello, and Chair Shower were present at the call to order. Senator Holland arrived as the meeting was in progress.

HB 123-STATE RECOGNITION OF TRIBES

[3:36:13 PM](#)

CHAIR SHOWER announced the consideration of HOUSE BILL NO. 123" An Act providing for state recognition of federally recognized tribes; and providing for an effective date."

[HB 123 was previously heard on 2/10/22, 2/15/22, 3/17/22, and 3/31/22. Public testimony was opened and closed on 2/15/22.]

He asked the sponsor's staff to give a high level summary of the bill before the committee considered amendments.

[3:36:33 PM](#)

LOGAN BASNER, Staff, Representative Tiffany Zulkosky, Alaska State Legislature, Juneau, Alaska, stated that HB 123 will codify the recognition of the 209 federally recognized tribes in Alaska.

[3:37:31 PM](#)

CHAIR SHOWER moved to adopt Amendment 1, work order, 320LS0438\A.3.

32-LS0438\A.3

AMENDMENT 1

OFFERED IN THE SENATE
TO: HB 123

BY SENATOR SHOWER

Page 1, line 12, following "state":

Insert "Passage of this Act is nothing more or less than a recognition of tribes' unique role in the state's past, present, and future."

Page 2, line 6, through page 3, line 4:

Delete all material and insert:

"* **Sec. 3.** AS 01 is amended by adding a new chapter to read:

Chapter 15. State-Tribal Relations.

Sec. 01.15.100. Recognition of tribes. The state recognizes the special and unique relationship between the United States government and federally recognized tribes in the state. The state recognizes all tribes in the state that are federally recognized under 25 U.S.C. 5130 and 5131. Nothing in this section diminishes the United States government's trust responsibility or other obligations to federally recognized tribes in the state or creates a concurrent trust relationship between the state and federally recognized tribes. In this section, "federally recognized tribe" has the meaning given in AS 23.20.520."

Renumber the following bill section accordingly.

[3:37:35 PM](#)

SENATOR COSTELLO objected for discussion purposes.

SENATOR SHOWER explained that Amendment 1 codifies the recognition of these tribes' role in Alaska's past, present, and future. This recognition is moved out of Title 44 into a new Sec. 01.15. He said he believes this change is acceptable to the bill sponsor and those who previously had articulated concerns.

[3:37:45 PM](#)

SENATOR HOLLAND joined the meeting.

SENATOR COSTELLO removed her objection.

CHAIR SHOWER found no further objection, and Amendment 1 was adopted.

[3:39:10 PM](#)

CHAIR SHOWER held HB 123 in committee.

HB 47-COUNCIL FOR ALASKA NATIVE LANGUAGES

[3:39:28 PM](#)

CHAIR SHOWER announced the consideration of HOUSE BILL NO. 47 "An Act renaming the Alaska Native Language Preservation and Advisory Council as the Council for Alaska Native Languages; and relating to the Council for Alaska Native Languages."

He noted that this was the first hearing.

[3:40:30 PM](#)

At ease

[3:42:54 PM](#)

CHAIR SHOWER reconvened the meeting.

[3:43:02 PM](#)

REPRESENTATIVE ANDI STORY, Alaska State Legislature, Juneau, Alaska, sponsor of HB 47, stated that the Alaska Native Language Preservation Advisory Council, of which she is a member, supports shortening the Council's name and expanding its membership. HB 47 seeks to make these changes. She continued the introduction speaking to the following sponsor statement:

House Bill 47- Renaming the Alaska Native Language Preservation and Advisory Council as the Council for Alaska Native Languages; and relating to the Council for Alaska Native Languages

House Bill 47 reflects a request from the Alaska Native Language Preservation and Advisory Council to change its name to the "Council for Alaska Native Languages." This change would shorten the Council's name while emphasizing the Council's broader focus, which includes more than just language preservation. In fact, the statute establishing the Council, AS 44.33.520, states the purpose of the Council is to

recommend "the establishment or reorganization of programs to support the preservation, restoration, and revitalization of Alaska Native languages."

The Council also requests an increase in membership from 5 to 7 members in recognition of the diversity of Alaska Native languages in the state (there are at least 20 Native languages in Alaska). This allows for greater language representation on the Council and increases the involvement of a great number of native language speakers from different regions of the state.

[3:45:25 PM](#)

REPRESENTATIVE STORY noted that the bill packets included the biennial report from the Council to the governor and legislature and said her office would provide the 2022 update.

She thanked the committee for its consideration of HB 47 and noted who was available to go over the sectional analysis and answer questions.

CHAIR SHOWER said he didn't believe it was necessary to go over the sectional analysis or the fiscal note, which was minimal.

He turned to invited testimony.

[3:47:41 PM](#)

NICHOLE THAM, Operations Manager, Division of Community and Regional Affairs, Department of Commerce, Community, and Economic Development, Anchorage, Alaska, stated that she didn't have prepared testimony, but was available to answer questions.

SENATOR COSTELLO referenced the report in the bill packet that lists the 20 Alaska Native languages and the estimated number of highly proficient speakers in the state. She asked what the Council does in the situation where no proficient speakers have been identified in the state.

[3:48:34 PM](#)

REPRESENTATIVE STORY apologized that there were no council members available to answer that question, and committed to ensure the committee received an answer. She added that the goal is to preserve and revitalize these 20 languages, each of which has its own depth and teachings.

[3:49:38 PM](#)

CHAIR SHOWER opened public testimony on HB 47; finding none, he closed public testimony.

He asked the sponsor if she had final comments.

REPRESENTATIVE STORY asked the committee to look at the report and its specific recommendations. She noted that it gave her pause to learn about the number of language speakers that had been lost to COVID-19 when there were already so few fluent speakers. It is clear that time is of the essence, she said.

[3:50:54 PM](#)

CHAIR SHOWER held HB 47 in committee.

**PRESENTATION BY THE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
ON "WHERE ARE THE JOB SEEKERS?"**

[3:51:14 PM](#)

CHAIR SHOWER announced a presentation by the Department of Labor and Workforce Development (DOLWD).

[3:51:41 PM](#)

DAN ROBINSON, Research & Analysis Chief, Central Office, Division of Administrative Services, Department of Labor & Workforce Development (DOLWD), Juneau, Alaska, delivered a PowerPoint titled "Where are the Job Seekers?"

MR. ROBINSON displayed slide 2 that cites articles from several news outlets that demonstrate that there is a shortage of job seekers in the labor market. It read as follows:

"Where Are America's Missing Workers" - Bloomberg.com
"4.3 Million Workers Are Missing in America" - Wall Street Journal
"Too Many Jobs, Not Enough People" - Alaska's News Source
"Anchorage Employers Have Jobs, But Few Applicants" - ADN
"Economic Impact of Missing Workers Could Be Significant" - NPR
"The Most Unusual Job Market in Modern American History" - Washington Post

MR. ROBINSON explained that slide 3 reflects the best data set available to confirm that the number of job openings is unusually high. The term "job openings" is defined in this data set as positions that are actively recruited outside the

organization, and filled within 30 days. The chart shows job opening data from 2011 to 2022.

He pointed out that the data shows: 1) something was happening before the onset of COVID-19, which was evidenced by the growing number of openings, 2) the deep plunge in job openings during COVID-19, and 3) the accelerating response post-COVID-19. He noted that for job seekers it is a good situation that there are more opportunities.

[3:54:33 PM](#)

At ease

[3:55:53 PM](#)

CHAIR SHOWER reconvened the meeting.

SENATOR HOLLAND asked how the data shows that something was happening before COVID-19.

MR. ROBINSON answered that economies like equilibrium and a growing number of openings is an indication of a growing imbalance. That is part of what leads to a fairly extreme imbalance like now when employers want to hire but few people are seeking jobs. He said part of what he'd talk about is wrongly ascribing that entirely to COVID-19 when the pandemic was only part of it.

SENATOR SHOWER asked when in 2022 were there 32,000 Alaska job openings.

MR. ROBINSON answered that the chart reflects data through February 2022.

[3:58:37 PM](#)

MR. ROBINSON reviewed the data on slides 4-5 that seek to answer the question about what was happening to the missing workers:

Our Recent Study of Alaska's Data

- In the year before the pandemic, 410,611 people worked in a wage or salary job in Alaska.
- Of that number, 321,990 were Alaska residents.
- Of *that* number, 215,605 kept working through the entire pandemic.
- But, 75,410 Alaska residents who had worked pre-pandemic were not working in the most recent time period available.

MR. ROBINSON said that last group of 75,000 Alaska residents is of special interest.

[4:00:05 PM](#)

CHAIR SHOWER asked what job did most of the non-Alaska workers hold pre-pandemic.

MR. ROBINSON replied that roughly two-thirds of the nonresident workforce is in seafood processing.

[4:00:45 PM](#)

MR. ROBINSON reviewed the data on slide 6:

Patterns in the Missing Workers

- First a caveat: that 75,000 number needs context because with all the typical dynamism in Alaska's economy and workforce, it's only 5-10 thousand higher than pre-COVID years.

He explained that of all 50 states, Alaska has the most seasonal economy; it has the largest migration flow as a percentage of the population; and with the exception of Alaska Natives, the population has shallower roots. This is to say that rather than 75,000, roughly 10,000 more people than usual have fallen out of the workforce.

- Most relevantly, the biggest divergence from normal dropout rates was in people 60+ years old.

MR. ROBINSON reminded the committee that the largest group of workers who stopped working and haven't returned are over 60 years of age. This is relevant because these workers are unlikely to return.

- The second biggest divergence from normal dropout rates was in people 30-39.

MR. ROBINSON speculated that the likely reasons that people in the 30-39 age bracket haven't returned are lack of child care, home schooling, and some out migration.

[4:04:33 PM](#)

MR. ROBINSON reviewed the data on slide 7.

How Many Claimed Unemployment?

- Only about a third of the missing workers filed for unemployment insurance at any point during the pandemic.
- A little more than half of workers who dropped out but are now working again filed for unemployment insurance (about twice as high as normal).
- Average total payments to missing workers: \$7,000.

[4:07:08 PM](#)

SENATOR HOLLAND commented that the average payment of \$7,000 was shockingly low. He asked what the range might have been.

MR. ROBINSON said the normal distribution would be roughly \$20,000 for a few weeks. COVID was a little different but he didn't believe there would have been a shockingly strange distribution.

SENATOR COSTELLO asked what other academic or government entities were doing research to try to answer the question about the scarcity of workers.

MR. ROBINSON said a lot of research is being done on this topic and Alaska has particularly good data because of the permanent fund dividend. It's also easier to isolate the residents than in other states and the wage records that employers are required to file for unemployment insurance are more detailed. He said his office was eager to do this detailed look because most other data is survey based.

[4:09:57 PM](#)

SENATOR COSTELLO asked if there was any research on the impact the worker shortage has on the day-to-day activities in a community. She noted the circumstance of trying to get information or do business and not being able to find anybody who was working in the office.

MR. ROBINSON replied that's more difficult to quantify with data, but part of the takeaway message is that this is not just a problem for employers. The ability of businesses and government to do what used to be normal work is compromised if there aren't people to do the work. He noted that Research and Analysis did some preliminary work looking at infrastructure spending and the assumption was that with all the money that was coming to Alaska, that there would be welders, truck drivers,

and engineers to do the work. That begs the question of what happens if those workers can't be found. He said it's going to take a little time and creative thinking to resolve this issue. Some of the strategies might be getting more women into construction and oil and gas, enticing seniors to return to the workforce, establishing different terms, and doing a better job putting DOC prisoners or vocational rehabilitation workers to work. In sum, there are pockets of people who could fill these positions but they have to be identified and encouraged.

[4:12:38 PM](#)

SENATOR KAWASAKI offered his takeaway that the enhanced unemployment payments last summer didn't necessarily help as much as anticipated to get people to return to work.

MR. ROBINSON said Research and Analysis did some work that showed that a fairly large number of people were making more money on unemployment insurance during that high period than they were on wages before that. So it wasn't an irrational idea to think that was keeping people from reentering the workforce, but none of the data support that it was ever a major factor.

CHAIR SHOWER observed that it didn't last longer either.

MR. ROBINSON said Alaska and about 20 other states stopped those payments early for that reason.

[4:14:18 PM](#)

SENATOR KAWASAKI highlighted that it was a few hundred million dollars that could have come to the state and helped bolster small businesses in communities. He also described a constituent case and relayed that claims for unemployment insurance during that time were being audited and when the record showed that an individual didn't make as much as they claimed to have made during the relevant period, they were being asked to make up the difference.

[4:15:26 PM](#)

MR. ROBINSON said it was an unusual circumstance. People like gig workers who had never been eligible before were eligible for pandemic unemployment assistance, although the verification requirement was largely not established. He highlighted that the data he'd seen indicated that, compared to other states, Alaska did a good job of preventing fraud.

[4:16:30 PM](#)

CHAIR SHOWER asked what sources contributed to the average total payments to missing workers.

MR. ROBINSON said roughly 70 percent would have been federal funds. He noted that Alaska's unemployment insurance trust fund had already returned to a healthy range. He described the structure of Alaska's UI system as actuarially smart, particularly compared to other states, many of which completely depleted their funds during the pandemic. He noted that Alaska's UI fund also remained actuarially healthy during the great recession.

MR. ROBINSON acknowledged that he omitted source information on the slides to avoid clutter, but the data generally comes from Research and Analysis, the Department of Labor and Workforce Development (DOLWD), and some from the U.S. Bureau of Labor Statistics.

[4:18:17 PM](#)

MR. ROBINSON turned to the bar chart on slide 8 that illustrates demographic trends of Alaskans who are of working age. In the 15-64 age group, there has been a steady decline since 2013. By 2021, there were roughly 27,000 fewer people of working age so it should have come as no surprise that employers were finding it more difficult to fill positions with people who were of standard working age. He said there are a couple of reasons, but the biggest is illustrated on slide 9. It shows that 45,000 Alaskans aged 65 and older left the workforce over the decade from 2010-2021. Alaska has a large number of baby boomers and they tend to be on the younger end of the spectrum so this trend will likely continue for close to another decade.

MR. ROBINSON said slide 10 illustrates that net outmigration is a secondary reason for employers having difficulty finding workers. For nine consecutive years, more people have moved out of Alaska than the number that have move into the state. Before this, the longest streak of continuous out-migration was four years. That exchange resulted in about 53,000 fewer people living in Alaska. He said the number of people coming and going is less relevant than the fact that Alaska has consistently lost people for nine years in a row. It's more than the 44,000 that were lost during the four recession years in the 1980s. It's different now with the extended time of more people wanting to leave than come. Among other things, it culls the number of available workers.

[4:22:36 PM](#)

MR. ROBINSON said the final slide emphasizes that this current imbalance won't go away anytime soon. Employers, policy makers, and people in workforce development will need to adapt or lose out on the benefits there might be from IIJA spending. This means figuring out how to do a better job of recruiting and retaining and how to make do with fewer people. He said it's an odd boon for job seekers so it's not all negative. People are able to move up into positions that wouldn't have been available to them five years ago, and people who are seeking a job have a unique opportunity.

CHAIR SHOWER summarized his understanding that the timing is a perfect storm of circumstances relating to COVID-19, aging baby boomers, and economic conditions. He referenced *The Demographic Cliff* that talks about the tipping point for nations that have a declining population, and said the trend lines are concerning, because Alaska could get to the point where it would be difficult for private enterprise or government to sustain itself.

[4:25:21 PM](#)

MR. ROBINSON responded that the population in Southeast is a little older, and absent migration growth that means there are fewer women of child bearing age. It's the opposite in rural Alaska where the population is younger and therefore has more women of child bearing age.

He added that a couple of factors he didn't mention were that technology has made it possible for a number of workers to move to self-employment. It will also be important to keep an eye on immigration numbers and decide how much to change the rules so it's easier to bring workers from other countries.

[4:27:10 PM](#)

SENATOR KAWASAKI asked how the use of J-1, L-1, and O-1 visas to hire foreign nationals during the summer was impacting the workforce today and if he thought those might be used more in the future.

MR. ROBINSON replied it's mostly anecdotal but a powerful indication of increased demand was the seafood processing company that for the first time was unable to find U.S. workers and requested J-1 visas.

CHAIR SHOWER thanked Mr. Robinson for the briefing.

[4:29:46 PM](#)

There being no further business to come before the committee,
Chair Shower adjourned the Senate State Affairs Standing
Committee meeting at 4:29 p.m.