

SENATE FINANCE COMMITTEE

March 7, 2024

9:06 a.m.

[9:06:44 AM](#)

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 9:06 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Scott Kawasaki, Sponsor; Seneca Roach, Intern for Senator Kawasaki; Jon Hagheyeghi, Executive Director, Alaska Commission on Aging; Marge Stoneking, Advocacy Director, American Association of Retired People - Alaska; Kris Curtis, Director, Division of Legislative Audit; Nicole Wery-Tagaban, Administrative Operations Manager, Division of Senior and Disability Services, Department of Health; Representative Frank Tomaszewski, Sponsor; Zach Young, Staff for Representative Tomaszewski; Joe Felkl, Legislative Liaison, Department of Fish and Game; Jennifer Yuhas, President, Outdoor Heritage Foundation of Alaska; Chad Hutchison, State Director for Government Relations, University of Alaska; Tim Lamkin, Staff for Senator Gary Stevens; Tracy Welch, Executive Director, United Fishermen of Alaska; Jeremy Woodrow, Executive Director, Alaska Seafood Marketing Institute; Glenn Haight, Commissioner, Commercial Fisheries Entry Commission.

PRESENT VIA TELECONFERENCE

Bob Sivertsen, Chairman, Alaska Commission on Aging, Ketchikan; Paula Pawlowski, Vice Chair, Alaska Commission on Aging, Anchorage; Pamela Samash, Commissioner, Alaska Commission on Aging, Nenana; Ed Martin, Self, Kenai; John Hanrahan, CEO, OBI Seafoods, Seattle, WA; Julie Decker, President, Pacific Seafood Processors Association; Scott Arndt, Mayor, Kodiak Island Borough.

SUMMARY

SB 189 EXTEND ALASKA COMMISSION ON AGING

SB 189 was HEARD and HELD in committee for further consideration.

SCR 10 JOINT LEGIS SEAFOOD INDUSTRY TASK FORCE

SCR 10 was heard and HELD in Committee for further consideration.

HB 120 HUNT/FISH LICENSE FOR NONRESIDENT STUDENT

HB 120 was heard and HELD in Committee for further consideration.

#sb189

SENATE BILL NO. 189

"An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

[9:07:37 AM](#)

SENATOR SCOTT KAWASAKI, SPONSOR, introduced himself and thanked the committee. He shared that his University of Alaska Fairbanks Ted Stevens intern would be speaking to the bill. He noted that the bill would extend the sunset date for the Alaska Commission on Aging (ACA). The commission dealt with issues related to seniors. He mentioned a growing population of seniors in the state. He thanked the committee for introducing a Committee Substitute [for SB 170] which removed the sunset date for the Senior Benefits Program. He noted that the bill was awaiting consideration in the House.

9:08:51 AM

SENECA ROACH, INTERN FOR SENATOR KAWASAKI, addressed a sponsor statement for the bill (copy on file):

Senate Bill 189 would extend the Alaska Commission on Aging for eight years, until June 30, 2032, based on the recommendations of the Legislative Budget and Audit Committee. Alaska's senior population is the fastest growing per capita in the United States, with the population aged 60 and older growing by 62.3% between the years of 2010-2021. This drastic increase in population has come with an increase in the number of seniors living below the poverty line as the cost of living has continued to rise. Additionally, Alaska's senior mortality rate continues to score higher than the national average in areas such as senior suicide, fatal falls, and alcohol-induced deaths. The Alaska Commission on Aging has proved vital in collecting data and providing solutions to the many challenges facing this particularly vulnerable and important group of Alaskans.

The recently completed audit found that the Alaska Commission on Aging is serving the public's interest by formulating and approving the comprehensive State Plan for Senior Services; advocating for older Alaskans; providing education programs; making recommendations to the legislature and the governor on legislation, appropriations, programs and services for seniors; and serving as a federally recognized advisory council to satisfy the requirement of the Older Americans Act, allowing Alaska to receive federal funding through the Administration on Community Living.

Senate Bill 189 is supported by the AARP, Access Alaska, Alzheimer's Resource of Alaska, Anchorage Senior Activity Center, Coalition of Mat-Su Senior Centers, Denakkanaaga, Inc., Governor's Council on Disabilities and Special Education, North Star Council on Aging, Senior Citizens of Fairbanks, Inc. and many other organizations.

I would respectfully request your support to extend this vital commission.

Co-Chair Olson asked if there was any opposition to the bill.

Ms. Roach was not aware of any opposition to the bill.

Co-Chair Olson was also not aware of any opposition to the bill.

[9:11:29 AM](#)

Ms. Roach addressed a Sectional Analysis (copy on file):

Page 1, Line 5

Deletes "2024" and replaces with "2032"

Page 1, Line 7

This Act takes effect immediately under AS
01.10.070(c)

Ms. Roach continued her testimony noting that without action, the commission would expire on June 30, 2024. The commission was originally enacted in 1981 and had been extended every year. He discussed the commission's intent to organize the state's efforts to aid and support the state's senior population. He described the state plan for Senior Services, which was released every four years and provided framework for how the state distributed state services to seniors including meals, transportation, safety and protection, adult day services, senior housing, vocational training, and legal assistance. The commission's guidance ensured that Alaska's senior programs and services were directed correctly and efficiently.

Ms. Roach described another primary activity of the commission, which was a Yearly Senior Snapshot. The snapshot looked at statistics and underlying trends of the state's senior population. The project gathered data in reference to population growth, poverty rates, mortality rates, economic indicators, the number of seniors receiving benefits, health and safety information, and housing information related to long-term care and its cost. The summary of the senior population helped the state understand underlying dynamics at play, and could help to tailor government students.

Ms. Roach discussion how the commission helped the state qualify for federal funding through the Older Americans Act. The act required states to maintain a single planning and service area to receive funds for states to help run senior programs. He asserted that the approximately \$5.7 million in funding would not be possible without ACA.

Ms. Roach referenced the Legislative Budget and Audit Committee's sunset review of ACA (copy on file). The audit concluded that the commission "served the public's interest by helping older Alaskans lead dignified, independent, and useful lives through advocacy, outreach, and education." The committee went on to recommend that the commission's termination date be extended until 2032. She summarized that the commission acted as a necessary component in the state's senior care system, providing the framework for its initiatives and the funds to fund them.

[9:14:28 AM](#)

Senator Kiehl referenced the state plan that ensured funding. He asked for highlights of the commission's other accomplishments.

Ms. Roach thought invited testimony could cite additional accomplishments. She offered to provide more information at a later date.

Senator Wilson noted that the sunset had an eight year extension. He asked if the sponsor felt that eight-year extensions would continue for a board that had always acted in the best interest of the public.

Ms. Roach believed an eight-year extension was good for the senior population and was supported by the sponsor.

Co-Chair Olson noted that the legislative auditor was available for questions.

[9:16:34 AM](#)

JON HAGHEYEGHI, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON AGING, relayed that he was in strong support of the bill. He asserted that the extension was not just a procedural necessity but was a critical step towards addressing the critical needs of the state's senior population. He thought Alaskan seniors experienced special challenges, including

scarcity of accessible resources and the distance to resources. He mentioned the ACA and the development of the state Plan for Senior Services, which he described as a strategic blueprint that qualified Alaska for federal funds. He thought support of the bill reinforced the state's commitment to the state's seniors. He mentioned the growing senior population in the state.

Co-Chair Olson asked for Mr. Hagheyegh to comment on not having a sunset date for ACA. He deferred to the chair for comment.

[9:19:34 AM](#)

MARGE STONEKING, ADVOCACY DIRECTOR, AMERICAN ASSOCIATION OF RETIRED PEOPLE - ALASKA, spoke in favor of the bill. She relayed that ACA had partnered with the American Association of Retired People (AARP) Alaska in its advocacy work to make Alaska a better place for aging. She asserted that ACA's planning and outreach reflected its data gathering and listening sessions with older Alaskans and senior providers. She posited that ACA's Senior Snapshot and comprehensive state plan were invaluable to AARP Alaska and other organizations serving and advocating for seniors. She mentioned ACA quarterly meetings around the state, which provided a public forum that helped the state stay in touch with how it supported seniors in remaining independent. She noted that AARP Alaska supported the reauthorization of the ACA. She cited that the state's senior population was the fastest growing in the nation.

Co-Chair Olson asked the state auditor to comment and address the eight-year extension.

[9:22:09 AM](#)

KRIS CURTIS, DIRECTOR, DIVISION OF LEGISLATIVE AUDIT, thought the previous speaker had provided a high-level overview of whether the commission was serving the public's interest. She referenced "A Sunset Review of the Department of Health, Alaska Commission on Aging" (copy on file). The committee had concluded that ACA was serving the public's interest and providing an important service. She relayed that the audit had one recommendation that ACA was compiling statistics into the Senior Snapshot but was not evaluating the services. They had provided metrics but no

evaluation. The audit also could not find evidence that the report was provided to the governor or legislature.

Co-Chair Olson asked if the lack of evaluation was a disservice to those that were being served.

Ms. Curtis thought the evaluation the adequacy of services was very important for policy creation, and was part of statute.

Co-Chair Olson agreed and reflected that the records should have an impact.

Ms. Curtis thought the recommendation was administrative in nature and was an easy fix, and noted that ACA was receptive to the feedback. She thought there was important information in the audit report. She explained that ACA had experienced a lot of turnover. She noted that during three and a half years there was vacancies in key positions, but offered kudos to ACA for being able to effectively carry out most of its functions despite the vacancies.

Co-Chair Olson asked about positive and negative aspects of making the ACA permanent.

Ms. Curtis explained that the purpose of a sunset process was to make sure that government entities did not exist in perpetuity and at some point, to evaluate if there was a continuing need. She added that the sunset also provided the legislature an oversight mechanism as to how the entity was operating, including occupational boards with support from the Division of Corporations, Business and Professional Licensing. For ACA, the legislature would use its oversight to look at how the commission was supported by the Division of Senior and Disability Services.

Ms. Curtis continued to address Co-Chair Olson's question. She explained that the downside of making the ACA permanent would be a lack of an oversight mechanism. She thought the committee had made significant changes during the last oversight process, including evaluation of positions. Without a sunset date, the legislature would lose the ability for such an evaluation.

[9:25:57 AM](#)

Ms. Curtis continued her remarks. She thought the advantage of having no sunset date for the ACA would be not having the cost or resources for an audit. She thought it was a policy decision.

Co-Chair Olson asked if Ms. Curtis recommended continuing on with a sunset date and not making ACA permanent.

Ms. Curtis relayed that she was neutral.

Senator Merrick asked about the cost of the audit.

Ms. Curtis estimated that for a small board such as ACA that the audit would take approximately 300 to 350 hours. The hourly rate for an audit was approximately \$88 to \$89 per hour.

Co-Chair Olson estimated that the audit would cost approximately \$2,500.

Ms. Curtis replied that the audit would cost approximately \$25,000 every eight years.

Senator Bishop agreed with the auditor. He appreciated the snapshot of senior services. He thought younger members might want to pay attention to legislation that affected the senior population. He thought a deeper look at the effectiveness of ACA was warranted. He mentioned the economic status of retirees, including rates of Social Security and other benefits. He was interested in details that indicated how many recipients received defined benefit versus defined contribution plan benefits.

Co-Chair Olson relayed that the committee would address the fiscal note, which was roughly \$450,000 per year. He asked for the department to comment.

[9:28:52 AM](#)

NICOLE WERY-TAGABAN, ADMINISTRATIVE OPERATIONS MANAGER, DIVISION OF SENIOR AND DISABILITY SERVICES, DEPARTMENT OF HEALTH, spoke to a new fiscal note from the Department of Health, OMB Component number 2674. She noted that the fiscal note was already in the budget for FY 25. The fiscal note was for \$449,000. Of the total, \$239,000 came from inter-agency receipts and \$210,000 came from the Alaska Mental Health Trust Authority (AMHTA).

Co-Chair Olson asked if the funds were Designated General Funds (DGF).

Ms. Wery-Tagaban answered affirmatively.

Co-Chair Olson OPENED public testimony.

9:30:06 AM

BOB SIVERTSEN, CHAIRMAN, ALASKA COMMISSION ON AGING, KETCHIKAN (via teleconference), spoke in favor of the bill. He thought the ACA mission worked in developing the state plan for senior services, which was a statutory requirement and a testament to the state's commitment to guiding senior services across the state. He mentioned collaboration with AMHTA, which amplified ACA's impact, particularly in mental health aspects of senior wellbeing. He considered that the commission was part of the mechanism through which the state received Older Americans Act funding for grants within the state.

Mr. Sivertsen continued his remarks and referenced earlier comments about a permanent extension. He relayed that the commission welcomed the review and the audit because it kept ACA on track and ensured it was providing services to seniors in a meaningful manner. He mentioned ACA's outreach and legislative advocacy. He discussed education. He mentioned organizational partnerships to share information with seniors on accessing services. He discussed travel within the state and the challenge that 85 percent of Alaskans were not on a road system. He mentioned outward migration from the state and larger issues with senior health and support.

9:33:27 AM

PAULA PAWLOWSKI, VICE CHAIR, ALASKA COMMISSION ON AGING, ANCHORAGE (via teleconference), testified in support of the bill. She noted that all the commission members were volunteers, and members tried to represent the entire state. The commission was currently looking to fill a position to represent Western Alaska. The commission had only two employees. She explained that ACA listened, evaluated, and provided feedback to partners. She mentioned the state plan required by the federal government, which took at least a year to assemble. She mentioned the growth

of the aging population, and cited that the 85-plus population in Alaska was expected to increase by 500 percent by 2023 and 2050. She noted that the state's biggest need was for the 80-plus population and how to provide seniors with the ability to age in place with services and dignity.

[9:36:28 AM](#)

PAMELA SAMASH, COMMISSIONER, ALASKA COMMISSION ON AGING, NENANA (via teleconference), spoke in favor of the bill. She thanked the committee and thanked the sponsor. She emphasized that the senior population was "exploding" in the state and needed help, particularly in the Interior and in rural parts of the state. She relayed that she had joined the board because she saw the need and wanted to help. She relayed that she was from Nenana. She described receiving calls from all over the state from people needing help. She described the challenge of navigating Medicaid, Social Security, and food insecurity. She encouraged members to look over the state plan, which addressed many areas. She emphasized that the topic affected everyone. She emphasized that ACA members were volunteers.

[9:39:39 AM](#)

Co-Chair Olson CLOSED public testimony.

SB 189 was HEARD and HELD in committee for further consideration.

#hb120

HOUSE BILL NO. 120

"An Act relating to hunting, trapping, and fishing licenses for certain nonresident postsecondary students; and providing for an effective date."

[9:39:53 AM](#)

REPRESENTATIVE FRANK TOMASZEWSKI, SPONSOR, explained that HB 120 related to non-resident hunting, fishing, and trapping licenses. He read from a Sponsor Statement (copy on file):

House Bill 120 adds a new non-resident student hunting, fishing, and trapping license. Upon passage

of this legislation, a non-resident student enrolled in classes full or half time, as determined by their school, can purchase a license at resident cost. This does not change any regulations or the cost of tags.

Research shows hunting and fishing have declined since the 1960s. As the percentage of the population that hunts, fishes, and traps declines, so does our conservation funding. Conservation funding by federal statutes (Pittman-Robertson Act, Dingell-Johnson Act, Migratory Bird Hunting Stamp Act, etc.) is directly tied to excise taxes on things like ammunition, firearms, archery, and fishing equipment. These taxes are then distributed to the states' fish and game departments for conservation and management efforts. To access these federal dollars, the states must match the funding, Alaska does so by utilizing the revenue from hunting and fishing licenses. The direct correlation between our hunters and our conservation ability cannot be overlooked. It is critical that we encourage younger generations to participate in these wonderful outdoor activities.

Though hunting and fishing may not be easy hobbies to pick up, an additional financial burden may make it even harder. Many younger students who might be interested in learning how to hunt and fish are also trying to pay for college life. Lowering the license cost non-resident students pay may encourage them to go hunting, fishing, or trapping with their fellow students.

Representative Tomaszewski commented that part of the bill concentrated on two other issues not included in the sponsor statement. He mentioned recruitment and retention, and thought the bill was a way for the University of Alaska to recruit new students. He thought the bill would serve as a marketing tool to attract students to the state for higher education. He thought hunting and fishing created connection with nature and would encourage students to stay in the state. He spoke to the mental health benefits of being in nature while hunting and fishing. He discussed his personal enjoyment of being in nature.

[9:44:17 AM](#)

ZACH YOUNG, STAFF FOR REPRESENTATIVE TOMASZEWSKI, addressed a Sectional Analysis (copy on file).

Section 1: Amends the section to include the new nonresident postsecondary student license.

Section 2: Adds a new subsection allowing for nonresident students who are enrolled half-time or part-time in postsecondary education to purchase a special nonresident postsecondary student license for sport fishing, hunting, or trapping at the same cost as a resident license.

Section 3: Provides uncodified law that allows the Department of Fish and Game to adopt regulations to implement to the new license.

Section 4: Provides for an effective date.

Section 5: Provides for an effective date.

Mr. Young commented that the bill was an opportunity to encourage and incentivize students to come to the state and stay in the state. He thought many people loved the state because of outdoor recreation opportunities. He proposed that students were often in a difficult financial position and were away from their families. He thought the bulk of the recreation season took place outside the academic sessions of UA. He thought recreation would incentivize people to stay during the summer. He emphasized that the government should incentivize staying in the state.

[9:46:44 AM](#)

Senator Kiehl thanked the sponsor for bringing the bill forward, and thought it was a worthwhile step in recruitment and retention. He asked if the bill proposed any change to who would need a harvest ticket versus a locking-tag for certain big game animals.

Mr. Young understood that hunters would still need to purchase a non-resident tag for any big game animal and the requirement would not be changed under the bill.

Senator Kiehl understood that under the bill, out-of-state students would still the pay non-resident locking-tag price.

Mr. Young answered "yes."

Senator Kiehl noted that the intensive management fee differed by resident and non-resident. He asked if the bill proposed that non-resident students would pay the non-resident intensive management fee for a hunting license.

Mr. Young explained that under the bill, the intensive management fee would be adjusted down to the resident rate. He noted that the intensive management fee only applied to fishing licenses. Under the provisions of the bill, the total cost of a hunting license for a non-resident student would be \$45 (including a \$10 management fee), as it was for an Alaskan. For a non-resident, the total was \$160 (including a \$30 management fee).

Senator Kiehl thought the bill indicated something different. He asked for more details on the mechanics of the provision in the meeting or at a later time.

Co-Chair Olson asked the sponsor's preference.

Representative Tomaszewski indicated he would gladly meet with Senator Kiehl to discuss the provision in more detail.

Senator Bishop asked if students over the age of 60 would get a hunting license at no cost.

Mr. Young relayed that the bill did not allow for any other exemptions. He noted that there was an exemption in statute for \$5 hunting and fishing licenses for people under the poverty line. He thought the senior discount would not be applicable.

Senator Bishop asked if there was anyone from the Department of Fish and Game that could address his question.

[9:50:33 AM](#)

JOE FELKL, LEGISLATIVE LIAISON, DEPARTMENT OF FISH AND GAME, introduced himself and asked Senator Bishop to repeat his question.

Senator Bishop relayed that at age 60, Alaska residents could receive a lifetime hunting license. He asked if the

opportunity would apply to part-time or full-time students as the bill was written.

Mr. Felkl answered "no," and continued that the bill would create a special non-resident license, which would still be subject to all the requirements of non-residents, thus would not qualify for the disabled veteran license.

Senator Bishop pondered whether a senior citizen that was a part-time or full-time student would have a case for a lawsuit.

Mr. Felkl explained that the way the bill was drafted, it did not give non-resident postsecondary students any rights in law that were for residents, including the disabled veteran license. He could not speak to a possible lawsuit.

Co-Chair Stedman was curious about how the bill would pertain to graduate students and students in training programs such as at the Alaska Vocational Technical Center (AVTEC).

Mr. Felkl explained that the bill sited a list of postsecondary institutions in the state, including AVTEC.

Mr. Felkl clarified that the non-resident intensive management surcharge would apply to the new license, as would all other non-resident requirements such as bag limits. The post-secondary students would not be able to participate in personal use or subsistence hunts and fisheries.

Co-Chair Olson asked Mr. Felkl to comment on the fiscal note.

Mr. Felkl noted that there was three fiscal notes attached to the bill. He commented on a new zero fiscal note from ADFG, OMB Component 479. The fiscal note was for statewide support services and focused on potential operating costs for the Division of Administrative Services and Licensing. He discussed the creation of a new license in the system with supplemental questions. He discussed details of potentially licensing changes. The department anticipated additional applications if the bill was implemented, but did not anticipate that the increase would require additional staffing of create a substantively increased workload.

Mr. Felkl commented two additional new fiscal notes from ADFG, for the Division of Wildlife Conservation (OMB Component 473) and the Division of Sport Fisheries (OMB Component 464). He explained that the two notes focused on potential revenue impacts to the Fish and Game Fund. The fiscal note analysis showed recognition that there could be a slight decrease in revenue, but the department agreed with the sponsor that the new license would encourage more postsecondary students that would not otherwise participate in hunting and fishing. The department thought any difference, positive or negative, would be minimal and both notes were submitted as zero fiscal notes. He reiterated that the holders of the new license type would still be subject to all other non-resident requirements including the intensive management and tag fees.

Senator Bishop asked how the bill would apply to non-resident aliens that were part-time or full-time students at the University of Alaska.

Mr. Felkl understood that the bill would also apply to non-resident aliens.

Senator Bishop asked for Mr. Felkl's response in writing.

[9:56:44 AM](#)

JENNIFER YUHAS, PRESIDENT, OUTDOOR HERITAGE FOUNDATION OF ALASKA, spoke in support of the bill. She noted that funding for conservation and management of the state's living resources was dependent upon license holders that hunted, fished, and trapped. She thought recruitment of new license holders was critical. She expected that the legislation would generate revenue into the future as people were recruited to the state. She mentioned students at UAF that engaged in weekend activities. She suggested that non-resident students could be recruited to hunting and fishing activities that would create interest for future participation and license purchasing.

[9:59:45 AM](#)

CHAD HUTCHISON, STATE DIRECTOR FOR GOVERNMENT RELATIONS, UNIVERSITY OF ALASKA, explained that the University of Alaska (UA) supported the bill. He thought the bill aligned well with the conversation the UA president was having with

the governor regarding using UA to boost the working-age population of the state. He thought the bill was a step towards helping students live the Alaskan dream.

Co-Chair Olson OPENED public testimony.

10:01:10 AM

ED MARTIN, SELF, KENAI (via teleconference), spoke in favor of the bill. He thought the bill seemed to apply to a special interest group that may come to UA to study. He thought the bill should have a caveat that once the student became a resident they would need a resident license. He thought the sponsor was trying to tap into federal dollars. He did not think the Senate realized that the country was paying interest on a huge debt. He emphasized that the resources in question belonged to Alaskans. He stressed the importance of fiscal responsibility. He agreed that the state needed to bring students into the UA system.

Co-Chair Olson asked if Mr. Martin was against the bill.

Mr. Martin relayed that he was against the bill unless there was a provision that only allowed the special license for one year until residency was established.

Senator Merrick understood that some of the federal dollars were directly tied to excise taxes on things like firearms, ammunition, and archery and fishing equipment.

Senator Wilson mentioned excise taxes and discussed student residency conditions. He understood that the premise of the bill was to offer benefits to students from out of state and help them enjoy the Alaskan lifestyle.

10:06:02 AM

Co-Chair Olson thought there was an issue that needed to be clarified regarding non-resident alien students.

Mr. Felkl relayed that under AS 16.05.14 (h), the statute separated a non-resident person from a non-resident alien for the purposes of fishing and hunting licenses and permits. The bill would not include non-resident alien students to qualify for the reduced license fee.

Co-Chair Olson CLOSED public testimony.

Representative Tomaszewski thanked the committee and relayed that he would get back to the committee with the requested information.

Co-Chair Olson relayed that his office had received phone calls from rural areas regarding limits on moose and salmon. He mentioned a bill related to purchasing permits. He asked why the bill proposed to give out-of-state residents access at a reduced rate when there was a shortage of some of the state's resources.

Representative Tomaszewski explained that the non-resident students would still have to abide by the restrictions and regulations that were imposed on all residents of the state. He thought Co-Chair Olson had posed a great question that was a philosophical debate that was hard to get to the bottom of.

Co-Chair Olson mentioned a moratorium between the state and Canada that had to do with numbers of fish in trans-boundary waters. He was interested in the sponsor's thoughts.

Mr. Young relayed that the previous year there had been 332,000 non-resident fishing licenses sold the previous year. The UA student population of non-resident students was around 3,200; and if 20 percent of the students purchased the new license type it would be only 1 percent of the total. He thought that while the concerns were clear, the bill was geared at getting non-resident students to engage in mostly Southcentral and Interior fisheries, which were not as strongly impacted.

HB 120 was heard and HELD in Committee for further consideration.

#scr10

SENATE CONCURRENT RESOLUTION NO. 10

Establishing the Joint Legislative Seafood Industry Task Force.

[10:10:11 AM](#)

Co-Chair Olson relayed that it was the first hearing for SCR 10.

10:10:33 AM

TIM LAMKIN, STAFF FOR SENATOR GARY STEVENS, relayed that the bill was a priority among coastal communities. He commented that the resolution modeled a similar task force in 2002 as the legislature attempted to find solutions to offer at a state level. The resolution was a draft, and he noted that there could be some additional target subject areas that might want to be added for the task force's consideration. He discussed the size of the task force's membership, and noted that the 2002 task force membership of 15 had to extend its work to two years to complete its work. He mentioned the prior task force's governance structure and stakeholders, which included several policy subcommittees.

Mr. Lamkin spoke to the fiscal impact of the bill, and shared that the activities of the task force should fall within the members normal course of duty. He expected an initial in-person organizational meeting, likely in Anchorage, presumably in May. He anticipated that the task force would meet digitally throughout the legislative interim, with a second potential meeting in Anchorage in January. He mentioned the final report and presumed that the cost borne by the task force would be absorbed by existing operational budgets of the legislature and by the public members representing their respective organizations.

Co-Chair Stedman referenced Mr. Lamkin's mention of the previous salmon task force twenty years previously. He recalled that the previous task force had 16 members and asked if the resolution proposed to have 7 members.

Mr. Lamkin answered affirmatively, and relayed that the number was a starting point.

Co-Chair Stedman asked if it was felt that the 16-member task force was too broad, slow, or cumbersome; and that 7 members would work more quickly. He asked for the reasoning behind the reduction of membership.

Mr. Lamkin did not recall the conversation regarding the reasoning for the change. He opined that a task force with over 15 members was too many. He thought logistics was a factor. He mentioned the amount of work and the difficulty of achieving consensus with larger groups. He pondered

whether seven was too few, and suggested having a maximum of 15 members.

[10:14:59 AM](#)

JOHN HANRAHAN, CEO, OBI SEAFOODS, SEATTLE, WA (via teleconference), spoke in support of SCR 10. He relayed that OBI Seafoods had operations in Southeast, Prince William Sound, Kodiak, and Bristol Bay. The company was one of the largest salmon processors in the state and employed over 1,500 people each year. He thought the Alaska seafood industry was experiencing adverse conditions that negatively affected nearly every fishery. He mentioned high interest rates, inflation, and Russian pricing. He discussed efforts by the congressional delegation and legislature.

Mr. Hanrahan discussed things the state could do to assist with the problem. He suggested that more support for Alaska Seafood Marketing Institute (ASMI) to increase market shares. He discussed including Alaska fish purchases in food banks. He mentioned loan guarantees to reduce the effects of high interest rates. He thought the creation of task force would be helpful in coming up with additional measures to help the fishing community and adjacent stakeholders. He emphasized working on the makeup of the task force to ensure the creation of the best possible plan for all stakeholders.

[10:17:48 AM](#)

TRACY WELCH, EXECUTIVE DIRECTOR, UNITED FISHERMEN OF ALASKA, spoke in support of the bill. She explained that the United Fisherman of Alaska (UFA) was a statewide commercial fishing trade association that represented 36 member groups that participated in state and federal fisheries off Alaska's coast. She relayed that she was a harvester and she had participated in Southeast Alaska fisheries for over 30 years. She emphasized that UFA had unanimously supported the resolution to form the task force. She stressed that the state's seafood industry was facing unprecedented challenges in every area of the state. She discussed affected parties that were faced with low prices, closed plants, lost markets, and foregone fishing opportunities.

Ms. Welch discussed the impact on state and local tax revenue, jobs, and businesses. The estimated loss to the economy in 2020 was estimated to be over \$2 billion. She thought the Alaska seafood industry was in crisis. She thought the proposed task force was an important mechanism to provide recommendations on legislative and administrative actions to improve the economics of Alaska's seafood industry. She thought that immediate action was needed but that the task force would develop long-term strategy for the industry. She expressed appreciation that there was a task force seat for a harvester included in the proposal.

[10:20:25 AM](#)

JEREMY WOODROW, EXECUTIVE DIRECTOR, ALASKA SEAFOOD MARKETING INSTITUTE, spoke in support of the bill. He read from a prepared statement:

The Alaska Seafood industry is currently weathering its worse economic storm in decades. And while the seafood industry is used to unusual market dynamics and ebbs and flows in dock prices, the current situation we find ourselves in is unprecedented. It's not "just salmon", "pollock" or "sablefish" that are experiencing these market pressures. It is, in fact, every Alaska species that is currently facing a large supply and demand imbalance. For example, while Alaska experienced a large 2023 pink salmon harvest of almost 200,000 metric tons, it's important to note that Russia harvested over three times what we brought in.

The sheer size of the Russian harvest and the significantly lower value of the Russian ruble has allowed Russia to sell pink salmon and salmon roe to our shared global customers at historically low prices, thus driving down the market value for all salmon species. And while Russia is finally blocked from the US market, we still must compete against them in the global market, where, by value, 70 percent of Alaska seafood and 80 percent by weight goes.

However, the list of economic challenges the Alaska seafood industry is facing goes on. There are a multitude of other geo-political obstacles affecting trade. Global inflation has left consumers carrying a massive amount of debt. In the U.S. alone the average

cost of groceries has increased 30 percent in the last year and, in turn, has forced consumers to leave seafood out of the shopping cart and replace it with less expensive proteins such as chicken and ground beef.

On top of all that, interest rates have climbed and remain high making it financially impractical for fisherman and processors alike to restructure debt, carry inventory and invest in new capital projects or even just maintain the assets they have.

All that said, the Alaska seafood industry is resilient, but it does find itself at new crossroads. Over the last several months, I have heard numerous ideas and possible solutions to both help solve our current crisis and strengthen the industry for the long-term. However, I believe we all agree that even the best ideas need to be vetted.

There is no silver bullet to solve the challenges we face, and this situation certainly will not turn around overnight. This is why ASMI supports SCR10 as the vehicle to further investigate and collaborate amongst key stakeholders and chart new opportunities for the long-term economic health of Alaska's Seafood Industry. Thank you to the members of the committee for seeking a practical solution toward finding a way out of this crisis. ASMI looks forward to continuing to partner with you every step along the way.

Co-Chair Stedman referenced page 2, line 20, item 3 of the bill, relating to "improvements of the coordination of harvesting, processing, and marketing seafood." He thought it would be beneficial not to wait until the conclusion of the task force, but rather for ASMI to come forward to the Senate Finance Subcommittee for the Department of Fish and Game and discuss marketing or commerce plans. He queried how ASMI's relationship going with Alaska Travel Industry Association (ATIA) and marketing/revenue through collection from the industry. He wanted the subcommittee to bring the information to the full committee, at which time ASMI could come before the committee for discussion.

Mr. Woodrow relayed that ASMI was happy to present on its activities at any time and speak to what it was doing to help the industry.

Co-Chair Stedman relayed that his comment was less of a question and more of a directive from the chair of the operating budget.

Co-Chair Olson asked Mr. Woodrow to respond.

Mr. Woodrow affirmed that ASMI was happy to provide the resources that the committee needed.

10:25:05 AM

GLENN HAIGHT, COMMISSIONER, COMMERCIAL FISHERIES ENTRY COMMISSION, spoke in favor of the resolution. He affirmed that the commission was ready to help in any way. He recounted that the current situation was reminiscent of what happened with salmon more than twenty years previously. He mentioned farmed salmon and processing closures. He recounted working at the time as a fisheries specialist with Congress. He mentioned a large-scale effort including from the legislature and salmon industry task force, that passed laws that were still in effect. He was encouraged that the legislature was looking at seafood, which was an important part of the state's economy.

Mr. Haight relayed that the Commercial Fisheries Entry Commission (CFEC) was involved in the harvesting side of the issue. He considered maximizing the value of the industry for the harvesters. He considered socioeconomic factors such as the aging of the fleet, getting young people into the industry, and the loss of fishing communities. He thought there were multi-faceted issues that required a lot of people to be involved, and he thought the task force was the kind of forum that would work.

10:27:42 AM

JULIE DECKER, PRESIDENT, PACIFIC SEAFOOD PROCESSORS ASSOCIATION (via teleconference), spoke in support of the bill. She relayed that she lived in Wrangell and had worked in the industry for 30 years starting in 1994 when she came to Alaska to work in a cannery. She relayed that the Pacific Seafood Processors Association (PSPA) was a trade association that represented 11 major seafood processing companies operating over 30 facilities in the state. The member companies bought 100s of millions of pounds of fish

from thousands of independent commercial fishermen for processing before moving it to market.

Ms. Decker discussed the economic conditions that brought about the situation. She emphasized that the conditions came together and depressed the market much faster and much more dramatically than anyone had predicted beginning in 2022, and in 2024 the downturn was still happening. She thought that while some problematic market conditions would improve over time, the seafood industry also had systemic challenges related to competitiveness and fairness, especially on a global scale. She noted that PSPA had been advocating for a number of state and federal actions that would help the seafood industry during the downturn, although the challenges were larger than any one sector of the industry and region of the state.

Ms. Decker thought the issue impacted more than just the industry, and directly impacted coastal communities and state revenues. She thought the task force would help bring together people from across the state from various sectors and policy-making groups, with a focus on the economic challenges in the seafood industry. She thought the task force would help better understand the problems, while allowing a broad variety of solutions to come forward and providing a roadmap to a resilient Alaskan seafood industry. She noted that PSPA was in conversation with other stakeholders about optimum representation on the task force.

[10:29:53 AM](#)

SCOTT ARNDT, MAYOR, KODIAK ISLAND BOROUGH (via teleconference), spoke in support of the resolution. He spoke to the importance of commercial fishing in the Kodiak and Western Alaska. He cited that fishing provided a significant portion of revenue to all the communities on Kodiak Island, both directly and indirectly. He mentioned the possible closure of Trident's plant in Kodiak, and noted that Kodiak Electric Association was raising rates for the first time in 30 years. The 12.5 percent increase was partly due to a major reduction in sales to processors since 2023. He commented that there was stress on all fisheries species and all markets.

Mr. Arndt asked for consideration of expanding the membership of the task force to include two additional

members that would represent communities directly affected by the seafood industry.

SCR 10 was heard and HELD in Committee for further consideration.

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ADJOURNMENT

10:32:06 AM

The meeting was adjourned at 10:32 a.m.