

April 10, 2025

RE: Support for HB 161 – Paid Sick Leave

Dear House Labor and Commerce Committee,

The Greater Fairbanks Chamber of Commerce would like to express our strong support for HB 161, which makes critical and prudent revisions to the sick leave requirements effected by passage of Ballot Measure 1, set to take effect in July 2025.

The Fairbanks Chamber represents over 600 businesses and organizations across Interior Alaska. Many of our members are small businesses or operate with a seasonal workforce. The provisions of HB 161 help address the most pressing concerns we've heard from employers working hard to prepare for this upcoming mandate.

#### Specifically, HB 161:

- Raises the threshold for mandatory compliance from 15 to 50 employees, preserving operational flexibility for smaller businesses.
- Provides a clear and workable exemption for seasonal employees working fewer than six months per year—a vital safeguard for Alaska's tourism, construction, and resource industries.
- Clarifies the scope of allowable leave usage and documentation requirements.
- Affirms that businesses offering existing paid leave or PTO policies do not need to duplicate benefits.

These adjustments strike an appropriate balance between protecting workers and ensuring Alaska's unique business community, especially in rural and seasonal economies, can sustainably implement these new requirements.

We believe HB 161 reflects a fair and thoughtful response to the concerns raised by the passage of Ballot Measure 1. HB 161 demonstrates the Legislature's commitment to the support of both employees and employers. The Greater Fairbanks Chamber strongly encourages the passage of this bill and continuation of collaboration with the business community as paid leave requirements are implemented.

#### **EXECUTIVE PARTNERS**

#### DIAMOND

Costco Wholesale Denali State Bank GCI Mt. McKinley Bank

#### PLATINUM

ConocoPhillips Alaska Doyon, Limited Foundation Health Partners Golden Heart Utilities Harvest Midstream Weidner Apartment Homes

#### GOLD

Alaska Airlines
Contango Ore Inc.
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Holland America Group / Princess Cruise
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Northern Star Resources Limited
TDL Staffing Inc.
TOTE Maritime Alaska
University of Alaska Fairbanks
Usibelli Coal Mine
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#### SILVER

Ahtna Incorporated Alaska Railroad AT&T Everts Air Cargo, Everts Air AK Exclusive Pavina/University Redi-Mix **FNSB Riverside Division** Free Gold Full Tilt Mechanical & Construction Gene's Chrysler Dodge Jeep RAM GHEMM Company, LLC. Global Credit Union Golden Valley Electric Association Interior Gas Utility JL Properties, Inc. LifeMed Alaska Lynden **MAC Federal Credit Union** McDonald's of Fairbanks Northrim Bank Robinson & Ward PC Santos, Ltd. Sourdough Fuel/Petro Star Spirit of Alaska Federal Credit Union Stewart Title Company – Yukon Division Tower Hill Mines-Livengood Gold Project **Vivlamore Companies** 

Sincerely,

Donald Burgess
President & CEO

Angie Tallant
Board Chair

CC:

Office of Governor Mike Dunleavy
Office of U.S. Senator Lisa Murkowski
Office of U.S. Senator Dan Sullivan
Office of U.S. Representative Nick Begich
Catherine Munoz, Commissioner, Alaska Department of Labor

Grier Hopkins, Mayor, Fairbanks North Star Borough

David Pruhs, Mayor, City of Fairbanks Larry Terch, Mayor, City of North Pole

Members of the 34<sup>th</sup> Legislature

Kati Capozzi, President & CEO, Alaska Chamber

Members of the Greater Fairbanks Chamber of Commerce

Jomo Stewart, President & CEO, Fairbanks Economic Development Corporation



#### ASSOCIATED GENERAL CONTRACTORS of ALASKA

8005 Schoon Street • Anchorage, Alaska 99518 Telephone (907) 561-5354 • Fax (907) 562-6118 100 Cushman St., Ste. 402 • Fairbanks, Alaska 99701 Telephone (907) 452-1809 • Fax (907) 456-8599

Date: April 15, 2025

Re: AGC Support for HB 161

On behalf of Associated General Contractors (AGC) of Alaska, I am writing to express our support for HB 161 – Paid Sick Leave Exemption. This bill provides a proactive approach to employee sick leave for construction companies across Alaska, ensuring the construction industry's vitality and the protection of employee rights.

AGC represents 600 member businesses across Alaska's commercial construction industry, a critical component of Alaska's economy, supporting 25,000+ workers and contributing \$3.6 billion in statewide labor income. The impacts of Ballot Measure 1 will be sweeping for our members, and AGC is encouraged to see legislators hearing our industry compliance concerns and taking steps to address them.

We specifically support the following provisions in HB 161:

- 1. The bill raises the threshold for a "small" business from 15 to 50 employees while keeping the current accrual rate of one hour of paid sick leave for every 30 hours worked. Many AGC member businesses, particularly women and minority-owned, are within the 15-50 employee range.
- 2. It defines seasonal workers as those employed for less than six months annually, exempting employers from paying sick leave to them, which provides necessary flexibility for seasonal businesses. Many AGC members rely heavily on seasonal employees during Alaska's short weather construction window.
- 3. The bill recognizes the challenges of implementing statewide mandates across Alaska's diverse geographic and economic regions. AGC's members are located and perform work in rural and remote areas of the state.

AGC believes that HB 161 is a step forward in supporting construction companies across Alaska while safeguarding the well-being of employees. We strongly urge the passage of these needed provisions. Thank you for the opportunity to share our support for HB 161.

Sincerely,

Alicia Amberg

Executive Director, Associated General Contractors of Alaska

#### **Greater Ketchikan Chamber of Commerce**

2417 Tongass Ave., Ste. 223A Ketchikan, AK 99901



#### 2025 Officers

## **Trevor Shaw** *President*Ward Cove Group

#### Carolyn Henry

First Vice President
PeaceHealth Ketchikan Medical
Center

#### Dinah Pearson

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Secretary KPU

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Great Alaskan Lumberjack Show

#### **Andrew Spokely**

Ward Cove Group

#### Dr. Andy Zink

Niblick's/Ktn Dry Goods/ Old Ache

#### **Christy Willis**

The Local Paper

#### Gracia O'Connell

Tongass Federal Credit Union

#### **Gordon Williams**

Attorney

#### Jai Mahtani

Gold Rush Jewelry

#### Janie Henderson Ellis

Cedar Point Studio

#### Lincoln Hauser

Poker Creek Gold/Blasphemous Bills

#### Nicole Tubei

Wolfpoint Produce

#### **Chamber Staff**

#### Michelle O'Brien

Executive Director
In House

Southern Southeast Alaska Building Industry Association

# April 16, 2025 Dear Legislators,

On behalf of the Greater Ketchikan Chamber of Commerce and the Southern Southeast Alaska Building Industry Association and our members, we write to express our strong support for House Bill 161. *This legislation represents a balanced and thoughtful approach to employee leave that respects the realities faced by small businesses across Alaska, particularly those in rural and seasonal economies like ours.* 

#### **HB 161 Supports Small Businesses**

By exempting employers with fewer than 50 employees from the paid sick leave mandate, HB 161 recognizes the significant burden universal compliance could impose on our small business community. Many of our members operate with limited staff and tight margins, and this exemption is essential for their continued success and growth.

#### It Reflects Alaska's Seasonal Work Realities

Alaska's economy is unique, with many businesses—especially in tourism, fishing, and hospitality—operating seasonally. HB 161 acknowledges this by exempting seasonal employers whose operations peak for six months or less, offering a realistic and appropriate solution for our regional workforce.

#### It Clarifies and Improves Sick Leave Policy

HB 161 introduces clearer definitions regarding what qualifies as paid sick leave, helping reduce confusion and ensuring consistent implementation for both employers and employees.

#### It Allows Flexibility

The bill's provision allowing employees to cash out unused sick leave adds a layer of flexibility that empowers both employers and workers. This promotes fairness and provides a benefit to employees without imposing undue hardship on businesses.

#### It Offers a Better Alternative to Ballot Measure 1

HB 161 responds with a more balanced and business-friendly approach—one that still encourages strong leave policies but respects Alaska's diversity in business size and structure.

#### It Encourages Voluntary Compliance and Protects Jobs

Rather than imposing rigid mandates, HB 161 promotes voluntary compliance, helping to prevent the unintended consequences of job loss, reduced hours, or delayed hiring—especially critical as many of our industries continue to recover from economic disruptions.

#### It Acknowledges the Challenges of Rural Alaska

Implementing uniform mandates across Alaska's geographically and economically diverse communities can be impractical and burdensome. HB 161 takes these challenges into account, helping to preserve the viability of small businesses in remote regions like Ketchikan. HB 161 strikes a crucial balance—supporting fair employee practices while protecting the vitality of Alaska's small business community. We urge you to support this important legislation, and we thank you for your continued efforts to foster an environment in which both businesses and employees can thrive.

# Sincerely, \*\*Michelle O'Brien\*\*, Executive Director, Greater Ketchikan Chamber of Commerce Southern Southeast Alaska Building Industry Association

To: Co-Chairs Zack Fields and Carolyn Hall, and Members of the House Labor and Commerce Committee

From: Chris Dimond

Date: April 16, 2025

Re: Opposition to HB 161, Preserving Voter-Enacted Paid Sick Leave Protections

Co-Chairs Fields and Hall, Members of the Committee,

I am writing in respectful but firm opposition to House Bill 161. This bill seeks to significantly narrow the scope of paid sick leave protections that Alaskan voters approved in 2024 through Ballot Measure 1, a measure that passed with a clear 16-point margin. That outcome wasn't vague or ambiguous. Alaskans spoke loudly in support of extending basic workplace protections to all workers, regardless of the size of their employer.

Unfortunately, HB 161 directly contradicts that voter mandate by limiting paid sick leave requirements to businesses with 50 or more employees. In doing so, it excludes a large swath of the workforce, many of whom are employed in sectors where paid leave is least likely to be voluntarily offered and most critically needed. These are service industry workers, baristas, child care providers, housekeepers, and retail clerks, people whose jobs require constant interaction with the public and whose absence due to illness helps keep others safe.

Supporters of the bill suggest that excluding small businesses is necessary to avoid economic strain. But according to Alaska Department of Labor data, nearly half of Alaska's private sector employees work for businesses with fewer than 50 employees. This exemption doesn't just tweak the law. It guts it. The workers most vulnerable to wage loss and least likely to have existing benefits are precisely the ones removed from coverage.

Additionally, the inclusion of a cash-out option, where employees can request the value of unused sick leave, may unintentionally create incentives for people to come to work sick rather than stay home and recover. In industries where hourly wages are low and margins are tight, workers may feel pressure to save their sick days for the payout instead of using them when needed. That's not just a bad incentive for individual health, it puts public health at risk. According to a National Partnership for Women & Families study, workers without paid sick days are 1.5 times more likely to report going to work with a contagious illness like the flu or norovirus.

There is also no precedent for applying labor standards like minimum wage only to businesses over a certain size. We don't carve out wage laws for small employers because the principle is simple: work has value, and every worker deserves a baseline level of protection. Sick leave follows that same principle. Public health, equity, and economic

dignity should not be contingent on business size.

To be clear, supporting small businesses is important. But protecting workers, especially those who are economically vulnerable, should not be viewed as a competing priority. The two are not mutually exclusive. A healthy workforce is a stronger, more reliable workforce, and a better foundation for any local economy.

House Bill 161 sets a troubling precedent by attempting to reverse a clear voter directive. It selectively strips protections from those who need them most and introduces policies that may increase, rather than reduce, health risks in workplaces across the state.

I urge you to vote no on HB 161 and honor the intent of Ballot Measure 1. Let us build policy that protects all workers and keeps Alaska's communities strong, safe, and resilient.

Sincerely, Chris Dimond Lead Representative Western States Regional Council of Carpenters From: Barbara Haney

To: House Labor and Commerce; House Finance; Rep. Mike Prax; Rep. Frank Tomaszewski

Subject: "Testimony to Support HB 161"

Date: Tuesday, April 8, 2025 10:51:28 AM

Greetings House Labor and Commerce and House Finance Committee members:

I am writing in my capacity as a resident of North Pole and economist to support HB 161. Many small businesses are facing challenges preparing for the upcoming mandate in Prop 1, and threatens the viability of many smaller businesses. House Bill 161 alleviates many of those concerns as follows:

- Raises the threshold for mandatory compliance from 15 to 50 employees, preserving operational flexibility for smaller businesses.
- Provides a clear and workable exemption for seasonal employees working fewer than six months per year—a critical safeguard for Alaska's tourism, construction, and resource industries.
- Clarifies the scope of allowable leave usage and documentation requirements.
- Affirms that businesses offering existing paid leave or PTO policies do not need to duplicate benefits.

House Bill 161 balances worker protections while providing Alaska's rural and seasonal businesses an opportunity to remain viable as they face the new requirements of Prop 1.

Barbara Haney, Ph.D.,

Opinions are my own and do not reflect any organization or elected body of which I am a member.



121 W. FIREWEED SUITE 120 | ANCHORAGE, ALASKA | 99503 | 907.563.9229 | ALASKAMINERS.ORG

April 11, 2025

House Labor and Commerce Committee Alaska State Capitol Juneau, AK 99801 Submitted via email at <u>House.Labor.And.Commerce@akleg.gov</u>

Dear Members of the Alaska House Labor and Commerce Committee:

The Alaska Miners Association (AMA) writes to provide support for HB161, which addresses concerns associated with the 2024 ballot measure that burdens Alaska's businesses.

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. AMA's more than 1,400 members come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Alaska's miners are individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

Like so many other ballot measures, Ballot Measure 1 in November brought bad policy with no opportunity for public input to improve the harmful provisions and retain the good. At the time, AMA published a <u>statement of opposition</u> and educated our members about the harmful provisions, but unfortunately, the confusingly worded measure was approved.

HB161 seeks to alleviate some of the harmful policies in the measure. First, it supports small businesses by exempting employers with fewer than 50 employees from the paid sick leave mandate, helping to reduce compliance burdens on these small businesses. It recognizes seasonality by exempting employers with operations that span or peak for six months or less, which is certainly appropriate for Alaska's unique seasonal economy and workforce patterns. It clarifies needed sick leave definitions, with clearer language on what qualifies, providing consistency and clarifying implementation. It permits the option for employees to cash out unused sick leave, bringing flexibility to workers. Finally, the bill is just good business. It brings a more balanced, business friendly approach to employee leave by channeling voluntary compliance over mandates, mitigates cost increases that lead to reduced hours, wages, and recruitment, and provides flexibility to remote and rural businesses so that they can reasonably operate.

HB161 is a smart solution to correct harmful policy, and we urge the Legislature to pass this bill promptly.

Thank you for the opportunity to comment.

Deantha Skibinski Executive Director From: Chicken Gold Camp

To: House Labor and Commerce

Subject: Ballot Measure#1 with HB 161

Date: Monday, April 14, 2025 4:13:36 PM

Dear Members of the Alaska House Labor & Commerce,

RE: A Letter Supporting Modification of Ballot Measure#1 with HB 161:

Our Busby Family owns and operates Chicken Gold Camp & Outpost as well as the Lost Chicken Hill Mine in Chicken, Alaska. We have been providing visitors with historical and mining tours and accommodations for travelers requiring meals, RV sites, tent camping, or rooms since 2001. We hire around eight employees every summer to help operate our seasonal businesses. The majority of our employees work about 100 days. We have no full time employees.

Ballot Measure #1 presents a significant burden for our small businesses. Most of our seasonal employees choose part time employment and work between 100-130 days. The seasonal nature of our businesses and the limited employment duration of our seasonal hires render Ballot Measure #1 impractical for both businesses.

We will be burdened with a great expense in paying out sick leave in the fall when we close and all our seasonal employees depart. Many employees may leave early as they will use their sick leave as a paid vacation. The potential loss of employees in the fall will cause undo hardship on our business and may force us to shorten our season or close as we lose too many employees. When seasonal employees decide to use their sick leave for a small paid vacation in September, we can't stay open if we have no guides, housekeepers or front counter staff. We struggle to stay open every fall even without Ballot Measure #1.

We fully support HB 161 with proposed small seasonal business exemption.

Sincerely,

Mike & Lou Busby Chicken Gold Camp PO Box 70 Chicken, Alaska

Email: <u>chickengoldcamp@gmail.com</u>

Web: <u>www.chickengold.com</u>

Blog: <a href="http://chickengoldcamp.blogspot.com/">http://chickengoldcamp.blogspot.com/</a>

Facebook: <a href="https://www.facebook.com/chickengoldcamp">https://www.facebook.com/chickengoldcamp</a>

https://www.facebook.com/pages/Chickenstock-Music-

Festival/354189617933639?ref=hl

https://www.facebook.com/pages/Pedro-Dredge/190828680956401?ref=hl

From: <u>Courtney Moore</u>

**To:** <u>House Labor and Commerce</u>

Subject: HB161

**Date:** Wednesday, April 16, 2025 10:46:10 AM

Please do not pass this bill. Alaskans voted for overwhelmingly for sick leave last fall. There have been so many times over my 15 year working career in the hospitality industry where I had to go into work sick, with a fever, coughing, achy etc because I had no other choice. I was preparing food, serving food, and interacting with the public and my coworkers and passing along illness because my employers did not care. Kaladi, Moose's Tooth, Kinleys, Alaska Regional, Market Juice, Dena'ina Center are all employers I have had that did not pay a living wage or provide benefits. I qualified for Medicaid and food stamps at every single one of those jobs putting the burden on the state of Alaska.

If I had called out I would have missed an entire days wages and faced disciplinary action. Their entire business model is to extract as much labor from a person as possible at the lowest rate with no benefits. They operate under the assumption there is a revolving door of laborers lining up to be exploited so their employer can buy a second home or live comfortably while their employees struggle to make ends meet and collect benefits from the state.

Look at the Tooth restaurants for example. To this day, they refuse to pay a living wage and provide comprehensive benefits for their workers, still paying \$15 an hour for back of the house staff, hold cattle call interviews, while the owners are millionaires. They make so much money off their laborers that they opened a 3rd restaurant while having many positions open and have extremely high turnover rates. I worked at moose and bear for 3 years early on in my baking career while attending UAA trying thinking if I got my Culinary Arts degree I would finally receive a living wage. News flash- it didn't and I'm still paying off student loans.

I have lived paycheck to paycheck my entire life for the most part, and missing just one day of work made it so that I wasn't able to pay one or more of my bills. On the days where I did call out there were many times it took me multiple pay cycles to catch up and figure out how to shuffle my money around to not face late fee infractions as well. There was no wiggle room.

Now that I am not living paycheck to paycheck and have a tiny little bit of wiggle room in a different sector of work after going back to school 2nd time trying to secure a better future for myself and my children. I am forced all the time to choose between sending my sick children to school or missing work to stay home with them and let them not infect their class or fall behind in school.

Please do right by Alaskan workers and children. Passing this bill would be a huge step backward. If a business can't afford to properly compensate their employees or provide benefits, they shouldn't be in business or be allowed to pass the burden of providing benefits to the State. It's really that simple.

Thank you,

Courtney Moore Anchorage, Alaska Mother of 3 future Alaskan workers From: <u>Eric Forst</u>

To: <u>House Labor and Commerce</u>

Subject: HB 161

**Date:** Wednesday, April 16, 2025 10:06:48 AM

Attachments: image002.png

Hello,

I am writing to express my support for HB161. As a small business in the tourism industry, we only have 5 months of the year to make our business profitable. Inflation, COVID, and tariffs are already making it a challenge to continue to grow and build our business. The sick leave requirement is yet another hurdle. Almost all our employees are young, healthy seasonal workers who do not need to have this requirement pressure put on their employer that could cause us to hire fewer employees than we normally would. If we are required to provide sick leave, we will likely hire more part time, and fewer full-time employees to fill out our schedules. This will result in fewer opportunities for young people to obtain their first job, or for college students to have a job to come back to year after year and earn enough money to pay for their education.

Because we have so many seasonal employees, the requirement that we track that from year to year is yet another burden on bookkeeping. Often, we don't know who is coming back until right before the season starts so we would be tracking potentially 100 or more sick leave accounts and then having to figure out which ones qualify for carry over and which ones do not. This creates more paperwork and takes time away from running our business and giving our guests the Alaskan experience they are looking for.

Please support small businesses by supporting HB161.

Thank you for your time.

#### **Eric Forst**

General Manager/Partner
Red Dog Saloon and Mercantile
278 S. Franklin St.
Juneau AK, 99801
(907)463-3658 ext. 1
(907)723-1275 cell



www.reddogsaloon.com

From: <u>b farris</u>

To: House Labor and Commerce

Subject: HB 161

**Date:** Wednesday, April 16, 2025 10:09:18 AM

I am writing in opposition to this bill. This bill targets low income workers and their families. This bill is unnecessarily cruel to people who already live in difficult circumstances. This is especially true in the current economy.

Please vote no:

Izzy Farris Anchorage, Alaska From: Alex Baker

To: House Labor and Commerce
Subject: HB 161 - Strongly Oppose
Date: Monday, April 14, 2025 1:32:55 PM

#### Good afternoon,

I am writing to you today as an individual constituent to express my strong opposition to HB 161.

First, I find it insulting and offensive to Alaska voters that legislators would seek to quickly modify and revise policies that were A) just recently passed overwhelmingly by Alaskans and B) are not even in law yet.

Second, the bill makes changes that are antithetical to the intent of the ballot measure. The ballot measure was designed in part to ensure workers the ability to stay home when sick while not sacrificing their paycheck in a difficult economy or the health of their coworkers, customers, and community. I.e. basic dignity. Coming off of the COVID-19 pandemic, Alaskans do not want sick workers making their food, cleaning their hotel rooms, scanning their groceries, or performing work in their house or businesses. This bill is not only an attack on workers' rights, it's an attack on public health.

Furthermore, part of this bill actually incentivizes workers coming into work sick - thanks to a cash-able benefit. Under this bill, workers could "double dip" by showing up to work sick and retaining the earned sick day to cash out later. This is a public policy catastrophe - and tells me neither bill sponsor has ever worked a day in the service industry.

This bill is sour grapes from businesses that are more worried about their bottom line than providing their workers with an ounce of dignity.

I hope this committee will hear this bill and set it aside for the rest of session, if not a couple years. Let the policy and language of ballot measure 1 go into effect and then, after due time, assess any revisions or modifications that may be necessary.

Thank you for your time.

Alex Baker

From: Allen Hippler

**To:** <u>House Labor and Commerce</u>

Cc: <u>Kari Nore</u> Subject: HB 161

**Date:** Thursday, April 10, 2025 11:06:47 AM

#### Dear Legislators,

As small businesses struggle to comply with additional layers of regulation, HB 161 would give some needed breathing room to employers that are not large enough to have full time compliance staff. HB 161 enables Alaska to be less hostile to business activity and encourages voluntary compliance rather than top down approaches. Thank you!

**Allen Hippler** | Chief Financial Officer <u>Taġiuġmiullu Nunamiullu Housing Authority</u> P.O. Box 409 Utqiaġvik, Alaska 99723



15 April, 2025

To whom it may concern,

My name is Braeden Garrett; I am the Operations Manager for Whistle Hill in Soldotna. This letter is to voice mine and Whistle Hill's strong support for the passage of HB161. Small business is the backbone of Alaska, and Ballot Measure 1 would significantly impact the abilities of small businesses to continue operations. I implore you to vote yes on the passage of HB161 and help allow small businesses to continue to be a cornerstone of Alaska. Not only will small businesses suffer, but Non-Profit organizations will suffer greatly as well. Please consider all implications of Ballot Measure 1 and the detrimental impact it will have on the Alaskan economy. HB161 is the type of legislation that needs to be implemented to ensure a thriving small business community in Alaska. Thank you for your time.

Regards, Braeden Garrett Operations Manager, Whistle Hill From: Scott Reisland

To: House Labor and Commerce

Cc: Gordon Reisland; reisland08@gmail.com; ak.jrdn@gmail.com; Elena Reisland; Edith Reisland; Kristin Reisland-

Johnson; Amy Reisland-Speer

**Subject:** HB 161 Testimony

**Date:** Saturday, April 12, 2025 3:22:41 PM

Dear Alaska House Labor & Commerce,

RE: A Letter Supporting Modification of Ballot Measure#1 with HB 161:

Our Reisland Family owns and operates Denali Grizzly Bear Resort in Denali National Park. We have been providing tourism accommodations for guests requiring RV sites, tent camping, cabins, or hotel rooms. We have been in business 56 years. We hire about 32 employees every summer to help operate our seasonal business. The majority of our employees work about 110 days. Only 3 family members work year round.

Ballot Measure#1 will cause a burden on our small business. Many of our seasonal employees are J-1 Work Visa students from different countries. They come and work about 100 days, and very few ever return after the summer tourist season ends. Ballot Measure #1 is not applicable to the seasonal nature of our business nor the short work duration of our seasonal hires.

We will be burdened with a great expense in paying out sick leave in the Fall when we close and all our seasonal employees depart. Many employees may leave early as they will use their sick leave as a paid vacation. The potential loss of employees in the fall will cause undo hardship on our business and may force us to shorten our season as we loose too many employees. When seasonal employees decide to use their sick leave for a small paid vacation in September, we can't stay open if we have no housekeepers or front desk staff. We struggle to stay open every Fall even without Ballot Measure #1.

We fully support HB 161 in small seasonal business exemption.

Best regards,

Scott Reisland – General Manager/ Family Owner Denali Grizzly Bear Resort & Campground

WINTER contact:

968 SENATE LOOP FAIRBANKS, ALASKA 99712 Reservation Telephone (907) 374-8796 e-mail: sreisland@outlook.com

www.denaligrizzlybear.com

Summer Contact: PO Box 7 Denali National Park, Alaska 99755 Reservation Telephone toll Free 1-866-583-2696

e-mail: sreisland@outlook.com www.denaligrizzlybear.com



April 15th, 2025
House Labor and Commerce Committee
Alaska State Capitol
Juneau, AK 99801
Submitted via email at House.Labor.And.Commerce@akleg.gov

Dear Members of the Alaska House Labor and Commerce Committee:

My wife and I own Big Dipper Homemade Ice Cream, headquartered in Palmer, Alaska. To provide some background, we proudly make all our own ice cream on site in Palmer using all our own recipes and local ingredients from collaborating businesses as much as possible. With two locations, one in Palmer and another in Wasilla, we are intimately familiar with what it takes to run a small business. Although we are open year-round, we are a very seasonal operation whereby our revenue quadruples in the summer months over the winter months. As such, we hire a lot of people to work just over the summer. At the peak of employment this year we are expecting to employee about 35 staff with all but 5 being part-time. The average age of our part-time staff will be around 17 this year which is important to take note of for the reasoning I mention below.

I am writing because I am frustrated by Ballot Proposition 1 that passed recently but I am encouraged to see the draft language of House Bill 161. Ballot Proposition 1, as written, attempts to provide a solution for my business where there is NO problem. We have always prided ourselves on being a good employer. We provide PTO for our full-time employees. We did not need the government to tell us to do that. We even provided PTO to our part-time employees, many of whom were under 18, again without the government telling us to do it. After a year of providing PTO and us incurring financial liability, not one of our part-time staff used any PTO due to them, even after numerous reminders. After a year of the program, we cancelled the program and cashed out all the part-time employees. We took the money we saved from the PTO offering and put that back towards what my employees want, more snacks in the break room and more company parties. The point here is that the younger generation does not pay attention to, nor do they care about the benefits that the older generation does.

Ballot Proposition 1 forces us to provide for and pay for a benefit that most of my workforce does not want. If the ballot proposition is allowed to stand as-is, it will raise the cost of doing business for all Alaskans and negatively impact the lower wage earners the worst. I encourage you to pass HB 161.

Thank you for your attention to this matter.

Robert Brown

Owner

Big Dipper Homemade Ice Cream, LLC

ATTN: HOUSE LABOR & COMMERCE

SUBJECT: SUPPORT FOR HB 161

On behalf of The Grape Tap I am writing to express my strong support for HB 161- Paid Sick Leave Exemption. This bill provides a proactive approach to employee sick leave for my small business and others around the state of Alaska, ensuring the hospitality industry's vitality and profitability.

My business is already struggling with the increase in costs, lack of availability of qualified applicants and overall inflation. With the increase in minimum wage AND paid sick leave, my already crippling payroll will increase by 25%. This will be passed on to our customers and, therefore, accelerate the inflation in our state

I support HB 161 for its provisions that raise the "small" business threshold from 15 to 50 employees. I also support the revisions for seasonal workers. Alaska depends on all the amazing food trucks, seasonal restaurants and vendors at festivals. These are vital to our tourism and quality of life for Alaskans. These revisions will guarantee those venues will be able to continue to operate! Additionally, the bill expands documentation requirements for cases of domestic violence, sexual assault, or stalking, ensuring a secure and respectful workplace for vulnerable employees.

While navigating the implementation of Ballot Measure 1 will be a huge learning curve for all businesses in Alaska, I believe that HB 161 is a step forward in supporting us smaller businesses while safeguarding the well-being of our employees. I urge you to support this revision and consider how it will allow us to continue to operate and comply with the new law.

Thank you for the opportunity to share my thoughts and support of HB 161

Sincerely,

Kristin Cook

Owner

The Grape Tap

#### To Whom it May Concern:

I am writing to provide public testimony regarding recently passed Ballot Measure 1. My husband and I own the Upper Deck Lounge, a small lounge located in the Kenai Municipal Airport. We are open to the public as well as the travelling public.

We have 4 part-time employees. We are open 7 days a week for a total of 76 hours a week.

It is customary in the service industry to pay minimum wage. The workers receive tips, which are also taxed on the employee side as well as the employer side, those tips increase their standard per hour rate. With the passing of Ballot measure 1 we are already required to raise hourly wage by +/-24% by 2027. This will result in an increase in operating costs resulting in increased product pricing.

Our employees are not career bartenders, they are flight school students, home health workers, single mothers, college students. While I support my employees taking time off when needed, I simply cannot afford to pay them to take that time off and pay another bartender the increased wage to cover for them without significantly raising prices. And that's if I can get another employee to cover. We realize that while price increases are a normal part of business, the significance of the price increase should be considered.

Another consideration for us is that we also serve local customers, and we do compete with other area bars for business. We do not have the luxury of inflated pricing that other airport lounges practice.

Historically our winter months are supported by our local customers and our summer months we see more travelers. Potentially we will lose local business due to the higher prices. Loss of business means potential closure; potential closure means more loss of business. You can see where this is headed. Once the balance is tipped, there's really no way to get back for small business.

We support HB161 and thank you for your time and consideration of these comments.

Rod and Laura Peterkin

**Owners** 

Upper Deck Lounge

Kenai Municipal Airport

### Eagle's Rest RV Park & Cabins

P.O. Box 610 · Valdez, Alaska 99686 800-553-7275 (PARK) (907) 835-2373 · Fax (907) 835-5267



April 14, 2025

Dear Members of the Alaska House Labor & Commerce Committee,

RE: Support for the Modification of Ballot Measure #1 with HB 161

The Saxe Family owns and operates Eagle's Rest RV Park & Cabin in Valdez. For over three decades, we have been providing tourism accommodations for guests requiring RV sites, tent camping, and cabins. We have been in business since 1991 and employ approximately 15-20 seasonal workers each summer to support our operations. The majority of our employees work for about 100 days, while only one employee is employed year-round.

Ballot Measure #1 presents a significant challenge for our small business. The seasonal nature of our business and the brief employment duration of our seasonal hires render Ballot Measure #1 impractical.

We would incur substantial financial burdens in paying out sick leave when we close for the season and our seasonal employees depart. There is a risk that many of these employees might leave early, using their sick leave as paid vacation. The resulting turnover in the fall would place undue hardship on our business and could potentially force us to curtail our operating season due to a lack of staff. When seasonal employees opt to use their sick leave for a short paid vacation in September, it becomes challenging to maintain operations without adequate housekeeping or front desk personnel. We already face difficulties remaining open each fall, even without the constraints imposed by Ballot Measure #1.

We fully endorse HB 161, which includes a proposed exemption for small seasonal businesses.

Yours sincerely,

Jeff and Laura Saxe

Eagle's Rest RV Park & Cabin

Valdez, Alaska



April 16, 2025

**Labor and Commerce Committee** Alaska House of Representatives State Capitol Juneau, Alaska 99801

Re: HB 161

#### **Dear Committee Members:**

My name is Michael Reeve and I own and operate Reeve Air Alaska, a small air service based in Anchorage, Alaska. I write to you today in strong support of HB 161. I believe this legislation provides a more balanced, business-friendly approach than the misleading initiative it aims to fix. Reeve Air Alaska is employes seven full-time employees and five contract employees, with partners and personnel throughout the state. We provide scheduled service and charters across Alaska, serving numerous communities.

A business of my size, tasked with the efficient and timely movement of passengers and freight will be extremely challenged to provide mandatory sick leave for staff. In the costly environment of air travel in Alaska, our customer base is unable to absorb the higher fares I will need to charge to cover the costs I will incur. It is an additional expense that neither my business nor customers can afford. Without the changes in HB 161, I will be unable to hire additional people or invest capital in my business and the communities I serve and may be unable to retain the employees I currently have – the majority of which have been with Reeve Air for years.

Alaska needs healthy small businesses, both year-round and seasonal, to power the economy of our state. Businesses like Reeve Air Alaska will be crushed by the financial and compliance burdens. Thank you for your consideration and for your service to our state.

Sincerely,

Michael Reeve

From: Bettye Adams

To: House Labor and Commerce

**Subject:** House Bill 161

**Date:** Tuesday, April 15, 2025 10:46:53 AM

I support the exemptions offered by House Bill 161. I own the Alaskan Hotel and Bar and have way under 50 employees. Having another expense added to our business would be harmful to the business.

Thank you, Bettye Adams owner Alaskan Hotel

#### **Letter in support of HB161**

My name is Terri Froese. I am a registered voter in the state of Alaska and the owner of TDL Staffing Inc., which has offices in Fairbanks and Anchorage. Additionally, I am the wife of the business owner of Boat Shop Inc. in Fairbanks, Alaska.

I am writing in support of HB 161. This bill helps define the rules for Ballot Measure 1. The current bill lacks clear definitions of who is exempt and does not address whether an employee needs to start accruing leave from day one. It is unreasonable for a business owner to pay sick leave to someone who hasn't even completed their probation period. Furthermore, it does not make sense for a business to provide sick leave for someone who is only temporary for one day, one week, or even a few months.

This creates an undue burden on employers and their payroll processes. I own a business that employs many temporary personnel, and this situation is a nightmare for our company. I need to ensure that I can manage this effectively.

HB161 clearly defines Ballot Measure 1, making it something businesses can accept while preserving the original intent of providing sick leave for employees.

Therefore, I urge the House to consider this bill.

Thank you for your time, **Terri Froese** President/Owner

Phone: Fairbanks (907) 455-8300

Anchorage (907) 433-0890

Fax: (907) 455-8311





**Zack Fields** Labor & Commerce, Co-Chair Alaska State Legislature (Via Email) for Public Record

Subject: Letter of Support for HB 161

#### Representative Fields,

I am writing to express my strong support for HB 161 - Paid Sick Leave Exemption. This bill is a thoughtful and balanced approach to employee sick leave for small businesses in Alaska, ensuring both business sustainability and the protection of employee rights.

The key provisions in HB 161 that we specially support include:

- 1. The bill increases the minimum number of employees required for a business to be classified as "small" from 15 to 50. This redefinition adjusts the small business threshold, while maintaining the current accrual rate of one hour of paid sick leave for every 30 hours worked.
- 2. HB 161 defines seasonal workers as those employed for less than six months per year. Under this provision, employers are exempt from paying sick leave to seasonal workers, which acknowledges the unique challenges of seasonal employment and provides crucial flexibility for businesses that depend on this workforce.
- 3. HB 161 expands documentation requirements, with particular sensitivity toward cases involving domestic violence, sexual assault, or stalking. This protects vulnerable employees and promotes a workplace environment that is both respectful and secure.

I believe that HB 161 offers a pragmatic framework that supports the evolving needs of small businesses while safeguarding the well-being of employees. I urge you to consider the benefits this bill will bring to the economic landscape of Alaska and to support its enactment.

Thank you for your commitment to fostering a positive business environment in our state.

Sincerely,

President

From: Kelly Droop

To: House Labor and Commerce
Subject: Support for HB 161

**Date:** Wednesday, April 16, 2025 11:55:51 AM

My name is Kelly Droop and I was born and raised in Anchorage Alaska, and I support HB 161 to add some further definition to last year's Ballot Measure 1 for employers.

Alaska's small AND seasonal businesses need these changes to reduce the burden this ballot measure placed on them. They are a big part of the Alaskan economy and lifestyle. Sick leave rules were very vague in the ballot measure and also badly needed the definition this bill provides.

Thank you in advance for reducing undue burden on our small and entrepreneurial businesses and our seasonal employers.

Kelly



Kelly M. Droop, PMP Regional Manager Phone: (907) 865-5487 Cell: (907) 529-9310



April 15, 2025

House Labor and Commerce Committee Alaska State Legislature State Capitol Juneau, AK 99801

#### **RE: Letter of Support for HB 161**

Dear Members of the House Labor and Commerce Committee,

I am writing to express my strong support for HB 161. As the owner of Hope Alaska's Bear Creek Lodge, a small, seasonal business located in Hope on the Kenai Peninsula, I have experienced firsthand how the newly mandated paid sick leave requirement—implemented just last year—has negatively impacted our ability to operate.

Our business is open for less than six months each year. During that time, we employ nearly 20 staff members. Labor is our single greatest expense, and we already provide generous support to our employees, including highly competitive wages, free housing, attendance-based end-of-season bonuses, and assistance with travel to our remote village.

The mandated sick leave requirement places an unsustainable burden on seasonal operations like ours. We are not a large corporation. Our margins are narrow, and we simply cannot absorb this additional cost without raising prices to a level that would drive away our customers—or cutting back services and jobs.

We're committed to treating our staff well, and we already go far beyond what many businesses are able to offer. But this policy, though well-intentioned, risks putting small, rural Alaskan businesses like ours in an impossible position.

HB 161 is a common-sense correction. It recognizes that seasonal businesses operating in rural areas face unique challenges that year-round urban businesses do not. I urge you to support HB 161 and help restore a more workable balance for small employers across the state.

Sincerely,

### Jeannine Jabaay

Owner, Hope Alaska's Bear Creek Lodge

Hope Alaska's Bear Creek Lodge - 19702 Hope Hwy, Box 35, Hope, Alaska 99605 lodging@bearcreeklodgeak.com | (907) 349-7777



#### Dirty Skillet 19702 Hope Hwy Hope, Alaska 99605 dirtyskilletak@gmail.com | (907) 349-7777

April 15, 2025

House Labor and Commerce Committee, Alaska State Legislature State Capitol, Juneau, AK 99801

**RE: Support for HB 161** 

Dear Members of the Committee,

My name is Derrick Jabaay, and I'm the owner of Dirty Skillet, a small seasonal restaurant in Hope, Alaska. I'm writing to share my support for HB 161, which I believe is an important step toward protecting the viability of small, seasonal businesses like mine.

We operate for just under six months each year and hire a team of seasonal staff who come from all over to work hard during our busy summer season. Labor is by far our biggest expense, and we do our best to offer good wages, free housing, and end-of-season bonuses to show our appreciation.

The sick leave requirement that went into effect last year has been tough on businesses like ours. For a seasonal operation with tight margins and a limited window to generate income, the added cost of mandated sick leave can push things from barely manageable to unsustainable. It's not that we don't want to support our employees when they're sick—we already do in many ways—but being forced to provide paid leave on top of everything else simply doesn't fit the reality of how short-season businesses function.

HB 161 would bring some much-needed balance. I hope you'll consider how one-size-fits-all mandates affect rural and seasonal operations, and how this bill can help small employers like me keep our doors open, keep people employed, and keep serving our communities.

Thank you for your time and consideration.

Derrick Jabaay

Owner, Dirty Skillet

To the committee regarding House Bill 161.

I would like to present my statement in full support of house bill 161 presenting an exemption for both small and seasonal business owners.

As a small business owner who operates both a seasonal and small business staffing is a constant challenge. We employ around 10 staff members seasonally, most of whom are between the ages of 17-21. Many of our staff have never held jobs and require a tremendous amount of hands of training before being ready to work independently. My partner and I spend hundreds of hours working with these youth and providing genuine skills for their futures.

We are in full support of fair wages, however paid sick leave for individuals who have never held any sort of job is unacceptable. These individuals require an extreme investment in terms of time, of which we do not receive compensation for as we simply cannot afford it. We estimate that every single item we sell, as we are in the food and beverage industry, would need to go up \$0.50 to compensate for these paid sick leave hours. I struggle with raising prices \$0.25 before I cannot sleep at night because the consumer is so price concise currently and may not return. The minimum wage increase alone is hard to swallow, let alone an additional compensation measure for individuals who just received their first job.

Small businesses in Alaska have suffered enough since 2020. Prices will already increase drastically by 2025 due to the minimum wage increase. We, nor the consumer, cannot afford these costs. I have considered switching to electronic kiosks for taking orders and eliminating these jobs all together. While the public may cry about it, at the end of the day they don't care because the cost didn't go up again. This would be a tragedy on many levels as jobs are lost and youth no longer have access to a first job. Therefore, I fully support house bill 161.

With sincere respect,

Aaron Conradt

Moose Crossing RV

The Reindeer Hut

The Caribou Caboose

Sterling, Alaska