

April 25, 2025

Co-Chairs Representative Zach Fields and Representative Carolyn Hall House Labor and Commerce Committee Juneau, Alaska

Dear Representatives Fields and Hall:

The Alaska Travel Industry Association, the trade association for the tourism industry representing over 625 businesses across the state, wishes to express our support for HB 161. This legislation addresses the concerns the travel industry had with Ballot Measure 1 by exempting small and seasonal businesses from the sick leave requirements and providing clarity for businesses.

The tourism industry is Alaska is comprised of many small businesses and entrepreneurs. Over 60% of ATIA's member businesses have 20 or fewer employees. The sick leave requirements as written in the ballot initiative place an administrative burden on small businesses by requiring them to track accrued leave with a complex formula and ensure it is carried over if employees are rehired within 6 months for the next tour season.

ATIA believes sick leave policies for small, seasonal businesses should fall to employers as they compete to attract their workforce, rather than being imposed as a mandate. When employers and employees can negotiate their own leave arrangements with one another, they can plan accordingly to maximize trip availability and associated revenue while managing an employee's need for sick leave.

For these reasons, ATIA supports HB 161 as a modification to Ballot Measure 1. It would allow smaller and seasonal businesses the flexibility to attract a strong workforce while ensuring businesses can operate and thrive in a healthy business environment.

Thank you for your consideration. Please don't hesitate to contact ATIA with any questions.

Sincerely,

Jillian Simpson
President & CEO



# Building and Construction Trades Council of South-Central Alaska

TO: House Labor and Commerce Committee CC: Representative Fields and Representative Hall

Date: April 25, 2025

Subject: HB 161: Act relating to minimum sick leave requirements

I am writing to you as the President of the Building and Construction Trades Council (BCTC) of Southcentral Alaska, an organization that represents thousands of construction workers throughout our region. I am deeply concerned about House Bill 161, which seeks to weaken the law providing for paid sick leave, a law that was overwhelmingly passed by the voters of Alaska.

As you are aware, this law was enacted by a clear and decisive vote in the 2024 election, reflecting the values and priorities of Alaskans. Voters spoke loudly and clearly, expressing their belief that workers should have the right take paid time off when they are sick. This is a fundamental issue of fairness and worker dignity, and it is essential that we protect the will of the people.

House Bill 161 not only undermines the democratic process but also risks harming the very workers who contribute so much to our state's economy. Construction workers, many of whom work in physically demanding and high-risk environments, need access to paid sick leave for their health and safety. When workers are forced to choose between their health and their paycheck, it is a lose-lose situation for everyone involved. Sick workers can lead to increased workplace injuries, decreased productivity, and higher healthcare costs—outcomes that ultimately hurt businesses and the state economy.

We understand that there may be concerns about the implementation of paid sick leave, but the solution is not to strip away the benefits that workers have earned and voted for. Instead, the focus should be on ensuring that the law is properly administered and that businesses are supported in complying with it.

The BCTC of Southcentral Alaska urges you to stand with the people of Alaska, honor the outcome of the 2024 election, and <u>oppose</u> House Bill 161. The legislature should not be in the business of overturning the will of the voters, especially when it comes to issues that affect the health and wellbeing of working families.

Thank you for your attention to this important matter. We hope that the House Labor and Commerce Committee will stand on the side of fairness, workers' rights, and democracy by opposing this Bill.

Sincerely.

- A.Brosson Frye Bronson Frye

President - Building and Construction Trades Council of Southcentral Alaska

~P.O. Box 242122, Anchorage Alaska, 99524~

From: <u>Karen Wilson</u>

To: House Labor and Commerce

**Subject:** Defeat HB161

**Date:** Monday, April 28, 2025 11:37:11 AM

I am opposed to HB161 for many reasons, one of them being that workers should NEVER be forced into the position of going to work sick. A detriment to their own health, and an added health risk to all exposed to them.

Please Do Not Pass HB161!

Sincerely, Karen Wilson

Juneau

From: Bailey & Alyssa C

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

Subject: HB 161

**Date:** Monday, April 28, 2025 4:32:26 PM

To Whom it May Concern,

My name is Alyssa Clyde, co-owner and President of the ABC sister Co LLC.

ABC sister owns the Land and Building that The Duck Inn, in Soldotna Alaska, resides.

We are reaching out today to STRONGLY support the amendment HB 161 to ballot measure 1.

The Duck Inn Inc, I believe, would struggle to continue to stay open as business in Alaska if this ballot continue on its original path. All small, local businesses are already struggling to find the balance between rising costs of labor and goods while still making a cheeseburger affordable to the public. How is this extra \$50,000 plus a year supposed to make this realistic for us?

Not amending the ballot will fail to give so many of these businesses a chance, including ours in this state.

Please keep businesses in mind when making your decision.

Thank you,

Alyssa Clyde

From: **Gary Miller** 

To:

Rep. Jamie Allard; Rep. Robyn Burke; Rep. Jeremy Bynum; Rep. Ashley Carrick; Representative.Jennie.Armstrong@akleg.gov; Rep. Julie Coulombe; Rep. Maxine Dibert; Rep. Bryce Edgmon; Rep. Ted Eischeid; Rep. Bill Elam; Rep. Zack Fields; Rep. Neal Foster; Rep. Alyse Galvin; Rep. Andrew Gray; Rep. Carolyn Hall; Rep. Sara Hannan; Rep. Rebecca Himschoot; Rep. Ky Holland; Rep. Nellie Jimmie; Rep. DeLena Johnson; Rep. Andy Josephson; Rep. Chuck Kopp; Rep. Kevin McCabe; Rep. Donna Mears; Rep. Genevieve Mina; Representative.Eleie.Moore@akleg.gov; Rep. David Nelson; Rep. Mike Prax; Rep. George Rauscher; Rep. Justin Ruffridge; Rep. Dan Saddler; Rep. Calvin Schrage; Rep. Rebecca Schwanke; Rep. Will Stapp; Rep. Andi Story; Rep. Louise Stutes; Rep. Cathy Tilton; Rep. Frank Tomaszewski; Rep. Jubilee Underwood; Rep. Sarah Vance

Subject:

Date: Monday, April 28, 2025 10:45:19 AM

What is more democratic than an initiative passed by voters? The sick leave provision was voted in by voters. HB 161 should not undo what voters have passed.

Thank you.

Gary Miller

Juneau, AK 99801-8211

From: <u>Gretchen Bishop</u>

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

Subject: HB 161

**Date:** Friday, April 25, 2025 7:57:03 PM

#### Dear Esteemed Members of the Alaska Legislature:

As a proud retired Alaska Department of Fish and Game commercial fisheries biologist I was recently saddened to hear of your HB 161 which weakens paid sick leave for hard working state employees. As a working mother and supervisor, I found personal leave to be absolutely vital to my ability to maintain work/life balance and keep my attitude positive and motivation level high. I found that being generous and flexible in its use by my direct reports was also vital for these same reasons. Our salaries are not that competitive any more, many people have children who are struggling in our failing school system or elderly parents or spouses or other family members in need of attention. This bill seems woefully short-sighted and disappointingly mean.

Gretchen Bishop

Kristopher Berg Vice President of Operations Northern Industrial Training (NIT)

April 23, 2025

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

RE: Support for House Bill 161

Dear Chairperson and Members of the Committee,

As the Vice President of Operations for an Alaskan small business, I am writing to express my strong support for House Bill 161. This important legislation thoughtfully addresses the challenges introduced by Ballot Measure 1, while introducing pragmatic reforms that reflect the unique needs and realities of Alaska's diverse economy.

Leading a workforce development provider that serves employers and job seekers across the state, I have witnessed firsthand the concerns voiced by small businesses about the fiscal and operational impacts of Ballot Measure 1. HB 161 strikes a reasonable balance between protecting workers and supporting sustainable business practices.

I support the following key components of HB 161:

- Small Business Exemption: Excluding businesses with fewer than 50 employees helps ease the compliance burden on the small business sector, which is crucial to Alaska's economy.
- Seasonal Employee Exemption: This recognizes the nature of seasonal industries and helps ensure they are not unfairly penalized.
- Clarity and Flexibility: The clearer definition of sick leave and the option for employees
  to cash out unused leave provides both transparency and flexibility for employers and
  workers alike.
- Business-Friendly Improvements: This bill addresses many of the ambiguities and unintended consequences of Ballot Measure 1, offering a more practical and adaptable solution
- Voluntary Compliance Focus: Encouraging rather than mandating paid sick leave policies allows businesses to tailor benefits to their workforce and operations.

• Protection for Rural Businesses: HB 161 takes into account the logistical and economic challenges of implementing statewide mandates in remote and rural areas.

I fully support HB 161 and its focus on protecting Alaska's workforce without jeopardizing economic recovery or growth. I appreciate the opportunity to submit this letter of support and urge the Committee to advance this important legislation.

Thank you for your time and consideration.

Sincerely, Kris Berg Vice President of Operations Northern Industrial Training, LLC



## **International Union of Operating Engineers**

LOCAL 302 · Washington · Alaska · Idaho · AFL-CIO

Daren Konopaski, Business Manager & General Vice President

**To:** House Labor and Commerce Committee From: IUOE, Local 302 Operating Engineers

Date: April 28, 2025

Subject: HB 161: Act relating to minimum sick leave requirements

Dear House Labor and Commerce Committee,

We are writing to you today as an organization representing over 3,100 construction workers and nearly 120 signatory contractors working in the heavy equipment construction of roads, highways, bridges, and marine construction projects across the State of Alaska. The Operating Engineers Local 302 union is deeply concerned about House Bill 161, which seeks to weaken the law providing for paid sick leave, a law that the voters of Alaska overwhelmingly passed.

These unreasonable exemptions and clarifications in HB 161 have made things much worse than the original language approved by the voters in the 2024 election. Out of our 120 signatory contractors, over 20, some of the largest in the state with over 50 employees, will now be saddled with even higher business costs. Even worse, they will have an uncompetitive disadvantage in bidding against ANY other contractor with less than 50 employees. How does this even make any sense?

This modification of the original language will now create a caste system of "haves" and "have-nots". The "haves" will not be burdened by this bill, and the "have nots" will be forced to pay an additional 3%+ in labor costs. And why is this happening? Well, because they were implicated by an arbitrary number picked out of the sky, and that number of employees will cause them to provide paid sick leave that the overwhelming majority of contractors under 50 employees will not have to pay. All any contractor wants is to have a level playing field while bidding projects and HB 161 prevents that from happening.

In summary, we are writing in opposition to HB 161. Thank you for the ability to provide testimony on this matter.

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Sincerely,

IUOE, Local 302 Operating Engineers

Corey Baxter

District 8 Representative

From: <u>Jessi Zimmerly</u>

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

Subject: HB 161

Date: Monday, April 28, 2025 3:13:44 PM

#### To whom it may concern,

My name is Jessi, and I own/operate a small family business with my mother as my business partner. We are in the restaurant and lodging business, therefore proposition 1 being passed will have huge ramifications for us.

Providing mandatory sick leave will negatively affect us in the following ways:

- -prevent us from affording to hire part time employees
- -prevent us from developing our own paid sick leave policies that are sustainable and custom to our small business
- -force us to layoff staff for the winter
- -prevent us from hiring employees under the age of 18
- -prevent us from raising wages to a sustainable amount
- -postpone necessary renovations and upkeep to our building, property, and equipment
- -prevent our ability to afford seasonal hires
- -prevent us from opening to 7 days a week instead of 5

These are just a few of the numerous ramifications to our small business caused by proposition 1 being passed, so we are in full support of the amendments that HB161 will enact. Please vote yes on HB161! Alaska's small family businesses need this to pass to stay afloat. Thank you for your time and consideration.

Jessi Leach Sheep Creek Lodge



#### Joey Merrick

Business Manager Secretary-Treasurer District Council

Business Manager Laborers' Local 341

#### Jacob Howdeshell

President

District Council

Business Manager Laborers' Local 942

#### **Bill Meers**

Vice President District Council

Business Manager Public Employees Local 71

### ALASKA DISTRICT COUNCIL OF LABORERS

Laborers' International Union of North America 2501 Commercial Drive • Suite 140 • Anchorage, Alaska 99501 907.276.1640 • Fax: 907.274.7289 • info@alaskalaborers.com

April 28, 2025

House Labor & Commerce Committee State Capitol Room 124 Juneau AK, 99801

Submitted via email: <u>House.Labor.And.Commerce@akleg.gov</u>

Subject: Oppose HB 161, Paid Sick Leave Exemption

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

The Alaska Laborers urge you to oppose HB 161, which would add substantial new exemptions to the paid sick leave requirements passed by the voters in Ballot Measure One. Paid sick leave laws likely improve workforce attachment and support worker productivity. HB 161 adds blanket exemptions for seasonal workers as well as employers with fewer than 50 employees. These exemptions harm those workers who need paid sick leave the most and would exempt a wide swath of our membership working in seasonal construction and tourism industries. In addition, these significant exemptions undermine the will of the voters and the basic structure and purpose of the measure, rendering this legislation vulnerable to legal challenge.

The Alaska Laborers is made up of over 5,000 Alaskans working across the construction, oil and gas, service, tourism, public, and healthcare sectors. Our members build and maintain our bridges and highways, work on critical energy infrastructure, and provide other public services that are essential for the safety and prosperity of our communities.

#### Paid Sick Leave Benefits the Economy

Recent economic studies demonstrate that paid sick leave policies support workforce attachment and may increase the number of hours worked by employees.<sup>1</sup> Data demonstrates that paid sick leave policies are linked to lower rates of job separation.<sup>2</sup> Evidence also shows that workers in low

Id.

Hilary Wething and Meredith Slopen, *Paid sick leave improves workers' health and the economy*, Economic Policy Institute, <a href="https://www.epi.org/blog/paid-sick-leave-improves-workers-health-and-the-economy/">https://www.epi.org/blog/paid-sick-leave-improves-workers-health-and-the-economy/</a> (January 30, 2025).

Alaska Laborers Oppose HB 161 Page 2 of 3

wage jobs increased their hours worked when they received this benefit due to a local law in Seattle.<sup>3</sup> Other research highlights that paid sick leave helps employers reduce overall costs of absences by slowing the spread of illness at work.<sup>4</sup> Paid sick leave policies offer benefits for the economy as a whole.

#### **Exemption for Businesses with Fewer than 50 Employees**

HB 161 would establish a broad exemption for businesses with fewer than 50 employees. We oppose this expansive exemption for two key reasons. First, this new exemption contradicts the basic structure and purpose of Ballot Measure One and the will of Alaskans. Second, this excludes the workers that need paid leave the most since they are less likely to have a comparable benefit without this protection.

First, eliminating paid sick leave for around one third of Alaska workers undermines the stated findings and intent, which provided "It is important to require a minimum amount of paid sick leave to Alaska workers consistent with their personal health, safety, and general well-being, as well as the health, safety and well-being of their families." For around one third of Alaskans, this bill would remove the minimum paid sick leave benefit. By undermining this basic structure and purpose of providing minimum paid sick leave for all workers in Alaska, this bill is likely unconstitutional.

According to the Legislative Legal memo, it was estimated that "the number of employees at those businesses who would not be eligible for sick leave as a result of the amendment would be 120,856, or roughly a third of all employees in the workforce." Given the sweeping size of this exemption, the memo found that this would be "substantial" and "would increase the chances that a court could find the affected provisions in the measure 'are materially changed by, and rendered repugnant to, the amendatory act.' "6"

Second, small employers are less likely to offer paid sick leave. This exemption therefore excludes those workers that need this benefit the most. Employees in the lowest 25 percent of earners are less likely to receive paid sick time than the rest of the workforce. In addition, a little over half of leisure and hospitality industry staff have paid sick time.<sup>7</sup>

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Id.

Abay Asfaw, Roger Rosa, Regina Pana-Cryan, *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, J Occup Environ MED., https://pmc.ncbi.nlm.nih.gov/articles/PMC5649342/.

Memo to Representative Ruffridge, Legislative Counsel (Feb. 19, 2025), <a href="https://www.akleg.gov/basis/get\_documents.asp?session=34&docid=5477">https://www.akleg.gov/basis/get\_documents.asp?session=34&docid=5477</a>.

<sup>6</sup> *Id.* (internal citations omitted).

The State of Paid Sick Time in the U.S. in 2025, CENTER FOR AMERICAN PROGRESS (Jan. 15, 2025) https://www.americanprogress.org/article/the-state-of-paid-sick-time-in-the-u-s-in-2025/.

Alaska Laborers Oppose HB 161 Page 3 of 3

This exemption for employers with fewer than 50 employees removes the modest accrual of one hour of paid sick leave for each 30 hours worked up to the limit set in the measure, thereby taking away the entire benefit for those that need it the most. When employees at these businesses get sick or need to care for a sick family member, they are faced with a catch-22: If they stay home, they lose pay and risk losing their job. Or, if they go to work sick, they delay needed care and risk infecting coworkers as well as the public. Around half of employees surveyed reported fear of being penalized at work as a key concern in this decision. A third of Alaskans should not be exempted from the minimum paid sick leave passed by voters.

#### **Seasonal Exemption**

For a seasonal worker working six months at around full-time hours, they would likely accrue around 32-34 hours or less of paid sick time under Ballot Measure One. The Laborers represent seasonal workers in both the tourism and construction sectors. Retaining the voter-passed sick leave for these employees is valuable for the employees' health as well as public health. A study published in the JOURNAL OF OCCUPATIONAL ENVIRONMENTAL MEDICINE found that providing paid sick leave could actually lower employer costs by reducing absences due to the spread of illness at work.<sup>9</sup>

Adding a new exemption would both harm seasonal workers in need of paid sick leave as well as contradict the basic purpose of the Ballot Measure, which was to provide a minimum amount of paid sick leave for all workers in Alaska.

Because HB 161 undercuts the will of the voters and eliminates an important benefit for around a third of the Alaska workforce, we urge you to oppose this bill. Thank you for your leadership and for taking Alaskans' best interests into consideration.

Sincerely,

A.J. "Joey" Merrick II

a. J. Menik II

Hilary Wething and Meredith Slopen, *Paid sick leave improves workers' health and the economy*, Economic Policy Institute, <a href="https://www.epi.org/blog/paid-sick-leave-improves-workers-health-and-the-economy/">https://www.epi.org/blog/paid-sick-leave-improves-workers-health-and-the-economy/</a> (January 30, 2025).

Abay Asfaw, Roger Rosa, Regina Pana-Cryan, *Potential Economic Benefits of Paid Sick Leave in Reducing Absenteeism Related to the Spread of Influenza-Like Illness*, J. Occup. Environ. Med., <a href="https://pmc.ncbi.nlm.nih.gov/articles/PMC5649342/">https://pmc.ncbi.nlm.nih.gov/articles/PMC5649342/</a>.

From: Molly Dischner

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

**Subject:** HB 161 Opposition

**Date:** Monday, April 28, 2025 11:05:52 AM

Hi

I am writing in opposition to HB 161. Alaska voters made our position known, and it should be enacted as written. While small businesses are incredibly important, so is upholding the will of voters who voted for these worker protections without the proposed changes. Please allow the voters' measure to go into affect and give it a chance to work before weakening in.

-Molly

From: Amelia McCarthy

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

**Subject:** HB 161 testimony

**Date:** Monday, April 28, 2025 3:33:04 PM

I strongly urge the comittee to vote against HB 161. In our last election, ordinary Alaskans made their opinion known on sick leave, voting in favor of a ballot measure with stronger sick leave provisions that HB 161 would strip back. When Alaskans voted for a ballot measure we expressed our will directly, and with a large majority. HB 161 threatens to revoke the direct will of voting Alaskans and leave over a third of Alaskans without mandated access to leave. This is egregious, and in clear opposition to the will of our state. Please abide by the will of most Alaskans, and reject this attempt to modify a ballot measure that will harm ordinary working Alaskans and erase our votes.

Thank you,

Amelia McCarthy

Fairbanks, AK 99712

From: <u>Emily Cohen</u>

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

**Subject:** HB 161 testimony

**Date:** Monday, April 28, 2025 11:39:42 AM

#### Hello House Labor and Commerce members,

My name is Emily Cohen, and I am a resident of Anchorage. I am writing in opposition to HB 161, Paid Sick Leave Exemption. With Ballot Measure 1 at the end of last year, Alaskans voted in favor of paid sick leave. Please do not undermine our votes by reversing or diluting this decision. Appease allow for all Alaskans to be able to receive pay if they get sick, even if they are a seasonal employee or work for an employer with less than 50 employees (which applies to a third of all Alaskan workers).

Thank you, Emily Cohen From: Richard Dennis

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

**Subject:** HB 161 testimony

**Date:** Monday, April 28, 2025 3:39:04 PM

Ballot Measure 1, What is this sick leave provision, nothing but Socialism. Lets roll this back to some level of reality.

### Thanks

**Richard Dennis** 

www.RedEagleLodge.com

Mile 32.7 Tok Cutoff Chistochina, Alaska

To: House Labor and Commerce Committee

From: Alexis Rodich, Director of Research and Policy at SEIU 775

RE: Written testimony in opposition to HB 161

The Alaska Caregivers Union SEIU 775 opposes HB 161, which would weaken and undermine key components of Ballot Measure 1. Last November, Alaskans demonstrated clear support for Ballot Measure 1, passing it with 58% of the vote. A vote in favor of HB 161 is not only a vote against the will of the people — it also puts public health at risk.

As frontline healthcare workers providing home- and community-based services, our members understand the critical importance of paid sick leave. During the pandemic, far too many caregivers faced a wrenching choice: stay home and risk falling behind on bills and rent, or go to work sick and risk exposing clients and patients to illness.

While some caregivers at larger agencies have since won paid sick leave through union contracts, many working at smaller or non-union agencies have not. Ballot Measure 1 guarantees that all workers, regardless of employer size or union status, would have access to this vital benefit. HB 161 exempts companies with 50 or fewer employees from the Measure, thus stripping aways protections from the workers least likely to have access to paid sick leave to begin with.

HB 161 also removes employers' ability to negotiate cashable sick leave and imposes a one-size-fits-all mandate. Ballot Measure 1 provides companies the flexibility to establish a cashable sick leave policy if it makes sense for both employers and workers. HB 161 forces all companies with 50 or more employees to offer a cashable benefit and assume the cash liability created as a result.

If HB 161 passes, as many as one-third of Alaska's workers could lose access to paid sick leave. For those on the frontlines of health care and long-term care, this loss means greater risk to themselves, their families, and the broader community. We urge members of the committee to oppose this bill.

From: Keon Hall

To: House Labor and Commerce
Subject: HB 161 Written Testimony
Date: Monday, April 28, 2025 4:17:54 PM

#### To House Labor and Commerce Committee,

We actually believe in certain aspects of Prop 1. We start our Employees at a Wage Between 15 and 17 Dollars per Hour. We pay our Employees for their Longevity. At Year 1 our team members start to accrue PTO, receive a 3% Company Match on their IRA, eligible for supplement Insurances with company contribution, and Longevity Bonus. So we share beliefs in Aspects of Prop 1. We want our employees to Live Well and be able to take care of themselves.

We support the amendment HB 161 because the element we Do not like in Prop 1 One is that it takes away our competitive advantage. We provide a lot of what's in Prop 1 as a benefit to long-term (1 year) employees. It will dilute the benefits to those employees. Under this rule, a three year employee would have the same benefit as a three day employee! Why would our 9 year employees want to stay motivated and keep growing?

Plus, there will be additional cost in PTO payments, and an extraordinary administrative burden and additional cost with our payroll service. They will need to account for two separate banks of time PTO and Sick Leave!

Keon Hall General Manager <u>Alaska Dinner Factor</u>y From: Don Kiely

To: House Labor and Commerce

**Subject:** HB 161: Sick Leave Exemptions for Ballot Measure 1

**Date:** Monday, April 28, 2025 5:06:20 PM

Esteemed members of the House Labor and Commerce Committee -

Please do *not* vote to move forward HB 161, the Sick Leave Exemptions for Ballot Measure 1. Main reasons:

First, the people of Alaska just voted the initiative into law last year, and it's not even gone into effect yet. Please give it a chance to go into effect and see how it affects the state and betters the lives of workers in Alaska. I hate going into a business where one or more employees are visibly sick, usually because they can't afford to take a day or three off to recover.

Second, by exempting employers with under 50 employees, by the estimates I've heard some 80 to 90% of the workers in Alaska will not have the benefit of the initiative's provisions. It is very unfair to penalize a worker because he or she works at a smaller employer. And it is just wrong to change the initiative to eliminate the vast majority of the Alaska workforce from its provisions.

Please do not advance the bill!!!

Thank you for this and for your hard work for the state, Don Kiely Fairbanks, AK To: House Labor and Commerce Committee

CC: Representative Fields and Representative Hall

From: Joelle Hall, President of the Alaska AFL-CIO

**Date:** April 23, 2025

Subject: HB 161: Act relating to minimum sick leave requirements

#### The Alaska AFL-CIO opposes HB161 on the following grounds:

A reversal of the public will: In November of 2024, 58% of Alaskans supported Ballot Measure 1 - "The Alaska Minimum Labor Standard ballot proposition," which included an increase to the minimum wage, the establishment of earned sick leave for *all* workers, and the right to exercise First Amendment rights during a captive audience meeting. This initiative was quite popular with the voters and of all the provisions, the earned sick leave provision polled the highest amongst voters. As a result, the campaign focused on the earned sick leave provision in all educational material and media components. The voters knew what they were voting for and clearly wanted the ability to earn paid sick leave.

**Disincentivizes workers taking earned sick leave:** Employers with over 50 people are the most likely to already have earned sick leave as a benefit. HB 161 takes that benefit and forces it to be cashable and makes every sick day worth money. This creates an incentive to come in sick. Under this policy, workers could show up sick and endanger everyone else in the workplace and cash their sick leave at a later date, in effect "double-dipping." This puts other workers and the public in harm's way. This is bad public health policy.

HB 161 removes employers' right to negotiate cashable sick leave - mandates a one-size-fits-all policy: Establishing a cashable sick leave benefit is an option under the ballot initiative. Any employer may discuss setting up a cashable benefit with their workers if it is suitable for both parties. HB161 requires that the benefit be cashable and creates a cashable liability for every employer.

**HB 161 is detrimental to public health:** We have many small businesses where workers are at increased risk and sick leave is vital: seasonal tourism, restaurant and hospitality, home health care, food processing, assisted living, day care, and more. These are exactly the types of jobs where coming in sick is a danger to the fellow workers and the public. Eighteen other states have an earned sick leave benefit and none of them exempt any employer based on size.

**Sick kids happen:** Our polling showed that choosing between staying home with a sick kid and losing a day's pay was the more persuasive to Alaskans and for good reason. Everyone who has a kid will have a sick kid. People in the lower income brackets and single parents are especially damaged by having to make that choice and kids suffer too. Alaskans are feeling the brunt of the cost of living increases. For a family trying to make it in a tough economy, earned sick leave is essential.



From: ks907@protonmail.com

To: House Labor and Commerce

**Subject:** House Bill 161

**Date:** Thursday, April 24, 2025 7:00:36 PM

As a small business owner in Wrangell, Alaska I own and operate my business on my own, without employees. With the changes to minimum wage & sick leave I will not try to expand my business to include employees. It would be a break even deal that is not worth the effort, nor financial responsibility.

There is absolutely no incentive for small business owners to expand their business when profits will be absorbed by those employees who have no tie to the company. The training alone for a new employee is expensive. To add the sick leave to the increasing minimum wage for employees, who generally don't have the education, nor experience, to demand such a wage, is unjustifiable.

While I understand the push for higher wage and sick leave came from out of state, small business in Alaska will not be expanding their businesses with this unjustifiable cost.

Kimberly Szczatko

Wrangell, Alaska 99929

Sent with **Proton Mail** secure email.

From: <u>Alaska Storytellers</u>

To: House Labor and Commerce

 Subject:
 House Bill 161 Testimony 3:15 pm 4/28/25

 Date:
 Monday, April 28, 2025 2:04:12 PM

Alaska Storytellers in Sitka, Alaska supports House Bill 161. We are a nonprofit that only has seasonal employees that perform storytelling and dance to cruise ship visitors during May to September each year, a 5 month season.

We employ 20 cast members. The burden of this law on our small production company has already had us spending time and money that we don't have to figure out a way to implement this.

There need to be considerations and adjustments to this Ballot Measure 1 regarding this new Wage and Hour regulation for sick pay for businesses like ours.

Submitted respectfully, Cat Lieser Administrative Assistant Alaska Storytellers



From: <u>Laile Fairbairn</u>

To: House Labor and Commerce
Subject: In Support of HB161

**Date:** Wednesday, April 16, 2025 6:03:21 PM

Hello – It appears that there was not enough time to take public testimony so here is what I hoped to share with you.

Thank you for the opportunity to speak to you today. My name is Laile Fairbairn and I am the managing owner of four restaurants with more than 300 employees in Anchorage. We provide paid time off, 401K, and health insurance but it is becoming increasingly challenging every year to do so. I am here to ask that you support the changes to HB161, specifically to exempt small businesses from paid sick leave requirements and to exempt seasonal workers.

Ballot Measure 1 is going to help a lot of Alaska workers by raising their income and by providing a way to take care of themselves and their families when sick. However, as a citizen's initiative, it was not crafted with any input from business owners, and specifically the hospitality industry, a large part of our state's economy, will be dramatically impacted.

With some of the smallest profit margins of all businesses, restaurants with less than 50 employees do not have the resources to provide sick leave, much less manage it. With a highly transient workforce, staff coming and going, the requirements and cost to manage a sick leave program will be onerous. Staff currently manage their own sick leave by calling out of work and then picking up shifts, which are usually abundantly available in our perpetually tight labor market.

Additionally, in the restaurant business, 50% of our team, usually front of house workers, are part time, working 2 - 4 days a week, for about six hours a day. This works with their family and school schedules, recreational activities, travel, and second jobs. Flexibility is why a lot of people work in our industry. It would be a great help to us if seasonal workers were not included in the paid sick leave requirements. We have about 25 J1 workers coming this summer to work at our restaurants. They will be here for 90 days. Then we have a number of high school and college students working with us just for the summer or just for the winter break. The additional work required to onboard them with mandatory sick leave and then to maintain it in case they come back in six months is a huge chore with great cost. We also see opportunities for abuse of the sick leave system.

Please help our industry by making these changes so that we may use our limited resources to remain viable in a sea of volatility and increasing costs. We all want to be around to serve all of our wonderful guests for years to come. Thank you for your time and consideration.

LAILE FAIRBAIRN
President
Locally Grown Restaurants

1026 W 4th Ave Suite 201, Anchorage AK 99501









Members of the House Labor and Commerce Committee,

I appreciate this opportunity to give written testimony in support of HB161, An Act relating to minimum paid sick leave requirements. I am submitting this testimony on behalf of myself and my family business, and not on behalf of any other entity.

I have owned and operated Hallmark card and gift shops for the past 45 years in both Fairbanks and Anchorage. Our family stores have operated in malls and we currently have two stores in Anchorage. Locally owned small businesses work hard to compete against large box stores and on-line retailers.

Small business owners work long hours and provide wages and benefits that keep them competitive with other businesses. Our business provides sick leave to full time employees, but we have employees who are high school or college students, individuals who desire a second job with evening and weekend shifts, or other folks desiring a part-time job. Those itinerant employees do not formally receive sick pay for (in some cases) very frequently not working their assigned shift because they are "sick." They often call in sick after they should have reported to work.

The only deterrent to this is they do not get paid if they do not work the shift.

I urge you to make businesses with fewer than 50 employees exempt from the requirement to provide paid sick leave.

Small business owners do not engage in effective coordinated lobbying efforts; they are too busy running their businesses. In 2014, Seattle, Washington raised the city's minimum wage of \$9.47 to \$15, phased in over several years. Elected officials said it was a strategy to lower income equality. Well, the real consequence was that small businesses and some large ones closed up shop in what had been a very successful and desirable downtown business district with unique shops and food establishments. Quickly, the desirable downtown became known for boarded up shops, graffiti, and dangerous criminal behavior.

Please pass HB 161 so that small businesses in Alaska can keep their doors open and provide jobs.

Thank you.

Cynthia Henry

Fairbanks, AK 99709