

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

January 24, 2017

1:02 p.m.

MEMBERS PRESENT

Representative Chris Tuck, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Justin Parish
Representative Ivy Spohnholz
Representative George Rauscher
Representative Lora Reinbold
Representative Dan Saddler

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 2

"An Act relating to a voluntary preference for veterans by private employers."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 2

SHORT TITLE: PRIV EMPLOYER VOLUNTARY VET PREFERENCE

SPONSOR(S): REPRESENTATIVE(S) TUCK

| | | |
|----------|-----|---------------------------------|
| 01/18/17 | (H) | PREFILE RELEASED 1/9/17 |
| 01/18/17 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/18/17 | (H) | MLV, L&C |
| 01/24/17 | (H) | MLV AT 1:00 PM GRUENBERG 120 |

WITNESS REGISTER

KENDRA KLOSTER, Staff
Representative Chris Tuck
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave an overview of HB 2 on behalf of Representative Tuck, prime sponsor.

PATTY WILBANKS, Owner
Polar Marine Alaska, LLC
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 2.

ROBERT DOEHL, Deputy Commissioner
Department of Military & Veterans' Affairs (DMVA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 2.

STEVEN WILLIAMS, Employment Security Analyst
Division of Employment & Training Services
Department of Labor & Workforce Development (DLWD)
Juneau, Alaska

POSITION STATEMENT: Offered details on HB 2.

MARK SAN SOUCI, Regional State Liaison
U.S. Department of Defense (DoD)
Lakewood, Washington

POSITION STATEMENT: Testified in support of HB 2.

VERDIE BOWEN, Director of Veterans Affairs
Office of Veteran Affairs
Department of Military & Veterans' Affairs (DMVA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 2.

RUSSELL BALL
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 2.

DAVID DEMENNO, Owner
Alaska Land Clearing Inc.
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 2.

ACTION NARRATIVE

[1:02:43 PM](#)

CHAIR CHRIS TUCK called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:02 p.m. Representatives LeDoux, Parish, Spohnholz, Raucher, Reinbold, Saddler, and Tuck were present at the call to order.

[There was brief discussion regarding granting Chair Tuck authority to draft bills on behalf of the committee.]

HB 2-PRIV EMPLOYER VOLUNTARY VET PREFERENCE

[1:06:04 PM](#)

CHAIR TUCK stated the only order of business would be HOUSE BILL NO. 2, "An Act relating to a voluntary preference for veterans by private employers."

CHAIR TUCK, as prime sponsor of HB 2, commented that the proposed legislation would allow the State of Alaska to use an optional veteran hiring preference under Section 11 of the Civil Rights Act of 1964. The waiver in Section 11 grants preference to veterans, so long as they are authorized under federal, state, and local law. Currently 37 states allow this for private employers, and all states and territories allow this for public employees. He stated that employment for returning veterans can be difficult, and two thirds of veterans define finding a job as the greatest challenge in the transition from military to civilian life.

CHAIR TUCK paraphrased from the fourth and fifth paragraphs of the sponsor statement, which reads as follows [original punctuation provided]:

As of November 2016, the National Bureau of Labor Statistics show the jobless rate for young male veterans aged 18-24 still exceed their civilian counterparts (239,000 veterans aged 18-24 were unemployed versus 159,000 of their civilian counterparts).

The military discharges 160,000 active duty service members and approximately 110,000 reserve and National Guard service members each year. According to the Defense Manpower Data Center 2015 data, over 2,000 military personnel returned to Alaska upon separation.

CHAIR TUCK added that Alaska has the highest number of veterans per capita, and has long prided itself on being a leader in supporting veterans and active duty members. Alaska's great businesses are willing and able to assist veterans in their employment endeavors. He declared it is time to extend the opportunity for employers in the private sector to adopt a veteran hiring preference policy. He informed that the bill has support from the U.S. Department of Defense (DoD) and the National Federation of Independent Businesses (NFIB).

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KENDRA KLOSTER, Staff, Representative Chris Tuck, Alaska State Legislature, asserted that HB 2 clarifies that nothing in AS 18.80, the chapter protecting various persons from unlawful discrimination, "is intended to prohibit a private employer from granting an employment preference." She explained the bill says that if employers would like to offer this preference, they may. It is not a requirement, but a voluntary option. She reiterated that 50 states do this for public employees; 37 states now do this for private employers.

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CHAIR TUCK opened public testimony on HB 2.

[1:11:44 PM](#)

PATTY WILBANKS, Owner, Polar Marine Alaska, LLC, testified in support of HB 2. She reiterated that 37 other states already provide legislation similar to the proposal. She stated that she has wondered why Alaska hasn't offered something like this before, because she thinks it is a great benefit to our veterans. With federal hiring freezes, veterans will need this more with private employers. She drew on her previous experience as a colonel, stating that she wants to see young men and women coming out of the military getting a step up. This preference would show support from the community, state, and country. She commented on the great benefit to the employer who want to reach out the veterans but is worried about showing preference to one group. She endorsed the voluntary aspect of the proposal, with it being a benefit to the veterans and employers.

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REPRESENTATIVE SADDLER asked what kind of small business Ms. Wilbanks owns, and what kind of hiring she does.

MS. WILBANKS answered that her business in Anchorage installs radar and electronic systems for boats. She's been in business for three years, and she stated she can see that her business would want to reach out to veterans' groups for hiring.

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ROBERT DOEHL, Deputy Commissioner, Department of Military & Veterans' Affairs (DMVA), stated that the department endorses HB 2. He said that HB 2 would, on an optional basis, remove a limitation on private employers that is not set on public employers.

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REPRESENTATIVE LEDOUX asked if an employer currently can hire whomever he/she wants to employ, as long as he/she isn't discriminating based on race or other protected categories.

MR. DOEHL responded that in other in states' case laws, it was found that one cannot create a special category or hiring preference based on a veteran's affiliation without specific authority.

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CHAIR TUCK added that under HB 2, employers could advertise for veterans to apply.

[1:18:24 PM](#)

STEVEN WILLIAMS, Employment Security Analyst, Division of Employment & Training Services Department of Labor & Workforce Development (DLWD), affirmed Chair Tuck's statement and clarified that employers can advertise that they encourage veterans to apply.

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REPRESENTATIVE LEDOUX asked if the department would prosecute an employer who advertises that he/she prefers veterans and institutes such a hiring practice.

MR. WILLIAMS stated that the department would not prosecute, the department does not enforce or regulate policies "like that."

REPRESENTATIVE LEDOUX asked if anyone would prosecute the employer.

MR. WILLIAMS stated he was not sure, but would do research and follow up.

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CHAIR TUCK stated that HB 2 also protects the employer from civil suits.

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REPRESENTATIVE SADDLER asked Mr. Doehl if the department plans to support all bills that will come before the committee.

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MR. DOEHL responded that they will analyze each bill individually on merit to determine whether or not it is appropriate to express support, and in addition, will get approval from the Office of the Governor before speaking in support of a bill.

REPRESENTATIVE SADDLER asked if the department's current support is predicated on that analysis.

MR. DOEHL stated this is correct - based on the department's analysis of HB 2, it thinks it's worthy of support.

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MARK SAN SOUCI, Regional State Liaison, U.S. Department of Defense (DoD), testified in support of HB 2. He stated that 2,004 Alaskans separated from active reserve and National Guard duty last year. These veterans are coming back with skill sets previously paid for by federal tax dollars. He stated the issue has been advocated for by the National Conference of State Legislators (NCSL), is now in 37 states' statutes, and is being heard in Alaska and New York this session.

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VERDIE BOWEN, Director of Veterans Affairs, Office of Veteran Affairs, Department of Military & Veterans Affairs (DMVA), stated that he is responsible for helping 74,000 veterans and their 150,000 dependents in Alaska understand and secure the benefits earned through service to the nation and state. The department operates a number of programs to support veterans returning to civilian life after military service and to help them find meaningful employment. The department supports all efforts to help veterans make successful transitions back to civilian life and find jobs that are financially adequate and personally fulfilling. He stated that the department helps find employers who support military responsibilities such as: drill

weekends, annual training, and federal activations. Mr. Bowen opined that HB 2 would be a useful tool in smooth transitions from military to civilian life and would allow employers to preferentially hire veterans to take advantage of their technical, vocational, academic, and leadership skills attained while serving the nation.

MR. BOWEN stated that veterans' experiences, maturity, teamwork, loyalty, and civic mindedness make them great employees. He said HB 2 would allow employers to find and hire employees who will be steadily reliable workers, and will best serve those who hire them. The office does not anticipate a fiscal impact other than positive effects from hiring, and anticipates no impact on private sector employers.

MR. BOWEN noted that HB 2 defines "veteran" as "a person who was honorably discharged from service in" the following [found on page 1, lines 7-12, which read as follows]:

- (1) the armed forces of the United States;
- (2) a reserve unit of the armed forces of the United States;
- (3) the Alaska Territorial Guard;
- (4) the Alaska Army National Guard;
- (5) the Alaska Air National Guard; or
- (6) the Alaska Naval Militia.

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MR. BOWEN disclosed his understanding that the sponsor is considering an amendment to extend the ability of employers to grant voluntary employment preference to personnel actively serving in good standing in the guard and reserve components. Guard and reserve components employed in Alaska's communities possess the same qualifications and offer employers the same advantages as veterans; therefore, the department approves of offering these service members the same preferential hiring. The department has an issue with the existing statute regarding equality in providing preference. The reserve component does not have a set time of service, but the National Guard does. He cited [AS 39.25.159(f)(3)], which gives the definition of a member of the National Guard, as follows:

- (3) "member of the national guard" means a person who is presently serving as a member of the Alaska National Guard and who has at least eight years of service in the Alaska National Guard;

MR. BOWEN clarified that this statute reflects that a member must have served eight years before receiving the benefit under this bill. He suggested the language should read:

"member of the national guard" means a person who is presently serving under honorable conditions or has been released under the same conditions while serving the Alaska National Guard.

The change would give those who serve in the National Guard and reserve components the same access to benefits. Mr. Bowen relayed the department's belief that members of the Alaska State Defense Force possess many of the same qualities and skills as veterans and represent a pool of attractive employees. The department also believes employers are inclined to selectively hire people with military training and teamwork experience, and that employers should be able to extend hiring preference to members or veterans of the Alaska State Defense Force. He explained that the defense force does not issue discharge documents the same way active components do today, but does have means of documenting service and identifying members in good standing. The department believes HB 2 offers another way to smooth the transition from active duty service to civilian life, helps maintain strong employer/employee relationships for the National Guard and reserve components, adds strength and pride to the Alaska State Defense Force, and serves the needs of Alaska employers at the same time. Mr. Bowen stated that DMVA and the Office of Veteran Affairs fully supports HB 2. He referred to the second paragraph of a letter written by Craig Campbell, which read as follows [original punctuation provided]:

Employer Support of the Guard and Reserve (ESGR) is a Department of Defense program established in 1972 to promote cooperation and understanding between Reserve Component Service members and their civilian employers and to assist in the resolution of conflicts arising from an employee's military commitment.

MR. BOWEN stated that ESGR understands the unique talents and skills Guard Reserve Service members can bring to a civilian workforce.

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REPRESENTATIVE RAUSCHER asked if there have been many cases where employers would have needed this bill.

MR. BOWEN stated that he is not aware of any instance wherein an employer has gotten into trouble because a bill like this has not been in place. He offered his opinion that if the bill was in place, then there would be an increase of employment in highly skilled jobs.

REPRESENTATIVE RAUSCHER asked if the proposal would be another "tool in your bag" to continue to work with the veterans.

MR. BOWEN stated that is correct - the department is adding more tools to the employers' bag to hire more qualified people.

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REPRESENTATIVE PARISH asked if it's possible to see the effects on veteran unemployment brought about by similar legislation passed in the 37 states.

MR. BOWEN stated that it would be difficult to track, because the department does not know what percentage of the commercial workforce is providing this preference in each participating state; therefore, it would be hard to quantify the number to a true, concise figure.

REPRESENTATIVE PARISH stated he sees the ability to grant this preference without a threat of future lawsuits as a protection to employers.

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REPRESENTATIVE SADDLER asked to what degree private veteran preference laws have "moved the needle" in veteran hiring.

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MR. SAN SOUCI stated that it's almost impossible to know the exact effect on veteran hiring. He mentioned that Walmart and other corporations have been supportive of similar legislation. Empirically showing a relationship would be hard. The legislation is a protective stance.

REPRESENTATIVE SADDLER stated he generally supports HB 2. He said he is curious what the effectiveness of moving from public employers to private employers would be. He asked which sector of Alaska's economy Mr. Bowen suspects will be most affected by the legislation.

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MR. BOWEN stated his belief that the biggest impact on hiring would likely be in the oil fields. There are small companies in the oil fields that would like to offer this preference, but are currently unable to do so. Employers come into ESGR daily to seek assistance in offering this preference.

REPRESENTATIVE SADDLER applauded ESGR as an organization, and stated he would be pleased if this advantage could be used in the oil fields.

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RUSSELL BALL testified in support of the HB 2. As a small business owner and employer for over 30 years, he stated that he has always worried about the risk of civil lawsuit for showing a hiring preference. Veterans have been some of his best employees due to their discipline, troubleshooting, logical thinking, and they are a good pool from which to recruit new employees. He expressed his desire for more veterans to submit resumes for consideration to his business. He emphasized that the transition from military to civilian life is often scary and could be overcome more easily with the understanding that veterans are preferred by some employers. He stated that as a small employer, he would never offer a preference unless it was protected as this bill would do. He mentioned that Alaska wants to hold onto the best talent in the state. The legislation is a form of gratitude for those who have served, and an acknowledgement of their skills and service.

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DAVID DEMENNO, Owner, Alaska Land Clearing Inc., offered his support of HB 2. He stated that he currently has three veterans working for him. The military develops job skills and life skills to be used by veterans later on in the private work place. He offered his impression that compared to other employees, the veterans he employs are always on time, take charge, ask questions, pick up things fast, are familiar with heavy equipment, get the project done, and are good at working independently. Leadership skills of veterans are superior to others in the workplace; veterans take pride in their work. He stated he tries to do whatever he can to hire a veteran, because they are an asset to the company. He mentioned a successful project at Fort Richardson working with and training a

battalion. He stated his belief that the legislation will greatly benefit the state of Alaska.

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CHAIR TUCK closed public testimony on HB 2.

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REPRESENTATIVE RAUSCHER addressed instances within the bill where "general discharge" appears under "honorable discharge conditions." He said he would like to make the language for consistent.

MR. BOWEN stated that the wording should be "under honorable conditions," which would cover general and honorable discharges and would open up a veteran to all the benefits out there, including the federal side of [the U.S. Department of Veterans Affairs]("the VA").

REPRESENTATIVE RAUSCHER asked for clarification whether all three instances in the bill should utilize the same language.

MR. BOWEN agreed.

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REPRESENTATIVE SADDLER referenced AS 36.30.321(f)(3)(B), which defines a veteran as an individual who "was separated from service under a condition that was not dishonorable." He asked Mr. Bowen if he is recommending the language be changed to "other than dishonorable".

MR. BOWEN stated that the term "other than dishonorable" is the phrase the federal government uses to establish benefits. In this case the bill is attempting to establish a benefit reserved only for those satisfactorily discharged from the military, therefore the best language would be "under honorable conditions", which covers general discharge and honorable discharge. That language would match the language used on military forms.

REPRESENTATIVE SADDLER repeated his question.

MR. BOWEN answered yes, and said he would use the term "under honorable conditions", which covers general and honorable discharges.

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REPRESENTATIVE LEDOUX asked what circumstances a person would be discharged with a general discharge as opposed to an honorable discharge. She asked if there are circumstances "not ... so benevolent" that would lead to a general discharge as opposed to an honorable discharge.

MR. BOWEN offered examples of general discharges, which include: Not passing a skill level or [physical fitness] test, failing weight standards, committing minor drug offenses, receiving a Driving Under the Influence (DUI) citation or speeding ticket, and being late to formation or deployment. He stated there is a gambit of things that lead to a general discharge.

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REPRESENTATIVE LEDOUX asked if the change in language presented by Mr. Bowen would allow an employer to see the difference between a general and honorable discharge.

Mr. Bowen answered that discharge form will stipulate the reason for discharge, and the employer would be able to see that.

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REPRESENTATIVE REINBOLD reiterated that HB 2 is an act related to a voluntary preference for veterans. The bill does not prohibit [a hiring preference], but doesn't mandate anything.

[1:55:03 PM](#)

REPRESENTATIVE SADDLER asked Mr. Bowen if the phrase on page 1, line 7, "the armed services of the United States", includes National Guardsmen of any state.

MR. BOWEN responded he does not know, but can research the answer.

REPRESENTATIVE SADDLER asked if, under HB 2, someone's time served with another state's National Guard would apply likewise.

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CHAIR TUCK responded that the committee would look into Representative Saddler's question and possibly expand the bill

to also include active members of the National Guard. Chair Tuck asked if Representative Saddler had a preference.

REPRESENTATIVE SADDLER expressed no preference, but stated that it's important to clarify all conditions.

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MR. DOEHL responded that the bill's language would encompass service in any other state or territory, as interpreted pursuant to Title 32 of United States Code. He stated his belief that the eight-year term is a different discussion.

[1:58:10 PM](#)

REPRESENTATIVE LEDOUX asked how one could interpret that the bill includes service in all states, when the bill only lists Alaska.

[1:58:57 PM](#)

CHAIR TUCK offered his understanding that Mr. Doehl was responding to a potential amendment to include members of the National Guard.

MR. DOEHL confirmed that is correct.

CHAIR TUCK offered that the language would be corrected before an amendment would be offered.

[1:59:58 PM](#)

CHAIR TUCK stated HB 2 was held over.

[2:00:26 PM](#)

CHAIR TUCK, in response to questions and comments from Representatives Saddler, Reinbold, Rauscher, and LeDoux, clarified that Representative Kawasaki would be the chair of the House Military & Veterans' Affairs Finance Subcommittee. He stated that there are would not be any alternates in the subcommittee, but any member can attend. He stated that in the subcommittee there are no amendments - just recommendations to the House Finance Standing Committee.

[2:05:50 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Military and Veterans' Affairs Special Committee meeting was adjourned at 2:05 p.m.