

**ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 23, 2018

7:58 a.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Kevin Meyer, Vice Chair
Senator Gary Stevens
Senator Berta Gardner
Senator Peter Micciche

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 340

"An Act repealing the Alaska BIDCO Assistance program and repealing requirements for an annual examination of a BIDCO by the Department of Commerce, Community, and Economic Development."

- MOVED HB 340 OUT OF COMMITTEE

HOUSE BILL NO. 343

"An Act relating to examination of premium finance companies."

- MOVED HB 343 OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 262 (L&C)

"An Act relating to temporary courtesy licenses for certain nonresident professionals; and relating to the Department of Commerce, Community, and Economic Development."

- MOVED CSHB 262 (L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 340

SHORT TITLE: REPEAL BIDCO ASSISTANCE PROGRAM

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/09/18 (H) READ THE FIRST TIME - REFERRALS
 02/09/18 (H) L&C
 02/23/18 (H) L&C AT 3:15 PM BARNES 124
 02/23/18 (H) Heard & Held
 02/23/18 (H) MINUTE(L&C)
 02/26/18 (H) L&C AT 3:15 PM BARNES 124
 02/26/18 (H) Moved HB 340 Out of Committee
 02/26/18 (H) MINUTE(L&C)
 02/28/18 (H) L&C RPT 5DP 2NR
 02/28/18 (H) DP: SULLIVAN-LEONARD, STUTES, WOOL,
 JOSEPHSON, KITO
 02/28/18 (H) NR: BIRCH, KNOPP
 04/06/18 (H) TRANSMITTED TO (S)
 04/06/18 (H) VERSION: HB 340
 04/09/18 (S) READ THE FIRST TIME - REFERRALS
 04/09/18 (S) L&C
 04/21/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 04/21/18 (S) -- MEETING CANCELED --
 04/23/18 (S) L&C AT 8:00 AM BELTZ 105 (TSBldg)

BILL: HB 343

SHORT TITLE: PREMIUM FINANCE COMPANIES : EXAM REQS
 SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/09/18 (H) READ THE FIRST TIME - REFERRALS
 02/09/18 (H) L&C
 02/23/18 (H) L&C AT 3:15 PM BARNES 124
 02/23/18 (H) Heard & Held
 02/23/18 (H) MINUTE(L&C)
 02/26/18 (H) L&C AT 3:15 PM BARNES 124
 02/26/18 (H) Moved HB 343 Out of Committee
 02/26/18 (H) MINUTE(L&C)
 02/28/18 (H) L&C RPT 3DP 4NR
 02/28/18 (H) DP: JOSEPHSON, WOOL, KITO
 02/28/18 (H) NR: SULLIVAN-LEONARD, STUTES, KNOPP,
 BIRCH
 04/06/18 (H) TRANSMITTED TO (S)
 04/06/18 (H) VERSION: HB 343
 04/09/18 (S) READ THE FIRST TIME - REFERRALS
 04/09/18 (S) L&C
 04/21/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 04/21/18 (S) -- MEETING CANCELED --
 04/23/18 (S) L&C AT 8:00 AM BELTZ 105 (TSBldg)

BILL: HB 262

SHORT TITLE: MILITARY SPOUSE COURTESY LICENSE

SPONSOR (s) : KAWASAKI

01/16/18 (H) PREFILE RELEASED 1/8/18
01/16/18 (H) READ THE FIRST TIME - REFERRALS
01/16/18 (H) MLV, L&C
02/06/18 (H) MLV AT 1:00 PM GRUENBERG 120
02/06/18 (H) Heard & Held
02/06/18 (H) MINUTE (MLV)
02/15/18 (H) MLV AT 1:00 PM GRUENBERG 120
02/15/18 (H) Moved CSHB 262 (MLV) Out of Committee
02/15/18 (H) MINUTE (MLV)
02/16/18 (H) MLV RPT CS (MLV) 4DP 1AM
02/16/18 (H) DP: SADDLER, PARISH, LEDOUX, TUCK
02/16/18 (H) AM: RAUSCHER
03/28/18 (H) L&C AT 3:15 PM BARNES 124
03/28/18 (H) <Bill Hearing Canceled>
03/31/18 (H) L&C AT 1:00 PM BARNES 124
03/31/18 (H) Heard & Held
03/31/18 (H) MINUTE (L&C)
04/04/18 (H) L&C AT 3:15 PM BARNES 124
04/04/18 (H) Moved CSHB 262 (L&C) Out of Committee
04/04/18 (H) MINUTE (L&C)
04/05/18 (H) L&C RPT CS (L&C) 1DP 4NR
04/05/18 (H) DP: SULLIVAN-LEONARD
04/05/18 (H) NR: WOOL, JOSEPHSON, BIRCH, KITO
04/13/18 (H) TRANSMITTED TO (S)
04/13/18 (H) VERSION: CSHB 262 (L&C)
04/14/18 (S) READ THE FIRST TIME - REFERRALS
04/14/18 (S) L&C, FIN
04/21/18 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/21/18 (S) -- MEETING CANCELED --
04/23/18 (S) L&C AT 8:00 AM BELTZ 105 (TSBldg)

WITNESS REGISTER

MIKE NAVARRE, Commissioner
Department of Commerce, Community and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Introduced HB 340 and HB 343.

REPRESENTATIVE SCOTT KAWASAKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 262.

MERCEDES COLBERT, Staff

Representative Scott Kawasaki
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 262 on behalf of the sponsor.

SARAH CHAMBERS, Deputy Director
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered questions and provided information related to HB 262.

DAVID NEES, Research Associate
Alaska Policy Forum (APF)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 262.

DALE VANDE HEY, Liaison
State Liaison Office
Military Community and Family Policy
Department of Defense
San Antonio, Texas

POSITION STATEMENT: Testified in support of HB 262.

CHRISTIE RODRIGUEZ, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 262.

BILL THOMAS, representing self
Haines, Alaska

POSITION STATEMENT: Testified in support of HB 262.

ACTION NARRATIVE

[7:58:05 AM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 7:58 a.m. Present at the call to order were Senators Gardner, Meyer, Stevens, and Chair Costello. She reviewed the agenda.

HB 340-REPEAL BIDCO ASSISTANCE PROGRAM

[7:58:54 AM](#)

CHAIR COSTELLO announced the consideration of HB 340.

[7:59:07 AM](#)

MIKE NAVARRE, Commissioner, Department of Commerce, Community and Economic Development, introduced HB 340. He explained that the BIDCO Program was established in 1992. In 2004 a loan and financial assistance piece was added, but the legislature never funded the program. HB 340 removes that piece from the statutes.

CHAIR COSTELLO asked if the department oversees a similar program or if this was simply an unused program.

COMMISSIONER NAVARRE explained that loans are available through AIDEA for business and industrial development and there are also several different loans within the department. The BIDCO loan program was intended to be like the Small Business Administration (SBA) and provide loans to businesses, but the legislature determined there were other opportunities in the financial market to meet the need.

[8:00:53 AM](#)

CHAIR COSTELLO opened public testimony on HB 340. Finding no one who wished to comment, she closed public testimony.

[8:01:14 AM](#)

SENATOR MEYER moved to report HB 340, version A, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection and HB 340 moved from the Senate Labor and Commerce Standing Committee.

HB 343-PREMIUM FINANCE COMPANIES : EXAM REQS

[8:01:43 AM](#)

CHAIR COSTELLO announced the consideration of HB 343, relating to examination of premium finance companies.

[8:02:05 AM](#)

MIKE NAVARRE, Commissioner, Department of Commerce, Community and Economic Development, explained that HB 343 exempts premium finance companies from a required examination every 18 months. The Division of Banking and Securities would still conduct examinations of these companies on an as-needed basis.

[8:03:15 AM](#)

CHAIR COSTELLO closed public testimony on HB 343 after ascertaining that no one wished to comment.

She asked if he was aware of any opposition to the legislation.

COMMISSIONER NAVARRE said no; it was a recommendation of the recently retired director of Banking and Securities and it passed unanimously in the House.

[8:03:46 AM](#)

SENATOR MICCICHE joined the committee.

[8:03:57 AM](#)

At ease

CHAIR COSTELLO reconvened the meeting and solicited a motion.

[8:05:01 AM](#)

SENATOR MEYER moved to report HB 343, version A, from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection and HB 343 moved from the Senate Labor and Commerce Standing Committee.

HB 262-MILITARY SPOUSE COURTESY LICENSE

[8:05:33 AM](#)

CHAIR COSTELLO announced the consideration of HB 262. [CSHB 262(L&C) was before the committee.]

[8:05:43 AM](#)

REPRESENTATIVE SCOTT KAWASAKI, Alaska State Legislature, Juneau, Alaska, sponsor of HB 262, said the state is very generous towards the 17,000 active duty armed service members and more than 70,000 veterans who reside in Alaska. There are VA tuition waivers within the UA System, state defense liaisons work with school districts, expedited hunting and fishing licenses are available, and small businesses offer discounts. HB 262 seeks to strengthen the current mechanism to ensure that military spouses are aware of the opportunities for expedited occupational licensure.

In 2011, House Bill 28 was passed to provide expedited temporary professional licenses to spouses of active duty military members. Several other states passed similar legislation and some included a reporting mechanism so the legislature could track the process. Last year his office learned that military spouses were not utilizing the expedited temporary professional licensure process. HB 262 implements a reporting requirement in an effort to increase the use of this benefit.

[8:08:40 AM](#)

MERCEDES COLBERT, Staff, Representative Scott Kawasaki, Alaska State Legislature, Juneau, Alaska stated that HB 262 would require the Department of Commerce, Community and Economic Development (DCCED) to report on the progress of drafting and implementing regulations for temporary courtesy occupational licenses for eligible military spouses. The program for these licenses was established in 2011, but a study conducted last fall on behalf of the Department of Defense found that despite a series of bills passed nationwide, military families were still having difficulties transitioning their occupational licenses. The issue was reiterated in November with the updated preliminary findings of the Eielson Air Force Base Regional Growth Management Plan. As part of that study, focus groups were established to identify the challenges military families face when they relocate to Alaska. Comments featured in the findings indicated that more needed to be done to improve the program.

She reported that in 2017, fewer than 35 of the 13,396 occupational license applications were from military spouses. Alaska has 17,000 active duty service members and at least one-third are here with their spouses. That very low number reflects a lack of communication. The Department of Defense study found that many occupational boards in Alaska were not even aware of the opportunity the 2011 legislation provided. She noted that the sponsor's office heard through the Fairbanks Economic Development Corporation that more work needed to be done to improve access to these licenses and to ensure communication among board staff, the Department of Defense, and the military community. HB 262 was introduced to help improve that communication.

MS. COLBERT advised that 800-1,000 spouses are expected to come to Alaska in the next 10 years in the company of 1,400 direct employees and personnel associated with the F-35 platform in the Fairbanks area. A big reason for introducing HB 262 was to improve access to economic development for those families. Many of them will be living in the sponsor's district.

She expressed appreciation that the division of licensing had been very communicative about what it had been doing to implement the 2011 legislation. She opined that passage of HB 262 will encourage more consistent communication.

MS. COLBERT briefly read the new subsections (e), (f), and (g) of AS 08.01.063 proposed by HB 262. She highlighted that the Joint Armed Services Committee (JASC) serves as a liaison between military installations in the state and JASC members

typically represent areas of the state where military installations are located. The more information available to JASC members, the better military families can be served.

CHAIR COSTELLO noted that Sarah Chambers, the deputy director of the Division of Corporations, Business and Professional Licensing (DCBPL) was available to answer questions.

8:14:45 AM

SENATOR GARDNER asked if the division would work through JASC to get the names and addresses for the newly arrived military members.

MS. COLBERT deferred to the division to discuss their outreach. She reiterated the reason for the JASC to specifically receive the report and the need for one individual in the department to be a point of contact to field questions about licensure from military members and spouses.

SENATOR GARDNER asked why, when it's safe and appropriate, occupational license reciprocity wasn't available to everyone.

REPRESENTATIVE KAWASAKI said it was a policy call. Noting that reciprocity was available to teachers, physicians, and a few other professions or occupations, he suggested Ms. Chambers speak to the reasoning for other available licenses.

SENATOR GARDNER said she didn't understand why the state wouldn't make it easy for anyone to come to Alaska and use their training, providing that it was appropriate and the licensing standards were equally rigorous.

8:17:53 AM

SENATOR MEYER asked how the program authorized by House Bill 28 in 2011 had worked.

REPRESENTATIVE KAWASAKI said a study conducted in the fall of last year showed that very few people were taking advantage of the program. He introduced HB 262 in the belief that instituting a reporting requirement would strengthen that existing legislation. Several other states that passed similar legislation have initiated required reporting and HB 262 uses that boilerplate language. He noted that the packets contained a letter from the Department of Defense that talked about how this bill would complement the existing legislation.

SENATOR MEYER asked how many people have applied for a courtesy license and how long it took to get the license.

REPRESENTATIVE KAWASAKI said there were 35 applications and Ms. Chamber could discuss how long it took to receive the expedited licenses and which professions were represented.

8:19:40 AM

SENATOR STEVENS asked if it was possible for someone to apply for an expedited license once they knew they were being transferred to the state because some know a year in advance of their actual transfer.

REPRESENTATIVE KAWASAKI suggested Ms. Chambers address the details, but he'd like a person to be able to resume their career as soon as they arrive. That's the point of the legislation; it's pro economic development, pro job, and pro military.

SENATOR STEVENS expressed hope that an answer would be forthcoming and shared his belief that someone should be able to apply as soon as they know they're being transferred.

8:21:34 AM

SENATOR MICCICHE observed that the temporary license was good for just a year so the applicant would need a regular license if they stayed longer than that.

8:22:06 AM

SARAH CHAMBERS, Deputy Director, Division of Corporations, Business and Professional Licensing, Juneau, Alaska, explained that HB 262 requires the division to create an annual report for the legislature regarding courtesy licenses for military spouses. She said the division had been working to facilitate discussions with military entities regarding this benefit since the initial legislation was adopted, but military agencies were dissatisfied with the flow of that information. She acknowledged that despite the division's efforts, it was clear that a more intimate relationship with those agencies was needed. She said HB 262 seeks to improve communication and that was happening through meetings with the Forget Me Not Coalition, which is an amalgamation of entities that work with military spouses on a daily basis. She expressed optimism about learning ways to help military spouses access the division's resources.

MS. CHAMBERS referenced Senator Gardner's question and advised that there were very few true reciprocal licenses. However,

nearly every one of the division's 43 licensing programs have fewer barriers for individuals who hold a license in another state. The boards were analyzing interstate licensure compacts, particularly with health care professions, but it would take specific legislation to accomplish that type of licensure. Some license requirements, such as construction contractors, are very straightforward and don't require an exam. A few licenses, such as marine pilots and big game commercial services, require Alaska-specific knowledge that can only be obtained by being in Alaska. Reciprocity for those licenses wouldn't make sense.

She advised that the existing licensing programs issued over 13,000 new licenses in FY17, but just 35 applicants identified themselves as military spouses. Those were in the areas of: massage therapy, pharmacy, psychology, social work, barbers and hairdressers, and professional counselors. She said a military licensing page was visible from every page of the division's website, but the improved communication with the Forget Me Not Commission should increase awareness of the expedited licensure. As a point of interest, she reported that there were fewer than 20 active duty military licensures and fewer than 15 people applied to use their military experience to gain licensure in Alaska. She said the division was working with each of the boards to increase awareness and provide better service.

MS. CHAMBERS referenced Senator Steven's question and said the division actively encourages everyone to apply for a license as soon as they know they have orders, even if they don't intend to move to Alaska. She acknowledged the need to do a better job if military spouses were finding it difficult to navigate the state bureaucracy.

[8:31:24 AM](#)

CHAIR COSTELLO thanked Ms. Chambers for the information.

SENATOR MICCICHE asked if it was possible for someone to apply for a license before they arrive in Alaska and go to work as soon as they get off the plane.

MS. CHAMBERS said if all the documentation is in order and the application is complete, the answer is yes. Not having a complete application causes delays. Some information, like for health care professionals, must come from the institution where the person worked and that can take time. The division worked with the boards to streamline the process of reviewing applications offline and not waiting three to four months for the next board meeting. She noted that a couple of boards were

uncomfortable with that process but the division was committed to continuing the process to expedite things.

SENATOR MICCICHE asked if someone would receive a regular license if they submitted a complete application and satisfied all the board requirements.

MS. CHAMBERS said the division would encourage individuals to apply for a full license if they meet all the requirements, but oftentimes a temporary license makes sense.

[8:35:20 AM](#)

SENATOR STEVENS said he appreciates the efforts to expedite licensure for military spouses, but there was still a problem with the length of time it takes Alaskans to obtain a professional license. He specifically noted the long delay to get a license from the Board of Psychology. He expressed his intention to follow up with specific legislation to address the problem.

[8:36:29 AM](#)

MS. CHAMBERS said she would appreciate working with his staff to resolve problems for specific individuals as well as any underlying problems with the process. The Board of Psychology was one that does not approve licenses offline, which takes a little longer. However, the division has a policy of letting people know within a week that they've been approved of licensure. She encouraged all legislators to notify the division when they hear about specific problematic situations.

SENATOR STEVENS highlighted the financial consequences - including Medicaid billing - when someone in the psychology field is not given timely notification that they qualified for a license.

[8:38:13 AM](#)

CHAIR COSTELLO opened public testimony on HB 262.

[8:38:36 AM](#)

DAVID NEES, Research Associate, Alaska Policy Forum (APF), Anchorage, Alaska, testified in support of HB 262. He stated that the Department of Defense (DoD) study recommended five steps to make it easier for military spouses to obtain licensure and the fifth step was to collect data, which HB 262 accomplishes. He related that the DoD study looked at cosmetology, dental hygiene, mental health occupations, occupational therapy and real estate licensures in all 50

states. Their recommendation was that the legislation should contain the word "shall" instead of "may" and that the term "substantially equivalent" in the licensure was very important to make it easier for military spouses. He noted that this cohort had a 20 percent unemployment rate even though they may be licensed in another state.

MR. NEES said the other four requirements from the DoD study were that the websites of licensing agencies should include military accommodation licensure on each page; the boards should be educated that it was their responsibility to ensure expedited temporary licensure works; that the license application should have a separate box to self-identify as a military spouse; and improving portability and continuing education. He noted that the Division of Occupational Licensing in the State of Alaska does not cover the areas of education and health services. There are shortages in these areas and APF would recommend adding language to the bill to make it easier for military spouses to fill vacancies in those two occupations. He reiterated support for the bill.

[8:41:33 AM](#)

DALE VANDE HEY, Liaison, State Liaison Office, Military Community and Family Policy, Department of Defense, San Antonio, Texas, expressed appreciation for shining a light on the issue of expedited temporary licensure for military spouses. It is a key quality of life issue that his office had been working on since House Bill 28 was enacted in 2011. The DoD continues to advocate for anything that can be done to improve the process and enable military spouses to easily transition to Alaska and continue a career in their selected discipline. He reiterated support for HB 262 to improve the process.

[8:43:59 AM](#)

SENATOR STEVENS asked Mr. Vande Hey to give members an idea of the length of assignments for military personnel.

MR. VANDE HEY said the average assignment is about three years, but it can be more depending on the specialty.

SENATOR MICCICHE asked if the DoD ranks the states on services to military families and tracks the gaps that legislatures should be aware of.

MR. VANDE HEY replied the DoD website [statepolicy.militaryonesource.mil] lists the ten key issues for military families that have been identified across the 50 states

and can be addressed by state legislatures. It shows where Alaska fits relative to the other states on these issues.

CHAIR COSTELLO suggested the members share that in their newsletters to constituents.

[8:49:04 AM](#)

CHRISTIE RODRIGUEZ, representing self, Anchorage, Alaska, testified in support of HB 262. She related that she had been a military spouse for more than 20 years and had struggled to continue her education as she was transferred with her spouse. Once she received her degree, she faced daunting challenges getting her professional career started. This is a common theme in military life and helps account for the fact that military spouses are 47 percent underemployed compared to their civilian counterparts. She said the spotlight on the issue of licensure for military spouses is appreciated and state laws are being enacted, but implementation is still a problem. She emphasized the need for transparency and the ability to access information. She said HB 262 would be very helpful for capturing data about how things are going for military spouses and taking things in a positive direction.

CHAIR COSTELLO thanked her for her comments and her family's military service.

[8:55:01 AM](#)

BILL THOMAS, representing self, Haines, Alaska, stated support for HB 262. He shared that he was the sponsor of House Bill 28 that passed in 2011. He noted that the veteran's caucus worked with the Department of Defense on the language. The bill was intended to provide support for military families and veterans and HB 262 furthers that goal.

[8:57:06 AM](#)

CHAIR COSTELLO found no further comments and closed public testimony on HB 262.

[8:57:39 AM](#)

SENATOR MEYER moved to report HB 262 from committee with individual recommendations and attached fiscal note(s).

CHAIR COSTELLO found no objection, and CSHB 262(L&C) moved from Senate Labor and Commerce Standing Committee.

[8:58:02 AM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at 8:58 a.m.