

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 5, 2020

3:19 p.m.

MEMBERS PRESENT

Representative Ivy Spohnholz, Chair
Representative Louise Stutes
Representative Zack Fields
Representative Sara Hannan
Representative Andi Story
Representative Mel Gillis

MEMBERS ABSENT

Representative Sara Rasmussen

COMMITTEE CALENDAR

PRESENTATION(S): REGULATIONS PROPOSED BY THE DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

GREY MITCHELL, Director
Division of Workers' Compensation
Department of Labor & Workforce Development
Juneau, Alaska

POSITION STATEMENT: Presented the Department of Labor & Workforce Development's proposed regulations and answered questions from the committee.

JOSEPH KNOWLES, Deputy Director
Division of Labor Standards & Safety
Department of Labor & Workforce Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the presentation on the Department of Labor & Workforce Development's proposed regulations.

WILLIAM HARLAN, Mechanical Inspection Manager
Division of Labor Standards & Safety
Department of Labor and Workforce Development
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the presentation on the Department of Labor & Workforce Development's proposed regulations.

JOHN HAKALA, State Director
Office of Apprenticeship
U.S. Department of Labor
Anchorage, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation entitled, "Registered Apprenticeship and Fitness Licensing in Alaska."

DEBORAH KELLY, Director
Alaska Joint Electrical Apprenticeship and Training Trust
Juneau, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation by the Alaska Joint Electrical Apprenticeship and Training Trust.

AMY NIBERT, President/CEO
Associated Builders and Contractors of Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified on the Department of Labor & Workforce Development's proposed regulations.

TOM FISHER, President
Aaron Plumbing and Heating Company
Fairbanks, Alaska

POSITION STATEMENT: Testified on the Department of Labor & Workforce Development's proposed regulations.

ACTION NARRATIVE

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CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Fields, Hannan, Story, Gillis, and Spohnholz were present at the call to order. Representative Stutes arrived as the meeting was in progress.

PRESENTATION(S): Regulations Proposed by the Department of Labor & Workforce Development

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CHAIR SPOHNHOLZ announced that the only order of business would be a presentation on regulations proposed by the Department of Labor & Workforce Development (DLWD).

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GREY MITCHELL, Director, Division of Workers' Compensation, Department of Labor & Workforce Development, noted that he has worked for the DLWD for 28 years. Within the department, his work experience extends to the Division of Employment Security, the Division of Labor Standards and Safety, the Wage and Hour Office, and the Division of Workers' Compensation.

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JOSEPH KNOWLES, Deputy Director, Division of Labor Standards & Safety, Department of Labor & Workforce Development, introduced himself and gave a brief description of his work experience, which includes the Division of Employment Training Services and the Division of Labor Standards and Safety, DLWD. He is also a military veteran.

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MR. MITCHELL said there has been a lot of confusion and misinformation about the proposed regulations and he appreciates the opportunity to provide clarification. He noted that much of the regulation package includes routine code updates. Many of the public comments, he said, indicate that people may have some misconceptions about the goal of the regulations and believe they aim to eliminate apprenticeship requirements or reduce workplace safety and health standards - neither of which, he said, are accurate. Registered apprenticeship will still be mandatory to qualify for the journeyman, plumber, electrician, or lineman exam after 8,000 hours of work experience. The proposal will allow for an alternate pathway for businesses that don't want to use the registered apprenticeship model and for individual Alaskans who either can't get into an apprentice program or aren't interested in that kind of training program. The alternate pathway will require 12,000 hours of documented work experience performing work subject to code, before trainees are qualified to sit for the exam. The proposal does not change the minimum ratios of journeyman to apprentices that have been on the books for decades. The proposal also doesn't change occupational safety and health standards that employers must

comply with to maintain safe and healthy workplaces. He stated that the department's goal in creating this proposal was simple: to increase training and employment opportunities for individual Alaskans and give employers more options to train their future workforce. He went on to say that federally registered apprenticeship is extremely competitive, leaving many Alaskans left out. Furthermore, he argued that some employers don't want the federal government dictating how to train their workforce. He offered his belief that an alternate pathway will provide opportunities for smaller businesses in rural areas to provide trainees an opportunity to learn the plumbing or electrical trade. These local trainees are likely to stay and provide services in that community for years to come. He noted that the DLWD is not disputing that registered apprenticeship is a great training tool; however, it's not a good fit for all businesses or all Alaskans. As a result of the restrictive regulations that only allow training through federally regulated apprenticeship, many employers don't participate in workforce training in these categories, he said. He reported that there is a growing shortage of trade workers across the country. According to the U.S. Bureau of Labor Statistics and the National Electrical Contractors Association, 7,000 electricians join the trade every year while 10,000 retire, leaving a gap in the numbers.

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CHAIR SPOHNHOLZ asked for the statistics in Alaska.

MR. MITCHELL said he only has the national numbers.

CHAIR SPOHNHOLS noted that because Alaska's economy tends to be countercyclical to the rest of the country, it should be important to have those numbers.

MR. MITCHELL reported that the BLS [U.S. Bureau of Labor Statistics] projects faster than average job growth for plumbers and electricians. He said they want to increase opportunities and empower Alaska businesses with choices for how to best train their future workers in on-the-job training (OJT). The department also intended on increasing educational opportunities for Alaskans to receive real world hands-on electrical and plumbing training in programs like Alaska Vocational Technical Center (AVTEC); however, due to the public's comments, they reevaluated the proposal and reworked sections of it.

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REPRESENTATIVE HANNAN inquired as to which communities and what types of businesses expressed interest in an "alternative pathway" for trainees.

MR. MITCHELL replied he can't give specific details on the numbers. Anecdotally, he said, there are a lot of businesses that want to have an internal training program where the federal government isn't looking over their shoulder while they're training their workforce.

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MR. MITCHELL responding to a follow-up question from Representative Hannan, said he was referring to the Office of Apprenticeship and Training, not OSHA [Occupational Safety and Health Administration], when he mentioned the federal government. He maintained that any contractor trying to get electrical or plumbing work done would acknowledge that there is a shortage.

REPRESENTATIVE HANNAN asked if Mr. Mitchell is asserting that plumbing and electrical contractors have an even greater shortage than any other trade or licensed profession in Alaska.

MR. MITCHELL said electrical and plumbing are the two categories of building trades that mandate enrollment in a federally registered apprenticeship program.

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REPRESENTATIVE FIELDS recounted working with Mr. Mitchell and Mr. Knowles, as well as other DLWD staff members. He said he enjoyed every moment of it and thanked them for the work they have done. He asked how many apprenticeship specialists currently work in the department and if they still work at job centers throughout the state.

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MR. KNOWLES offered his belief that the concept being referenced is still in place.

REPRESENTATIVE FIELDS asked for Mr. Knowles' approximation of the number of employers of state apprenticeship specialists that have worked with the U.S. Department of Labor to expand

apprenticeship in communities beyond Southcentral [Alaska] in the recent past.

MR. KNOWLES explained that when he worked there, the job centers had business connection specialists and independent apprenticeship specialists to help administer grants for those who were eligible. He said that by his estimation, the majority of job centers have those technicians and will work through the technology and referral process for the centers that don't.

REPRESENTATIVE FIELDS said the department helped start apprenticeship programs for many rural community health centers when he worked there. He noted that he is happy to see that capacity still exists for construction employers throughout the state.

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MR. MITCHELL turned attention to the proposed regulations. He sought clarification on whether he should summarize the entire package or focus on registered apprenticeship.

CHAIR SPOHNHOLZ instructed him to focus on the part regarding registered apprenticeship because of its controversy.

MR. MITCHELL explained that there were several sections of the regulation package that addressed updating various elements of the codes. For that reason, he said, it was difficult to ascertain how to classify some of the [public] comments they received. He alleged that there was confusion in trying to determine how the comments applied to the regulations.

CHAIR SPOHNHOLZ interjected and pointed out that there are numerous comments that are classified as unclear; however, "the own department's summary of the comments - they seem very clear to me," she said. She proceeded to read several comments that were classified as "unclear," adding that she disagrees with that classification because of its inaccuracy.

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MR. MITCHELL responded to the public comment that mentioned opposition to ending apprenticeship. He said it is classified as unclear because the regulations don't propose to end apprenticeship.

CHAIR SPOHNHOLZ stated that the department is creating a pathway around apprenticeship that requires little to no documentation and little to no standards, which sounds like a workaround to apprenticeship. She reiterated that classifying the comments as being unclear about their position is a mischaracterization.

MR. MITCHELL resumed his presentation and directed attention to pages 15-16 of the proposed regulation package [included in the committee packet]. He said 8 AAC 90.130 [plumber journeyman certificate of fitness] still requires the applicant to submit documented proof that he or she obtained 8,000 hours of work experience in a federally registered apprenticeship. He emphasized that the department is creating an alternate pathway - not eliminating apprenticeships - that requires 12,000 hours of on-the-job work experience that is subject to the applicable code. He noted that under this alternate pathway, the applicant would also still need to pass the comprehensive examination for electricians, plumbers, or linemen to gain access to his or her certificate of fitness. He further noted that current regulations are effectively putting Alaskans at a disadvantage to people coming from other states who qualify to sit for the [comprehensive] examination after 8,000 hours of on-the-job training. The proposed regulations would require nonresidents to have the same 12,000 hours of on-the-job experience if they didn't gain their experience through a registered apprenticeship program. He said this would effectively level the playing field between Alaskans and residents of the 37 other states that don't require registered apprenticeship in order to gain training in the electrical or plumbing industry. He reiterated that the proposal doesn't change or eliminate federally registered apprenticeships for plumbers and electricians. On the contrary, he said, it maintains it for 8,000 hours of work experience. He added that the proposed regulations do not change any occupational safety and health standards.

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CHAIR SPOHNHOLZ asked, on average, how many nonresidents move here to take the exam with 8,000 hours of experience from somewhere other than place with a registered apprenticeship program.

MR. MITCHELL said he does not have the specific numbers, but it's an open opportunity.

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WILLIAM HARLAN, Mechanical Inspection Manager, Division of Labor Standards & Safety, Department of Labor and Workforce Development, said statistics are not easily available because they do not track the sourcing of applicants on a regular basis. He said that information would require a manual search of applications through a given time range.

CHAIR SPOHNHOLZ said she finds it odd to cite something anecdotally as evidence without the numbers to back it up.

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REPRESENTATIVE FIELDS offered his understanding that the state of Washington requires completion of a registered apprenticeship to take the exam, which is a stronger regulation than in Alaska. He asked how many states beyond Washington have stronger regulations than Alaska.

MR. MITCHELL acknowledged that Alaska does not require completion of the registered apprenticeship program, which could result in someone getting 8,000 hours of experience without completing the related course instruction or other elements of the apprenticeship. As long as the 8,000 hours were gained in a registered apprenticeship, that alone would qualify that individual in the state of Alaska.

MR. HARLAN, in response to Representative Fields, offered his belief that the majority of states that require apprenticeship require completion of the entire registered apprenticeship program.

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MR. MITCHELL returned to his presentation. Regarding the plumber journeyman certificate of fitness, the proposed regulations maintain the current ratio of two trainees to one journeyman. He noted that the proposed regulations will not limit a trainee in the alternate pathway from engaging in accredited classroom training to help them acquire the 12,000 hours of experience. It's intended that the 12,000-hour program would involve some self-directed classroom training.

MR. MITCHELL turned attention to pages 16-19 of the proposed regulations, 8 AAC 90.137 [plumber restricted PU certificate of fitness]. He explained that this section would remove the examination requirement for a plumber utility (PU) certificate

of fitness. This change was made with input from PU worker representatives in the labor union who consider the exam an unnecessary barrier to licensure because it doesn't test knowledge and code. Mr. Mitchell directed attention to pages 18-19, 8 AAC 90.140 [plumber trainee certificate of fitness]. He noted that this is the restriction that limits Alaskans from receiving any training in the plumbing trade unless they are enrolled in a federally recognized registered apprenticeship program. This section of the proposal also repeals a reference to the on-the-job training option to document work experience that existed prior to 2003 and was repealed in 2006. Furthermore, it removes the requirements that a trainee must surrender his or her trainee certificate of fitness after failing to be continuously enrolled in a federally registered apprenticeship program. Finally, this section would establish a standard to allow for the department to reciprocate plumbing certificate of fitness licenses under limited conditions with another state when the licensure requirements are substantially similar to Alaska's.

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REPRESENTATIVE HANNAN asked how many states have regulations that are similar to Alaska's.

MR. MITCHELL said the initial research indicates about 13.

REPRESENTATIVE HANNAN asked if those 13 states also have registered apprenticeship programs.

MR. MITCHELL confirmed that.

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MR. HARLAN added that because Alaska does not require apprenticeship completion, it is not included as a qualifying factor in this state's reciprocal agreements. Regarding plumbing, as long as a state requires completed hours and an exam, Alaska would consider exploring reciprocity with those states.

REPRESENTATIVE HANNAN stated she would still like to know the numbers.

CHAIR SPOHNHOLZ agreed and asked Mr. Mitchell to follow up with an answer.

MR. MITCHELL invited Mr. Harlan to explain the reciprocal process.

MR. HARLAN summarized reciprocity and how it works. He said Alaska is a member of an informal group of states, the National Electrical Reciprocal Alliance (NERA), with similar requirements. The group meets annually to ensure all its members' standards are consistent enough for agreements. Between those states that find substantial compliance with each other's licensure requirements, written agreements are drafted and then undergo a review process through the states' respective departments of law.

REPRESENTATIVE HANNAN inquired as to the number of members in the NERA.

MR. HARLAN answered 17 member states and of those 17, Alaska has a reciprocal agreement with 11 of them.

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MR. MITCHELL directed attention to section 8 AAC 90.160 [electrician journeyman certificate of fitness]. He paraphrased the following from the document entitled, "2019-2020 Proposed MI Regulations Explained" [included in the committee packet]:

11. 8 AAC 90.160 Electrician Journeyman Certificate of Fitness P. 19-21 (repeal/readopt)

- This proposal is almost identical to the changes that were made to the plumber certificate of fitness regulation under 8 AAC 90.130.
- The proposal maintains the mandatory requirement for federally registered apprenticeship in order to qualify to take the electrician journeyman exam with 8,000 hours of electrical code work experience.
- The proposal establishes an alternate pathway for a trainee to acquire work experience subject to the National Electrical Code without being indentured in a federally recognized apprentice program. After 12,000 hours of documented experience performing work subject to the National Electrical Code as a licensed trainee under the supervision of a qualified journeyman electrician, working for a licensed electrical contractor under the oversight of a properly licensed

electrical administrator, the trainee would qualify to take the electrician journeyman exam.

- The proposal puts Alaskans on an equal footing with trainees working in other states who can obtain electrical code work experience without being enrolled in a federally registered apprenticeship program and currently can use that experience to meet the 8,000 hours of experience necessary to sit for the electrical journeyman exam.

- The proposal also clarifies that the current limitation that only up to 2,000 hours of electrical code work experience doing residential electrical work would count toward the 12,000 hours of work experience required to qualify to take the journeyman exam.

- This proposal also contained a clarification that hours obtained through the proposed educational trainee certificate of fitness under 8 AAC 90.300 would count toward up to 1,000 hours of the required experience. However, the department has decided not to move forward with the educational trainee certificate of fitness.

CHAIR SPOHNHOLZ sought clarification on which section the department would not be advancing.

MR. MITCHELL replied 8 AAC 90.300, which would have allowed experience gained through a student training program, like Alaska Vocational Technical Center (AVTEC), to count toward the 1,000 hours of required experience. He reiterated that the department decided not to move forward with it.

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REPRESENTATIVE HANNAN asked if she was missing an amendment to the proposed regulations.

MR. MITCHELL explained that the department's regulation process is different than the legislative process. He said there is not a procedure to provide "on-the-fly" changes. He reiterated that Commissioner Ledbetter has decided against moving forward with the aforementioned provision.

REPRESENTATIVE HANNAN again, sought clarification the part of the document being referenced.

MR. MITCHELL said on page 20 of the proposed regulation package, subparagraph (D) would be stricken.

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MR. MITCHELL continued his presentation, directing attention to section 8 AAC 90.162 [power lineman journeyman certificate of fitness]. He paraphrased the following [original punctuation provided]:

12. 8 AAC 90.162 Power Lineman Journeyman Certificate of Fitness P. 21-22 (repeal/readopt)

- This section proposed to eliminate the electrical lineman exam. However, the department has decided not to move forward with this element of the proposal. • This proposal establishes the same alternate pathway to obtain outside line electrical code work experience outside of a federally registered apprenticeship program.
- The proposal maintains the requirement that a trainee must be enrolled in a federally registered apprenticeship program in order to qualify to take the journeyman exam at 8,000 hours of work experience.
- The proposal establishes an alternate pathway for a trainee to acquire work experience subject to the National Electrical Safety Code without being indentured in a federally recognized apprentice program. After 12,000 hours of documented experience performing work subject to the National Electrical Safety Code as a licensed trainee under the supervision of a qualified journeyman lineman, working for a licensed electrical contractor under the oversight of a properly licensed electrical administrator, the trainee would qualify to take the journeyman lineman exam.
- This proposal also intended to allow credit transfer for hours enrolled in the proposed educational trainee certificate of fitness program for up to 1,000 hours. However, the department is not moving ahead with the educational/student trainee certificate of fitness at this time.

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REPRESENTATIVE HANNAN pointed out that in the proposed regulations there isn't a reference to the exam.

MR. MITCHELL explained that it was deleted in the proposal but will be added back.

CHAIR SPOHNHOLZ asked Mr. Mitchell to follow up with an email or letter for clarity that summarizes which parts of the regulation package will be advanced and which will be removed. She indicated that the current document is not clear.

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REPRESENTATIVE FIELDS suggested that the department consider re-advertising the updated proposal.

MR. MITCHELL, in response to Chair Spohnholz, said it's awkward because the regulation package is still being evaluated. He added that he can speak to what decisions have been made to date; however, it's still not a final decision, which is up to the commissioner.

CHAIR SPOHNHOLZ said even so, it's fair that the legislature understands what is being proposed. She reemphasized that from the committee's perspective, it's difficult to follow.

MR. MITCHELL said that was the intention of this presentation - to provide a basic understanding of what the regulation package proposes to do. He agreed to follow up with an update containing changes that have been approved by the commissioner to date.

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REPRESENTATIVE STUTES said this bill hearing seems to be premature.

CHAIR SPOHNHOLZ clarified that this is an informational hearing on a regulation package that the Department of Labor & Workforce Development has proposed.

REPRESENTATIVE STUTES maintained that the presentation seems to be premature and confusing.

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REPRESENTATIVE FIELDS sought clarification on the 12,000-hour OJT [on-the-job training] pathway. He asked for confirmation that, unlike a registered apprenticeship, there won't be a state or federal department monitoring how many hours were completed doing different tasks, and whether those hours were completed under the supervision of a journeyman, as well as what kind of training standards were in place during those hours. He said he assumed the state DLWD would not be independently verifying all of that for the 12,000-hour OJT pathway.

MR. MITCHELL affirmed that, adding that this is not designed to be the same training mechanism as registered apprenticeship. It is designed to be a different pathway that allows for employers to control how they train their future workforce. Nonetheless, the law does require trainees in the electrical and plumbing categories to be licensed, supervised by a licensed journeyman, and work for a licensed electrical contractor that's overseen by a licensed administrator.

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REPRESENTATIVE HANNAN sought clarification on the alternate pathway's requirement of "documented proof on a notarized form provided by the department or a notarized statement on letterhead stationery from an employer" to authenticate the 12,000 hours. She asked if in theory, she could submit a letter that verifies her 12,000 hours completed at "Joe's Licensed Electrical" and that would be sufficient.

MR. MITCHELL explained that under current regulations, that is the correct procedure for someone from a different state. That individual would provide a sworn affidavit from the employer that supervised his or her work. Mr. Mitchell added that the alternate pathway will use that same standard, provided the required hours will be increased from 8,000 to 12,000 for Alaskans and out-of-state individuals.

REPRESENTATIVE HANNAN asked how long 12,000 hours of supervised work should take.

MR. MITCHELL replied 12,000 hours of work experience is expected to take 6-7 years. He said registered apprenticeship is typically a 4-5-year term and has same documentation requirements.

REPRESENTATIVE HANNAN asked if the documented verification is just one piece of paper at the completion of 12,000 hours.

MR. MITCHELL said that is essentially correct for a registered apprenticeship or otherwise.

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REPRESENTATIVE FIELDS questioned whether the 12,000-hour OJT pathway was requested by a business.

MR. MITCHELL said no.

[4:14:25 PM](#)

MR. MITCHELL resumed his presentation at section 8 AAC 90.165 [electrician and power lineman trainee certificate of fitness]. He paraphrased the following [original punctuation provided]:

13. 8 AAC 90.165 Electrician and Power Lineman Trainee Cert. of Fitness P 23- (repeal/readopt)

- This proposal removes the restriction that currently limits Alaskans from receiving ANY training in the electrical trade unless they are enrolled in a federally controlled registered apprenticeship program.
- It also repeals a reference to the on-the-job training option to document work experience subject to the code outside of federally registered apprenticeship that existed prior to 2003.
- This proposal removed language that allows
 1. a journeyman power lineman to work as a trainee performing work subject to the National Electrical Code;
 2. A journeyman residential wireman to work as a trainee performing work subject to the National Electrical Safety Code or the National Electrical Code beyond the scope of residential work; and
 3. A journeyman electrician to work as a trainee performing work subject to the National Electrical Safety Code.

These provisions were removed to clarify that a person should be engaged in a training program whether as a

registered apprentice or through an on-the-job training program to work as a trainee in another area of the code. It's designed to expand training opportunities rather than using licensed journeymen in other license categories to perform the work of the trainee.

- This proposal also removes the requirement that a trainee must surrender their trainee certificate of fitness if they fail to be continuously enrolled in a federally registered apprenticeship program.

14. 8 AAC 90.300 Student Trainee Certificate of Fitness P. 24-25 (new subsection)

The Department is not moving forward with this proposal. It was designed to allow an educational program like AVTEC to have students perform some real-world training under the supervision of a licensed journeyman. The proposed 10:1 ratio of trainees to instructors was very controversial and the department plans to get additional input through the Alaska Workforce Investment Board before taking further action on this proposal.

15. 8 AAC 90.900 Definitions P. 26-27 (repeal/readopt)

- This proposal updates the name of the Office of Apprenticeship and Training. It hasn't been the Bureau of Apprenticeship and Training for years.
- This proposal establishes a definition of "electrical wiring" (paragraph 10) to clarify that certain work activities do not require an electrical certificate of fitness license, such as operating tree trimming equipment, flying a helicopter or operating heavy power equipment. This is current policy based on long-standing guidance from the Attorney General's Office.
- This proposal establishes a definition of "plumbing" (paragraph 16) to clarify that certain work activities do not require a plumbing certificate of fitness license, such as operating heavy power equipment.

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REPRESENTATIVE FIELDS urged the department to re-advertise for public comment with the regulations they intend to go forward with. He sought clarification on the department's reference to AWIB [Alaska Workforce Investment Board]; specifically, how they envision working with AWIB and how they would ensure that the stakeholders are being adequately consulted on the updated version of the regulations.

MR. MITCHELL said that is to be determined, adding that the commissioner is contemplating how to involve AWIB. He pointed out that there are a variety of interests represented on that board and they take the lead on workforce training initiatives. He surmised that the goal of that interaction would be to improve the proposal that would allow for people to be trained as students in electrical and plumbing work and establish better standards for that.

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CHAIR SPOHNHOLZ inquired as to the kind of community engagement that was involved in the development of this [regulation] package.

MR. MITCHELL said they had a variety of different conversations with contractors and groups. He noted that they did not have a stakeholder meeting. Many of these adjustments, he said, were things that staff had heard from the public over a number of years. He addressed the 350-plus public comments they received from December 4, 2019, through January 13, 2020, which he said are still being considered.

CHAIR SPOHNHOLZ opined that involving stakeholders on the front end of developing an idea prevents problems on the backend.

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REPRESENTATIVE STUTES asked if she had heard correctly that the stakeholders were not involved.

MR. MITCHELL clarified that he said there was no stakeholder meeting. He alleged that they did have conversations with various stakeholders regarding the proposed regulations.

REPRESENTATIVE STUTES said it seems inconceivable that there was no stakeholder meeting as they are the user group. She continued by reiterating her surprise that they failed to

include one of the most important groups in forming these regulations.

MR. MITCHELL stated that there is not a mandate requiring a stakeholder meeting for every regulation package. He noted that the current administration has reevaluated and revived a 2013 administrative order to guarantee that moving forward, those kinds of meetings will happen. He pointed out that there were numerous proposals over the past years that had zero stakeholder meetings. He maintained that the department had routine discussions with groups that were involved with the proposal because the department recognized there would be concerns about this alternate pathway.

REPRESENTATIVE STUTES suggested that the outcome would have been more successful had they consulted with the user group.

[4:26:47 PM](#)

JOHN HAKALA, State Director, Office of Apprenticeship, U.S. Department of Labor, provided a PowerPoint presentation entitled, "Registered Apprenticeship and Fitness Licensing in Alaska." Mr. Hakala stated that his presentation will show that the registered apprenticeship system produces highly skilled and qualified license holders in Alaska with significant economic and social benefits. He went on to say that the proposed 12,000-hour pathway to licensure is not a training program and does not level the playing field. Registered apprenticeship is available to any properly licensed contractor; in fact, the majority of program sponsors in Alaska are single employer programs with fewer than five apprentices. He said the U.S. Office of Apprenticeship works closely with mechanical inspection staff and program sponsors to verify apprenticeship registrations and work hours. To make it simple and manageable for everyone, he suggested requiring the 12,000 hours of documented work experience for out-of-state individuals who want to apply for an Alaska license if they have not completed a state or federally registered apprenticeship program. He pointed out that his office has requested two changes that have been repeatedly labeled as "too controversial." First, to require the completion of a registered apprenticeship program. And second, to change the 2:1 licensing ratio to the 1:1 apprenticeship to journeyman ratio, which is the only ratio that the U.S. Office of Apprenticeship can approve for the construction occupations. He read the following on slide 2, titled "Registered Apprenticeship":

- Registered apprenticeship is based on structured training standards that include supervised on-the-job learning (OJL).
- Apprentices are paid employees and must complete related technical instruction courses that supplement the OJL process.
- Wage advancements are based on successful performance on-the-job and with their related instruction progress.
- Registered apprenticeship is a proven workforce development strategy that supports local economies, builds worker skills, and establishes career pathways to higher levels of employment and wages.

MR. HAKALA continued with slide 3, titled "Registered Apprenticeship in Alaska," and read:

- Registered apprenticeships in the construction trades have been active in Alaska since the 1940's.
- Registered apprenticeships in Alaska currently train union and non-union apprentices in 13 industries, 73 occupations, and in 21 borough/census areas.
- Hundreds of millions of private dollars have been invested in apprentices and apprenticeship training centers across the state.
- 879 Alaskan construction employers participate in the registered apprenticeship system.

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REPRESENTATIVE FIELDS asked how an apprenticeship based in Anchorage also operates and employs local people in rural areas.

MR. HAKALA said Representative Fields is referring to the "multi-employer structures," which have some efficiencies in them. Multi-employer structures recruit, hire, and train apprentices from throughout the state, including rural Alaska, through active recruitment.

MR. HAKALA directed attention to slide 4, titled "Registered Apprenticeship Outcomes," and read the following [original punctuation provided]:

Benefits for Job Seekers

- Earn and learn
- Career pathways to higher skills and wages

- Nationally-recognized credentials and potential to earn college credit

Benefits for Employers

- Develop highly-skilled workers through a flexible, customized training approach
- Reduce turnover, increase productivity, and improve the bottom line
- Transfer of knowledge, skills and expertise, improved quality of services & client care, develops future leadership
- Standards of Apprenticeship: 1-2 week turnaround from completed application to program registration for single-employer programs

MR. HAKALA turned to slide 5, titled "Registered Apprenticeship Outcomes," and read the following:

Economic and Social Benefits for Alaska

Aligns with and advances the goals of key workforce system initiatives

Stabilizes the Alaskan Economy

- Learn and train locally
- Increase supply of highly skilled Alaskans
- Reduce recruitment of out of state workers
- Career and business opportunities
- Apprentices who complete their program earn approximately \$300,000 more over their career than non-apprenticeship workers.
- Employed apprentices raise families, and purchase goods, services, vehicles, and homes in Alaska
- Future business leaders

MR. HAKALA continued with slide 6, titled "Alaska Apprenticeship Programs," and read the following:

- Total Active Program Sponsors (all occupations) = 329
- Construction Program Sponsors = 206 (63% of all occupations)
- Electrical Program Sponsors = 103 (50% of construction sponsors)
- Plumber Program Sponsors = 88 (43% of construction sponsors)
- Total Construction Employers Participating = 879

MR. HAKALA directed attention to slide 7, titled "Alaska Apprentices," and read the following:

- Total Active Apprentices (all occupations) = 1978
- Active Construction Apprentices = 1672 (84% of all active apprentices)
- Electrical Apprentices = 828 (49% of construction apprentices)
- Plumber/Pipefitter Apprentices = 341 (20% of construction apprentices)

Apprenticeship Completions: October 2003 to February 4, 2020

- Plumber/Pipefitter = 526
- Electrical = 1200

MR. HAKALA noted that completing an apprenticeship is a significant life (indisc.) event. Regarding wages, the proposed 12,000-hour pathway finishes last.

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CHAIR SPOHNHOLZ asked Mr. Hakala to repeat his last statement.

MR. HAKALA restated that with Alaska's 1,726 apprenticeship completions from October 2003 through February 2020, those workers have the potential to earn \$517,800,000 more over their career than non-apprenticeship workers. He restated that the 12,000-hour pathway finishes last in terms of wages.

MR. HAKALA resumed his presentation with a chart on slides 8-9, titled "Comparison of 8,000 Hour Apprenticeship to 12,000 Hour On-The-Job Training (OJT) License."

CHAIR SPOHNHOLZ thanked Mr. Hakala for the side-by-side comparison, adding that the structured training, technical requirements, and the safety elements are all key strengths of the apprenticeship programs.

[4:42:34 PM](#)

DEBORAH KELLY, Statewide Director, Alaska Joint Electrical Apprenticeship and Training Trust (AJEATT), provided a PowerPoint presentation by the Alaska Joint Electrical Apprenticeship and Training Trust. Ms. Kelly informed the committee that she completed an apprenticeship through the NECA/IBEW program and became a journeyman lineman, after which

she worked as a safety professional for (indisc.) contractor and was also the Division of Labor Standards and Safety director under Governor Walker. She proceeded with the presentation, directing attention to slide 2, titled "What we do," and read the following:

Apprenticeships:

- Wireman (8,000 OJT Hours)
- Telecommunications (8,000 OJT Hours)
- Power Lineman (8,000 OJT Hours)
- Tree Trimmer (4,000 OJT Hours)

Two training facilities: Anchorage and Fairbanks
325 apprentices statewide

Alternating paid on-the-job training with classroom experience

43 currently in rural communities

[4:45:21 PM](#)

The committee took a brief at-ease.

[4:45:24 PM](#)

CHAIR SPOHNHOLZ asked Ms. Kelly to continue.

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MS. KELLY resumed her presentation. She highlighted slides 3-5, which exhibited a curriculum schedule and OJT assignment categories that would typically be completed during a wireman apprenticeship. Ms. Kelly turned attention to slide 6, titled "Certificate of Fitness - AS 18.62," and paraphrased the following:

- "Plumbing and Electrical Licenses"
- Public safety statutes
- Exist because improper plumbing and electrical work causes injury/death
- Ensures that workers are competent and qualified
- Works alongside Electrical and Mechanical Administrators' statutes and state/local inspections to protect public safety

MS. KELLY explained, "why it matters" on slide 7. She said home electrical fires account for an estimated 51,000 fires each year, nearly 500 deaths, more than 1,400 injuries, and \$1.3 billion in property damage. Furthermore, each year, more than

400 Americans die from unintentional CO poisoning not linked to fires, more than 20,000 visit the emergency room, and more than 4,000 are hospitalized. She continued with slide 8, titled "Why the department's proposal matters," and read the following:

- The proposal results in no training standard - period
- This proposal will allow 2 low-wage trainees to each journey-level worker
- Registered apprenticeships are allowed a maximum of 1 apprentice to each journey-level worker
- The proposal would allow cheap out of state labor used in place of Alaskans

MS. KELLY added that the department's proposal would be unthinkable for other skilled professions that are relied on for safety, like nurses, pilots, firefighters, or EMTs. She offered her belief that the proposed regulations demonstrate the societal bias against blue-collar trades - that blue-collar trades' education is less-than or inferior because it's not associated with a college degree. She reiterated that people rely on this work to be safe, which is why the certificates of fitness, along with the required training and experience is important. She highlighted another problem with the department's proposal, saying that it provides a bidding advantage for those who choose not to go the apprenticeship path. They can use two low-wage trainees for each journeyman, whereas registered apprenticeship participants can only use one low-wage apprentice to each journeyman. Along with the fact that trainees have no step wage increase, while apprentices must, that's going to erode the number of apprentices in Alaska.

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REPRESENTATIVE FIELDS asked which contractors invest in AJEATT's electrical training program.

MS. KELLY said there are over 50 contractors employing apprentices at this time, including Alcan Electric & Engineering; various public utilities and cooperative utilities; and Haakenson Electric.

REPRESENTATIVE FIELDS pointed out that 50 contractors is a lot. He said it disturbs him that these contractors that have invested for generations would be inadvertently undermined by this change.

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MS. KELLEY said additionally, by expanding this alternative pathway to 12,000 hours it will create more of a class system where people work for years trying to get experience in a seasonal and project-based trade. She added that they are meaningless hours, as there is no guarantee of training or relevant experience. Furthermore, said it turns trainee certificates into a ransom-to-work because there's no requirement associated with them. Overall, she said, the department's proposal will hurt apprenticeships, result in unqualified workers being classified as journeyman, and bring in more out-of-state workers instead of developing Alaska's workforce. She continued by saying that throughout this whole process it appears that the department doesn't understand the effects of their own proposal because they didn't talk to stakeholders or do their homework and are now pushing a proposal with no supporters on the record.

MS. KELLY directed attention back to slides 10-13 and paraphrased the following:

- Department proposed to allow 10 student trainees to each journey-level worker "on the job site"
- Department proposed to eliminate testing for linemen and plumber PU licenses
- Department statements: "individual would be required to pass the same extensive four-hour exam in order to obtain a journeyman certificate of fitness license."
- Apprenticeship requirement began in 2003, not 2006
- Department uses 3 electrical industry fatalities to justify its position that safety will not be affected
- Department states there were no electrical industry fatalities in 10 years prior to 2006

MS. KELLY addressed the public comment period on the proposed regulations by displaying excerpts of comments that the department classified as unclear on slide 14. She said there is no way to read them in good faith and describe them as unclear in their intent. She noted that this was not just one campaign by one interest group. On the contrary, the respondents were a diverse group that included mechanical contractors, electrical contractors, independent safety consultants, the governor appointed Alaska Safety Advisory Council, the Associated Builders and Contractors, Alaska Power Association, the City and Borough of Juneau building inspectors, 4 different unions, 15 representatives, 9 senators, and hundreds of Alaskans. She reiterated that this diverse group of people spoke with a

unanimous message that said, "please stop these apprenticeship changes." Ms. Kelly then turned attention to slides 15-17 to discuss the department's proposed definition of electrical wiring, which is another example that "the department hasn't done their homework," she said. To conclude, she asked that the DLWD come back to the stakeholders with real engagement and talk to the industries that understand the safety issues inherent to this kind of work.

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REPRESENTATIVE FIELDS asked why it matters to have mentorship on the job versus 12,000 hours of work experience where there may or may not be mentorship and oversight by a qualified [journeyman].

MS. KELLY explained that mentorship is important because it creates workers who are knowledgeable, qualified, and committed to continuing that investment in the trade.

[5:05:47 PM](#)

AMY NIBERT, President/CEO, Associated Builders and Contractors of Alaska, informed the committee that Associated Builders and Contractors (ABC) is a national construction trade association with the philosophy that contracts should be awarded to the most responsive bidder based on safety, quality, and price, whether workers choose to be union or nonunion. She said the Alaska chapter has been in operation since 1988 with an apprenticeship program available since 1999. ABC has over 120 member owners, contractors, suppliers, and associates statewide that range from big corporations to small family businesses. Of these member companies, over 70 participate in the apprenticeship program. She reported that ABC has no reason to believe the department is trying to undermine general safety or create an untrained licensed workforce with the proposed regulations; nonetheless, she expressed concern of that becoming the result. ABC generally supports OJT - although for electrical and plumbing, it's important to assure comprehensive training for all trades for safety purposes. She offered her belief that with the right oversight and control, the regulations could get to a place where ABC is comfortable with any OJT that would provide comprehensive training; however, no one was consulted. She stated that there was no dialogue, no conversation, not even a phone call. Furthermore, the regulations provide no assurances or protections to ensure the training is bonafide and not merely a mechanism to hire without the intention of people completing the

12,000 hours. She said ABC believes the regulations should be withdrawn and the department should engage stakeholders to resolve the problems. Finally, she reiterated that if the department would have engaged stakeholders, ABC would have likely found an agreement to most of the proposed regulations. She requested that the department engage in a conversation with ABC that identifies the problems and work together to identify solutions.

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REPRESENTATIVE FIELDS asked how ABC supports its member companies with on-the-job learning as part of the apprenticeship program, which would not necessarily be included in the alternate pathway proposed by the department.

MS. NIBERT said ABC of Alaska is a correspondence training program. She summarized the apprenticeship application process and training program, noting that the apprentices are required to report and test back to ABC on a monthly basis throughout the four to five-year process of becoming a journeyman.

[5:10:15 PM](#)

TOM FISHER, President, Aaron Plumbing and Heating Company, stated that he has spent 42 years in the plumbing mechanical industry and is a 4-year member of the United Association of Plumbers and Pipefitters local 375 in Fairbanks. He highlighted his qualifications, which included a masters plumber license, a mechanical administrators license, and a general contractors license, as well as a BS in mechanical engineering. He conveyed his disbelief after reading the proposed regulations. He said the 12,000-hour pathway seems like a workaround to the apprenticeship program that would provide the state with an undertrained and under-skilled workforce. He pointed out another red flag in the documentation requirement of the 12,000-hour pathway to journeyman in the plumbing and electrical trade due to the potential risk involved in those specific trades. He reiterated his disbelief and said he could not identify any kind of training standard in the proposed regulations. He urged committee members not to approve the proposed changes.

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CHAIR SPOHNHOLZ clarified that members do not have the authority to approve or reject the proposed regulations.

5:15:07 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:15 p.m.