

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

March 5, 2020

1:10 p.m.

MEMBERS PRESENT

Representative Laddie Shaw, Co-Chair
Representative Chris Tuck
Representative George Rauscher

MEMBERS ABSENT

Representative Steve Thompson, Co-Chair
Representative Chuck Kopp
Representative Ivy Spohnholz
Representative Sharon Jackson

COMMITTEE CALENDAR

HOUSE BILL NO. 169

"An Act relating to occupational licensing fees for low-income workers and military families; relating to licensing of individuals with criminal records; relating to apprenticeship programs; relating to the minimum wage; relating to lobbying; and relating to municipal occupational licensing fees and requirements."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 169

SHORT TITLE: OCC. LICENSING; MIN. WAGE; LOBBYING

SPONSOR(S): REPRESENTATIVE(S) EASTMAN

05/14/19	(H)	READ THE FIRST TIME - REFERRALS
05/14/19	(H)	MLV, L&C, JUD
03/03/20	(H)	MLV AT 1:00 PM GRUENBERG 120
03/03/20	(H)	-- MEETING CANCELED --
03/05/20	(H)	MLV AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

NATHAN SIMPSON, Staff
Representative David Eastman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 169 on behalf of Representative Eastman, prime sponsor.

REPRESENTATIVE DAVID EASTMAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, answered questions during the hearing on HB 169.

BETHANY MARCUM, Executive Director
Alaska Policy Forum
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 169.

HALEY HOLIK, Senior Fellow
Foundation for Government Accountability
Austin, Texas

POSITION STATEMENT: Testified during the hearing on HB 169.

ACTION NARRATIVE

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CO-CHAIR LADDIE SHAW called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:10 p.m. Representatives Tuck, Rauscher, and Shaw were present at the call to order.

HB 169-OCC. LICENSING; MIN. WAGE; LOBBYING

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CO-CHAIR SHAW announced that the only order of business would be HOUSE BILL NO. 169, "An Act relating to occupational licensing fees for low-income workers and military families; relating to licensing of individuals with criminal records; relating to apprenticeship programs; relating to the minimum wage; relating to lobbying; and relating to municipal occupational licensing fees and requirements."

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NATHAN SIMPSON, Staff, Representative David Eastman, Alaska State Legislature, presented HB 169 on behalf of Representative Eastman, prime sponsor. He informed the committee HB 169 would waive initial occupational licensing fees for members of low-income families, veterans, military members, and military

spouses. Since the occupational licenses often prevent folks from doing the work they are hired to do, HB 169 would make the initial entry into the workforce smoother and easier, he said. Licenses would still need to be renewed, he added. The average fee is \$400, and about 45 occupations are licensed with the state, he said.

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MR. SIMPSON said Section 1 of HB 169 would require the Department of Commerce, Community and Economic Development (DCCED) to waive initial fees for those who met the requirement. He noted another eligible group would be former military members. Section 3 would prevent denial of the waiver based on an arrest that did not result in a conviction and allowed an applicant to appeal a denial of a license based upon the prior conviction of an applicant, he said. Section 4 would require the department to issue an occupational license to an applicant who has completed at least up to eighth grade, has successfully completed an apprenticeship approved by the U.S. Department of Labor, and has passed the appropriate licensing examination. The applicant must be at least eighteen years old and have completed all hours necessary for license training, he added. Section 5 would prevent municipalities from disregarding HB 169, so everyone in the state would have equal access. Section 6 would prevent municipalities from enacting a minimum wage that differed from the state's minimum wage calculated in statute, he stated. Section 7 would prevent municipalities from enacting or enforcing laws or regulations that related to HB 169 unless they were in place prior to the effective date of the legislation. Municipalities would also be prohibited from hiring lobbyists who would provide lobbying services for municipal licensing boards or agencies, he said. Section 8 would add new language related to lobbying addressed in Section 7, he concluded.

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REPRESENTATIVE TUCK confirmed the purpose of HB 169 was to offer relief to those trying to get into their trades and professions. Regarding Section 6, he asked if a municipality wanted to have its own "mini Davis-Bacon Act" [federal law that governs the minimum wage rate to be paid to laborers and mechanics employed on federal public works projects] and, thus, allow electricians, for example, to make \$2 more per hour than what the state would allow, why such a limitation would exist and what its purpose was when it came to occupational licensing.

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REPRESENTATIVE DAVID EASTMAN, Alaska State Legislature, as prime sponsor of HB 169, answered that the minimum wage was enforced by the state, and while it was not a frequent complaint that municipalities were changing that language, the intent was that every Alaskan have the same minimum wage so that an increase was not at a disadvantage to some.

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REPRESENTATIVE TUCK said that did not seem to deal with occupational licensing, and the goal should be to get people into higher-paying jobs.

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REPRESENTATIVE EASTMAN said if people were already employed in their fields, then it would be fitting to focus on their obtaining better positions, but HB 169 focused on those new to the workforce who were facing barriers to entry. If a municipality had a higher minimum wage, then that would also be considered a barrier to entry to someone who was trying to get his/her first license, he related.

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REPRESENTATIVE TUCK said he did not see how a higher wage would be a barrier for someone wishing to enter a trade.

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REPRESENTATIVE RAUSCHER asked how many people HB 169 would help and whether it was a good solution.

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MR. SIMPSON replied that Legislative Research Services was checking how many military and low-income families would be affected by HB 169.

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REPRESENTATIVE EASTMAN added that military families often had lower incomes than their private sector counterparts due to having to move repeatedly. He added Alaska had higher than

average occupational licensing costs, and HB 169 would help reduce them.

REPRESENTATIVE RAUSCHER asked for a description of the relationship between minimum wage and occupational licensing.

REPRESENTATIVE EASTMAN replied that a person hired on to a new job had to start at the level appropriate for his/her skills and experience. The lower the person was on the occupational ladder, so to speak, the more a higher minimum wage would be out of his/her reach, he explained.

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CO-CHAIR SHAW asked whether there was a concern with occupational licensing requirements that might make a difference in terms of waiving the fee.

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REPRESENTATIVE EASTMAN replied that whether the restrictions were appropriate was an ongoing discussion, but HB 169 addressed the ability of unemployed people to obtain jobs.

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REPRESENTATIVE TUCK asked whether Section 4 would add new requirements on obtaining licensure and whether there was a list of exempted occupations available.

REPRESENTATIVE EASTMAN replied he would provide it as well as additional information on the apprenticeship program.

REPRESENTATIVE TUCK asked whether Section 4 had been added to reduce a requirement or add a requirement, because there was new language regarding age and education level.

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MR. SIMPSON replied that Section 4 referenced the waiver; low-income people who qualified for the waiver would have had to go through the apprenticeship program, be eighteen years of age, and have gone through eighth grade.

REPRESENTATIVE EASTMAN added that the initial requirement had been modified for the purpose of allowing individuals to use the apprenticeship program. Age requirements were meant to

alleviate concern that people would be taking advantage of the program, he added.

REPRESENTATIVE TUCK stated that electricians were required to get occupational licenses as apprentices, so he did not know how that step could be skipped unless occupations were exempt.

REPRESENTATIVE EASTMAN answered that if someone had completed an approved apprenticeship program, then the apprenticeship was considered adequate to meet initial licensing requirements and an occupational license should be issued.

REPRESENTATIVE TUCK asked whether there would be a grandfather clause for someone who was currently in an apprenticeship program but had not yet completed eighth grade.

REPRESENTATIVE EASTMAN replied one need not have completed an apprenticeship program to obtain a license, but this was just another way that it could be done. He added that for a lot of careers there was no apprenticeship program and one could just apply for the license.

MR. SIMPSON clarified HB 169 would require the department to issue the license if a person qualified for the waiver and had taken the necessary steps for his/her chosen occupation.

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The committee took an at-ease from 1:30 p.m. to 1:31 p.m.

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REPRESENTATIVE RAUSCHER asked whether a reduction percentage would be acceptable for those who may qualify, in lieu of total relief.

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REPRESENTATIVE EASTMAN answered he would support anything that helped reduce the barriers and made it easier for the families in question.

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CO-CHAIR SHAW announced that the committee would hear [invited testimony].

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BETHANY MARCUM, Executive Director, Alaska Policy Forum, imparted to the committee as early as the 1950s very few companies were covered under occupational licensing laws, but by the year 2000 studies found 20 percent or more of workers were subject to these laws. One reason for growth was the desire for consumer protection, she related. She said there was no proof that consumers were the driving force behind obtaining licenses. Instead consumers rely more heavily upon ratings and reviews. Some jobs necessitated health and safety protocols to protect both workers and consumers, she said, but licensing was only one type of oversight the government was able to employ to protect health and safety, and generally the most onerous. Random inspections, bonding, and certifications were other types of less burdensome oversights, she imparted. Data also showed licensing did not protect health and safety in the real world, she said. Ms. Marcum concluded that her research shows that licensing and its corresponding cost mostly served to restrict employment opportunities. Waiving initial licensing fees was a good first step, she said.

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MS. MARCUM related that sometimes when veterans left military service their experience translated into civilian careers, but in many cases it did not. She related her own experience did not translate. She suggested paid apprenticeships may result in more Alaskans achieving gainful employment.

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HALEY HOLIK, Senior Fellow, Foundation for Government Accountability, opined that military families and low-income families, many of whom have little to no choice in relocation, and for whom starting over is a way of life, should not have to pay the government to work. She added that families would be able to use the money that would otherwise go toward licensing fees for groceries or bills, and she opined that the government should not profit from individuals working to free themselves from government dependency.

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MS. HOLIK related that those who had completed apprenticeships earned higher starting wages and experienced higher employment rates compared with those who had not completed apprenticeships.

She added that most people learned best by "doing." Paid apprenticeships allowed individuals to take home a paycheck while building experience, she stated.

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REPRESENTATIVE TUCK said there may have been a drafting error in Section 4 regarding fees being waived and the apprenticeship program.

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REPRESENTATIVE EASTMAN replied that Section 4 was separate, and there would be a waiver of initial fees distinctly different from granting occupational licenses. He added that Section 4 dealt with minimum requirements to instruct the state to grant licenses. If someone obtained a license, then that person would also qualify to have the fee waived, he said. If a millionaire went through the apprenticeship program, that person would not qualify, he said.

REPRESENTATIVE TUCK asked how it would be determined someone was a millionaire and would not be able to have his/her fee waived.

REPRESENTATIVE EASTMAN answered the fee waiver was to be granted to veterans having served in the military, their spouses, and low-income families.

REPRESENTATIVE TUCK asked whether Section 4 was a new minimum requirement and therefore not conditional on the fee waiver.

REPRESENTATIVE EASTMAN confirmed this and added that Section 4 did not eliminate the apprenticeship program.

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MR. SIMPSON reiterated that HB 169 would ensure that if someone had taken the necessary steps outlined therein, then the department would be obligated to issue an occupational license.

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REPRESENTATIVE TUCK asked for confirmation that the apprenticeship in Section 4 was not conditional on a waiver and that no matter what a person's income that person would have to follow Section 4.

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REPRESENTATIVE EASTMAN replied that any apprenticeship program could take place outside the requirement in Section 4, but if the state had the power to grant the license without discretion, then the requirements under HB 169 must be met.

REPRESENTATIVE TUCK asked where this was in HB 169 because it did not appear to be tied to the fee waiver.

REPRESENTATIVE EASTMAN said it was a separate section and not tied to the waiver, but it was the hope someone may be able to take advantage of both.

REPRESENTATIVE TUCK confirmed Section 4 applied to those not seeking a fee waiver.

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CO-CHAIR SHAW expressed his support for HB 169.

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CO-CHAIR SHAW announced that HB 169 would be held over.

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ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 1:49 p.m.