

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 9, 2019

3:05 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Jonathan Kreiss-Tomkins, Co-Chair
Representative Grier Hopkins
Representative Andi Story
Representative Adam Wool
Representative Laddie Shaw

MEMBERS ABSENT

Representative Sarah Vance

COMMITTEE CALENDAR

HOUSE RESOLUTION NO. 11

Supporting the renaming of Saginaw Bay as Skanax Bay.

- HEARD & HELD

PRESENTATION(S): MISSING AND MURDERED INDIGENOUS WOMEN

- HEARD

HOUSE BILL NO. 28

"An Act relating to an annual report concerning the payment of equal pay for comparable work; increasing the minimum wage; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HR 11

SHORT TITLE: RENAME SAGINAW BAY AS SKANAX BAY

SPONSOR(S): REPRESENTATIVE(S) KREISS-TOMKINS

05/08/19	(H)	READ THE FIRST TIME - REFERRALS
05/08/19	(H)	STA
05/09/19	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 28

SHORT TITLE: EQUAL PAY & MINIMUM WAGE ACT
SPONSOR(s): REPRESENTATIVE(s) TARR

02/20/19	(H)	PREFILE RELEASED 1/11/19
02/20/19	(H)	READ THE FIRST TIME - REFERRALS
02/20/19	(H)	STA, L&C
05/02/19	(H)	STA AT 3:00 PM GRUENBERG 120
05/02/19	(H)	<Bill Hearing Canceled>
05/09/19	(H)	STA AT 3:00 PM GRUENBERG 120

WITNESS REGISTER

MIKE JACKSON

Organized Village of Kake
Kake, Alaska

POSITION STATEMENT: Provided information during the hearing on HR 11.

DAWN JACKSON, Executive Director

Organized Village of Kake
Kake, Alaska

POSITION STATEMENT: Provided information during the hearing on HR 11.

ROBERT MILLS

Kake, Alaska

POSITION STATEMENT: Testified in support of HR 11.

JOEL JACKSON, President

Organized Village of Kake
Kake, Alaska

POSITION STATEMENT: Provided information during the presentation, entitled "Missing and Murdered Indigenous Women."

WALT MONEGAN

Eagle River, Alaska

POSITION STATEMENT: Provided information during the presentation, entitled "Missing and Murdered Indigenous Women."

CAPTAIN DAVID HANSON, Commander

Alaska Bureau of Investigation (ABI)
Department of Public Safety (DPS)
Anchorage, Alaska

POSITION STATEMENT: Provided information during the presentation, entitled "Missing and Murdered Indigenous Women."

CAPTAIN MICHAEL DUXBURY, Deputy Commissioner

Department of Public Safety (DPS)
Anchorage, Alaska

POSITION STATEMENT: Provided information during the presentation, entitled "Missing and Murdered Indigenous Women."

RANDY MCPHERRON
Alaska State Troopers
Anchorage, Alaska

POSITION STATEMENT: Provided information during the presentation, entitled "Missing and Murdered Indigenous Women."

ANDREW BEANE, Vice President
Service Employees International Union (SEIU) 775
Seattle, Washington

POSITION STATEMENT: Provided information during the hearing on HB 28 with the use of a PowerPoint presentation.

ANNA GODOEY, Research Economist
Center on Wage and Employment (CWED)
University of California, Berkeley
Berkeley, California

POSITION STATEMENT: Provided information during the hearing on HB 28 with the use of a PowerPoint presentation.

REPRESENTATIVE GERAN TARR
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 28, as prime sponsor, with the use of a PowerPoint presentation.

ACTION NARRATIVE

[3:05:05 PM](#)

CO-CHAIR ZACK FIELDS called the House State Affairs Standing Committee meeting to order at 3:05 p.m. Representatives Hopkins, Story, Shaw, Kreiss-Tomkins, and Fields were present at the call to order. Representative Wool arrived as the meeting was in progress.

HR 11-RENAME SAGINAW BAY AS SKANAX BAY

[3:05:16 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be HOUSE RESOLUTION NO. 11, Supporting the renaming of Saginaw Bay as Skanax Bay.

3:05:26 PM

CO-CHAIR KREISS-TOMKINS, as prime sponsor of HR 11, paraphrased from the sponsor statement, which read as follows:

House Resolution 11 would express the Alaska House of Representatives' support for renaming Saginaw Bay as Skanax Bay. The bay is situated on the northern coast of Kuiu Island in the Alexander Archipelago and is located across the Keku Strait from the community of Kake.

The bay was named after the USS Saginaw, a United States Navy ship that shelled Kake in 1869, destroying three civilian villages and three smaller campsites. The destruction from the shelling led to an unknown number of deaths by starvation and exposure during the following winter.

The bay's current name is an affront to the local Tlingit community and a source of discomfort for many residents of the City of Kake and the Organized Village of Kake. Renaming Saginaw Bay to Skanax Bay is a constructive step toward the healing of local Tlingit communities.

CO-CHAIR KREISS-TOMKINS added that the bay to be renamed is important for subsistence; Skanax is the Tlingit name for the bay; and there is universal support from the community and local governments. He said that he became aware of the bay a year ago at the Central Council of Tlingit and Haida Indian Tribes annual gala. The proposed resolution, if passed, would support the application submitted to the U.S. Board on Geographic Names for renaming the bay.

3:08:08 PM

REPRESENTATIVE STORY asked about the meaning of "Skanax."

CO-CHAIR KREISS-TOMKINS deferred to the invited testifiers to answer the question.

REPRESENTATIVE HOPKINS asked whether there were any other bays with similarly tragic histories.

CO-CHAIR KREISS-TOMKINS described his interest and experience with geographic names. He stated that he is not aware of other place names with similarly problematic origins, except for Saginaw Strait near Juneau - also named for the USS Saginaw - and brought to his attention by the Alaska Department of Fish & Game (ADF&G).

REPRESENTATIVE HOPKINS asked whether there is a name database that tracks historical names in Alaska.

CO-CHAIR KREISS-TOMKINS expressed his belief that Alaska may create its own place names; however, they would not be publicly reflected because the State of Alaska is secondary to the federal government as an authority on place names. He stated that the federal government does have such a database, which is very detailed, called the U.S. Geographic Names Information System (USGNIS).

[3:12:42 PM](#)

REPRESENTATIVE STORY asked about the full process for securing a name change and whether there were plans to educate the community.

CO-CHAIR KREISS-TOMKINS suggested that the community is broadly aware of the origin of the name of Saginaw Bay.

REPRESENTATIVE STORY clarified that by "community," she is referring to Southeast Alaska.

CO-CHAIR KREISS-TOMKINS concurred that awareness is hugely important; now that the application has been submitted, efforts can be made to raise awareness; the resolution will contribute to the effort. In response to Representative Story's first question, he said that the application goes to the U.S. Board on Geographic Names; the board has criteria for evaluation; and the criteria includes the existence of local support or opposition.

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REPRESENTATIVE WOOL asked about the origin of the name "Saginaw," which is a name used by the indigenous people of Michigan.

CO-CHAIR KREISS-TOMKINS said that the bay was named after the USS Saginaw but added that he does not know whether the ship was named after Saginaw, Michigan.

[3:18:01 PM](#)

MIKE JACKSON, Organized Village of Kake, testified that his knowledge of the bombardments of Kake from 1803-1856 came to him through family stories; his great grandfather described firsthand the bombardment of the traditional lands of the Natives living in Kake. He described several incidents of the conflict, including destruction of property and lives lost. He stated that he participated in a 1999 video-taped testimony before federal government officials of the Bureau of Land Management (BLM) and the Department of Defense (DoD) that recorded these events. He mentioned that "Tyee" is a traditional name for the southern tip of Admiralty Island; places in this area that were renamed since the conflict are "Murder Cove," "Surprise Harbor," "Meade Point" - after Richard Meade, captain of the USS Saginaw, and "Retaliation Point."

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DAWN JACKSON, Executive Director, Organized Village of Kake, offered a short message in Tlingit and introduced herself. She testified that in 2018, the Organized Village of Kake - the federally recognized tribal government serving the Kake area - unanimously passed a resolution [Resolution No. 2018-20] to change the name of Saginaw Bay back to its traditional Native name - Skanax Bay. She mentioned the traditional uses of the bay by her ancestors. She maintained that her clan never relinquished the rights to the bay and were well known to the U.S. government for defending the land and the people in the area. She said that in 2011, a shell was discovered in a house owned by her family; the U.S. Army dispatched a bomb squad to Kake; through the efforts of local leaders, the shell was saved from destruction; it is currently on loan to the Sealaska Heritage Institute in Juneau. She asserted that [renaming the bay] would be the beginning of healing for the Native people in the area.

[3:27:56 PM](#)

ROBERT MILLS testified that he provided Representative Kreiss-Tomkins with the historical background for the name change effort. He mentioned the absurdity of naming a bay after the ship that bombarded Kake; Americans would never consider naming any street near the World Trade Center [site of the terrorist attacks of September 11, 2001] after Osama bin Laden. He offered that his role is to bring awareness to the facts of the

history and the atrocities that have occurred. He asserted that it is vital to acknowledge the history and the implicit bias and stereotypes regarding Tlingit people in order to move forward, resuscitate the Tlingit culture and way of life, and begin the healing [process].

CO-CHAIR FIELDS closed public testimony on HR 11. He stated that HR 11 would be held over.

PRESENTATION(S): Missing and Murdered Indigenous Women

[3:31:15 PM](#)

CHAIR FIELDS announced that the next order of business would be a presentation by the Department of Public Safety (DPS).

[3:31:27 PM](#)

JOEL JACKSON, President, Organized Village of Kake, stated that in the past two years that he has been speaking on the topic of missing and murdered indigenous women and rural public safety, he has seen no change in the adequacy of law enforcement in rural Alaska communities. He said that public safety is a basic right of everyone regardless of where they live in Alaska. The Village Public Safety Officer (VPSO) Program [DPS] exists, but much needs to be done to make it an adequate law enforcement agency, such as arming the officers and giving them more authority to enforce local, state, and federal laws. They currently rely on Alaska State Troopers (AST) [DPS], who determine whether or not to respond to a case.

MR. JACKSON relayed that two women in his community were murdered in the past three years; one murder was solved in 2016; the other occurred in [2017] and has not been solved. He maintained that it is unacceptable. He mentioned that if someone shoots a deer or moose out of season, Alaska Department of Fish & Game (ADF&G) officers respond in a couple hours; but, if there is a murder in the village, it takes from 11-16 hours for officers to respond. He declared that Alaska needs to make human life a priority and make law enforcement available to the small communities. He added that when using the 911 system in Kake, the call first goes to the Ketchikan AST dispatch who asks 10-20 questions; then to AST or the SouthEast Alaska Regional Health Consortium (SEARHC) for another 10-20 questions; and then the local VPSO or health center. He asserted that it is a slow and inadequate process.

MR. JACKSON relayed that there are murdered and missing women all over Alaska; Alaska has the highest rate in the nation. He lamented that people are afraid to go out. He said VPSO officers are doing their best but need more authority and need sidearms to respond and make arrests. He offered that domestic violence calls are among the most dangerous calls, as well as traffic stops.

[3:38:28 PM](#)

CO-CHAIR KREISS-TOMKINS thanked the testifiers.

CO-CHAIR FIELDS relayed that the House and Senate announced a joint task force to look for ways to strengthen the VPSO program and improve law enforcement response and investigative capacity. He mentioned that there is inadequate investigative capacity with only one Alaska Bureau of Investigation (ABI) [DPS] investigator for 130 cold cases - 13 times fewer than what is recommended under national benchmarks for staffing.

CO-CHAIR FIELDS asked for an explanation of how Alaska came to have such inadequate staffing levels at ABI.

[3:39:44 PM](#)

WALT MONEGAN, as a former Commissioner of DPS, testified that DPS has had difficulty in being able to recruit enough troopers to fill the vacancies in the department. At the time when there were 50-plus vacant positions, DPS began to hire long-term non-permanent ("non-perm") troopers - retired troopers or police officers - to be investigators so as not to take troopers out of the field. Budget cuts resulted in the elimination of some of the long-term non-perm positions.

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CO-CHAIR FIELDS asked, "What do you think would be an appropriate staffing level ... in ABI for the 130 cold cases?"

MR. MONEGAN responded that ideally no investor should be assigned more than 10-15 cases. He said that the nature of the work requires an investigator be at the job long enough to actively and continuously work a case and avoid passing it on to another investigator.

CO-CHAIR FIELDS asked whether hiring more troopers in addition to long-term non-perms might help reduce turnover; that is,

having troopers in investigator positions correlates with longer tenures with the cases.

MR. MONEGAN replied that long-term non-perms benefit DPS because they are not promoted or rotated to another assignment. He added that long-term non-perms could make up a significant portion of ABI and can serve as mentors to active troopers who work alongside them.

CO-CHAIR FIELDS mentioned the importance of cold case investigators in identifying serial killers.

MR. MONEGAN continued by stating that many state departments use long-term non-perms; labor agreements do not preempt doing so. Long-term non-perms are cheaper for the state because they are salaried; and the employees like the arrangement because they can collect their retirement as well as their salary.

[3:45:44 PM](#)

REPRESENTATIVE SHAW asked whether a task force has ever been formed to look at the issue.

MR. MONEGAN answered that he cannot recall that being done; he expressed that it would not be a bad idea. He recommended that the group of investigators consist of a combination of long-term non-perms and a few regular troopers; that could only be achieved once there is adequate AST staffing, especially out in the Bush.

[3:47:01 PM](#)

CAPTAIN DAVID HANSON, Commander, Alaska Bureau of Investigation (ABI), Department of Public Safety (DPS), described his responsibilities under DPS and investigative experience with the department.

CO-CHAIR FIELDS offered that the lack of investigative capacity regarding cold cases inhibits the state's ability to address the issue of missing and murdered indigenous women. He asked Captain Hanson to speak to current staffing in ABI as it relates to the benchmark of 10-15 cases per investigator and the role of DPS in the issue of missing and murdered indigenous women.

CAPTAIN HANSON stated that he supervises the Cold Case Investigative Unit (CCIU) which consists of one long-term non-perm investigator - Randy McPherron - who was a trooper for

about 25-30 years. He said that the cold case load - the 130 cases that has been mentioned - consists of unresolved homicides or unresolved missing persons cases in which the person disappeared under suspicious circumstances, and all the leads have become cold. The cases are waiting for someone to come forward, human remains to be discovered, or science to catch up with technology for additional testing.

CAPTAIN HANSON stated that the number of missing and murdered indigenous women cases is 12. There are several reasons why cases become cold and cannot be worked: in six cases the one and only suspect in the case died; in some there is no need to investigate for the purpose of prosecution. He said that there are two cases with viable leads that could be worked, and Mr. McPherron has put forth robust investigative effort on the cases.

3:51:45 PM

CO-CHAIR FIELDS asked the following questions: What is an adequate staffing level at ABI? Are there approximately 130 cases to be investigated? Should there be ten times the current number of staff to follow best practices for the profession?

CAPTAIN HANSON responded, "It depends." He said that when a case reaches the status of "cold case," many dedicated investigators have looked at the case for several years and were unable to bring it to a conclusion. These aren't simple cases; it may take a team of investigators a significant amount of time to address just one case. He said that to enumerate the number of people to effectively manage the number of cold cases is difficult to do, because there are so many variables. He maintained that additional funding for CCIU could increase the manpower of the unit, which is sorely needed to solve the cold cases.

CO-CHAIR FIELDS expressed his desire to secure more funding and asked Captain Hanson for a recommended number of additional staff.

CAPTAIN HANSON replied that before the unit was disbanded in 2015, there were four investigators positioned around the state who stayed busy working cases. He offered that when the unit disbanded, much of the work stopped because ABI staff had other responsibilities. He said it would take a fair number of investigators a significant amount of time to effectively address the cases because of the complexity of the cases. This

would include reviewing the information, locating the evidence, and putting together a useful investigative packet so that a solved case is also a prosecutable case.

3:55:06 PM

CO-CHAIR KREISS-TOMKINS asked for a summary history of CCIU within ABI and staffing levels over time.

CAPTAIN HANSON responded that the inception of CCIU was in 2002. Since inception, it has arrested 11 individuals for first degree murder - one on federal charges relating to the trans-Alaska pipeline bombing and 13 additional cases. He said that he doesn't recollect any more than four or five people at any one time being assigned to CCIU; staffing level has been at zero. When CCIU was functioning - as it is now - staff has been as few as one. He maintained that CCIU does not just need investigators; some of the older cases - before any easily searchable reporting system - consist of boxes of "sticky notes," Alaska Public Safety Information Network (APSIN) printouts, and typed or hand-written notes that must be compiled into a useable police report. There is a need for administrative personnel to compile the records that are useable to investigators. He maintained that Mr. McPherron has done excellent work, such as on the recently solved Sophie Sergie murder case [1993 sexual assault and murder in Fairbanks]; the case was solved through new technology and with the help of Maine state police. He maintained that solving this case involved one investigator working one case for eight months, which demonstrates the level of complexity of the case and involvement of the investigator.

4:00:08 PM

CO-CHAIR KREISS-TOMKINS asked whether there is active investigation in the Jade Williams case [8/15/17 suspicious death in Kake].

CAPTAIN HANSON answered that he cannot discuss details of the case; however, in general, any case that is still open - one involving an unsolved or unresolved murder or suspicious death - DPS is still investigating.

CO-CHAIR FIELDS asked for the ideal ratio of administrative staff to cold case investigators.

CAPTAIN HANSON responded that one administrative person supporting two to four cold case investigators is a reasonable ratio.

4:03:02 PM

CAPTAIN MICHAEL DUXBURY, Deputy Commissioner, Department of Public Safety (DPS), testified that there is a need for additional staff in CCIU. He offered that DPS works cases and provides the best possible services regardless of the location of the event or demographic of the victim; however, the work is inhibited by budget constraints. He reiterated that a great deal of time and energy is required for cold case investigations; in addition to the time Mr. McPherron spent on the Sophie Sergie case, five different troopers put time into the case consistently over the years. No cold case languishes if there is any opportunity to further investigate. He stated that DPS still gets tips on 20- and 30-year-old cases and reopens them. He explained that the problem cannot be solved with money alone; the individuals must be available to hire. He expressed the satisfaction of solving a case and bringing the family closure and justice. He emphasized that in the Sophie Sergie case, "we never let it go, never erased it off our plate." He maintained that similarly the Jade Williams case has never been set aside. He lamented the misunderstandings reported by Mr. Jackson but offered that DPS must communicate within the parameters of the constitution. He said, "It's heartbreaking for us to sit here and learn that somebody thinks that it doesn't mean something to us" He maintained that everyone on the investigative team takes seriously custodianship over the responsibility it has been given. He reiterated that the unit could use more people and more assistance from the public; nevertheless, it uses every means available to accomplish the task.

4:08:40 PM

REPRESENTATIVE WOOL complemented those who solved the Sophie Sergie case. He asked when a case becomes a cold case.

4:09:35 PM

RANDY MCPHERRON, Alaska State Troopers, relayed his background with DPS and stated that he returned to CCIU in 2013 after retirement. The unit was disbanded in 2015; in 2017 he rejoined it.

CO-CHAIR FIELDS reiterated the question, When does a case become a cold case?

MR. MCPHERRON responded that it depends on the circumstances; however, it is essentially when all leads have been exhausted, interviews have been performed, evidence has been analyzed, and no conclusive results have been produced.

CO-CHAIR KREISS-TOMKINS asked whether there is anything the legislature can do to empower CCIU above and beyond the issues of resources - funding and staffing.

MR. MCPHERRON stated that CCIU needs more people and more funding for testing. He mentioned that the new evidence in the Sophie Sergie case was discovered through a new deoxyribonucleic acid (DNA) analysis; testing the samples and developing leads cost money. Not just investigative personnel are needed, but administrative personnel as well. He emphasized the extensive work needed to organize a case and to organize and write a report; some cases go back to the 1960s and 1970s during three different computer systems, out-of-date report writing systems, and technology changes. An investigator must keep up with the technology changes and look for tie-ins to current cases. He also mentors current investigators to pass on his knowledge and experience.

[4:13:49 PM](#)

CO-CHAIR KREISS-TOMKINS asked for a description of types of tests that are emerging tools for investigation and how inadequate resources could be a barrier to the use of those tests.

MR. MCPHERRON answered that forensic DNA started to be used in the late 1990s and early 2000s. The unit was able to get a full DNA profile of the suspect in the Sophie Sergie case in 2000, but because the national DNA database did not have the suspect in it, the case languished. Genetic genealogy emerged in the last year and a half; it is a different type of DNA profile. Forensic DNA profile is called a short tandem repeats (STR) profile, which is a genetic fingerprint of an individual. Genetic genealogy uses a single-nucleotide polymorphism (SNP) profile, which is a blueprint of an individual; it reveals all the genetic information that an individual shares with his/her ancestors. Comparisons of genealogy databases have generated new leads in cold cases. It was through this method that the unit was able to identify the suspect and make an arrest.

REPRESENTATIVE FIELDS posed a question for DPS: What are the issues related to data tracking, including on race or ethnicity, and how does data tracking impact DPS's ability to address missing and murdered indigenous women, including potential patterns in unsolved homicides?

REPRESENTATIVE WOOL asked whether funding is a limiting factor for testing all the DNA samples and comparing them to national databases.

MR. MCPHERRON responded, no. He said that there is funding for testing and cases are being worked through the process described.

HB 28-EQUAL PAY & MINIMUM WAGE ACT

[4:18:50 PM](#)

CO-CHAIR FIELDS announced that the final order of business would be HOUSE BILL NO. 28, "An Act relating to an annual report concerning the payment of equal pay for comparable work; increasing the minimum wage; and providing for an effective date."

[4:19:59 PM](#)

ANDREW BEANE, Vice President, Service Employees International Union (SEIU) 775, relayed that SEIU 775 is a labor union representing 45,000 homecare and nursing home workers across the states of Washington and Montana. He offered that after the \$15 minimum wage law was passed at Seattle-Tacoma ("Sea-Tac") International Airport in 2013 and in Seattle in 2014, he directed an organization called "Working Washington" to organize airport and fast food workers regarding the demand for a \$15 minimum wage.

MR. BEANE began his PowerPoint presentation, entitled "\$15 Minimum Wage in Seattle." Turning to slide 2, entitled "Overview of Seattle Minimum Wage," he said that the Seattle minimum wage law was the first in the country to pass; there was broad demand from the public. There was a faster phase-in of the law for large employers - those with over 500 employees - to achieve the \$15 minimum wage by 2017 and a slower phase-in for smaller employers.

MR. BEANE relayed the information on slide 3, entitled "Dire Predictions about the Minimum Wage," which read:

- Tom Douglas, operator of 15 high-end restaurants in Seattle, predicted that the proposed minimum wage would cause the city to "lose maybe a quarter of the restaurants in town."
- North American Association of Subway Franchises said, "This ordinance means that franchises cannot compete in the Seattle marketplace and many franchise small businesses will cease to exist."
- Andrew Friedman, proprietor of Liberty Bar, said, "Local independent businesses will close, many of your neighbors will be out of work."

MR. BEANE described the reality of what actually occurred as shown on slide 5, entitled "Seattle's Booming Economy," which read:

- Forbes ranked Seattle #1 "Best Place for Business" in 2018
- Unemployment in Seattle going down
 - In 2019, Seattle unemployment 3.3%, compared to 3.8% nationally
- Economy in Seattle growing
 - From 2014-2019, average annual job growth of 2.7% and income growth of 4.7%
- In 2019, Seattle 3rd in the nation for small business growth

CO-CHAIR FIELDS asked whether an income growth of almost twice that of job growth is higher than the national performance.

MR. BEANE replied that he didn't know.

REPRESENTATIVE WOOL asked whether Mr. Beane is implying that Seattle raising the minimum wage and having a good economy is a "cause and effect" relationship.

MR. BEANE stated that he is not implying that but is saying that a city can raise the minimum wage and have a booming economy.

[4:24:04 PM](#)

MR. BEANE commented on Seattle's restaurant industry by reviewing slide 6, entitled "Restaurant Industry Growing; Prices Stable," which read:

- Seattle Times study of restaurants in 2017-2018
 - 652 restaurants opened, 156 closed
 - Net gain of 496 restaurants
- University of Washington longitudinal study of food prices in local supermarkets
 - No significant evidence of price increases associated with the minimum wage ordinance

MR. BEANE provided information from slide 7, entitled "Job Growth in Food Service," which read:

- Food prep and service make up 66% of low-wage work in Seattle
- Steady increase in Seattle food service employment: 27,300 new food service jobs created in 2018

MR. BEANE added that since the minimum wage was enacted, there has been competition for food service workers in Seattle, and some of the other cities have raised their wages to compete with Seattle. He reiterated that he is not saying that these things occurred because of the minimum wage but that the worst predictions did not occur.

MR. BEANE reviewed the results of a University of Washington study, displayed on slide 9, entitled "Study 1: Workers Earn More and Keep their Jobs," which read in part as follows:

- University of Washington study of low-wage workers in Seattle
 - Workers take home more money
 - Earnings increases were higher among more experienced workers

MR. BEANE added that an initial study was done which showed a decline in workers' hours resulting in them losing money; these results were reported in the media; a subsequent study showed the results to be erroneous and that workers were actually taking home more money overall. Earnings were higher for more experienced workers who worked the same hours but made more money; hours may have decreased for some part-time workers, but they made more money for fewer hours.

CO-CHAIR FIELDS asked about the high-profile study that Mr. Beane cited. Representative Fields said that he recalled that it was released prior to peer review. He asked what the methodological flaws were with the study.

MR. BEANE responded that part of the problem was that the researchers could only consider a small subset of the workforce - about 40 percent - because they could only look at a certain size business over time. When they repeated the study, they had a completely different finding.

REPRESENTATIVE HOPKINS asked what the people who opposed the minimum wage are now saying about the impact on the economy [of Seattle].

MR. BEANE replied that the restaurant owners have adjusted restaurant management to accommodate the minimum wage. He continued with slide 9, which read:

- Workers are not losing their jobs
 - Workers experienced no significant decline in their likelihood of being employed
- Workers are less likely to job hop
 - Minimum wage increase was associated with an 8% reduction in turnover rates

[4:29:12 PM](#)

MR. BEANE described a second study shown on slide 10, entitled "Study 2 Food Service Workers Paid More," which read:

Berkeley study of Seattle food service and restaurant workers

- Wages increased, especially in businesses without tips
 - Biggest wage gains were in limited-service/fast food restaurants
- Workers are not losing their jobs
 - Employment remained stable, even in fast food franchises that predicted disemployment

MR. BEANE relayed additional statistics from slide 11, entitled "Higher Minimum Wages Improve Race and Gender Equity," which read:

- Before the minimum wage ordinance in Seattle:
 - 40% of Black, API and Latino workers made < \$15, compared to 25% of white workers
 - 34% of women made < \$15, compared to 27% of men
- In states with low minimum wages, the gender pay gap is 25% wider

MR. BEANE gave examples of the gender pay gap in two states: Wyoming has a minimum wage of \$7.25 and a woman makes \$.64 for every \$1 a man makes; New York has a minimum wage of \$15 and a woman makes \$.89 for every \$1 a man makes.

MR. BEANE continued by discussing the relationship between minimum wage and the economy. He mentioned the "middle-out" theory of economics, which maintains that if low-wage workers have more money, they will spend it in local businesses which, in turn, spurs the economy. He reviewed the information on slide 12, entitled "Higher Minimum Wages Improve Economic Equality and Prosperity," which read:

Higher minimum wages:

- Increase consumer spending and spur investment in the economy
 - Low-wage workers are more likely than others to spend extra earnings immediately on previously unaffordable goods and services
 - A \$2.55 increase in federal minimum wage would:
 - Increase earnings of low-wage workers by \$40 billion
 - Increase economic activity by \$25 billion
 - Generate 100,000 new jobs
- Reduce income inequality
 - For each \$1 increase in minimum wages, 0.3% of income redistributed from top to bottom quartiles

MR. BEANE referred to slide 13, entitled "Cities and States Adopting \$15 Minimum Wage," to point out the cities and states that have passed a \$15 minimum wage since Seattle passed the minimum wage. He added that there is now proposed federal legislation to enact a \$15 minimum wage. It is believed that there are about 21 million workers on a path to having a \$15

minimum wage. The cities are: Flagstaff, Arizona; Belmont, Cupertino, El Cerrito, Los Angeles, Mountain View, Palo Alto, Redwood, Richmond, San Francisco, San Jose, San Mateo, Santa Clara, and Sunnyvale - in California; Minneapolis and St. Paul in Minnesota; Greensboro, New York City, and Syracuse in New York; Greensboro, North Carolina; Portland, Oregon; Pittsburgh, Pennsylvania; and SeaTac, Washington. The states are California, Massachusetts, New Jersey, New York, and Washington, D.C.

MR. BEANE pointed out the companies that have seen the minimum wage as a positive development, as shown on slide 14, entitled "Companies Adopting \$15/Hour Minimum Wage," which read:

- Ben & Jerry's: \$16.92
- J.P. Morgan Chase & Co: \$16.40
- Aetna: \$16
- Amazon: \$15 for 350,000 full-time, part-time, temporary and seasonal employees
- Charter Communications: \$15
- Costco: \$15 for 245,000 employees in U.S. and Canada
- Facebook: \$15 for contractors
- Nationwide Mutual Insurance: \$15
- University of California: \$15
- Walt Disney theme parks: \$15

CO-CHAIR KREISS-TOMKINS asked which of the listed states currently have an effective \$15 minimum wage.

MR. BEANE expressed his belief that every state [listed] is phasing it in gradually.

REPRESENTATIVE WOOL stated that he supports a higher minimum wage in theory. He suggested that many of the states and cities that have adopted the minimum wage are places in which the economies are booming. The companies listed [on slide 14] can well afford it. He mentioned that small businesses or regions with depressed economies - "middle America" - may not be able to absorb the payroll increase.

[4:35:09 PM](#)

MR. BEANE responded that in Seattle, the small businesses were given more time to adjust. He mentioned a study in South

Dakota, which is a struggling rural economy, and there was no net decrease in employment after raising the minimum wage.

REPRESENTATIVE HOPKINS suggested that the impacts to roadside restaurants could be looked at in northern New York, because that region can be quite rural.

CO-CHAIR FIELDS added that there are rural regions of California that are demographically like Alaska in terms of high unemployment and low wages.

MR. BEANE offered three stories depicting people whose lives were impacted by the minimum wage law, shown on slide 15, which read:

Erin, barista for Compass Group: Erin lives 30 minutes outside Seattle to afford rent and struggled to pay bills. Since the minimum wage increase, she can pay bills and afford occasional date nights.

Anthony, print shop attendant at Starbucks HQ: Before the minimum wage ordinance, he moved in with a friend to avoid homelessness. Now he can afford his own place.

Darryl, home care worker: "Now I have more food at the end of the month, and I'm not trying to stretch those groceries for a week and a half. I'm feeding myself better."

REPRESENTATIVE STORY referred to the chart on slide 2, entitled "Seattle's Minimum Wage," and pointed out that the small employers are in a phase-in period; and the study Mr. Beane cited included the large employers, which have had the \$15 minimum wage since 2018. She asked for citations for the studies that Mr. Beane referenced and the sample sizes.

MR. BEANE said that he could provide the citations. The University of Washington study was performed in October 2018 and the Berkeley study was performed in June 2017. At that time the minimum wages were approaching \$15 or slightly less.

REPRESENTATIVE STORY asked for confirmation that the study of large employers runs from January to October 2018 when the \$15 minimum wage was in effect. The rest of the chart [2015-2017] shows the phase-in of the wage increase.

MR. BEANE concurred.

REPRESENTATIVE WOOL asked Mr. Beane if he has seen restaurants moving away from tipping in response to the minimum wage increase - in other words - informing the public that they don't except tips, but there is a percentage increase in the cost of the meal due to paying higher wages. He said that there has already been a trend in that direction.

MR. BEANE mentioned that many of the restaurants that moved in that direction are going back to tipping due to competition for service industry employees; the employees wanted tipping because they made more money. He maintained that the job market in Seattle is very tight.

REPRESENTATIVE WOOL offered that eliminating tipping only works if all the restaurants participate.

CO-CHAIR FIELDS stated that in Alaska, tipped employees are not exempt from the minimum wage; Alaska has a \$10 minimum wage and employees earn tips in addition. He asked whether there are other states who have adopted a \$15 minimum wage that do not exempt tipped employees from the minimum wage.

MR. BEANE answered yes, California and Washington. In Seattle, an employer must pay the state minimum wage of \$13.50 and "can tip above it to [\$15]." He confirmed for Representative Wool that of the states and cities [with the \$15 minimum wage] some have tipped employee exemptions. He added that generally the states on the West Coast do not have the exemptions, and states on the East Coast do.

[4:41:13 PM](#)

ANNA GODOEY, Research Economist, Center on Wage and Employment (CWED), University of California, Berkeley, presented key findings from two recent studies with the use of a PowerPoint presentation, entitled "Downstream effects of higher minimum wages." She referred to slide 2 and relayed that in the U.S., there is substantial variation in state and local minimum wage policies, especially in the past 20 years; there has been an uptick in the number of states that have implemented minimum wages well above the federal level of \$7.25 per hour. Researchers have examined the effect of minimum wage policies on labor demand and whether employers respond to the higher wages by hiring fewer workers or cutting back hours. She stated that the studies she will present move beyond the narrow economic

outcomes to look at the downstream effects of minimum wages: 1) the effects of the minimum wage on suicides; and 2) the effects of the minimum wage on parental labor supply and child poverty.

MS. GODOEY turned to slide 3 to cite the first study, entitled "Can Economic Policies Reduce Deaths of Despair." She stated that the first study was prompted by troubling trends in mortality of less educated Americans. For the first time in a hundred years, life expectancy of Americans was declining, and the decline was driven primarily by the increased deaths rates from alcohol, drugs, and suicide. The increase was especially large among Americans without a college degree. The study sought to determine whether economic policies aimed at low-wage workers could make a difference; one of the policies considered was minimum wage.

MS. GODOEY moved on to slide 4 and relayed that the researchers used data from the Centers for Disease Control and Prevention (CDC) on all deaths from 1999 through 2015. They found that neither policy - earned income tax credit (EITC) nor minimum wage - had any effect on drug-related deaths; however, economic policies significantly affected the number of deaths from non-drug suicides.

MS. GODOEY referred to the graphs on slide 5, which summarized the key findings: the number of suicides among Americans with a high school education or less changed about the time of the policy changes. She explained that the graph on the right side of slide 5 shows the effects of a 10 percent increase in the minimum wage; in the year when the minimum wage increased, the number of suicides dropped significantly. She mentioned the concern for spurious correlations: in states with booming economies that implement higher minimum wages, it may be the booming economy that is correlated with improved mental health and not the policy. She pointed out from the graph, that is unlikely, due to the suddenness of the decrease in suicide rates. The trend in the graph indicates that it is the economic policy driving the reduction in suicides.

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MS. GODOEY referred to slide 6 and stated that on average, a 10 percent increase in minimum wage reduced the number of suicides by 3.6 percent among adults without college degrees; over the study period, that corresponds to a reduction in suicides of about 480 lives per year.

MS. GODOEY turned to slide 7 to introduce the second study, entitled "Parental Labor Supply: Evidence From Minimum Wage Changes." This study analyzed the impact of minimum wage on families with young children. She said that the stereotypical minimum wage worker is a teenager who works part-time for spending money; however, the minimum wage workforce is remarkably diverse. Many minimum wage workers have children and are working to support their families. The estimate used for the study is that around 30 percent of minimum wage workers have minor children. Parents with children face very different circumstances and barriers than adult without children, such as the cost of childcare. She added that the researchers used the current population survey, which is the labor force survey.

MS. GODOEY moved on to slide 8 to relay the key findings of the study, which are: higher minimum wages increased the employment rates of parents and the hours worked; higher minimum wages reduced the probability that low income families would receive income from public assistance or welfare. She maintained that the findings suggest that higher minimum wages play a role in shifting the poorest families off cash welfare and into the labor force. For single mothers, the greatest effects were among mothers of preschool age children suggesting that higher minimum wages allow these women to overcome the barrier of childcare costs.

MS. GODOEY continued by saying that the increases in the employment wages of parents have significant effects on children. For children whose mothers did not have college educations, a 10 percent increase in the minimum wage reduced poverty by just under 6 percent; for children of single mothers, the reduction was 11 percent; for preschool age children, poverty was down 9.7 percent. She maintained that the results are important because they are so well established with literature linking childhood poverty to worse outcomes. For low income families, raising family incomes has been found to raise [children's] test scores, improved health, and even improved economic self-sufficiency among women. She said that additionally there is evidence suggesting that children whose parents are on welfare themselves have a higher risk of receiving public assistance as adults. She offered that findings that higher minimum wages reduce welfare receipt and child poverty point to the potential dynamic effect of higher minimum wages; increasing wages today could have a future payoff of improved educational outcomes and economic health sufficiency.

MS. GODOEY concluded that the two studies, as well as other studies ongoing across the country, point to important downstream effects of minimum wages that go well beyond narrow economic outcomes like employment and wages.

[4:49:43 PM](#)

CO-CHAIR FIELDS asked Ms. Godoey to specify the welfare programs to which she referred.

MS. GODOEY answered that the programs were Temporary Assistance for Needy Families (TANF) and Aid to Families with Dependent Children (AFDC).

CO-CHAIR FIELDS asked for a scenario that includes a region most demographically analogous to Alaska that has implemented a higher minimum wage.

MS. GODOEY replied that she didn't have a good answer; however, she mentioned that she has information on other states and would provide it to the committee.

REPRESENTATIVE STORY asked about the sample sizes in the studies.

MS. GODOEY responded that for the mortality study, the sample consisted of all U.S. deaths from 1999-2017 minus the four states that do not provide education data on the death records - 46 states plus Washington, D.C. For the "Parental Labor Supply" paper, the study population was from the labor force survey; therefore, the sample size is large - in the hundreds of thousands. The sample of parents with high school education or less since 1980 consisted of 280,000 observations; eliminating anyone earning \$15 per hour measured in 2016 dollars, resulted in 125,000 observations.

REPRESENTATIVE STORY asked for the standard error of the estimates.

MS. GODOEY answered that she could provide that information; however, she offered that all the effects that she discussed were significant at the 5 percent level or better.

[4:53:53 PM](#)

REPRESENTATIVE GERAN TARR, Alaska State Legislature, as prime sponsor of HB 28, presented the proposed legislation with the

use of a PowerPoint presentation, entitled "House Bill 28 - Equal Pay & Minimum Wage." She referred to slide 2 of the presentation, entitled "Top 5 Myths About Minimum Wage," which read:

- Myth 1 - History of Minimum Wage
 - Myth 2 - Who is the Minimum Wage Worker?
 - Myth 3 - Increasing Wages Harms the Economy
 - Myth 4 - Has to be One Size Fits All
 - Myth 5 - Leads to Job Loss
-
- Moving towards evolution of a system

REPRESENTATIVE TARR turned to slide 3, entitled "2019 Minimum Wage in Alaska," which read:

- 2014 Ballot Initiative raised minimum wage from \$7.75 to \$8.75 on January 1, 2015, then again to \$9.75 per hour on January 1, 2016
- Added an annual inflation adjustment to remain \$1.00 higher than federal minimum wage
- Tips do not count toward minimum wage
- Passed by 69% of the vote

REPRESENTATIVE TARR added that the minimum wage in Alaska is annually adjusted with inflation: the 2017 wage was \$9.80; the 2018 wage was \$9.84; and the 2019 wage was \$9.89. She offered that one of the challenges of a down economy is that the wage adjustments may not be at the same rate as increases in the cost of food, housing, and health care.

REPRESENTATIVE TARR moved to slide 4, entitled "Myth 1 - History of Minimum Wage," which read:

- 1938 - President Roosevelt signs the Fair Labor Standards Act establishing minimum wage of 25 cents an hour to maintain a

"minimum standard of living necessary for health, efficiency, and general well-being."

REPRESENTATIVE TARR continued with slide 5, entitled "Minimum Wage Increases Over the Years," to point out that even though wages have increased over the years from 1938-2009, when wages

are adjusted to 2014 dollars, buying power has not always increased; in other words, wages have not kept up with inflation, as shown on the graph on slide 6, entitled "Wages and Inflation."

REPRESENTATIVE TARR moved on to slide 7, entitled "Myth 2 - Who is the Minimum Wage Worker?" She relayed the information on the slide: People think that the minimum wage worker is the teenager who lives at home and works part-time after school for extra spending money. The reality is that the minimum wage worker's average age is 35; 88 percent are 20 or older; 36 percent are 40 or older; 56 percent are women; 28 percent have children; and on average, minimum wage workers earn half of their family's total income.

REPRESENTATIVE TARR referred to the information in the sponsor statement to relay that the Massachusetts Institute of Technology (MIT) performed a study to establish what a living wage is for Alaska. The study indicated that a living wage for one individual is \$12.89 [per hour], which is \$3 over Alaska's minimum wage. For one adult and one child, the living wage is \$27.49, which she maintained demonstrates the significant disparity between earnings and financial needs.

REPRESENTATIVE TARR turned to slide 8, entitled "Myth 3 - Raising Wages Hurts the Economy," which read:

- 18 other states increased minimum wages in 2019
- Eighteen states began the new year with higher minimum wages.
 - Eight states (Alaska, Florida, Minnesota, Montana, New Jersey, Ohio, South Dakota and Vermont) automatically increased their rates based on the cost of living
 - 10 states (Arizona, Arkansas, California, Colorado, Maine, Massachusetts Missouri, New York, Rhode Island and Washington) increased their rates due to previously approved legislation or ballot initiatives.
 - Other states that will see rate increases during the 2019 calendar year include D.C., Delaware, Michigan and Oregon (NCSL)

REPRESENTATIVE TARR referred to a National Conference of State Legislatures (NCSL) report, included in the committee packet, which further details the minimum wage laws enacted in the various states. She pointed out that most of the states that

raised their minimum wages did it gradually over time. She mentioned that Missouri passed a minimum wage ballot initiative last fall; it currently has a minimum wage of \$8.60 and will increase it to \$12 effective 1/1/23. She also cited Michigan's minimum wage - currently at \$9.25 - to undergo a multi-year increase resulting in \$12.05 by 2030. She added that the cost of living in both states is less than Alaska.

REPRESENTATIVE TARR stated that there are 13 states with a higher minimum wage than Alaska; some have bigger economies and have a higher cost of living; however, some do not. She mentioned that Arizona and Maine have \$11 minimum wages; these two states are like Alaska in cost of living.

[4:59:29 PM](#)

REPRESENTATIVE TARR referred to slide 10, entitled "Myth 4 - Has to be One Size Fits All," which read:

- Current Alaska Law has many exemptions
- Alaska Wage and Hour Act requirements do not apply to any individual employed as follows:
 - In agriculture
 - In domestic service (babysitting) in a private home
 - Youth under age 18 employed part-time for not more than 30 hours a week
 - A person licensed and employed by a guide or master guide

REPRESENTATIVE TARR moved on to slide 11, entitled "Myth 5 - Leads to Job Loss," and cited an article, entitled "Argument for and Against the \$15 Minimum Wage for Health Care Workers" [by J. Paul Leigh, PhD, American Journal of Public Health, 2019], not included in the committee packet. She offered that the health care industry is the fastest growing industry in Alaska, but workers tend to be lower wage employees. In addressing Myth 5, she relayed the research findings summarized on slide 11, which read:

- Research does not support this
- Could be that fewer new jobs, but employees in those jobs are paid more
- Research on health care workers accounted for this and showed that increasing wages would lead to a reduction in poverty rates of 27%, not 50%

- Demonstrating the difference between all workers getting \$15.00 and a reduced workforce getting \$15.00

REPRESENTATIVE TARR turned to slide 12, entitled "Evolution of a System," which read:

Current

- Workers work full-time, but still qualify for benefits
- Workers depend on government funded programs for healthcare, childcare, and food

With Living Wages

- Workers work full-time and can afford to purchase healthcare, childcare, and food

Researchers estimate that if the federal minimum wage were raised from \$7.25 to \$10.10 per hour would save \$4.6 billion in food stamps

REPRESENTATIVE TARR mentioned the economic inefficiency of the transfer of money considering the cost of administering such programs. She stated that the average monthly case load for food stamps in Alaska for FY 18 was 41,945; for the Women, Infants, and Children (WIC) program, the case load was 17,092; 11,358 individuals participated in breastfeeding counseling; the WIC Farmers' Market Nutrition Program (FMNP) had 10,000 participants; and there were 203,000 Medicaid recipients. She explained that all these programs are income-based; she advocated for a system that supports "the dignity that comes from people being paid a good wage for their hard work."

CO-CHAIR FIELDS posed the questions: Has anyone modeled impacts on state budgets of higher wages and reduced dependence on welfare and is such modeling possible?

[HB 28 was held over.]

[5:04:10 PM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 5:04 p.m.