

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

March 15, 2021

6:53 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair (via teleconference)
Representative Ivy Spohnholz, Co-Chair
Representative Calvin Schrage
Representative Liz Snyder
Representative David Nelson
Representative James Kaufman
Representative Ken McCarty

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 100

"An Act relating to allocations of funding for the Alaska Workforce Investment Board; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 132

"An Act relating to technical education and apprenticeships; relating to concurrent vocational education, training, and on-the-job trade experience programs for students enrolled in public secondary schools; relating to child labor; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 45

"An Act relating to presumption of compensability for workers' compensation claims related to contagious diseases; and providing for an effective date."

- HEARD & HELD

CONFIRMATION HEARING(S) :

Alaska Workers' Compensation Board

Branson Frye - Anchorage
Christina Gilbert - Juneau

- CONFIRMATION(S) ADVANCED

Board of Chiropractic Examiners

Brian Larson - Soldotna

- CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: HB 100

SHORT TITLE: EXTEND WORKFORCE INVEST BOARD ALLOCATIONS

SPONSOR(s): REPRESENTATIVE(s) WOOL

02/18/21 (H) READ THE FIRST TIME - REFERRALS
02/18/21 (H) L&C, FIN
03/15/21 (H) LABOR & COMMERCE AT 6:30 PM BARNES 124

BILL: HB 132

SHORT TITLE: SCHOOL APPRENTICESHIP PROGS; TAX CREDITS

SPONSOR(s): LABOR & COMMERCE

03/10/21 (H) READ THE FIRST TIME - REFERRALS
03/10/21 (H) L&C, EDC, FIN
03/15/21 (H) LABOR & COMMERCE AT 6:30 PM BARNES 124

BILL: HB 45

SHORT TITLE: WORKERS' COMP. AND CONTAGIOUS DISEASES

SPONSOR(s): JOSEPHSON

02/18/21 (H) PREFILE RELEASED 1/8/21
02/18/21 (H) READ THE FIRST TIME - REFERRALS
02/18/21 (H) L&C, FIN
03/05/21 (H) L&C AT 3:15 PM BARNES 124
03/05/21 (H) Heard & Held
03/05/21 (H) MINUTES(L&C)
03/15/21 (H) LABOR & COMMERCE AT 6:30 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE ADAM WOOL
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 100.

ASHLEY CARRICK, Staff
Representative Adam Wool
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Wool, prime sponsor of HB 100, provided a PowerPoint presentation, titled "Technical Vocational Education Program (TVEP) Re-Authorization, House Bill 100."

PATSY WESTCOTT, Director
Division of Employment and Training Services
Department of Labor & Workforce Development
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 100, answered questions related to the bill.

TERI COTHREN, Associate Vice President
Workforce Development
University of Alaska (UA)
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 100, provided a PowerPoint presentation, titled "University of Alaska, Technical Vocational Education Program," dated 3/15/21, and supported reauthorization of TVEP.

LOUISE DEAN, Executive Director
Alaska Workforce Investment Board
Department of Labor and Workforce Development
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 100, answered questions.

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

POSITION STATEMENT: During the hearing on HB 132, recommended three wording changes in the bill.

BRAD AUSTIN, Training Coordinator & Instructor
Local Union 262 Plumbers and Pipefitters
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 132, described his union's school-to-apprenticeship program.

MARI SELLE, Director
Workforce Development
Alaska Primary Care Association
South Central Alaska Health Education Center
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 132.

KYLE KAISER, Membership & Development Lead
Electrical Entry Program
Local 1547 International Brotherhood of Electrical Workers;
President & Founder
Veteran Internships Providing Employment Readiness
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 132.

JEFF LIBBY, Director
Center of Strategic Partnership and Research;
Director
Applied Environmental Research Center
University of Alaska Anchorage
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 132, provided testimony about the work the University of Alaska has been doing to support the national initiative for workforce development.

REPRESENTATIVE ANDY JOSEPHSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor of HB 45, provided a refresher about the bill's provisions.

ELISE SORUM-BIRK, Staff
Representative Andy Josephson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Josephson, prime sponsor of HB 45, provided answers to questions that were posed by committee members during the bill's first hearing on 3/5/21.

CHARLES COLLINS, Director
Division of Workers' Compensation
Department of Labor and Workforce Development
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 45, answered questions related to the bill.

JAKE METCALFE, Executive Director
Local 52 Alaska State Employees Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 45.

CHARLES STEWART, Chair
Local 52 Probation and Parole Officers
Alaska State Employees Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 45.

PAUL MIRANDA, President
Alaska Professional Firefighters
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 45.

ACTION NARRATIVE

[6:53:10 PM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 6:53 p.m. Representatives Kaufman, McCarty, Nelson, Schrage, Snyder, Fields (via teleconference), and Spohnholz were present at the call to order.

HB 100-EXTEND WORKFORCE INVEST BOARD ALLOCATIONS

[6:54:45 PM](#)

CO-CHAIR SPOHNHOLZ announced that the first order of business would be HOUSE BILL NO. 100, "An Act relating to allocations of funding for the Alaska Workforce Investment Board; and providing for an effective date."

[6:56:11 PM](#)

REPRESENTATIVE ADAM WOOL, Alaska State Legislature, as prime sponsor, introduced HB 100. He specified that HB 100 would reauthorize the Technical Vocational Education Program (TVEP) for another three years until 2024. He explained that TVEP was established in 2000 to utilize 0.16 percent of unemployment charge receipts to provide grants to career and technical education providers across the state. In the past the program has distributed an average of about \$12 million. The program impacts thousands of students by offering industry specific training opportunities that help Alaskans get the work in

industries such as fishing, mining, aviation, health care, and others. Program recipients include the University of Alaska, the Alaska Vocational Technical Center, the Alaska Technical Center, and Ilisagvik College on the North Slope. This list has been unchanged since 2014. He noted that because the [Labor & Workforce Development] Finance Subcommittee recently went over this, some of the newer committee members who didn't hear the bill last year have now heard some of it.

[6:58:13 PM](#)

ASHLEY CARRICK, Staff, Representative Adam Wool, Alaska State Legislature, on behalf of Representative Wool, sponsor of HB 100, provided a PowerPoint presentation [hard copy included in the committee packet], titled "Technical Vocational Education Program (TVEP) Re-Authorization, House Bill 100." She reiterated Representative Wool's statement regarding the [subcommittee] having talked a bit about the TVEP program from the Department of Labor & Workforce Development's side of things during the Labor & Workforce Development Finance Subcommittee meeting last week. She said today will be an overview of the program, primarily regarding its impact and what the program actually does for the recipients.

MS. CARRICK began with slide 2, "TVEP Program History." She stated that TVEP was established under AS 23.15.830 and TVEP was created in 2000. This program provides noncompetitive grant assistance to education entities in Alaska that are delivering specific vocational and technical training across the state. In 2014, she continued, the legislature increased the amount of funds used for TVEP from 0.15 percent of unemployment insurance receipts to the current amount of 0.16 percent. She said HB 100 would provide reauthorization until fiscal year 2024 (FY 24).

MS. CARRICK addressed slide 3, "Types of Training TVEP Recipients Offer." She said training offered by TVEP recipients includes aviation, fisheries, and construction, industries thought of as being technical and vocational training. Also included is training in renewable energy, health care, information technology, and others.

MS. CARRICK turned to slide 4, "How TVEP Funding Gets Distributed." She said the main takeaway from the chart on this slide is that the 0.16 percent for TVEP is allocated from the unemployment insurance (UI) taxable wage base. Each year's allocation to recipients is set by statute.

MS. CARRICK moved to slide 5, "TVEP Recipients Over Time." She pointed out that TVEP recipients have changed over time. When the program was first introduced in 2000 the three recipients were the University of Alaska, Kotzebue Training Center, and Alaska Vocational Technical Center. Added in 2001 was the Galena Project Education Training Center, eventually called the Galena Interior Learning Academy. Added in 2004 were the Southwest Alaska Vocational Education Center and the Yuut Elitnaurviat, Inc., People's Learning Center.

MS. CARRICK displayed slide 6 and continued her review of the TVEP recipients over time. She said four new recipients were added in 2008: Partners for Progress Delta, Amundsen Educational Center, Northwestern Alaska Career and Technical Center, and the University of Alaska Southeast (UAS). The contribution to UAS, she noted, was for a brief period, partially because UAS is actually in the Community Campus System.

[7:02:35 PM](#)

MS. CARRICK showed slide 7, "Current TVEP Recipients." She specified that the current TVEP recipients were reauthorized in 2014, which was when Ilisagvik College was added for a 5 percent allocation. The program was reauthorized in 2017 with the same 10 recipients. She noted that the location of the recipients is provided on the left-hand side of the slide and shows that they cover a wide range of Alaska's regions. She highlighted that the University of Alaska distributes its 45 percent allocation statewide.

MS. CARRICK discussed slide 8, "TVEP Distributions." She noted that the FY 21 governor's amended distribution is what recipients expected to receive last year when the initial distribution list was put out. The red column, she continued, is the FY 21 COVID revised distribution, which was revised in June 2020 and was based on the draw from unemployment, so the 0.16 percent was impacted. The blue column was updated 1/11/21 and reflects a trend upward in the FY 21 numbers; it is what recipients will ultimately have received for FY 21 if the supplemental budget passes this year. The far-right column is the proposed FY 22 distribution, which was revised on 3/11/21, not 3/11/20 as depicted on the slide. This is what recipients should be able to expect this coming fiscal year should the program be reauthorized.

[7:04:11 PM](#)

REPRESENTATIVE KAUFMAN stated that the years and numbers are different in his committee packet than what are on the slides being presented.

MS. CARRICK replied that there was an update to that chart and to the presentation, which she will get to him.

REPRESENTATIVE MCCARTY asked what the number of employees is each year that this calculation is based on.

MS. CARRICK deferred to [the Department of Labor & Workforce Development] to answer the question.

[7:05:47 PM](#)

PATSY WESTCOTT, Director, Division of Employment and Training Services, Department of Labor & Workforce Development, replied she doesn't have the number of employees in front of her at this time, but said she would get back to the committee with that specific information.

CO-CHAIR SPOHNHOLZ inquired whether Representative McCarty is asking about the total number of workers in the state of Alaska.

REPRESENTATIVE MCCARTY agreed that that is what he is asking. He said 2020 saw a very significant reduction in workers in Alaska with about 40,000 people, he believed, on unemployment. With that in mind, he asked what the FY 22 numbers might look like and when those numbers will be known.

MS. WESCOTT confirmed that a decline was seen in the amount that was collected for TVEP from state FY 20 and what the department estimates state FY 21 to be as a result of the pandemic and the layoffs. She said the estimated difference is a decline of about 15.2 percent. The state FY 20 allocation for TVEP was slightly over \$13.1 million, and the estimated allocation for state FY 21 is about \$11.1 million. So, she continued, a decline of about \$2 million in the revenues collected specifically for TVEP, which is a direct result of the impact of the pandemic and the subsequent shutdowns and layoffs. For state FY 22, the estimate is an increase to \$12.1 million. As for the number of employees, she said she would get back to the committee with an answer.

[7:09:37 PM](#)

MS. CARRICK concluded her presentation by stating that the sponsor's office is available to answer any questions. She noted that the Department of Labor & Workforce Development has worked closely with the sponsor on helping with understanding the numbers for the current distribution as well as last year being a unique situation.

CO-CHAIR SPOHNHOLZ invited Ms. Teri Cothren to provide her presentation on HB 100.

7:10:29 PM

TERI COTHREN, Associate Vice President, Workforce Development, University of Alaska (UA), provided a PowerPoint presentation [hard copy included in the committee packet], titled "University of Alaska, Technical Vocational Education Program," dated 3/15/21, and which supported reauthorization of TVEP. She began by thanking the co-chairs for providing this opportunity to speak about this important funding source to the university. She further thanked Representative Wool for sponsoring and introducing HB 100. She displayed slide 1 and said her presentation would provide: an overview of how the university as one of the TVEP recipients utilizes this funding source, some examples of how TVEP supports key industries in Alaska, and the types of graduate outcomes that are produced.

MS. COTHREN moved to slide 2, "UA is the largest and most comprehensive workforce provider in Alaska," and stated that the University of Alaska is Alaska's system for higher education and includes three separately accredited universities that have distinct missions and are also responsible for the community college mission through 13 community campuses. All combined, it is the most comprehensive workforce provider in the state. The university's programs range from short-term career and technical education certificates all the way to doctorate degrees, and many of these programs are available statewide.

MS. COTHREN turned to slide 3, "UA TVEP Process," and explained that as a TVEP recipient the university utilizes its funds as a single allocation with the UA system. She related that administration of the program is through a competitive request for proposals (RFP) or grant process by the UA Workforce Development Committee that includes representatives from each university and the Alaska Workforce Investment Board executive director. The funding is distributed as a result of process that is inclusive of all campuses and programs in the UA system that meets the funding priorities listed on the slide: [aligned

with TVEP statutes, responsive to industry, strategic one-time infrastructure/equipment investments, develops and enhances partnerships]. This process supports collaboration and leveraging resources to increase efficiencies across the university and the state, while also maintaining flexibility to be responsive to industry and regional workforce needs.

[7:12:30 PM](#)

MS. COTHREN discussed the two pie charts depicted on slide 4, "UA FY20 TVEP \$5.6M Funding Distribution." She stated that the FY 20 UA TVEP allocation supports high priority industries in Alaska as depicted in the left chart, from oil and gas and mining, along with fisheries, maritime, and health, to name a few. As depicted in the right chart, funding is distributed across all six economic regions of the state.

MS. COTHREN drew attention to slide 5, "UA TVEP FY20 Outcomes." She specified that TVEP served over 4,300 students in FY 20. She explained that the following slides would provide specific examples of how TVEP supports UA's ability to be responsive to Alaska's high-demand industries. She noted that for every example given there are many more that could be shared across these programs and campuses. She further noted that while TVEP is a critical funding source, it is not the only funding the university invests to address the workforce needs of these industries.

MS. COTHREN showed slide 6, "Oil & Gas," and reported that the Department of Labor and Workforce Development, Research and Analysis, projects that while the pandemic has slowed some employment growth in the oil and gas sector, long-term growth is still likely. She said TVEP investments that help meet oil and gas workforce demand and benefit this industry are expanded access to fabrication and 3D printing to over 50 engineering students annually for hands-on projects, and access to over 600 K-12 students during the summer for career exploration. The university leases shop and classroom space at the Fairbanks Pipeline Training Center to provide University of Alaska Fairbanks (UAF) process tech students with the opportunity to work on state-of-the-art equipment. Also, the university invests in well-controlled training that helps the industry to meet safety requirements to prevent blowouts and promotes safe drilling practices.

MS. COTHREN continued with slide 6. Regarding graduate employment outcomes, she said that this past year the university

partnered with Research and Analysis to develop workforce reports that demonstrate graduate outcomes across nine key industries. The graduate employment data in this presentation, she continued, are from those reports. She drew attention to the three program areas highlighted on the slide that are in high demand and important to the oil and gas industry [engineering, process tech, welding]. For example, she reported, 90 percent of the process tech graduates find work within a year of graduating and have impressively high earnings, nearly \$74,000 within their first year and more than \$130,000 by their fifth year. It was also found that 93.5 percent of working graduates are Alaska residents compared to 70.9 percent for all oil and gas workers.

[7:15:34 PM](#)

CO-CHAIR SPOHNHOLZ requested Ms. Cothren to give examples of a process tech degree and a process tech career.

MS. COTHREN replied that the actual name is "Process Tech Degree" and it has occupational endorsements that are short term and all the way to a two-year associate degree. Many of those graduates work directly in the oil and gas industry, she said, for example at some of the Trans-Alaska Pipeline pump stations.

CO-CHAIR SPOHNHOLZ asked what a process tech does.

MS. COTHREN responded by saying, "Imagine a lot of levers and pipes, and it's about moving those through and managing the pressure levels and keeping things flowing." Responding further to Co-Chair Spohnholz, she confirmed there are a lot of process techs working on the pipeline.

CO-CHAIR SPOHNHOLZ invited Representative Kaufman to elaborate on the aforementioned.

REPRESENTATIVE KAUFMAN said it's all the things that a person must do to maintain control of the process. In a typical process there is everything from pressure, flow rates, temperature, he explained. Someone helping to control that is engaging in manipulating the various control devices, many of which are now automated, so a process tech is dealing with that and keeping the process running.

[7:18:19 PM](#)

REPRESENTATIVE MCCARTY requested Ms. Cothren to differentiate between degree and certification.

MS. COTHREN answered that occupational endorsement certification (OEC) is often a year or less, and a degree is the next level up of a certificate or Associates degree.

REPRESENTATIVE MCCARTY inquired whether Ms. Cothren is also referring to a bachelor's degree or higher.

MS. COTHREN replied correct. She explained that an OEC would be the first step in any of the university's degree pathways. The next step would be a certificate, then Associates degree, then Bachelor's degree, and then on to a graduate program.

REPRESENTATIVE MCCARTY asked about the percentages of where students are ending their training; for example, what the percentages are for students earning a bachelor's degree, an associate's degree, and so on.

MS. COTHREN responded she would get that information to the committee.

CO-CHAIR SPOHNHOLZ interjected that the university absolutely tracks all that information.

[7:19:54 PM](#)

MS. COTHREN resumed her presentation. She displayed slide 7, "Health," and said the Department of Labor and Workforce Development, Research and Analysis projects that the health care sector, an already large industry, will grow at twice the rate of the economy overall by 2028. To help meet the needs in health care, she stated, TVEP investments have contributed to upgrades in technology that are shared across health programs. These investments have also contributed to program development or expansion in both urban and rural communities, including expanded access to nursing programs through distance delivery. In addition, TVEP investment has contributed to an expansion of hands-on experience through community and practicum placement of UA health science students that enhances the students' educational experience, connects them with industry partners for employment opportunities, and increases their competitiveness for graduate programs in high demand health careers such as pharmacy and physician assistants.

MS. COTHREN continued addressing slide 7. She said the graduate employment outcomes highlight three program areas that are important to the health care industry [certified nurse aide, dental assistant, nursing]. The Certified Nurse Aide (CNA) can be completed in six weeks, providing a short path to employment. This also provides a pathway to continue towards a nursing degree that could increase the student's earning potential from \$33,000 to over \$50,000, and nearly \$70,000 with five years of experience. Out of the 31 clinical health programs listed in the Health Workforce Report, more than 82 percent are working in Alaska within a year of graduating.

MS. COTHREN presented slide 8, "Aviation," and related that Research and Analysis projects a decline of less than 2 percent in jobs in the aviation sector, but vacancies will continue within the 6,000-plus jobs needed by 2028. She said the TVEP investments benefitting the aviation industry include equipment and technology upgrades, along with the development of distance delivery aviation maintenance instruction. Online instruction provides students in remote locations around Alaska with access to the foundational knowledge required to become certified as a Federal Aviation Administration mechanic.

MS. COTHREN continued speaking to slide 8. She pointed out that the graduate employment outcomes show strong wage growth - a jump of nearly 40 percent by year five for aviation maintenance graduates and 53 percent wage growth for those in aviation administration. As it takes time for pilots to earn their different ratings, the university anticipates a larger wage growth over time; for example, commercial pilots with experience have an earning potential of \$89,000 and beyond as they gain more experience.

[7:22:46 PM](#)

MS. COTHREN moved to slide 9, "Aviation Simulation Equipment," and noted that the three photos show examples of TVEP aviation investment in equipment upgrades. She said the top left photo is a professional piloting student practicing instrument flying in one of the two Redbird simulators that TVEP helped fund at the University of Alaska Anchorage (UAA) Aviation Technology Center. The top right photo is of a student and instructor approaching Merrill Field to land in one of the TVEP funded aircraft in UAA's professional piloting program. Regarding the bottom photo, she stated that TVEP helped upgrade the air traffic control technology that provides students cutting edge experience to prepare them for the rigorous four-month-long

certification test at the Federal Aviation Administration's facility in Oklahoma City.

MS. COTHREN proceeded to slide 10, "Mining," and specified that the Department of Labor and Workforce Development, Research and Analysis projects the mining industry to grow by 28 percent by 2028. To help meet the workforce needs in mining, TVEP investments have contributed to the delivery of hard skills mine training camps at the only all-encompassing underground and surface mine training camp in the world through UAF's Mining and Petroleum Training Service. Also, TVEP investment has supported several upgrades to equipment.

MS. COTHREN continued addressing slide 10. She related that the graduate employment outcomes highlight three program areas important to the mining industry: mining operators, [power technology], and geological sciences. The graduate outcomes for the 44 programs evaluated in mining showed an average of 92.7 percent of working graduates are Alaska residents compared to 65.3 percent for all mining workers. The data clearly shows that hiring UA graduates significantly boosts the Alaska residency rate within the mining industry. On average, fifth year wages are higher than the average Alaska wage of nearly \$60,000. Looking at the wage outcomes from all 44 programs in the mining report, on average the wages exceed \$104,000 by the fifth year of employment.

[7:25:10 PM](#)

MS. COTHREN moved to slide 11, "Fisheries, Seafood & Maritime." According to Research and Analysis, she said, by 2028 fisheries is expected to grow by 8 percent, seafood by 37.2 percent, and the maritime industry is projected to decrease by 1 percent. To help meet the workforce needs of these industries, TVEP investments have contributed to partnering with industry to train seafood processors for direct employment, maritime program development and expansion aligning to industry standards, and upgrading Ketchikan campus's maritime bridge simulator to a state-of-the-art whole mission simulator.

MS. COTHREN continued with slide 11. Regarding the graduate employment outcomes, she shared that, overall, in the past 10 years the fisheries programs have produced 975 graduates for jobs in fisheries, marine biology, oceanography, and natural resource management. On average, 94.1 percent of the working graduates are Alaska residents compared to 66.3 percent for all workers in fisheries and marine science.

MS. COTHREN explained that the photo on slide 12, "Maritime Bridge Simulator and Student Success," is of the full-mission simulator in the UAS Ketchikan Maritime Training Center. She said the quote on the slide is a Facebook post by a current student who had just completed her U.S. Coast Guard class. In her post she points out the capabilities of the new simulator being able to provide a variety of hands-on experiences.

MS. COTHREN spoke to slide 13, "Information Technology." She stated that TVEP investments to support the workforce needs of the information technology (IT) industry include computer lab upgrades to provide virtual or remote access to increase students' hands-on experience, and revamp curriculum to meet industry needs and enhance employment in high demand IT occupations. Regarding graduate employment outcomes, she stated that more than 80 percent of computer and networking technology graduates work in Alaska one year following graduation. Because IT occupations support many industries across the state, she said it was interesting to find that 44 percent of the graduates are working in the public administration sector.

MS. COTHREN displayed slide 14, "IT Student Success," and related the success story of UAF Community & Technical College (CTC) IT Specialist Program graduate Stephanie Harvey. Ms. Harvey is now an IT Specialist instructor for the program and recently received industry recognition for her work by Cisco.

[7:30:08 PM](#)

MS. COTHREN turned to slide 15, "Construction," and specified that the Department of Labor and Workforce Development, Research and Analysis, projects the construction industry to grow by 10.7 percent by 2028. To help meet the construction industry's workforce needs, TVEP investments have contributed to updating the apprenticeship technology degrees for UAA's Community & Technical College to be more accessible through online delivery. Also, TVEP has supported upgrades in equipment and helped fund hands-on training through the UAS Construction Program which partners with the Juneau Housing Trust and the Juneau School District to design and construct homes for low-income families in the Juneau area.

MS. COTHREN continued with slide 15 and stated that the graduate employment outcomes highlighted in the construction report include [carpentry, civil engineering, and construction management]. Over the past 10 years, she said, nearly 2,000

graduates have been trained in programs leading to employment in carpentry, heavy truck and equipment driving, construction management, welding, civil engineering, and surveying. The average wages are \$70,000 within five years of graduation.

MS. COTHREN proceeded to slide 16, "Construction Student Success," and shared the story of Jessica Senter, who graduated in 2020 with a B.S. in Construction Management from UAA. She related that Ms. Senter started her job as an assistant project manager the semester prior to graduation.

MS. COTHREN moved to slide 17 and concluded her presentation by stating that the University of Alaska strongly supports the reauthorization of TVEP [HB 100] to provide a stable funding source to address Alaska's workforce needs. Specific to the current time, she said, TVEP is critical in helping support Alaska's economic recovery. As seen by the examples she provided, TVEP funds short-term career and technical education programs which serve the workforce needs of Alaska's key industries and will help re-skill and up-skill Alaskan's who have been displaced by the pandemic. Reauthorizing TVEP for at least three years will provide some of the stability needed to train Alaskans for jobs in Alaska and get them back to work as quickly as possible.

[7:32:51 PM](#)

REPRESENTATIVE KAUFMAN inquired about the process for deciding which training to provide.

MS. COTHREN replied that part of it is looking at labor market information, such as some of the data she just reviewed, and looking at the workforce demand analysis that the Department of Labor & Workforce Development provides. The other part, she continued, is having local and regional conversations and partnerships with industry to ensure the university is meeting industry's workforce needs.

[7:33:59 PM](#)

CO-CHAIR SPOHNHOLZ noted that the percentage of TVEP funds that have gone to the university has decreased from a peak of 63 percent in 2001 to about 45 percent now. She asked how this has impacted the university's allocation of TVEP funds and what the university has been able to do with those funds.

MS. COTHREN responded that with funding the university can train more students and the university has made use of those dollars as most efficiently as it can. As funding has declined through the years the university has continued to try to find as many efficiencies to preserve the programs directly to serve as many of the students as it can. More funding certainly helps. The university partners with many of the other TVEP recipients, and it's important to provide that current type of education funding throughout the state to have access to training for as many students as possible.

CO-CHAIR SPOHNHOLZ pointed out that the TVEP funds also leverage many other funds that the university is able to attract. She explained that in each of the program areas highlighted today, the university raises hundreds of thousands or many millions of dollars every year in private sector investment directly into these programs because the private sector also recognizes the value of these programs. One of the largest allocations within the university's use of TVEP funds is for health careers, which has been one of the high demand growth fields in Alaska for a very long time, but the health sector has also been a very large investor in health education. For example, Alaska hospitals have invested in nursing education and that has leveraged the TVEP funds. It all comes together to ensure that Alaska has the nurses, physician's assistants, and dental hygienists that the state needs to ensure its residents are healthy.

CO-CHAIR SPOHNHOLZ noted that currently the smallest allocation is to the IT section, which is a new addition in TVEP allocation within the university. She requested Ms. Cothren to speak to how long the university has been doing that and where it might go in the future.

MS. COTHREN answered that IT is a high-demand area that the university wants to support and has been supporting through TVEP funding throughout the years. The smaller allocation isn't necessarily by total design, she noted. The university has its internal competitive process and is dependent on those proposals being submitted internally. She said TVEP is one source of funding, and other university funds are being directed towards these workforce programs. It just might be that IT is utilizing other sources and partnering with industry differently to address those needs.

CO-CHAIR SPOHNHOLZ shared that the computer science program at UAA is small when compared to other programs. But, she continued, given the way things are moving it could be imagined

there might be some job growth in that area eventually, providing opportunity as Alaska diversifies its economy.

[7:38:18 PM](#)

REPRESENTATIVE SCHRAGE inquired whether any of these programs are accessible off campus or whether they all require an in-person presence; for example, whether the IT program is accessible from the Bristol Bay campus.

MS. COTHREN replied yes, many of the university's programs are accessible online, particularly now with the pandemic. She said that historically the university's career and technical education programs have been much more hands-on, but creative ways have been found to deliver online. For example, the Kenai Peninsula College through UAA used to have two locations of delivery for the process tech program - one in Anchorage and one in Kenai. Some efficiency was found by moving the program and having many classes available online, effectively providing delivery from Kenai and providing more students with access to that program. Creative and flexible lab schedules were provided for students to come obtain their hands-on experience in Kenai.

[7:40:01 PM](#)

REPRESENTATIVE MCCARTY referred to the Technical and Vocational Education Program Report for [state fiscal year] 2020 and requested an explanation of the last two columns in the chart on page 6.

[7:41:22 PM](#)

LOUISE DEAN, Executive Director, Alaska Workforce Investment Board, Department of Labor and Workforce Development (DLWD), responded that the TVEP recipients provide this information to the department and to Research and Analysis so that the report can be prepared. She allowed that the way it is reported is a bit confusing. She explained there is a measurement 1-12 months after exit, so the percentages show the number of participants who exited that are employed one year after exit. The percentages change as the length of time changes, such as 6 months, 7 months, or 12 months.

CO-CHAIR SPOHNHOLZ stated that this is somewhat of a comparison of apples to oranges because some of these programs are high school programs and others are post-secondary, which accounts for some of the difference in terms of the employment numbers.

[7:43:41 PM](#)

REPRESENTATIVE MCCARTY remarked that being able to differentiate between a high school student, certification student, and degree student would be helpful. He then noted, as examples, the figures of \$80,000 for Partners for Progress and \$30,000 for UA and inquired about these numbers.

MS. DEAN answered that she would get the information and provide it to the committee.

CO-CHAIR SPOHNHOLZ clarified that the TVEP money goes to the institutions, not the students. She explained that the numbers cited by Representative McCarty are the per pupil numbers - the amount of funds provided to the program divided by the number of students in that program. For programs with a smaller number of students, the per-pupil investment from TVEP is much higher.

REPRESENTATIVE MCCARTY observed the current formula for the percent of TVEP money received by each institution. He inquired about rearranging the percentages so that those institutions good at performing would get more TVEP money.

CO-CHAIR SPOHNHOLZ replied, "That is why we are here."

[7:45:54 PM](#)

MS. CARRICK responded further to Representative McCarty's question. She drew attention to the Galena Interior Learning Academy and its median wage after exit and pointed out that this program serves a lot of high school students compared to the university or to Ilisagvik College, which is geared more towards adults in the community. These numbers have weight and merit, she continued, but in addition they are somewhat correlational in the sense that TVEP makes up different proportions of each program's total ability to provide education. For example, for the University of Alaska, TVEP provides a different proportion of funding for different programs in different parts of the state; the same is true for some of the other institutions. For some of the smaller institutions TVEP funding makes up a very large portion of the funds they receive overall for technical education; for others it makes up a smaller percentage.

REPRESENTATIVE MCCARTY stated it would be helpful to see the differentiation of where the students are from because in just

looking at the figures it appears that there needs to be a realignment of the percentages.

[7:47:30 PM](#)

REPRESENTATIVE SCHRAGE suggested that one thing which may be causing some of the disparity in wages for those that graduate these programs is that some of the programs are more specialized than others. The university offers a wide range of degree programs, he said, while some institutions offer just programs that typically have a high wage upon exiting the programs.

REPRESENTATIVE WOOL noted that the Partners for Progress Delta, [whose graduates earn \$80,000 in wages], seems to be the anomaly that's much higher than the rest. While some are low, many are in the \$25,000-\$40,000 range, he said, so he will look into whether Delta is producing highly specialized graduates.

[7:48:53 PM](#)

CO-CHAIR SPOHNHOLZ stated that it is a very interesting and important program in that it helps ensure that Alaskans are getting hired in these high demand, high compensation careers. Alaska needs people to be doing this work. It must also be ensured that the state is making good use of its resources and currently the amount of funds for TVEP is lower because unemployment has been higher over the last 12 months, which is going to create additional pressure moving forward. However, it also underscores the importance of this program as people look to make a shift in their career path as often happens when their current career is interrupted. She thanked the sponsor for introducing the bill.

[HB 100 was held over.]

HB 132-SCHOOL APPRENTICESHIP PROGS; TAX CREDITS

[7:50:08 PM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 132 "An Act relating to technical education and apprenticeships; relating to concurrent vocational education, training, and on-the-job trade experience programs for students enrolled in public secondary schools; relating to child labor; and providing for an effective date."

CO-CHAIR SPOHNHOLZ noted that HB 132 is a House Labor and Commerce Standing Committee bill on apprenticeship. She said Co-Chair Fields would introduce the bill.

7:50:58 PM

CO-CHAIR FIELDS, on behalf of the House Labor and Commerce Standing Committee, sponsor, introduced HB 132, the Alaska Apprenticeship Expansion Act. He stated that the bill's origins are rooted in the long-standing success of apprenticeships in Alaska, the experiences he had while working in the Department of Labor & Workforce Development on expanding apprenticeships, and on conversations with Representative McCarty prior to the representative's election. He said Representative McCarty's election was a good opportunity to look at ideas that could be used to promote apprenticeship, he noted. Last session the legislature came together around apprenticeships through House Bill 308, which strengthened apprenticeships in the plumbing, pipefitting, and electrical trades.

CO-CHAIR FIELDS said HB 132 would expand apprenticeships beyond the building trades. He related that many Alaskans think of the traditional construction trades when they hear "apprenticeship." But, he continued, in the U.S. and around the world there has been tremendous expansion of apprenticeship beyond the traditional building trades, especially in the last decade. Expansion has been seen in insurance, financial services, health care, and advanced manufacturing.

CO-CHAIR FIELDS explained that HB 132 would support expansion of apprenticeships within traditional sectors as well as strengthen connections between Alaska's career and technical education programs with school districts and apprenticeship programs. More graduating seniors would have career options with post-secondary credentials, he said, and more employers would have an identified pipeline of skilled talent.

CO-CHAIR FIELDS further stated that Alaska needs to keep working to expand dual credit programs in which apprenticeship program participants earn college credit and so that high school students in non-apprenticeship career and technical educational programs have more dual credit opportunities. He stressed that these opportunities are particularly important for socio-economic mobility, in other words for graduating seniors who can't afford not to work. For too long people have been forced to make an unfair choice - going to work or getting a degree. With the marriage of college and apprenticeship, and career and

technical education and college credit, Alaska's students can have both.

CO-CHAIR FIELDS noted that Representative McCarty spoke to many stakeholders and wrote HB 108, which is currently contained within HB 132. He said he would defer to Representative McCarty on whether to keep these as a comprehensive package or to pursue HB 108 separately. He thanked Representative McCarty, along with numerous other individuals, state departments, and federal departments, for their help related to HB 132.

[7:54:59 PM](#)

CO-CHAIR FIELDS turned to a PowerPoint presentation on HB 132 [hard copy included in the committee packet], titled "Apprenticeship Expansion Act." He displayed slide 2, "Apprenticeship and CTE Background," and related that Alaska has high-performing apprenticeship programs in traditional trades, and almost 800 employers participate in Apprenticeships Day. He said there has been exciting innovation with apprenticeship in new industries, which the committee heard about in an earlier informational hearing from the Primary Care Association and others. While Alaska has some outstanding school district programs, they are not at the scale needed to meet student demand. He said a question to ask is: What can the state do to support school districts that have an opportunity to scale up? Other states and nations have shown the potential to expand skill apprenticeship and career and technical education (CTE). Alaska can learn from the examples set by nations like Switzerland and Germany and the state of South Carolina, and the apprenticeship tax credit provided in HB 132 is an example of trying to learn from successful models. He reiterated his previous statement that expansion of apprenticeship and CTE would help people pull themselves up by their bootstraps when they can't afford not to work in college. If the legislature puts the right policy framework into place, he added, Alaska would be able to capitalize on new infusions of federal grant support for apprenticeship.

CO-CHAIR FIELDS proceeded to slide 3, "Incentivize Employer Participation." He specified that HB 132 would establish an employer tax credit of \$1,000 per apprentice, a model used by South Carolina to significantly scale up apprenticeship in advanced manufacturing. The bill as currently written is a tax credit for for-profit companies, he pointed out. A question is whether the committee would like to make this a refundable credit so that it would also benefit non-profit employers.

CO-CHAIR FIELDS spoke to slide 4, "Depts. Labor, Education Coordination." He said that historically the Department of Labor and Workforce Development (DLWD) has supported apprenticeship in Alaska. A question is whether that support could be broadened with collaboration from the Department of Education and Early Development (DEED). The bill's language, he continued, does envision strong collaboration between DLWD and DEED, given the need to expand school to apprenticeship programs and to the extent possible along more dual credit opportunities for CTE programs including in "the STEM fields." He noted the bill's language is general, giving the department the flexibility to support school districts where it can.

CO-CHAIR FIELDS addressed slide 5, "College Credit for CTE and Apprenticeship." He explained the bill directs the Board of Regents to find ways to expand dual credit for CTE courses and college credit for apprenticeship participants. He said the university has made positive steps in this direction already. He reiterated that HB 132 contains the entirety of HB 108 by Representative McCarty. He concluded by stating that the bill is simple - a tax credit, collaboration among departments, and dual credits with the university.

[7:58:40 PM](#)

REPRESENTATIVE NELSON requested further context regarding the statement by Co-Chair Fields that last year the legislature helped expand partnership through the building trade.

CO-CHAIR FIELDS replied that the legislature took what had been regulations around apprenticeships in the plumbing, pipefitting, and electrical trades and put some of those into statute to strengthen the state's statutory support for some of the skilled building trade apprenticeships.

REPRESENTATIVE NELSON asked if that also included a tax credit.

CO-CHAIR FIELDS responded that it did not. He explained that that is more in terms of occupational licensing.

REPRESENTATIVE NELSON inquired whether there is a reason for a tax credit being included in HB 132.

CO-CHAIR FIELDS answered that HB 132 proposes a tax credit of \$1,000 per student based on the successful model seen in South Carolina scaling up apprenticeship. To his knowledge, he added,

the legislature has not contemplated an incentive like this before, so he wanted to put it on the table.

8:00:09 PM

JOHN HAKALA, State Director, Office of Apprenticeship, U.S. Department of Labor, stated that he delivered a presentation on youth apprenticeship on 2/24/21, and his comments today are a follow-up to that. He said he reviewed the 2/9/21 draft version of the bill and would like to recommend two wording changes to "Section 1(12)" which states, "provide educational opportunities in the areas of vocational education and training, and basic education to individuals over 16 years of age who are no longer attending school; the department may consult with business and labor unions to develop a program to prepare students for apprenticeships or internships that will lead to employment opportunities". [In the bill before the committee, Version 32-LS0476\B, this language is found in Sec. 3(a)(12).] Mr. Hakala recommended that "career and technical education" be added after the comma following "vocational education and training". He explained that for youth apprenticeship, a look is taken at career and technical education credit for on-the-job learning and the related technical instruction. Since there is an Alaska career and technical education plan, he continued, it would be nice to have that reference included.

MR. HAKALA, regarding the above language, further advised that using the term "internships" would introduce confusion into the intent of the bill. He therefore recommended that "internships" be replaced with "pre-apprenticeships" because internships, work-based learning, on-the-job training, and CTE high school program preparatory training all fall under pre-apprenticeships for purposes of the House bill. He also noted that the current federal apprenticeship regulations, as well as the draft National Apprenticeship Act for 2021, only reference registered apprenticeship, youth apprenticeship, and pre-apprenticeship. [Thus, as per Mr. Hakala's recommendations, this language would read: "provide educational opportunities in the areas of vocational education and training, career and technical education, and basic education to individuals over 16 years of age who are no longer attending school; the department may consult with business and labor unions to develop a program to prepare students for apprenticeships or pre-apprenticeships that will lead to employment opportunities".]

8:03:33 PM

MR. HAKALA addressed "Sec. 3" [in the 2/9/21 draft version of the bill] which states that AS 43.20 is amended by adding a new section to read: "To qualify as a registered apprentice for purposes of the credit under this section, a person must participate in a registered apprenticeship program recognized by the Department of Labor and Workforce Development." [In the bill before the committee, Version 32-LS0476\B, this language is found in Sec. 9 (b).] He pointed out that his office is the U.S. Department of Labor Office of Apprenticeship, which has always been the registration agency for apprenticeship in Alaska. He advised that the registration agency should be included in this section to avoid confusion about the roles and responsibility of the state and federal apprenticeship partnership. The revised wording, he continued, needs to reflect how the state and federal apprenticeship partnership has functioned over the years. Mr. Hakala therefore recommended that the language be revised to read as follows: "To qualify as a registered apprentice for purposes of the credit under this section, a person must participate in a registered apprenticeship program registered with the U.S. Department of Labor Office of Apprenticeship, and recognized by the Department of Labor and Workforce Development."

[8:05:15 PM](#)

CO-CHAIR SPOHNHOLZ said Mr. Hakala's recommendations are helpful and requested that he submit the specific language to ensure the committee gets it right. She related that one reason the committee wanted to introduce this bill was to set up the infrastructure that would allow [the state] to take advantage of forthcoming federal changes in apprenticeship that are expected.

[8:05:39 PM](#)

REPRESENTATIVE KAUFMAN inquired about the functional differences in definition between apprenticeship, pre-apprenticeship, and internship.

MR. HAKALA replied that the registered apprenticeship is the outcome that a lot of the preparatory programs are hoping for or training towards. Depending on their design, he explained, they might have a very tight connection to training their participants to have advanced standing or direct entry into an apprenticeship, where others may not. Work-based learning, internships, on-the-job training, and preparatory training are a component of registered apprenticeship, he continued, but registered apprenticeship is broader and more structured. They

are components of the apprenticeship, but they are not apprenticeship themselves, whereas registered apprenticeship contains probably all the components of any one of those work-based learning models, but the reverse is not true. He specified that HB 132 is specifically about registered apprenticeship, so career and technical education, all the preparatory training, pre-apprenticeships, and such, are not a full apprenticeship program.

REPRESENTATIVE KAUFMAN asked whether there is a place where he can see the definitions.

MR. HAKALA responded that he would provide Co-Chair Fields with the definitions to share with the committee.

[8:07:58 PM](#)

CO-CHAIR SPOHNHOLZ related that the internships she had in college and high school didn't have specific concrete benchmarks that she had to achieve, whereas an apprenticeship has very specific things that must be learned in order to move on to the next level. Internships are more general, she added, and apprenticeships are more specific

[8:07:58 PM](#)

BRAD AUSTIN, Training Coordinator & Instructor, Local Union 262, Plumbers and Pipefitters, stated that his union has a school-to-apprenticeship program with the Juneau-Douglas High School. He explained that his union's program requires the students to take certain classes while in high school. Then at 17 the student is placed with a contractor, and while the student probably wouldn't work with heavy tools it gives the student a chance to be around the trade and work with some of the plumbers. Upon receiving a high school diploma or GED, the student is eligible to directly enter the union's apprenticeship program.

MR. AUSTIN pointed out that "direct entry" is a big deal because the normal course for getting into an apprenticeship program is to file an application with the training committee, which in Local Union 262's case only happens once a year. Then the applicant must sit for an interview with his union's joint apprenticeship training committee of six people, which can be intimidating. In addition, the applicant is competing with however many people are coming in through that application process. The school-to-apprenticeship candidate with a direct

entry into the program bypasses all of that and comes directly into the program.

MR. AUSTIN further pointed out that Local Union 262's school-to-apprenticeship agreement also offers credit hours towards the apprenticeship program. An apprentice in his union's program or the Anchorage or Fairbanks programs, he continued, is going to serve 10,000 hours over five years. Local Union 262's school-to-apprenticeship agreement offers up to 500 hours of credit, which put into monetary terms is a raise of \$2 an hour after three months rather than six months.

MR. AUSTIN said the partners in the school-to-apprenticeship program are the school and the sponsoring agency. In the case of Local Union 262, he related, the union meets with the student and the parent or guardian so that everybody is informed. There is no cost to the student or school, a win-win situation.

MR. AUSTIN stated that HB 132 would help with several problems that his union has encountered. The bill would promote and incentivize vocation education and CTE classes, taking them off the dusty shelf in the counselor's office and putting them out front. These are great careers for people who choose not to go to college, he said. For example, an apprentice serving the five years in Local Union 262's program will have made \$281,000 in wages, and when the benefit package is added in the amount comes to \$524,000. These are good, high-paying jobs, he continued, and the school-to-apprenticeship program is a great conduit for an easy entry into one of them. He noted that the school-to-apprentice program at Local 367 in Fairbanks currently has 14 candidates and works with six schools because its program is signed with the Fairbanks North Star Borough.

[8:15:31 PM](#)

CO-CHAIR SPOHNHOLZ urged committee members to visit Local 262's training school, something that she did and where she was able to do some welding.

[8:15:45 PM](#)

REPRESENTATIVE MCCARTY thanked Mr. Austin for his testimony and for the tour he provided at the facility last week. He asked how many apprenticeship opportunities exist at the Juneau-Douglas High School, what percentage of students are involved, and what other programs are offered.

MR. AUSTIN replied that there are three programs in Alaska for union apprenticeships for plumbers and pipefitters. For independent contractors he knows of three independent plumbing apprenticeships in Juneau alone. He said there are probably a lot more independent contractor apprenticeship programs than union. He deferred to Mr. Hakala for providing exact numbers.

[8:18:32 PM](#)

MARI SELLE, Director, Workforce Development, Alaska Primary Care Association (APCA), South Central Alaska Health Education Center (SCAHEC), testified in support of HB 132. She stated that HB 132 has the potential to open doors for youth to enter health and human services careers. She said APCA is a nonprofit that supports community health centers, and its mission is to create healthy communities by supporting community health centers. One way that APCA does this, she continued, is by supporting workforce development activities. She noted that many of APCA's clinics and health facilities are in remote locations.

MS. SELLE related that APCA has been a multi-agency sponsor for registered apprenticeships since 2017. She recognized the Alaska Department of Labor and Workforce Development for growing health care apprenticeships in Alaska through the American Apprenticeship Initiative and the State Apprenticeship Expansion Grant. She explained that a multi-agency sponsor works with a variety of health care employers, many of which are APCA's community health centers, and APCA manages the apprenticeship program for these employers. The association teaches the didactic education, and the employers provide the on-the-job training, while APCA monitors and tracks all the apprentices so the employer's only worry is employing that apprentice and providing the apprentice with mentorship.

MS. SELLE said APCA has registered apprenticeships for a variety of health care fields, mostly at the entry level. Recently APCA added a human services apprenticeship for direct support professionals, which are individuals who work with people that experience a disability. This fall, she continued, APCA plans to launch a pharmacy tech apprenticeship. She specified that about one-fourth of APCA's apprentices are youth, defined as ages 18-24, and that teens younger than 18 can't work in the health care industry. To increase the availability of apprenticeships for youth, she continued, APCA is actively working with Alaska Work Partnership on a youth apprenticeship grant as well as working with several school districts to connect their CTE programs with APCA's apprenticeship programs.

MS. SELLE stated that lots of energy is currently going into creating apprenticeship opportunities for youth, and HB 132 would fuel this fire that is already starting to burn. This is an excellent apprenticeship model that works well for entry level health care jobs, she said. This is because facilities are already having to recruit, mentor, and train staff for entry level jobs; out of necessity facilities must hire someone who doesn't have the experience and train them. This apprenticeship model can provide that missing piece, she continued. It is a formal education in a structured way for a young person to learn the needed skills and have multiple mentors through both the APCA and the employer. These are great jobs, especially for youth and those without experience, she added, as they can get started, get certification, and get on a genuine career track without incurring debt.

[8:23:23 PM](#)

MS. SELLE stressed her support for the proposed legislation's structure that enables apprentices to earn dual credit. She said APCA has a partnership with Alaska Pacific University (APU) where the apprentices can earn college credit and an undergraduate certificate through their apprenticeship. Upon completion of their apprenticeship that undergraduate certificate can pull through to an associate degree or bachelor's degree, and the apprentice can get on a career ladder to go into nursing, or public health, or even business or social work depending on what the apprentice is interested in. As well, Ms. Selle continued, apprentices are earning national certification through the federal Office of Apprenticeship. Many of APCA's programs, she added, are well suited for youth, especially those youth who are on a career track versus a college track. The Direct Support Professional (DSP) Apprenticeship, for example, would be wonderful for a young person. These apprenticeships give youth a well-lit path right out of high school, while also earning college credit if desired.

MS. SELLE concluded her testimony by noting that one challenge is convincing employers to take on apprenticeships. She said HB 132 would provide a financial incentive to employers that would help offset the risks that employers are taking. She expressed her support for including the nonprofit sector in HB 132, and pointed out that 90 percent of the employers participating in APCA's apprenticeships are nonprofits.

[8:25:52 PM](#)

REPRESENTATIVE NELSON requested Ms. Selle to elaborate about the risks that employers are taking regarding apprenticeship.

MS. SELLE replied that health care tends to be an environment where there are high stakes safety and regulatory requirements. In this environment, she continued, health care facilities aren't necessarily keen to jump into a new training model. Even though apprenticeship is not new, it is new to health care and human service employers in Alaska. So, there is risk for them to invest the time and energy into trying this and taking on new inexperienced staff, and she therefore thinks that an incentive would be helpful.

REPRESENTATIVE NELSON offered his understanding the risks Ms. Selle is referring to are the time and effort that a business would be putting into the apprenticeship program, not risks to patients or administrative tasks.

MS. SELLE responded correct and clarified that she was not talking about risks to patients.

[8:27:27 PM](#)

REPRESENTATIVE MCCARTY asked whether a person must be 18 or over to participate in APCA's program.

MS. SELLE answered correct.

REPRESENTATIVE MCCARTY stated he would call that "young adult" rather than "youth" given youth is generally categorized as teenagers. He requested Ms. Selle to provide APCA's definition of youth.

MS. SELLE replied that APCA works with the [Workforce Innovation & Opportunity Act] WIOA Program which defines youth as individuals between the ages of 14 and 24, so that is the framework APCA has been using. She said APCA's youth apprenticeship program and youth apprenticeship efforts focus on individuals who are 18-24 and APCA calls them youth.

[8:29:05 PM](#)

KYLE KAISER, Electrical Entry Program, Membership & Development Lead, Local 1547, International Brotherhood of Electrical Workers (IBEW); President & Founder, Veteran Internships

Providing Employment Readiness (VIPER), testified in support of HB 132. He thanked the committee for discussing the various programs today. He pointed out that missing from the discussions was apprenticeships as a tie-in for veterans getting out of the military. He said he heard the terms youth and young adult, but not military even though current and former military members comprise a good portion of Alaska's population. He reported that each year 200,000 veterans on average leave the military, and 150,000 of them are unemployed and have no career path when they get out.

MR. KAISER related that VIPER's mission is to bridge that gap between military and civilian employment, and apprenticeships are an excellent way to do that. He said he participated in an apprenticeship when he left the military. He stressed that an apprenticeship offers hope. A person transitioning out of the military, he explained, doesn't have many transferable skills. For example, he was an airborne infantry sniper, which didn't give him much to translate to. Even someone in the military medical field won't have skills that transfer, he added. An apprenticeship fixes many of those issues because the individual will learn everything needed for his or her next career.

MR. KAISER emphasized his support for expanding efforts to bring people into apprenticeships. He offered his agreement with providing incentives and suggested that the state also inform employers about the federal incentives for hiring veterans, which is something that isn't well known or talked about.

MR. KAISER stated that apprenticeship and how it relates to veterans is much more than just a job. It could very well be saving someone's life, he said. Giving someone hope in his or her next career and a direction for moving forward is invaluable "when the demons start crawling out of the closet." Apprenticeships would be a great thing for his children when they grow up, he continued, but he still wants to make sure there is support for the men and women coming out of the military and looking for their next careers, and apprenticeships could be the answer for doing that.

MR. KAISER said it doesn't matter whether something is defined as an apprenticeship, pre-apprenticeship, or internship so long as it is a progression into a career. For example, he noted, VIPER is launching an aviation maintenance program in May [2021]. It will provide 12 weeks of general aviation and after that the individual can choose to go to accredited school or go to work for an employer that has an internal apprenticeship. He

stated that HB 132 will help get more programs like that going with employers and will open more opportunities.

8:33:24 PM

REPRESENTATIVE NELSON complimented the VIPER program. He asked whether the federal incentives for apprenticeships were only for former military members or also included others.

MR. KAISER replied that he was referring to the federal tax incentives for the employment of veterans, and that if the state notifies employers of state incentives for creating an apprenticeship program it should also notify them of the federal incentives for veterans.

8:34:25 PM

JEFF LIBBY, Director, Center of Strategic Partnership and Research (CaSPR); Director, Applied Environmental Research Center (AERC), University of Alaska Anchorage (UAA), noted that he previously served as the Associate Dean for the Community and Technical College at UAA. He thanked the co-chairs for inviting him to provide testimony on HB 132, which would promote apprenticeship opportunities in Alaska. He said he is here today to tell members about the work the University of Alaska Anchorage has been doing to support this national initiative for workforce development and helping to put Alaskans back to work, especially after the pandemic.

MR. LIBBY specified that both the University of Alaska Anchorage and University of Alaska Fairbanks have associate degree programs that provide avenues for anyone who completed a registered apprenticeship to transfer related technical instruction from his or her apprenticeship into college credit within the University of Alaska system. For example, he explained, an individual completing an 8,000-hour apprenticeship can transfer his or her completed apprenticeship training hours and have that qualify for up to 38 university or college credits toward an Associate of Applied Science (AAS) degree in apprenticeship technologies at either UAA or UAF. The remaining credits to complete these associate degrees can be completed 100 percent through distance delivery classes. The best part, he continued, is that these degrees are part of what has been traditionally known as a "two-plus-two degree program." This means that all previously awarded college credits and training hours for an individual's apprenticeship can be transferred into a bachelor's degree in Applied Leadership at the University of

Alaska Anchorage. This degree can also be completed 100 percent online, which allows anyone in Alaska who has completed a registered apprenticeship an opportunity to complete an associate degree and a bachelor's degree regardless of where they live in the state.

MR. LIBBY provided a brief history. He related that this was originally started with UAA's Community and Technical College that partnered with a local auto group in Anchorage to develop the first apprenticeship for automotive service and repair technicians. It was anticipated that existing students in the college's automotive technology program would enroll in this opportunity, which they did. But, not expected, was enrollment by employees from the organization into UAA's program because of the opportunity it provided for their career growth. As word spread through the program's advisory board, he said, other car dealerships and independent service and repair facilities throughout Alaska wanted to be a part of this apprenticeship opportunity. So, UAA applied to be a sponsor for multi occupational apprenticeships with the U.S. Department of Labor. This sponsorship allows UAA to send students to any employer and the university system provides the related technical instruction for the employer, and it can be in any occupation.

MR. LIBBY stated that after becoming a sponsor for multi occupational apprenticeships, UAA decided to transfer the sponsorship from the Community and Technical College to the Center of Strategic Partnership and Research, which lies under the Business Enterprise Institute. This allows for expansion across the colleges and the entire University of Alaska system to identify other opportunities for apprenticeship to help fill our workforce gaps. He said UAA has been collaborating with the American Association for Community Colleges and was awarded external funding to support apprentices in Alaska and increase these opportunities. Today UAA is working with the Alaska Department of Labor and Workforce Development in this national initiative for expanding community college apprenticeships that is sponsored by the U.S. Department of Labor and the American Association for Community Colleges. Currently, more than 300 universities and colleges are participating in this initiative.

MR. LIBBY opined that the term apprenticeship is not well defined. When the term apprenticeship is used, he said, it is often associated with traditional skills and technical trades, but today almost half of the nation's apprentices are working in the health care industry. He related that UAA has partnered with the Alaska Primary Care Association and is working with

UAA's College of Health to continue to expand this initiative and help put Alaskans to work. Also, he noted, the university has developed an apprenticeship program for diesel mechanics, and some of the related technical instruction is offered as articulated credit and dual enrollment for high school students throughout the state to help jumpstart careers. Mr. Libby further noted that UAA is currently developing an apprenticeship in research for both graduate and undergraduate students to work in fields related to climate change, fisheries research, and other wildlife and environmental fields. This will be the first of its kind, he said, and several universities in the Lower 48 are interested in modeling the platform being designed by UAA. It will help University of Alaska students across the board gain field and hands-on experience in research.

[8:39:54 PM](#)

REPRESENTATIVE MCCARTY asked whether there are kids in the middle college who are doing the program at UAA.

MR. LIBBY replied that a couple initiatives are underway at this point, one of them being information technology (IT). He said dual enrollment opportunities for high school students are the big thing offered by the university. At this point, he continued, the university doesn't have anything with middle school, middle college, opportunities, which has been an initiative for a while. He pointed out that students who want to participate in apprenticeship could get articulated credit or dual enrollment credits at the high school level and then transfer in to expedite their careers in Alaska's economy.

REPRESENTATIVE MCCARTY inquired whether dual enrollment means high school credit plus college credit.

MR. LIBBY answered that those students taking a course that has articulated credit or that is qualified as dual enrollment would be receiving college credit at the high school level. For example, UA's automotive, diesel, computer networking and systems technology, and several other programs all have articulated, or dual enrollment, courses offered at the high school level, so students are gaining college credit while they are at the high school level.

[8:41:38 PM](#)

REPRESENTATIVE KAUFMAN commented that most committee members probably agree that apprenticeship programs and vocational and

technical training is good. He observed that the bill has requirements for schools as well as other requirements, yet the fiscal note is zero. He said cost is a big question for him, so he would like to hear more about the cost as the committee discusses the bill further.

CO-CHAIR FIELDS responded that DLWD has a strong network of apprenticeship specialists. He said the bill language directs DEED to collaborate with DLWD, and he would defer to Commissioner Johnson [of DEED] to explain how he would envision implementing that and obviously it might change. He explained that the resources the state would be taking advantage of are federal resources. Co-Chair Fields recounted that when he worked at DLWD he applied for federal grants in partnership with many great people, and they were lucky enough to receive them and it helped jumpstart programs like APCA. He said [DLWD] sort of positioned itself to benefit from federal funds and the opportunity today is to build on past achievements. Regarding the state's history on apprenticeships, he related that much of the foundational work goes back to when Click Bishop was the DLWD commissioner and Governor Palin was governor. While at DLWD, he continued, he felt the department was building on what they did then, and the investment and support for apprenticeship has continued under this administration. He said HB 132 looks at what is next, which is these linkages with schools and the connections to college credit. There is more federal money coming down the line and if there is collaboration with DEED and collaboration continues with the university, [the state] will be very well positioned to capitalize on that. Co-Chair Fields further related that district level CTE coordinators have said the districts need people to make connections with employers so that there are more school-to-apprenticeship programs for existing apprenticeship sponsors and for employers that are looking for workforce but don't yet have an apprenticeship program, and he would like to see federal dollars support this. He agreed that paying those folks would absolutely take money and said that would be a role that federal money could play. He concluded by stating that DLWD already has good infrastructure and the department of labor at the federal level already has good infrastructure, [and HB 132 would] increase coordination with DEED to position [the state] to capitalize on federal grants.

CO-CHAIR SPOHNHOLZ suggested this be taken up further when the committee hears the bill again later this week.

[8:44:52 PM](#)

REPRESENTATIVE MCCARTY recalled Co-Chair Fields asking whether HB 108 should stay part of HB 132 and said that 75-80 percent of HB 108 is in HB 132. He noted today's testimony was primarily about people older than 18. But, he continued, HB 108 is for high school students to get into the trades and be recognized that they have certifications to make them employable right away and more viable to the workforce within a short period of time. He said he therefore desires that all the language from HB 108 be removed from HB 132.

CO-CHAIR SPOHNHOLZ stated she thinks part of that is because most of today's testifiers were talking about existing programs. She concurred it is a fair point that the committee didn't hear very much today about high school level apprenticeship or pre-apprenticeship. She said the concerns of Representative McCarty would be taken up when the committee again hears the bill. She further surmised that Co-Chair Fields would follow up with Representative McCarty as well.

CO-CHAIR SPOHNHOLZ announced that HB 132 was held over.

HB 45-WORKERS' COMP. AND CONTAGIOUS DISEASES

[8:46:43 PM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 45, "An Act relating to presumption of compensability for workers' compensation claims related to contagious diseases; and providing for an effective date."

[8:47:19 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, as prime sponsor of HB 45, provided a refresher about the bill's provisions. He stated that the bill's origins stem from the COVID crisis and Amendment 5 [on the House floor] to [Senate] Bill 241. He said the provision of [Senate] Bill 241 being spoken about here was in effect until 11/15/2020. It offered, some might say, generous incentives to first responders to report to work as they normally would, and that only in times of a disaster declaration there would be a strong presumption that if they came down with the disease, in this case SARS COVID-19, it would be covered by workers compensation. He said HB 45 is in some respects less generous than Amendment 5 in that it does allow for a rebuttable position to be taken by the employer upon clear and convincing evidence that the employee did not in fact

contract the disease at work, but still there is the presumption of compensability. Also, he noted, HB 45 expands the class of workers, principally in the area of grocery store employees and teachers in childcare facilities.

8:49:22 PM

ELISE SORUM-BIRK, Staff, Representative Andy Josephson, Alaska State Legislature, on behalf of Representative Josephson, sponsor of HB 45, reviewed a memorandum written on the representative's letterhead providing answers to the questions that were posed by committee members during the bill's [first hearing on 3/5/21]. Regarding the question about the definition of grocery store, she stated that it is the only statutory definition of grocery store in Alaska statute. She advised that a new, more inclusive definition could be drafted by Legislative Legal Services if the committee saw fit. Regarding Representative McCarty's question about whether an emergency could be statewide, regional, or local in nature, she said it can be any of those as per AS 26.23.020(c) of "the Disaster Act," which outlines how a governor goes about declaring a disaster emergency and that the governor must "indicate the threatened or affected area".

MS. SORUM-BIRK related that the sponsor was asked to supply the statutory definitions of disaster and the section for how the governor can declare disaster emergencies. She said there are separate sections in the Disaster Act, and the one referenced in HB 45 is the governor's power to declare a disaster emergency. [The Disaster Act], she continued, includes a definitions section that has several definitions of disaster. The definition in AS 26.23.900(2)(E) is an outbreak of disease or a credible threat of an imminent outbreak of disease that the commissioner of the Department of Health and Social Services, or a designee of the commissioner, [certifies to the governor]. The list of things that can be considered a disaster emergency is very long, she noted.

MS. SORUM-BIRK addressed Representative Kaufman's question about whether an employer might be opened to liability by having one of its employees receive workers' compensation. The sponsor's answer, she said, is that under Alaska statute, workers' compensation files and medical records are kept confidential and are not considered public records. If something becomes an issue of litigation, those records might be released and become more public. Regarding Representative Kaufman's concern that employers might discriminate against employees in high-risk

categories, she cited a publication by the Equal Employment Opportunities Commission (EEOC) that was originally published during the H1N1 pandemic of 2009 and which the EEOC updated for COVID. She informed the committee that the short answer is no but added that it is more complicated than that. Bringing attention to page 3, she explained that if something raises to a certain level of threat the employer can then ask for certain things to be revealed that weren't able to be revealed otherwise, which is why it isn't a straight no.

[8:54:42 PM](#)

MS. SORUM-BIRK discussed Representative Kaufman's inquiry as to shared costs to the business communities. She drew attention to the analysis of HB 45 by the National Council on Compensation Insurance (NCCI) that modeled infection rate scenarios of 5, 15, and 25 percent, and used a mortality rate of 0.5 percent. Given Alaska's real infection rate at the end of December [2020] was about 5.9 percent and the mortality rate was 0.4 percent, she said the model for a 5 percent cost scenario is probably the most accurate for Alaska. There are different caveats, and it isn't a perfect fit into the model, she continued, but the NCCI's estimate for a 5 percent infection rate was \$2 million in overall workers' compensation costs.

MS. SORUM-BIRK examined the implications for paid sick leave and how that might interact with the workers' compensation system, which was another question brought up by Representative Kaufman. She related that directors Scott Jordan and Charles Collins both explained to her that since workers' compensation is designed really to be an exclusive remedy, the first money out is payment for workers' compensation. She said workers' compensation is based on 80 percent of a worker's average weekly wage when a worker is out. She noted that, interestingly, the State of Alaska calculates what the remaining 20 percent would be so that the employee is made whole. Using that 20 percent from [a state employee's] leave allows [a state employee] to stay current with benefits. She added that other employers might do it slightly differently than does the state.

[8:56:53 PM](#)

CO-CHAIR SPOHNHOLZ remarked that the memorandum is very thorough in its detail and very useful.

MS. SORUM-BIRK spoke to Representative McCarty's request for more details on the data, costs, and number of claims in Alaska.

She said Director Collins followed up with some numbers via email, and while she wouldn't state them all, the number of COVID-related cases opened as of [3/12/21] was 2,483.

[8:57:51 PM](#)

REPRESENTATIVE NELSON inquired whether HB 45 is retroactive in covering previous iterations back in December.

MS. SORUM-BIRK replied that there are two effective dates, a retroactive date and an immediate date. Under the retroactive clause, she explained, anyone previously covered last spring by [Amendment 5 on the House floor to Senate Bill 241] would be covered retroactively to November 15 [2020]. She noted that this would be first responders and medical professionals who lost this incentive when the initial emergency declaration expired. For the new groups of employees, she said, there is an immediate effective date.

REPRESENTATIVE NELSON observed that the sponsor's statement says, "An employer could only rebut a claim by producing clear and convincing evidence that an employee infection was not work related." He asked what the sponsor would consider to be "clear and convincing evidence." For instance, whether the sponsor would consider an example to be a Facebook post of the person partying without a mask.

MS. SORUM-BIRK deferred to the sponsor to speak to evidentiary standards.

REPRESENTATIVE JOSEPHSON confirmed it could indeed be something like a Facebook post. He explained that if a claim were to get very expensive, an employer may want to depose people to find out where the claimant could have contracted the disease other than the place of employment. For example, in Anchorage, patients brought to the hospital by paramedics are tested for COVID, thereby tracing it in most circumstances. According to the attorney he spoke with at the Municipality of Anchorage who is mitigating some of the other ones, they can trace it to the patient and then the assumption is made, and the claim is paid, that the paramedic delivering the patient to the hospital contracted it from the patient. There are other cases, he continued, where the narrow language in Senate Bill 241, which isn't exactly mirrored in HB 45, is being challenged and so the lawyers are battling in those cases. He deferred to Director Collins to provide further detail.

REPRESENTATIVE NELSON posed a hypothetical scenario of a store worker who doesn't get infected at the store but goes home to someone who is asymptomatic and unknowingly spreading the infection. He asked whether that would technically fall under workers' compensation under HB 45.

REPRESENTATIVE JOSEPHSON answered that in this scenario there is a chance that the employee would receive benefits. He said the benefits would be limited in that there must first be a declared disaster of infectious disease, and typically the extent of that disaster is going to be 30 days unless the legislature extends it. This benefit is important, but it is constrained, he said. Typically, it will not be utilized because it won't be available on the facts before (indisc. - rustling of microphone).

REPRESENTATIVE NELSON said that while he doesn't like to play the "what if" game, it is also good to game play to find out whether this would count for someone who isn't infected at the grocery store but rather at home.

CO-CHAIR SPOHNHOLZ announced that Director Charles Collins is online and could address Representative Nelson's question about clear and convincing evidence.

[9:03:13 PM](#)

CHARLES COLLINS, Director, Division of Workers' Compensation, Department of Labor and Workforce Development (DLWD), responded that the question is somewhat complicated. He explained that if the employer decided there was a possibility the disease was contracted outside the course of normal business, the employer could controvert it and have a hearing before an industry of labor and hearing officer panel, at which the employee and the employer would bring their evidence. He said it is a very complicated question in that three people in an adjudication setting must be convinced of the merits of [the employer's] case, just as with every injury in workers' compensation where a "controversion" comes into play.

REPRESENTATIVE NELSON asked whether he could talk off-line with Director Collins to get more background information.

MR. COLLINS replied yes, he is always available to assist.

[9:04:52 PM](#)

REPRESENTATIVE KAUFMAN inquired about how responsibility is assigned. He stated that in the previous example of emergency medical technicians (EMTs) and a COVID positive patient, the EMTs are wearing protective equipment and are in a controlled circumstance. It sounds like it would be assumed the EMTs caught it at work, he said, when they may have caught it while out at the bars the night before. He asked whether, in a situation of there being a COVID positive person where someone works, it would be assumed the worker caught it at work.

REPRESENTATIVE JOSEPHSON replied that under Alaska's current workers' compensation statutes without HB 45, a person can try to make a claim that he or she contracted an infectious disease by exposure at the workplace. He said it is more challenging than it would be under HB 45 because the worker must prove that the conditions of his or her employment are substantially different from the ambient background that everyone lives in and therefore the worker is susceptible to contracting the disease at that place of employment. For example, he continued, according to documents in the committee packet presented by Ms. Sorum-Birk, it is now common knowledge that more police officers have died from COVID exposure than any other disease they've suffered from or being shot, and it is known that this is certainly true in the medical community. It is also known that personal protective equipment (PPE) and other barriers and safety precautions may be insufficient.

REPRESENTATIVE JOSEPHSON continued his answer. He stated that part of this is a policy call - wanting people to go to work without fear to save [the public's] loved ones - so the bill tries to identify who are the essential workers and offer them this protection. He recalled last week's testimony by Mr. Collins that only \$850,000 had been spent and noted that it has now just eclipsed \$1 million based on the data provided by Ms. Sorum-Birk. However, he pointed out, this is spread over 730,000 Alaskans and, if he is remembering correctly, only 1 in 12 people who have contracted COVID in Alaska are believed to have gotten it at work. He further said that that 1 in 12 would include a librarian who would not be an essential worker, and so HB 45 limits the group. Additionally, he continued, many of the people who filed claims simply went to get a COVID test and were told they're negative, and this is a workers' compensation claim. To be really understood, he added, the numbers must be investigated and peeled back.

[9:08:52 PM](#)

CO-CHAIR SPOHNHOLZ [opened public testimony on HB 45.]

9:09:14 PM

JAKE METCALFE, Executive Director, Local 52, Alaska State Employees Association (ASEA), testified in support of HB 45. He noted that ASEA, Local 52, represents approximately 8,000 hard-working public employees who deliver the critical services that Alaskans rely upon every day. He pointed out that last year, essential workers, including ASEA's members, were asked to put themselves and their families at risk to keep Alaska running by ensuring critical services continued. Public employees are asked to rise above and go beyond to keep the lights on, keep the roads cleared, ensure public water is clean and safe, and that children and families in need are cared for. This year was no different, the pandemic caught everyone off-guard, he continued. Organizations across the country realized that pandemic preparedness was not in many people's rule book and the State of Alaska was no exception. As organizations and governments worked hard to respond to the novel coronavirus pandemic, the essential workers never stopped working.

MR. METCALFE stated that the pandemic Alaskans stumbled through revealed numerous gaps in the safety net cast for Alaska's working people. He said HB 45 would help fill one of the holes in Alaska's safety net by providing a remedy for frontline workers and their families if they contract a pandemic disease. Several ASEA's members, especially those working in corrections and 24-hour facilities like the Pioneer Home and McLaughlin Youth Center, have personal stories they can share about their working conditions and exposures to the virus. These dedicated Alaskans, he stressed, are being asked to take major risk to keep Alaska running. He requested that legislators think about those workers and pass this important bill so that those risks are met with some relief for the worker and the worker's family.

MR. METCALFE further specified that HB 45 is critical in ensuring that Alaska is taking care of the essential workers who are taking care of Alaskans. This bill, he added, is just one step that will fill a gap that became too wide and too consuming as essential workers fell ill with little to no relief. Families should not be forced to choose between their health and safety and earning a living. While HB 45 can't protect dedicated essential employees against contracting the disease, it will offer them relief they will need if they do suffer from a pandemic illness. He urged that HB 45 be passed.

[9:12:45 PM](#)

CO-CHAIR SPOHNHOLZ thanked the members of ASEA who routinely work in tough conditions, especially this year given there were COVID outbreaks in several of Alaska's prisons. She noted that ASEA members also kept Pioneer Home residents safe.

[9:13:07 PM](#)

CO-CHAIR SPOHNHOLZ retroactively opened public testimony.

[9:13:17 PM](#)

CHARLES STEWART, Chair, Local 52 Probation and Parole Officers, Alaska State Employees Association (ASEA), testified in support of HB 45. He stated he is before the committee in support of HB 45 using his own personal experience with a contagious disease - COVID. He said he tested positive for COVID at the end of December and was exposed at work. He knows this, he continued, because he was so afraid of getting COVID, given his age and health issues, that he only went to work and home every day. His girlfriend worked from home and did not leave their house for the same reasons. They ordered all their food from the grocery store and had it delivered to their home.

MR. STEWART stated that all peace officers, firefighters, EMTs, and paramedics experience possible exposure to contagious diseases daily in their types of employment and working conditions, and they never know what they will walk into each day. He stated that HB 45 would support these workers and give them some peace of mind that they would not have to worry about all the other personal leave for medical reasons in case there is another health issue in the future.

CO-CHAIR SPOHNHOLZ thanked Mr. Stewart for his testimony and his work.

[9:15:11 PM](#)

PAUL MIRANDA, President, Alaska Professional Firefighters, testified in support of HB 45. He stated he is an engineer paramedic with the Anchorage Fire Department at Station 14 in northeast Alaska. He thanked the committee for working on this important issue and related that this issue is important to all the men and women in Alaska who serve their communities as first responders and frontline essential workers. On behalf of the

500 members of Alaska Professional Firefighters, he offered strong support for HB 45.

MR. MIRANDA pointed out that firefighters and emergency medical services (EMS) personnel place themselves in harm's way when caring for patients in uncontrolled environments, such as a patient's home or the back of an ambulance. He said these professionals are not afforded the opportunity to work in a controlled environment with properly ventilated rooms and other protective measures. First responders, along with other frontline essential workers, are at much higher risk of exposure to contagious disease due to the nature of the work, and therefore are much more likely to contract certain illnesses through the course of their work than individuals in other career fields.

MR. MIRANDA recounted that at the beginning of the COVID-19 pandemic many [fire] departments in Alaska struggled to obtain adequate levels of PPE to sufficiently protect their first responders, putting them at further risk of exposure to the [COVID] virus. Due to the nature of emerging infectious disease outbreaks or pandemics, he continued, there are many unknowns at the beginning until scientists have time to figure out the nature and characteristics of disease transmission.

MR. MIRANDA noted that while it can be difficult to pinpoint exactly where an exposure to an illness came from, it is known that Alaska's first responders and essential workers are out on the frontlines being potentially exposed each time they go to work. He related that first responders take an oath to protect life, property, and the environment throughout their career. He said it is critical that Alaska's first responders and frontline essential workers know they are protected and that the state will have their backs so they can focus squarely on the oath they promised to keep. He reiterated that the Alaska Professional Firefighters strongly supports HB 45. He urged the committee to support the bill as well.

CO-CHAIR SPOHNHOLZ thanked Mr. Miranda for his testimony and thanked the members of Alaska Professional Firefighters for their work.

[9:18:01 PM](#)

REPRESENTATIVE KAUFMAN surmised the aforementioned firefighters have sick leave.

MR. MIRANDA replied that's correct.

REPRESENTATIVE KAUFMAN asked what the driving need is for HB 45 if someone is already covered by sick leave.

MR. MIRANDA explained the notion is that if someone contracts a disease such as [COVID] through the course of their employment, the individual should not be burdened with using his or her own sick leave if they have it. It should be covered by the employer, he continued, if the individual contracts the disease during his or her course of normal duties.

REPRESENTATIVE KAUFMAN stated that a person may not want to use his or her sick leave [for COVID], but that's what it's for. He said he still isn't convinced when someone is covered by sick leave. He stated that when he has gotten sick with a typical cold or flu, most of the time he probably caught it at work.

REPRESENTATIVE JOSEPHSON responded that this is a pandemic where the lucky ones are asymptomatic or only affected for 3-5 days, while others are on ventilators or at the hospital. He said the three basic things [in HB 45] are that the employee would need to use his or her sick leave, the employee would have full medical rather than be subject to deductibles and co-pays, and the employee would receive a spendable weekly wage, which doesn't often amount to much, but the employee would get something rather than no weekly wage. He further noted that for an employee who is a "long-hauler" and sick for months and months, it's meaningful to have that rather than to have a sick leave bank that is expired.

[9:21:25 PM](#)

REPRESENTATIVE NELSON recalled previous statements about it being difficult to pinpoint whether the infection came from work or elsewhere. He said that is where he has a quandary.

CO-CHAIR SPOHNHOLZ requested Mr. Collins to speak to the process for determining whether there is employer responsibility.

MR. COLLINS explained that as with any workplace injury the employee has the responsibility of turning in his or her paperwork and the employer always has the rebuttable evidence to bring forth as to whether [the injury did happen at work]. A disease might not be quite as straight forward as a slip and fall, he continued, but there certainly is the possibility that it could be rebutted. The employer could controvert or deny the

claim and the employee would then be forced to go to a hearing to prove his or her case.

[9:23:22 PM](#)

REPRESENTATIVE MCCARTY recounted that while doing graduate work he drove an ambulance in Los Angeles. It was during the start of the AIDS epidemic, so he was dealing with bloodborne pathogens and fluids. But, he continued, airborne pathogens are being talked about here. He asked Mr. Miranda whether in this industry it is correct that there are always airborne pathogens.

MR. MIRANDA answered that's correct.

REPRESENTATIVE MCCARTY asked how Mr. Miranda and the industry differentiate whether someone's illness from airborne pathogens was acquired on the job or not.

MR. MIRANDA responded that he thinks the nature of this pandemic has opened people's eyes to some of those things. [Paramedics] have personal protective equipment for respiratory protection that are now being worn in most of the departments in Anchorage during every interaction with patients. As far as differentiating previously, he said he thinks it was a little easier to trace because it wasn't in the middle of a global pandemic. When [a paramedic] took someone to the hospital with a respiratory illness, the hospital followed up, and that exposure could be easily traced to the workplace, whereas COVID-19 is different.

REPRESENTATIVE MCCARTY posed a scenario in which an employer is doing due diligence to make sure the workplace is safe, such as having masks and protective equipment. He asked at what point does it become an infraction or a claim to the employer.

MR. COLLINS replied that that is an extremely good question for which there probably is not a definitive answer. He said firefighters already have a presumption of coverage for certain diseases under AS 23.30.121, which speaks directly to that and is a bit of a carveout. He explained that for certain carcinogenic airborne particles that may cause certain lung diseases, firefighters have a presumption that allows them greater access to workers' compensation than, say, a construction worker who burns things all day long and is exposed to the same materials but would not be covered because it is a much steeper incline for that construction worker to prove that it's a workplace injury. He stated that moving the needle of

the presumption opens the gate a little bit wider to what is a workplace injury, whether it is an airborne disease, blood-based pathogen, or something else. That is a discussion for the committee to have, he said. He offered his opinion that he thinks extreme care must be taken about how wide that floodgate is opened.

[9:28:31 PM](#)

MR. MIRANDA returned to the initial question asked of him by Representative Kaufman. He said Representative Josephson's answer to that question was very accurate - this is not necessarily just for those folks who might have minor symptoms and miss a couple days of work. For example, he related, one of the firefighters contracted COVID while at work at a busy station, it was well documented, it was at the beginning of the pandemic when this person responded to many COVID positive patients, and this person is having long-term significant symptoms from COVID. He said that speaks to the need for this bill specifically and these pandemic situations that can have long lasting effects on employees.

[9:29:57 PM](#)

CO-CHAIR SPOHNHOLZ, after ascertaining there was no one else who wished to testify, closed public testimony on HB 45.

[9:30:10 PM](#)

REPRESENTATIVE SNYDER moved to adopt Amendment 1 to HB 45, labeled 32-LS0304\B.3, Marx, 3/13/21, which read:

Page 2, following line 14:

Insert a new subparagraph to read:

"(I) employee of a farmer's market;
(J) employee of a vendor who sells products directly to consumers at a farmer's market;"

Reletter the following subparagraph accordingly.

Page 2, line 17:

Delete "(A) - (H)"

Insert "(A) - (J)"

Page 2, following line 23:

Insert a new paragraph to read:

"(4) "farmer's market" means a seasonal market

(A) operated under the sponsorship of a community organization; and

(B) the main purpose of which is to provide an opportunity for producers to sell agricultural products directly to consumers;"

Renumber the following paragraphs accordingly.

9:30:19 PM

REPRESENTATIVE NELSON objected for purposes of discussion.

REPRESENTATIVE SNYDER explained Amendment 1 would add "employee of a farmer's market" and "employee of a vendor who sells" at a farmer's market. She said the amendment uses the Alaska Administrative Code's existing definition for farmer's markets. She stated that adding these occupations to the list originally covered in HB 45 on page 2 is in line with the rationale for including grocery store workers, which is to ensure that peace of mind is provided to those Alaskans who are essential workers making sure the public has access to food in the time of a pandemic. Farmer's markets, she noted, are an increasingly important venue for food procurement in Alaska. They were thrust into the pandemic response conversation this past year when they weren't initially included in the list of operations permitted to be open during the temporary lockdown in Anchorage. After discussions with local leadership and with food-focused stakeholder groups, the importance of farmer's markets to food access and to local economies including Alaskan farmers and food vendors was recognized and farmer's markets was added to the list of operations that should stay open. She said Amendment 1 seeks to make sure farmer's market workers delivering the same important services as grocery store workers are protected.

9:31:53 PM

REPRESENTATIVE NELSON spoke to his objection. He said he knows farmer's markets are prevalent, especially in east Anchorage. He recalled earlier statements about the importance of keeping people covered for what they must do and if they have contact with COVID. But, he continued, a warning was given of not casting this net too wide. He stated that including an employee of a farmer's market and an employee of a vendor who sells at a farmer's market is too wide and he is uncomfortable with it.

[9:33:04 PM](#)

REPRESENTATIVE KAUFMAN stated he is struggling with the scope and potential impacts of the bill, and Amendment 1 is a nuance of a bigger picture about which he is concerned. He said HB 45 allows to whom the bill applies to be defined in the future by a commissioner, so there is no real scope of applicability. Getting Amendment 1 in the bill would be one thing, he continued, but it wouldn't solve his concerns of greater potential in the future of how this could be defined outward.

CO-CHAIR SPOHNHOLZ inquired whether Representative Kaufman was saying Amendment 1 dramatically expands the applicability in the bill. She said she is not reading the amendment that way.

REPRESENTATIVE KAUFMAN replied not [Amendment 1], but said the amendment doesn't address his concern.

CO-CHAIR SPOHNHOLZ offered her understanding that Representative Kaufman has concerns with the underlying bill, not necessarily the amendment.

REPRESENTATIVE KAUFMAN clarified that the amendment doesn't go far enough in respect to his concern.

[9:34:21 PM](#)

REPRESENTATIVE SNYDER offered her appreciation for there still being questions and further discussions on HB 45. She said Amendment 1 simply looks at the occupations covered, and if the committee is interested in protecting essential workers who are ensuring the public has access to food resources in the time of a pandemic during a disaster declaration, then it is an easy connection that these employees are just as important as grocery store workers.

CO-CHAIR SPOHNHOLZ stated that unique about farmer's markets and those who sell produce at markets are that they can only operate during a very limited time frame. It's an attempt to ensure Alaska's farmers have a market for their produce and Alaskans have access to fresh produce, which Alaskans have not always had. If this can help keep Alaska's farmer's markets open and people working during that timeframe, it is a positive thing.

REPRESENTATIVE KAUFMAN said he loves Alaska's farmer's markets and noted that they are held outdoors, so the inherent risk is a bit lower for some but not all.

REPRESENTATIVE SNYDER agreed with some but not all. She pointed out that some markets are in partially enclosed pavilions.

CO-CHAIR SPOHNHOLZ stated that the objection to Amendment 1 is maintained.

[9:36:09 PM](#)

A roll call vote was taken. Representatives Schrage, Snyder, Fields, and Spohnholz voted in favor of Amendment 1. Representatives Nelson, Kaufman, and McCarty voted against it. Therefore, Amendment 1 was adopted by a vote of 4-3.

[9:36:56 PM](#)

CO-CHAIR SPOHNHOLZ explained that final action on the bill cannot be taken without Co-Chair Fields being [physically] present; therefore, the committee would take up the bill again on [3/17/21].

CO-CHAIR SPOHNHOLZ announced that HB 45, [as amended] was held over.

CONFIRMATION HEARING(S) :
Alaska Workers' Compensation Board
Board of Chiropractic Examiners

[9:37:17 PM](#)

CO-CHAIR SPOHNHOLZ announced that the final order of business would be the confirmation hearings on governor's appointees to various boards and commissions.

[9:37:27 PM](#)

CO-CHAIR SPOHNHOLZ stated that the House Labor and Commerce Standing Committee has reviewed the qualifications of the governor's appointees and recommends the following names be forwarded to a joint session of the legislature for consideration: Bronson Frye and Christina Gilbert, appointees to the Alaska Workers Compensation Board; and Brian Larson, appointee to the Board of Chiropractic Examiners. She reminded the committee that [signing the reports regarding appointments to boards and commissions] does not reflect any intent on the part of committee members to vote for or against these

individuals; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[9:38:32 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 9:38 p.m.