

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

April 28, 2021

3:24 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
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 JOINT RESOLUTION NO. 19

Supporting widespread infrastructure investment in the state.

- HEARD & HELD

HOUSE BILL NO. 149

"An Act relating to allowing certain child day care providers to organize for the purpose of collective bargaining."

- MOVED HB 149 OUT OF COMMITTEE

HOUSE BILL NO. 146

"An Act relating to disclosure of information regarding employee compensation by employers, employees, and applicants for employment; establishing the fund for protection of compensation disclosure rights; and providing for an effective date."

- MOVED CSHB 146(L&C) OUT OF COMMITTEE

CONFIRMATION HEARING(S):

Board of Direct Entry Midwives

Tanya Kirk - Anchorage

- CONFIRMATION(S) ADVANCED

Marijuana Control Board

Casey Dschaak - Dillingham

- CONFIRMATION(S) ADVANCED

Occupational Safety and Health Review Board

Vincent Perez - Wasilla

- CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: HB 149

SHORT TITLE: CHILD CARE PROVIDER COLLECTIVE BARGAINING

SPONSOR(s): FIELDS

03/24/21	(H)	READ THE FIRST TIME - REFERRALS
03/24/21	(H)	L&C, STA
04/02/21	(H)	L&C AT 8:00 AM GRUENBERG 120
04/02/21	(H)	<Bill Hearing Canceled>
04/05/21	(H)	L&C AT 3:15 PM BARNES 124
04/05/21	(H)	Heard & Held
04/05/21	(H)	MINUTES(L&C)
04/16/21	(H)	L&C AT 8:00 AM GRUENBERG 120
04/16/21	(H)	Heard & Held
04/16/21	(H)	MINUTES(L&C)
04/28/21	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 146

SHORT TITLE: DISCLOSURE OF WAGE INFORMATION

SPONSOR(s): SNYDER

03/24/21	(H)	READ THE FIRST TIME - REFERRALS
03/24/21	(H)	L&C, JUD, FIN
04/05/21	(H)	L&C AT 3:15 PM BARNES 124
04/05/21	(H)	<Bill Hearing Canceled>
04/09/21	(H)	L&C AT 8:00 AM GRUENBERG 120
04/09/21	(H)	<Bill Hearing Canceled>
04/16/21	(H)	JUD REFERRAL REMOVED
04/16/21	(H)	BILL REPRINTED
04/23/21	(H)	L&C AT 8:00 AM GRUENBERG 120
04/23/21	(H)	Heard & Held
04/23/21	(H)	MINUTES(L&C)
04/28/21	(H)	L&C AT 3:15 PM BARNES 124

BILL: HJR 19

SHORT TITLE: SUPPORTING INVESTMENT IN INFRASTRUCTURE

SPONSOR(s): LABOR & COMMERCE

04/28/21 (H) READ THE FIRST TIME - REFERRALS
04/28/21 (H) L&C
04/28/21 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

CHRISTINE O'CONNOR, Executive Director
Alaska Telecom Association
Anchorage, Alaska

POSITION STATEMENT: Testified and presented a PowerPoint in support of HJR 19.

CHRIS KOLEROK, Director of Policy and Government Affairs
Cook Inlet Housing Authority
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HJR 19.

CRYSTAL ENKVIST, Executive Director
Alaska Power Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HJR 19.

JIM JAGER, Director
Business Continuity and External Affairs
Port of Alaska at Anchorage
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified and presented a PowerPoint in support of HJR 19.

ALICE SIIRA, Executive Director
Associated General Contractors
Anchorage, Alaska

POSITION STATEMENT: Testified and presented a PowerPoint in support of HJR 19.

NOLAN KLOUDA, Executive Director
Center for Economic Development
University of Alaska
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint during the hearing on HB 149.

KIM HAYS, Political Director
American Federation of Labor - Congress of Industrial
Organizations
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 146.

JOE DUNHAM, Chief Investigator
Wage and Hour Administration
Division of Labor Standards and Safety
Department of Labor and Workforce Development
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 146.

ACTION NARRATIVE

[3:24:51 PM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 3:24 p.m. Representatives Spohnholz, Snyder, Fields, and Schrage were present at the call to order. Representatives Kaufman, McCarty, and Nelson arrived as the meeting was in progress.

The committee took a brief at-ease at 3:26 p.m. [During the at-ease, Co-Chair Spohnholz passed the gavel to Co-Chair Fields.]

HJR 19-SUPPORTING INVESTMENT IN INFRASTRUCTURE

[3:26:44 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 19, "Supporting widespread infrastructure investment in the state."

[3:26:52 PM](#)

CO-CHAIR SPOHNHOLZ introduced HJR 19 on behalf of the House Labor and Commerce Standing Committee, prime sponsor. She said that Alaska's infrastructure has been neither built nor maintained due to low capital budgets over the past six years. She pointed out that the average state unrestricted general fund capital budget between fiscal year 2016 (FY 16) and FY 21 was \$123 million; the modest investments, she pointed out, have largely existed for the sake of federal highway matching. She said that the Alaska Municipal League (AML) testified during the

April 14, 2021, meeting of the House Labor and Commerce Standing Committee that Alaska has a \$22 billion infrastructure deficit, with deferred maintenance for state facilities totaling \$2 billion for the University of Alaska totaling \$1.3 billion. She said that Alaska's infrastructure has received a rating of "C-" from the American Society for Civil Engineers, Alaska Chapter, with marine highways, ports and harbors, water, and wastewater all receiving a "D" rating due to lack of maintenance and construction. The marine highway system needs a massive infusion of capital, she said, and rural airports across the state have identified hundreds of capital project needs. The Port of Alaska at Anchorage, which supports \$14 billion in commercial activity, needs significant investment to ensure that it will be safe in the future. She noted that this issue is of particular importance because Alaska has only three days' worth of food at any given time.

CO-CHAIR SPOHNHOLZ said more than 16,000 affordable homes are needed at a cost of \$7 billion, and in 2019 the Alaska Broadband Task Force identified broadband infrastructure as critical to meeting the need for innovation, commerce, education, and health care. Renewable energy in Alaska is critical to reducing energy costs, she said, particularly for rural Alaskans; proven technologies such as hydropower and wind power already power several areas of Alaska. She pointed out that the governor understands the need for more renewable energy and has introduced HB 170, which would establish a "green bank." She said he also understands the need to address infrastructure and has proposed a general obligation bond to pay for capital needs. Congress is currently considering a bill that could bring "massive" capital infusion into Alaska's economy at a critical time, she said; HJR 19 would encourage Alaska's congressional delegation to aggressively pursue funding for Alaska's capital infrastructure needs. She noted the population loss due to net outmigration and the existence of 24,000 jobs in the construction industry, which deliver a middle class wage and are critical to the economy.

[3:31:25 PM](#)

CO-CHAIR FIELDS announced the committee would hear invited testimony on HJR 19.

[3:31:34 PM](#)

CHRISTINE O'CONNOR, Executive Director, Alaska Telecom Association, provided testimony and a PowerPoint presentation in

support of HJR 19 [hardcopy included in the committee packet]. She explained that it's useful to think of broadband networks in two sections: "last mile" and "middle mile." The last mile network, she explained, connects a house or school to the broadband provider; this piece can connect houses or businesses together but needs the middle mile section to connect to the Internet. Alaska's middle mile is a combination of technologies, she said, with thousands of miles of fiber allowing huge capacity and fast speeds. She said that when fiber can be built the system can provide nearly "future-proof" capabilities. Where building fiber isn't possible, she said, microwave networks enable delivery of high-speed broadband; where fiber or microwave isn't available, multiple geosynchronous satellites provide the connection to the world.

MS. O'CONNOR pointed out Alaska's uniqueness in the middle mile situation compared to the Lower 48, where people have nearly ubiquitous access to fiber-backed connections. She presented slide 7, "Middle Mile is Key - 2010," which displayed a map of the middle mile network in 2010 showing undersea cables connecting Alaska to the Lower 48, along with a few microwave links; numerous black dots represent schools that were served solely by satellite. Slide 8, "Middle Mile is Key - 2020," showed the result of massive investment in middle mile connectivity including new infrastructure along the northern coast; expansion of microwave networks in Southwest, Northwest, and Southeast Alaska; new fiber running up the Dalton Highway; and new terrestrial and subsea links into Canada. She presented slide 9, "Last Mile Expansion," which read as follows [original punctuation provided]:

- } Over 50,000 locations upgraded/new broadband by ATA members since 2015

- } Projects:
 - } Alaska Communications
 - } Alaska Power & Telephone
 - } Copper Valley Telecom
 - } GCI

[3:35:24 PM](#)

MS. O'CONNOR presented slide 10, "New Middle Mile," which read as follows [original punctuation provided]:

- } Alaska Power & Telephone

- } Cordova Telecom
- } GCI
- } KPU Telecom
- } Matanuska Telephone Association
- } Nushagak Cooperative

MS. O'CONNOR shared further detail regarding slide 10. She said that Alaska Power & Telephone (AP&T) has constructed an undersea cable between Juneau, Haines, and Skagway, and is doubling the capacity of its microwave network between Juneau and Ketchikan; Cordova Telecom expanded its microwave network in Prince William Sound; GCI completed a multi-year upgrade at 42 microwave sites in Western Alaska to add more capacity; KPU Telecom completed Ketchikan One, the first undersea connection to Canada and connecting to their fiber; Matanuska Telephone Association (MTA) constructed the Al-Can One project, the first terrestrial connection from Alaska into Canada; and Nushagak Cooperative completed a major expansion of their microwave network in Dillingham. She noted that the MTA and KPU projects are providing new routes from Alaska to the Lower 48 which would expand both the capacity coming into the state and provide geographic diversity in case of emergency or disaster.

MS. O'CONNOR said that every time there's an opportunity to deploy more resources to improve networks, Alaska's broadband providers are doing so. She then presented slide 11, "ReConnect Round 1," which displayed the Cordova Telecom Cooperative logo and read as follows [original punctuation provided]:

- } Dec. 3, 2019 USDA awards Cordova Telecom \$18.9M grant to connect Yakutat

MS. O'CONNOR presented slide 12, "ReConnect Round 2," which displayed the AP&T logo and read as follows [original punctuation provided]:

- } October 12, 2020 USDA awards \$21.5M grant to Alaska Power & Telephone to connect Coffman Cove and Kasaan on Prince of Wales Island.

MR. O'CONNOR presented slide 13, "Reconnect Round 2," which displayed a GCI logo and read as follows [original punctuation provided]:

} October 12, 2020 USDA awards \$25M grant to GCI to build an undersea fiber connecting Unalaska, Akutan, King Cove, Sand Point, Chignik, & Larsen Bay

MS. O'CONNOR presented slide 14, "Reconnect Round 2," which displayed the Arctic Slope Telephone Association Cooperative (ASTAC) logo and read as follows [original punctuation provided]:

} November 12, 2020 USDA awards \$5.3M grant to ASTAC to connect Kaktovik.

MR. O'CONNOR presented slide 15, "ReConnect Round 2," which displayed the TelAlaska and MTA logos and read as follows [original punctuation provided]:

} November 12, 2020, USDA awards \$4.1M grant to TelAlaska & \$1.9M to MTA.
 } Brevig Mission
 } Teller
 } Caswell

MS. O'CONNOR characterized the projects as "transformational" and noted that the program has a rigorous and expensive application process and requires significant matching funds from each awardee. She then presented slide 16, "Low Earth Orbit Satellites - LEOS," which read as follows [original punctuation provided]:

} Starlink
} One Web
} Project Kuiper
} Telesat

MS. O'CONNOR said that the questions of expense, timeline, and availability still exist. She then presented slide 17, "What's next?" Slide 17 read as follows [original punctuation provided]:

} Private investment - \$1.2B
} Federal
} State
} Congress

MS. O'CONNOR pointed out that it's critical to have stable programs at the federal and state levels. President Joe Biden's American Jobs Act, she said, proposed \$100 billion for broadband and states the ambitious goal to bring affordable, reliable broadband to every American.

3:42:00 PM

CHRIS KOLEROK, Director of Policy and Government Affairs, Cook Inlet Housing Authority (CIHA), testified in support of HJR 19. He stated that Alaska's infrastructure is inadequate; cities and boroughs have relied on new housing developments in order to upgrade existing roads, water and sewer lines, and stormwater systems. The upgrades are often needed prior to the building of new housing, he said, and will benefit other new housing in the future, which is one of the reasons why housing is so expensive to build and why expensive housing is the only profitable housing to develop. He described some of the housing structures in Anchorage managed by CIHA and noted the Association of Alaska Housing Authorities, a membership organization of the 14 regional housing authorities that deliver affordable housing.

MR. KOLEROK said that Alaska's housing needs are diverse but that there aren't enough homes for everyone or for those who earn a low income. The Alaska Housing Finance Corporation's 2019 housing assessment said that Alaska needs over 16,000 housing units to address overcrowding, he said, which present challenges to students who study at home and those who need rest for work. When one person has a substance abuse problem but lives in an overcrowded home, he said, 10 or 15 other people in the home may have their lives adversely impacted. Nearly 35 percent of homes in the Yukon-Kuskokwim region and 20 percent of homes in the Bering Strait region have incomplete plumbing, he said; families are left more susceptible to sickness because of the inability to wash their hands or clothes. He said that in Southeast Alaska 16 percent of homes are rated with a single star for energy efficiency, along with 13 percent of homes in the Interior and 11 percent in the Bering Strait region; this means families spend more of their income on heating fuel. Preserving and retrofitting homes for energy efficiency is essential for families on limited incomes, he said.

3:47:51 PM

MR. KOLEROK stated that infrastructure is necessary for housing, and he pointed out that Anchorage's infrastructure is outdated and was not designed for the current population. He said that

some of the storm sewer infrastructure is a century old and made of wood, and there are requirements that builders must upgrade roads before they can start constructing housing; in some instances, he said, the roads are already slated for improvement. He said, "We have a dearth of vertical construction in urban Alaska, and that leads into a skills gap. As capital projects have slowed, skilled tradespeople have left the state because there's not enough projects to keep them continuously busy." Mr. Kolerok said that there is a constant need to train new people, and projects are needed to take skilled tradespeople from apprenticeship to journey status. He said that several years' worth of capital projects are needed to begin a self-sustaining cycle of construction and to support a workforce, and that housing is infrastructure when speaking in terms of workforce, society, and economy; it is not possible to have a well-functioning workforce that's homeless or overcrowded. President Joe Biden's infrastructure initiative, he said, is a "once-in-a-generation" chance for investment in housing and infrastructure. He pointed out that infrastructure is an eligible spending item in the Supplemental Housing Development Grant program through the Alaska Housing Finance Corporation (AHFC). He then talked about gap funding for low-income housing tax credit projects; at a leverage of \$20,000 per-unit, he said, would mean \$10 million to pay for 500 housing units and close the gap around housing developers needing to upgrade infrastructure.

[3:51:53 PM](#)

REPRESENTATIVE MCCARTY asked how the increased cost of materials affects housing projects. He then asked for alternative ways of meeting the housing need.

MR. KOLEROK replied that there is no doubt that materials costs have greatly increased. The large influx of federal dollars is one of the few tools CIHA has to directly address the cost increases, he said, with the hope that improved infrastructure would lead to improvements in logistics.

[3:54:13 PM](#)

CRYSTAL ENKVIST, Executive Director, Alaska Power Association, testified in support of HJR 19. She said that roads, airports, and ports won't work without electricity, and that Alaska's electricity utilities have innovated while working in harsh conditions. She explained that power marketing administrations such as the Bonneville Power Administration facilitate lower

electricity costs in many areas; Alaska, however, lacks the federal investment enjoyed by many regions in the Lower 48. Alaska's lawmakers now have the opportunity, due to the American Rescue Plan Act and President Joe Biden's infrastructure bill, to plan a future that includes affordable energy. She described the effort to transition from diesel fuel generation to hydropower and said that infrastructure reliability would help that effort, especially in areas not connected to the larger grid. She said there is a need for investment in battery energy storage systems, wind turbines, solar and hydropower projects, and transmission lines to connect communities. She noted the success experienced by rural communities in their efforts to integrate wind and solar power with battery storage backups and said federal funding gives companies the opportunity to continue innovating.

[3:58:38 PM](#)

MS. ENKVIST said that as battery storage technology has improved, prices have decreased, and battery systems serve to help regulate renewable power and provide an important backup in case a power plant goes offline. The technology has statewide applications in communities of all sizes, she said, especially during the winter when consistent power is critical. The Roadbelt Intertie project would increase Alaska's electric system reliability, she said, allowing for the integration of more renewable energy, enhance power reliability to military installations, provide redundancy for the Anchorage-Fairbanks intertie, and enable economic development opportunities in the Copper Valley region. The proposed run-of-river project in Southwest Alaska, she said, could generate power year-round and generate up to 20 megawatts of power, depending on seasonality and river flow; electricity and optical fiber could be provided to Dillingham and other area communities to support the electricity and broadband needs in the Bristol Bay region. In South Central Alaska, she said, the railbelt utilities and the Alaska Energy Authority have identified more than \$1 billion in transmission upgrades, removing constraints, and allowing for better use of the Bradley Lake hydropower project that serves more than half of Alaska's population.

MS. ENKVIST said that renewable energy generation requires a grid that can accommodate the full potential of such energy, as well as for safety and reliability. "There is no doubt that Alaska can be a leader in renewable energy," she said, "but it will take additional funding from the renewable energy fund and other sources to get us there." Alaska's energy utilities are

integrating renewable energy sources into their portfolios, she said, and the Renewable Energy Fund (REF) program is an effective way to continue investment and development to benefit communities. Electric vehicle charging stations continue to be installed by communities and businesses, and as more of the barriers to electric vehicle usage are addressed, more Alaskans will consider electric vehicle purchases. Since the vehicles are commonly charged at night, she said, electricity loads are occurring during off-peak hours. She pointed out that electric vehicles are popular in small communities with limited road miles and that the development of electric vehicle charging infrastructure would resolve a barrier to market expansion and inform future utility planning. "Alaska's future relies on an electric system that can fully employ the technological advances of tomorrow," she said, "but the time to move us in that direction is now." She said that the economy relies on electricity and the state must invest in strategic and necessary upgrades statewide.

[4:03:43 PM](#)

CO-CHAIR FIELDS noted that Ms. Enkvist referenced a number of projects that were sent to members of the House Special Committee on Energy and asked her to send the same information to members of the House Labor and Commerce Standing Committee.

[4:04:26 PM](#)

JIM JAGER, Director, Business Continuity and External Affairs, Port of Alaska at Anchorage, Municipality of Anchorage, began a PowerPoint [hard copy included in the committee packet], as part of his testimony in support of HJR 19. He showed slide 2, which read as follows [original punctuation provided]:

4.7 MILLION TONS OF FUEL AND CARGO IN 2020

14.3 BILLION IN STATEWIDE COMMERCIAL ACTIVITY IN 2019

HANDLES GOODS CONSUMED BY 90% OF ALL ALASKA RESIDENTS STATEWIDE

HALF OF ALL ALASKA INBOUND FREIGHT CROSSES ANCHORAGE'S DOCK

HALF OF ALL THE FREIGHT THAT CROSSES ANCHORAGE'S DOCK IS DELIVERED TO FINAL DESTINATION OUTSIDE OF ANCHORAGE

75% OF ALL NON-PETROLEUM MARINE CARGO SHIPPED INTO ALASKA

MR. JAGER said that cargo handling, logistics, and efficiency are driven by proximity to markets, infrastructure for handling the cargo, and transportation connections. He pointed out that 54 percent of Alaska's population lives within an hour's drive of the Port of Alaska at Anchorage. He said the port handles hundreds of millions of dollars' worth of mostly private infrastructure as detailed on slide 3, which read as follows [original punctuation provided]:

125+ ACRES OF CARGO-HANDLING INFRASTRUCTURE

3.1 MILLION BARRELS OF LIQUID FUEL STORAGE

60,000 TONS OF CEMENT STORAGE

DOCK CRANES, RO-RO TRESTLES, RAIL, PIPELINES, ETC.

SKILLED WORKFORCE

MR. JAGER presented slide 4, which displayed a graphic of different modes of transportation, and explained that the marine transportation system meets the road system, which meets the air transportation system, railroad, and pipeline. He then presented slide 5, which listed commerce, national defense, and disaster response as the three functions of the Port of Alaska at Anchorage. He presented slide 6, which displayed pictures of corroded materials and read, "Docks have exceeded economic and design life and are failing from age-related corrosion and obsolescence." He said that a 2020 engineering study concluded that load limits would need to be reduced and docks would need to be closed within the next five years. He then presented slide 7, "Port of Alaska Modernization Program," which read as follows [original punctuation provided]:

- Replace aging docks and related infrastructure
- Improve operational safety and efficiency
- Accommodate modern shipping operations
- Improve resiliency - to survive extreme seismic events and Cook Inlet's harsh marine environment

MR. JAGER presented slide 8, which showed a picture from 2020 of construction of a new dock, and slide 9, which showed a recent picture of the finished dock.

MR. JAGER presented slide 10, "Petroleum & Cement Terminal Funding," which read as follows [original punctuation provided]:

Remaining PIEP funds State Capital Grant (2012) \$28 Million
SB160 State Grant (2013) \$48 Million
State GO Bond (2013) \$50 Million
State Grant (2019) \$20 Million
Federal Grants
MARAD BUILD II Grant (2019) \$25 Million
MARAD PIDP Grant (2019) \$20 Million
Port Cash/Equity \$2 Million
Bond Proceeds (repaid w/ PoA tariffs) \$60 Million

MR. JAGER noted that federal funds are critical to infrastructure. He then presented slide 11, "North Extension Stabilization," which displayed an aerial picture of the area slated for construction and which read as follows [original punctuation provided]:

Phase 1 north extension stabilization \$121 M
On-shore facilities replacement \$15 M
Phase 2 north extension stabilization \$128 M

MR. JAGER presented slide 12, "2022 construction: \$121 million," and slide 13, "Balance of North Extension: \$128 million," which displayed the same picture as slide 11. He then presented slide 14, "What's next?", which read as follows [original punctuation provided]:

\$1 Billion+ General Cargo Terminal Replacement

- Cargo Terminal Design and Permitting (2021-24)
- Phase 1 North Extension Stabilization (2022)
- Administration Building (2022-23)
- Phase 2 North Extension Stabilization (>2022)
- Cargo Terminal 1 Replacement (2025)
- Cargo Terminal 2 Replacement (2028)
- Fuels Terminal Incorporation (>2028)
- Terminal 3 Demolition (>2030)

MR. JAGER pointed out that bonds can be repaid using tariffs, but several large projects can't be funded by bonds, which is why federal funding is so important.

[4:12:09 PM](#)

REPRESENTATIVE MCCARTY asked for clarification about the numbers in slide 1.

MR. JAGER replied that 90 percent of Alaska residents routinely use items that have come through the Port of Alaska at Anchorage.

REPRESENTATIVE MCCARTY asked about imports.

MR. JAGER responded that 90 percent of all goods arriving in Alaska arrive by ship or barge; the Port of Alaska at Anchorage handles half of all types of cargo, and half of that cargo is transferred to a different mode of transportation and sent to other parts of the state.

REPRESENTATIVE MCCARTY talked about taking mud out of the port area and asked for alternatives in case something happens to the port.

MR. JAGER replied that redundancies are in place in other parts of the country; if something happens at the Port of Tacoma there are six other nearby seaports that can handle the cargo. Alaska's population is too small for redundant ports, he said, pointing out that the ports at Whittier and Seward don't have the deep water or necessary infrastructure.

[4:16:08 PM](#)

ALICE SIIRA, Executive Director, Associated General Contractors (AGC), gave a PowerPoint [hard copy included in the committee packet] as part of her testimony in support of HJR 19. She said AGC is looking forward to providing input as legislators develop strategic, long-term plans to maximize funding and prioritize critical infrastructure needs to provide immediate economic relief and employment opportunities. She presented slide 2, "HOW MONEY FLOWS THROUGH OUR ECONOMY," which displayed a graphic showing that spending by construction companies creates indirect impacts, including vendor spending on jobs and payroll. She then presented slide 3, "IN 2019, ALASKA'S CONSTRUCTION INDUSTRY..." Slide 3 read as follows [original punctuation provided]:

Employed Alaskans

- Employed **24,000 workers**, including wage & salary, and self-employed workers
 - **81% Alaska Residents** making **86% of Alaska wages**
 - **1 in 20 Alaska jobs** (5%) was in construction

Paid Alaskans

- Paid **\$2.3 billion in labor income**, or 7% of all earnings in Alaska

Generated Multiplier Effects

- Total impacts of **42,000 jobs** and **\$3.4 billion** in wages
 - 9% of total employment in Alaska
 - 10% of total labor income in Alaska

MS. SIIRA presented slide 4, "2,507 CONSTRUCTION INDUSTRY EMPLOYERS," which displayed a table showing 2019 statistics of 2,507 total employers, 16,396 jobs, and over \$1 billion in wages.

[4:19:41 PM](#)

MS. SIIRA noted that she skipped slide 5 and moved to slide 6, "CONSTRUCTION WAGES," which showed that wages for specialty trade contractors total \$515 million; for heavy construction, \$449 million; and for building construction, \$368 million. She pointed out that the average annual construction worker wage is \$81,258, which is 43 percent above the average Alaska wage of \$56,983. She then presented slide 7, "TOTAL ECONOMIC IMPACT," which read as follows [original punctuation provided]:

- Statewide construction industry-related jobs represent 9% of all Alaska jobs (42,000 of 453,788)
- Construction industry-related activity accounted for \$3.4B in labor income, 10% of Alaska's total labor income (\$32.7B)

MS. SIIRA presented slide 8, "STATE/FEDERAL FUNDING FOR STATE OF ALASKA CONSTRUCTION PROJECTS," which showed the portion of the capital budget related to construction. She said that the federal government has been the dominant source of construction

funding since 2014, as the state's capital budget has declined. She then discussed the impacts of COVID-19 and presented slide 9, "CONSTRUCTION ACTIVITY IMPACTS," which read as follows [original punctuation provided]:

- As essential workers, the construction industry continued work on projects across Alaska throughout the pandemic.
- However, due to revenue constraints, supply chain challenges, and complicated logistics, construction activity was significantly impacted in 2020; these impacts are expected to continue in 2021

MR. SIIRA said that contracts worth \$50 million were cancelled, with another \$50 million in deferred spending. Slide 10, "CONSTRUCTION COMPANY IMPACTS," displayed a chart showing the number of initial unemployment claims by construction workers; like other industries, construction saw a notable spike in unemployment claims in April 2020, then the number of claims trended downward. She said construction companies spent hundreds of millions of dollars on overtime pay, testing, and extra housing at work sites; many construction companies were assisted by federal stimulus funds and about 12,000 total employees were retained. She then presented slide 11, "THE BIG TAKEAWAYS," which read as follows [original punctuation provided]:

24,000 construction jobs, earning **\$2.3 B** (81% Alaska Resident Hire and 86% Alaska Resident Wages Paid)

Total Economic Impact of Industry: **42,000** jobs (9% of Alaska's jobs) **\$3.4 B** (10% of Alaska earnings)

Oil prices and COVID-19 have significantly impacted Alaska's construction activity and construction companies

[4:25:15 PM](#)

CO-CHAIR FIELDS opined that the construction industry did an "extraordinary" job managing COVID-19.

[4:25:54 PM](#)

REPRESENTATIVE MCCARTY asked about the supply and demand of materials in Alaska.

MS. SIIRA replied that AGC has noticed supply chain issues that are driving up the cost of materials. She said that employers are getting creative and hoping that the issue levels out.

REPRESENTATIVE MCCARTY asked whether losing the rail barge out of Prince Rupert, British Columbia, was one of the reasons for the supply chain issues.

MS. SIIRA replied that she would find out.

[HJR 19 was held over.]

[4:27:55 PM](#)

The committee took an at-ease from 4:27 p.m. to 4:28 p.m. [During the at-ease, Co-Chair Fields returned the gavel to Co-Chair Spohnholz.]

HB 149-CHILD CARE PROVIDER COLLECTIVE BARGAINING

[4:28:27 PM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 149, "An Act relating to allowing certain child day care providers to organize for the purpose of collective bargaining."

[4:28:38 PM](#)

CO-CHAIR FIELDS, as prime sponsor, stated that HB 149 would solve the issue of persistently low wages and benefits in the child care sector, which results in an inadequate supply of child care workers, which in turn inhibits Alaska's ability to economically recover from the COVID-19 pandemic. He discussed the different models of structural change, along with their pros and cons. The first model, he said, focuses on countries that have high taxes and directly subsidize child care, which Alaska wouldn't be able to afford with its current revenue. The second option, he said, would be to create a structure for the industry to negotiate with the state for wages and benefits as outlined in HB 149. He noted that this model is based on the model in place in 11 other states. It is non-coercive for workers, he said, and the industry would be able to collaborate with the state to adjust the cost structure according to changing circumstances. The third model, he said, is legislative establishment of a living wage for the child care industry, but

it would be difficult to adjust the model in response to changing circumstances. The fourth option, he said, would be to establish a prevailing wage covering all providers that receive public funding. He pointed out that the construction industry has higher-than-average wages due to public intervention to ensure the industry's place as a middle-class profession. He said the model would be based on established policy; however, unlike construction, child care does not experience robust public investment, so there may not be the market penetration necessary to sufficiently raise wages. It's also more coercive in terms of private sector impact, as opposed to the bargaining structure proposed under HB 149. Of all these options, he concluded, HB 149 outlines the option which is both the least expensive and the least coercive.

CO-CHAIR FIELDS said key goals of HB 149 are to raise wages and benefits to allow workers a living wage, which would make it easier for employers to find and keep employees. This would increase the supply of quality child care, he said, which is important so that working professionals can help the economy recover. Another key goal, he said, is to not increase the already high prices of child care; the economics of the model must also work so employers can stay in business, and a structure must be provided for the industry to work with the state for adaptability in response to changing circumstances. He stated that the longstanding structural problems within the industry, the pandemic's effect on women's participation in the workforce, and workforce nonparticipation due to the lack of available child care all make HB 149 necessary.

[4:33:26 PM](#)

NOLAN KLOUDA, Executive Director, Center for Economic Development, University of Alaska, gave a PowerPoint [hard copy included in the committee packet], titled "Economics of Child Care in Alaska." He presented an overview on slide 2, which read as follows [original punctuation provided]:

- Economic value of child care
- Pandemic impacts
- Wages for child care workers
- Affordability of child care

MR. KLOUDA presented slide 3, "Economic impact of investing in early childhood learning," which displayed the Heckman Curve showing that educational investments made between birth and age five have much higher payoffs in terms of generating positive

lifetime benefits for individuals. He clarified that early education programs could include child care or Head Start. He noted that investments in K-12 education and job training later in life are important, but they produce lower benefits per dollar invested. He then presented slide 4, "Economic impacts of early childhood education," which displayed a graphic that said, "High quality birth-to-five programs for disadvantaged children can deliver a 13% Return on Investment," and which read as follows [original punctuation provided]:

- Increased parental income
- Greater educational attainment
- Increased earnings and employment
- Fewer arrests
- Reduced likelihood of drug use
- Greater overall health

MR. KLOUDA presented slide 5, "Pandemic effects on child care in AK," which read as follows [original punctuation provided]:

- Child care capacity in AK reduced to
 - 49% in June 2020
 - 75% in January 2021
- 37% of centers considered permanently closing
- 63% needed additional funding to stay open

MR. KLOUDA noted that the committee has previously demonstrated the understanding that child care capacity has been reduced due to the pandemic and said almost 40 percent of daycare centers considered closing permanently, with 60 percent needing additional funding in order to stay open.

[4:38:09 PM](#)

MR. KLOUDA pointed out the link between the availability of child care and the ability of parents, particularly mothers, to participate in the workforce. He presented slide 7, "Child care and workforce participation," which read as follows [original punctuation provided]:

- In May/June 2020, **41% of unemployed parents** looking for work said they were **unable or uncertain** about returning to pre-pandemic arrangements for child care (Urban Institute, 2020).
- "For parents with young children, the loss of full-time childcare was associated with an **increased**

risk of unemployment for mothers but not fathers."
(Petts, Carlson, Pepin, 2020)

MR. KLOUDA presented slide 8, "Workers' Ability to Return to Prepandemic Child Care Arrangements, by Employment Status," which displayed a graph showing the ability to return to previous child care arrangements as a function of unemployment status. The graph shows that those who were unemployed or laid off, but actively seeking employment, had the biggest problems with child care access; the workforce categories of "unemployed but not seeking employment," "furloughed," "hours reduced," and "working part time," had progressively decreasing degrees of difficulty in child care access, with the category of "working full time" experiencing the least difficulty. Mr. Klouda pointed out that difficulty accessing child care impairs an unemployed person's ability to accept work.

MR. KLOUDA presented slide 8, "Workforce shortfalls are among employers' greatest concerns," which displayed a graph from the annual Business Confidence Index Report by the Anchorage Economic Development Corporation. The report from 2021 showed that most of the top issues concerning businesses in Anchorage related to the availability, affordability, and readiness of the workforce. He then presented slide 9, "Survey of AK child care workers," which read as follows [original punctuation provided]:

- Over 50% said pay inadequate to meet living expenses
- Passion for job, but 65% planned to leave
- 36% not compensated for professional development
- Over 70% do not receive health insurance from employer
- 97% are women

[4:42:40 PM](#)

MR. KLOUDA presented slide 10, "Hourly pay compared," which displayed a graphic showing that the median pay of a child care worker in Alaska is \$13.21 per hour, which is at least \$10 less than the median pay for all occupations. For points of comparison he included two other occupations for which, like child care, the prerequisites are a high school diploma and on-the-job training; median pay for a corrections officer is \$30.08 per hour, and \$42.84 per hour for a special education teacher. He noted that these occupations relate to the Heckman Curve, as individuals receiving less early education are more likely to have encounters with criminal justice and to need remedial education, both of which cost more and are less effective than

early education. He shared that he learned that animal caretakers are, on average, paid more than child care workers.

MR. KLOUDA presented slide 11, "National data about child care workers," which read as follows [original punctuation provided]:

- Disproportionately women of color
- 1 in 7 live in poverty, twice the rate of other occupations
- Almost half are in households using public assistance programs (vs 25% of the general population)
- Cannot afford their own child care: infant care costs equal 40-60% of the median child care worker's earnings in most states (7% is the DHHS standard)

MR. KLOUDA said, "In a particularly cruel twist of fate, most ... could not afford child care on their own, because the typical child care would cost about 40 to 60 percent of what they make in wages." He pointed out that the standard published by the U.S. Department of Health and Human Services is that approximately 7 percent of income should be budgeted for child care. He then presented slide 12, "How can costs be high but wages so low?" Slide 12 read as follows [original punctuation provided]:

- Highly labor intensive: 1 teacher for 4 infants
- Wages and benefits are almost 70% of costs
- At \$12,000 per year per child, center collects \$48,000 in fees per teacher
- Subtract administration, rent, utilities, insurance, materials, etc
- Leaves about \$30,000 to pay staff (including admin and support staff other than teachers!)

MR. KLOUDA pointed out that economies of scale don't function in the child care industry because handling more children means hiring more child care workers. He then presented slide 13, which displayed a graph showing a breakdown of personnel costs, noting that they're higher for those caring for infants and are approximately 70 percent of a daycare's total cost. He proceeded to slide 14, which read as follows [original punctuation provided]:

"...adequately compensating a highly qualified workforce is a mathematical impossibility when public funding is limited and parents cannot afford to pay higher tuition rates."

MR. KLOUDA noted that there is more federal involvement in child care under the current administration, as well as tax credits and funds available through block grants to the state.

4:48:30 PM

REPRESENTATIVE MCCARTY asked for statistical information on child care businesses, licensed in-home operations, unlicensed in-home operations, and stay-at-home parents.

MR. KLOUDA responded that he doesn't have such information on hand.

REPRESENTATIVE MCCARTY asked what the worker to child ratio is for toddlers.

MR. KLOUDA responded that he doesn't know the exact ratio for the licensing requirements in Alaska, but said the ratio becomes more lenient as kids get older and require less care.

CO-CHAIR SPOHNHOLZ interjected that child care prices tend to decrease as the ratios get higher.

REPRESENTATIVE MCCARTY asked about the ratio of infants to older children.

MR. KLOUDA replied that he doesn't know the breakdown of the ages of kids in the daycare system, but that most child care research is focused on the ages of birth to age five.

4:51:05 PM

CO-CHAIR FIELDS said that it's harder to find a spot for infants because the economics are more challenging for a child care provider. He said it's easier to find care once a child reaches 15 months.

CO-CHAIR SPOHNHOLZ added that the cost is due to the licensing requirements mandating a certain ratio for workers to children.

CO-CHAIR FIELDS opined that there will never be a provider that accepts only infants because that facility would not survive. He explained that a facility that accepts infants and toddlers makes enough money taking care of the toddlers to subsidize infant care.

CO-CHAIR SPOHNHOLZ asked Representative McCarty to clarify his earlier question about child care businesses, noting that even an in-home provider is a child care business.

[4:53:04 PM](#)

REPRESENTATIVE MCCARTY said that he was trying to differentiate between a child care operation in an "office," in-home child care operation, and unlicensed providers. He shared an anecdote of a child care facility that recently stated to him its belief that it was turning away business because they can't hire employees because people are making more money on unemployment.

CO-CHAIR SPOHNHOLZ reminded the committee that it is illegal to decline appropriate employment when an individual is collecting unemployment. She pointed out that the additional wage replacement for unemployment expires in September, meaning the state will revert to the traditional wage replacement value of 49 percent for a minimum-wage worker, which is what many child care workers are. She then pointed out that Mr. Klouda's research found that 50 percent of child care workers are on public assistance.

[4:55:14 PM](#)

REPRESENTATIVE KAUFMAN noted a 2012 study from Rutgers University and asked Mr. Klouda if he has studied the child care industry in "more free-market states."

MR. KLOUDA responded that he doesn't study many other states. Low wage states, he said, would be expected to have cheaper child care due to an overall lower average wage. He hypothesized about licensing requirements allowing more children per worker and explained that the main variables are the cost of labor and the number of children per workers.

REPRESENTATIVE KAUFMAN commented that he suspects there could be other factors and talked about population growth in Texas and Florida.

[4:58:15 PM](#)

CO-CHAIR FIELDS noted that the biggest cost driver is the ratio of teacher to child, which is fairly consistent across most states.

[4:58:52 PM](#)

REPRESENTATIVE MCCARTY asked whether there would be an economic difference if the ratio changed by one child.

CO-CHAIR FIELDS responded yes, which is why providers are more likely to stay in business taking care of toddlers. He said that it wouldn't be desirable to increase the number of children per worker when discussing infant care due to safety issues.

[4:59:53 PM](#)

CO-CHAIR SPOHNHOLZ pointed out that it is very difficult to care for more than four infants at a time.

[5:00:43 PM](#)

CO-CHAIR SPOHNHOLZ opened public testimony on HB 149. After ascertaining that no one wished to testify, she closed public testimony.

[5:01:09 PM](#)

REPRESENTATIVE SCHRAGE moved to report HB 149 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 149 was reported out of the House Labor and Commerce Standing Committee

HB 146-DISCLOSURE OF WAGE INFORMATION

[5:01:38 PM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 146, "An Act relating to disclosure of information regarding employee compensation by employers, employees, and applicants for employment; establishing the fund for protection of compensation disclosure rights; and providing for an effective date." [Before the committee, adopted as the working document during the 4/23/21 House Labor and Commerce Standing Committee meeting, was the proposed committee substitute (CS) for HB 146, Version 32-LS0513\B, Wayne, 4/19/21 ("Version B").]

[5:02:04 PM](#)

REPRESENTATIVE SNYDER, as prime sponsor of HB 146, addressed several concerns with the proposed legislation that were brought up during the House Labor and Commerce Standing Committee

meeting on April 23, 2021. She referenced a document [included in the committee packet] that included a table of states with similar legislation, population, policy description, and fiscal impact. She expressed that HB 146 is important because, when the economic impacts of the COVID-19 pandemic are being addressed, people are entering into or returning to the workforce after a prolonged absence; those people, she said, are likely to experience something called "wage scarring," which is a well-documented issue in which someone returns to the workforce at a depressed rate of pay after a prolonged period of unemployment. This depressed rate of pay, she said, is then used to inform future salary offers; an initial depressed rate of pay can follow a worker for decades, regardless of his/her performance in the workplace and in spite of any future larger economic recovery. She said that after the "Great Recession" of 2007-2009 the average decrease in inflation-adjusted weekly earnings was 17.5 percent, and only one in four displaced workers got back to their original earnings within five years.

REPRESENTATIVE SNYDER said that national unemployment hit 10 percent during the Great Recession; Alaska's unemployment rate over the past year was 12 percent, with some regions experiencing over 20 percent unemployment. The hardest-hit occupations, with employment reductions of between 25 and 35 percent, she said, were the industries of mining and logging, oil and gas, and leisure and hospitality. She encouraged the committee to consider not only those returning to the workforce after a period of unemployment but also new high school or vocational school graduates who are just entering the workforce and are more likely to be offered a depressed rate of pay and will, under current law, be more likely to be penalized forward into their careers. She stated that HB 146, with its provisions to protect pay history privacy, pay transparency, and pay posting, would help reduce the impacts of wage scarring by ensuring that workers get to be on the same road to recovery as businesses. She stressed that the proposed legislation would not require businesses to offer salaries they can't afford, but that it would give workers the opportunity for economic recovery alongside their employers.

[5:08:08 PM](#)

REPRESENTATIVE KAUFMAN characterized the text of HB 146 as requiring the employer to disclose salaries but said that in the next subsection it says that nothing requires the employee to make the same disclosure. He said that the language "outs" the employee's pay range by default.

REPRESENTATIVE SNYDER responded that the language says "range of salaries" but does not say that specific wage information would be required.

REPRESENTATIVE KAUFMAN commented that the language would still force the disclosure of salaries.

REPRESENTATIVE SNYDER replied, "That is correct, it's a component of the bill."

[5:10:34 PM](#)

CO-CHAIR SPOHNHOLZ commented that employers are not currently required to disclose information, but employees are often put into situations in which they feel they have no choice but to disclose their salary history in order to be considered for a position. She said this proposed legislation is designed to create more transparency, as well as protection, for the applicant.

REPRESENTATIVE SNYDER said, "It creates a sense of balance."

[5:11:09 PM](#)

REPRESENTATIVE MCCARTY said, "I'm not quite catching the balance." He characterized the proposed legislation as putting more burden on the employer and opined that the process of searching for an employee is "equitable" to both employer and potential employee. He then expressed concerns with having the state involved in a business's hiring practices and mentioned the possibility of meritless complaints.

REPRESENTATIVE SNYDER responded that, with respect to a complaint, the language of HB 146 "very narrowly" defines what complaints could be covered. If the complaint is that the pay range is not posted, she said, the employer may correct the posting and without being fined. If the complaint is that an employer asked an applicant for a salary history, then the employer could be fined. She stressed that the language does not open the door for complaints stemming from an applicant being unsatisfied with the salary range they were offered. She said the language of the proposed legislation gives the Department of Labor and Workforce Development (DLWD) the authority to decide how complaints would be handled. She then addressed Representative McCarty's comment regarding balance and said:

I would argue that the way it is now, the scales are definitely tipped on the side of the employer. They are aware of the pay range. They are aware of how much higher they might be willing to go and what flexibility they have. They, right now, can ask about past pay history and use that information to inform how they're going to treat a suite of applicants and decide ... what the size of the offer is, to whom. Those are some pretty significant imbalances from my perspective.

REPRESENTATIVE SNYDER said that the term is "information asymmetry" and said the proposed legislation is intended to bring symmetry, allowing both parties to have a productive conversation.

[5:16:02 PM](#)

CO-CHAIR FIELDS commented that the Young Women's Christian Association (YWCA) began an equal pay initiative in 2014 aimed at addressing the pay gap. He said that the wage scarring issue is pernicious for women, and that minor differences in pay beginning at a young age contribute to a large aggregate pay gap. He said there was a large group of businesses that voluntarily implemented the pay transparency measures as described in HB 146 and as a result, he said, it became clear that the provisions in the proposed legislation would make a significant difference in addressing the pay gap. He discussed issues of unconscious gender bias such as occupational sorting and women being forced out of the workforce due to the lack of available child care.

[5:18:25 PM](#)

CO-CHAIR SPOHNHOLZ noted that the committee will hear from DLWD about the gender pay gap.

[5:18:43 PM](#)

CO-CHAIR SPOHNHOLZ opened public testimony on HB 146, Version B.

[5:18:54 PM](#)

KIM HAYS, Political Director, American Federation of Labor - Congress of Industrial Organizations (AFL-CIO), testified in support of HB 146. She stated the AFL-CIO's support for

measures that protect Alaska's workers, including protection from practices that discriminate against them in the workplace. She said the National Labor Relations Act of 1935 already includes a statute prohibiting employers from retaliating against employees who share compensation information with their colleagues, but employers have repeatedly violated the law with no consequences. She stated support for the provision prohibiting employers from requiring salary history, noting that when individuals are required to provide such information but not provided the salary range for the position for which they are applying, their earning potential is harmed. She noted that this is particularly true for women and said that, according to a 2020 study by Boston University School of Law, such provisions enacted in other states have resulted in 8 percent higher pay for women and 13 percent higher pay for African-American job candidates.

MS. HAYS stated that requiring employers to include compensation ranges on job postings saves employers the time of interviewing candidates who wouldn't be interested in the compensation package and saves potential employees time by focusing their resources on looking for jobs that offer the wages they need to support themselves. She said that the Society for Human Resource Managers recognizes the gender pay gap and, in 2020, published support for wage transparency, saying that it "virtually eliminates the gender pay gap."

[5:21:20 PM](#)

CO-CHAIR SPOHNHOLZ, after ascertaining that no one else wished to testify, closed public testimony on HB 146, Version B.

[5:21:36 PM](#)

REPRESENTATIVE NELSON moved to adopt Amendment 1 to HB 146, Version B, labeled 32-LS0513\B.1, Wayne, 4/27/21, which read as follows:

Page 1, line 2:
Delete ", **employees**,"

Page 2, line 8:
Delete "**Employee**"

Page 2, lines 14 - 16:
Delete all material.

Page 2, line 17:
Delete "(2)"

Page 2, line 18:
Delete "; or"
Insert "."

Page 2, lines 19 - 20:
Delete all material.

Page 2, lines 22 - 24:
Delete all material.

Renumber the following paragraphs accordingly.

Page 2, line 25:
Delete "employee or"

Page 2, line 26:
Delete "employee or"

Page 2, line 29:
Delete "(2)"
Insert "(1)"

Page 2, line 30:
Delete "employee or"

Page 3, lines 7 - 8:
Delete "exercising a right under AS 23.10.700 -
23.10.740 or"

[5:21:41 PM](#)

REPRESENTATIVE SCHRAGE objected.

[5:21:45 PM](#)

REPRESENTATIVE NELSON stated his support for the proposed legislation but said that he couldn't justify a \$316,000 fiscal note to his constituents.

[5:22:31 PM](#)

REPRESENTATIVE SNYDER asked Representative Nelson to describe the changes that would be made by Amendment 1.

REPRESENTATIVE NELSON explained that Amendment 1 would "remove the reporting structure of the aspect." He said the deleted lines would be ones that reference employees reporting infractions to DLWD. He said that the reporting structure is the reason for the fiscal note.

CO-CHAIR SPOHNHOLZ said, "Just to clarify, you've removed the enforcement mechanisms in the bill?"

REPRESENTATIVE NELSON replied, "I removed what was going to cause an additional three employees to be added."

REPRESENTATIVE SNYDER expressed her appreciation for the effort to reduce the fiscal note but said that Amendment 1, by deleting lines 14-16 on page 2, would remove the language saying that an employer may not prohibit an employee from discussing his/her compensation with others. She pointed out that it would also remove the prohibition about asking about previous compensation. She remarked, "It essentially removes the gist of the bill."

REPRESENTATIVE NELSON referred to a line in the sponsor statement that read, "Federal law already requires that workers are free to discuss salary information with one another, and HB 146 incorporates this protection into state statute." He said he was just trying to reduce the fiscal note.

REPRESENTATIVE SNYDER reiterated, "I do appreciate the effort."

[5:24:49 PM](#)

CO-CHAIR FIELDS shared that the enforcement section of DLWD is already understaffed due to laws already in statute. He suggested passing HB 146, Version B, and fighting for additional resources in next year's budget. He said that the proposed legislation could be passed with zero enforcement cost; enforcement would be slower, he said, but having the expectation for employers would still be of benefit.

[5:25:43 PM](#)

CO-CHAIR SPOHNHOLZ asked Mr. Dunham how many Wage and Hour Administration enforcement employees are currently on staff.

[5:25:57 PM](#)

JOE DUNHAM, Chief Investigator, Wage and Hour Administration, Division of Labor Standards and Safety, Department of Labor and

Workforce Development, responded that there are currently 12 employees.

CO-CHAIR SPOHNHOLZ asked Mr. Dunham to clarify whether he is proposing increasing the Wage and Hour Administration enforcement staff by 25 percent.

MR. DUNHAM replied, "Correct; three people for the first year."

CO-CHAIR SPOHNHOLZ commented that the number of new employees seems disproportionate to the amount of workload expected in the first year.

[5:26:45 PM](#)

A roll call vote was taken. Representative Nelson voted in favor of Amendment 1 to HB 146. Representatives Spohnholz, Fields, Snyder, Schrage, McCarty, and Kaufman voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 1-6.

[5:28:15 PM](#)

CO-CHAIR FIELDS moved to report CSHB 146, Version 32-LS0513\B, Wayne, 4/19/21, out of committee with individual recommendations and the accompanying fiscal notes.

[5:28:30 PM](#)

REPRESENTATIVE NELSON objected.

[5:28:35 PM](#)

A roll call vote was taken. Representatives Fields, Spohnholz, Snyder, and Schrage voted in favor of moving CSHB 146, Version 32-LS0513\B, Wayne, 4/19/21, out of committee with individual recommendations and the accompanying fiscal notes. Representatives Nelson, Kaufman, and McCarty voted against it. Therefore, CSHB 146(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 4-3.

Board of Direct Entry Midwives
Marijuana Control Board
Occupational Safety and Health Review Board

[5:29:26 PM](#)

CO-CHAIR SPOHNHOLZ announced that the final order of business would be confirmation hearings for consideration of the governor's appointees to the Board of Direct Entry Midwives, the Marijuana Control Board, and the Occupational Safety and Health Review Board. [The confirmation hearings commenced on 4/26/21.]

CO-CHAIR SPOHNHOLZ stated that the House Labor and Commerce Standing Committee has reviewed the qualifications of the governor's appointees and recommends that the names be forwarded to a joint session for consideration: Tanya Kirk, Board of Direct Entry Midwives; Casey Dschaak, Marijuana Control Board; and Vincent Perez, Occupational Safety and Health Review Board. She said that signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[5:30:39 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:30 p.m.