

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

March 16, 2022

3:18 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 BILL NO. 363

"An Act establishing the office of broadband; creating the broadband parity adjustment fund; establishing the Statewide Broadband Advisory Board; and providing for an effective date."

- MOVED CSHB 363(L&C) OUT OF COMMITTEE

PRESENTATION: CHILD CARE TRUST FUND

- HEARD

SENATE BILL NO. 143

"An Act relating to horizontal property regimes and common interest communities; and relating to mortgages, deeds of trust, and other property liens."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 363

SHORT TITLE: BROADBAND: OFFICE, GRANTS, PARITY

SPONSOR(s): REPRESENTATIVE(s) EDGMON

02/22/22	(H)	READ THE FIRST TIME - REFERRALS
02/22/22	(H)	L&C, FIN

03/09/22 (H) L&C AT 3:15 PM BARNES 124
03/09/22 (H) Heard & Held
03/09/22 (H) MINUTE(L&C)
03/16/22 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 143

SHORT TITLE: COMMON INTEREST COMMUNITIES; LIENS

SPONSOR(s): SENATOR(s) REVAK

01/18/22 (S) PREFILE RELEASED 1/7/22
01/18/22 (S) READ THE FIRST TIME - REFERRALS
01/18/22 (S) L&C
02/09/22 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/09/22 (S) Moved SB 143 Out of Committee
02/09/22 (S) MINUTE(L&C)
02/11/22 (S) L&C RPT 3DP
02/11/22 (S) DP: STEVENS, MICCICHE, GRAY-JACKSON
02/16/22 (S) TRANSMITTED TO (H)
02/16/22 (S) VERSION: SB 143
02/17/22 (H) READ THE FIRST TIME - REFERRALS
02/17/22 (H) L&C
02/17/22 (H) CRA REFERRAL ADDED BEFORE L&C
03/01/22 (H) CRA AT 8:00 AM BARNES 124
03/01/22 (H) Heard & Held
03/01/22 (H) MINUTE(CRA)
03/03/22 (H) CRA AT 8:00 AM BARNES 124
03/03/22 (H) Heard & Held
03/03/22 (H) MINUTE(CRA)
03/08/22 (H) CRA AT 8:00 AM BARNES 124
03/08/22 (H) Moved SB 143 Out of Committee
03/08/22 (H) MINUTE(CRA)
03/09/22 (H) CRA RPT 5DP
03/09/22 (H) DP: MCCARTY, MCCABE, DRUMMOND, HANNAN,
SCHRAGE
03/14/22 (H) L&C AT 3:15 PM BARNES 124
03/14/22 (H) -- MEETING CANCELED --
03/16/22 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

DIANE KAPLAN
President/CEO

Rasmuson Foundation
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony on HB 363.

ANAND VADAPALLI, Consultant

Rasmuson Foundation
No address provided

POSITION STATEMENT: Provided invited testimony during the hearing on HB 363.

MIKE NAVARRE, Member, Board of Directors
Rasmuson Foundation
Kenai, Alaska

POSITION STATEMENT: Provided invited testimony during the hearing on HB 363.

REPRESENTATIVE BRYCE EDGMON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor of HB 363, spoke to proposed amendments to the bill.

CHRISTINE O'CONNOR, Representative of the Telecommunications Industry
Governor's Task Force on Broadband
Executive Director, Alaska Telecom Association (ATA)
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 363, answered questions.

AARON MERCHEN, Director
Early Childhood Safety Policy Program
U.S. Chamber of Commerce Foundation
Washington, D.C.

POSITION STATEMENT: Gave a PowerPoint, entitled "Untapped Potential; The Economic Impact of Childcare Breakdowns in Alaska," during the Child Care Trust Fund presentation.

STEPHANIE BERGLUND, CEO
thread
Anchorage, Alaska

POSITION STATEMENT: Testified during the Child Care Trust Fund presentation.

BLUE SHIBLER, Executive Director
Association for Education of Young Children (AEYC)
Juneau, Alaska

POSITION STATEMENT: Testified during the Child Care Trust Fund presentation.

DAN BEUTEL, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified during the Child Care Trust Fund presentation.

GRACE KUBITZ, Staff
Representative Zack Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave an overview of child care in other states during the Child Care Trust Fund presentation.

TRISTAN WALSH, Staff
Representative Zack Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave information about the New Mexico fund during the Child Care Trust Fund presentation.

EMMA TORKELSON, Staff
Senator Josh Revak
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Senator Revak, sponsor of SB 143, introduced the bill.

SARAH BADTEN, Attorney
Birch Horton Bittner & Cherot
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of SB 143.

SUSAN JENSEN, Manager
Bayshore Owners Association
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of SB 143.

ACTION NARRATIVE

[3:18:51 PM](#)

CO-CHAIR ZACK FIELDS called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Nelson, Kaufman, Schrage, Snyder, McCarty, Spohnholz, and Fields were present at the call to order.

HB 363-BROADBAND: OFFICE, GRANTS, PARITY

[3:18:58 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be HOUSE BILL NO. 363, "An Act establishing the office of broadband; creating the broadband parity adjustment fund; establishing the Statewide Broadband Advisory Board; and providing for an effective date."

CO-CHAIR FIELDS said the committee would begin with invited testimony.

[3:19:43 PM](#)

DIANE KAPLAN, President/CEO, Rasmuson Foundation, provided invited testimony on HB 363. She said broadband impacts many of the areas important to the Rasmuson Foundation's mission of promoting a better life for Alaskans. The foundation wants this effort to succeed, she stated, and is prepared to offer resources as a convener and a grant-maker to ensure it happens. Over the next five years Rasmuson Foundation will have about \$100 million of unrestricted revenue to invest in new opportunities in Alaska. The board has selected broadband as its first new area of investment because the foundation's goals around education and workforce development, along with people being able to participate in the global world and as citizens, relies on broadband that is both accessible and affordable.

[3:21:23 PM](#)

The committee took a brief at-ease due to a sound system technical difficulty.

[3:21:33 PM](#)

MS. KAPLAN continued her testimony. She said bringing people together to discuss solutions has always been the core part of the Rasmuson Foundation's grantmaking philosophy. As the foundation researched how it could assist with broadband, it convened numerous stakeholder groups, including tribal leaders, nonprofits, members of the telecom industry, members of the legislature, the administration, and prominent citizens. Some of these meetings have evolved into advisory groups to assist with information and coordination.

MS. KAPLAN advised that the Rasmuson Foundation is prepared to assist this effort financially, with two immediate areas being the setup of the state's broadband office and coordination

between the state and tribes. A concern has been heard that the National Telecommunications and Information Administration (NTIA) money designated for the setup of broadband offices may be delayed. If this is the case and given its crucial role, the foundation is prepared to offer resources to the state or directly to start building the state's [Office of Broadband]. Additionally, it has been repeatedly heard that strong coordination between tribal broadband efforts and the state is desperately needed for Alaska to take full advantage of this opportunity. To that end, the foundation could support the cost of a coordinator position to assist with communication and coordination between the tribes that are eligible to receive broadband funds and the State of Alaska.

[3:23:07 PM](#)

MS. KAPLAN specified that the Rasmuson Foundation can engage in grantmaking with particular emphasis on workforce development, technology training for organizations and residents, and even support specific projects. It will be important that Alaska build a workforce that can install, maintain, and service broadband infrastructure, as well as provide training and resources that will allow Alaskans, particularly those in rural Alaska, to access jobs that can be done remotely. Ms. Kaplan further specified that the foundation is building up its own resources in preparation for assisting applicants. The foundation has identified organizations that can provide technical assistance like engineering and regulatory support along with grant writers to assist with applications, particularly for tribal partners. Given this is all coming together very quickly, perhaps greater needs will emerge, such as assistance with required mapping.

MS. KAPLAN concluded by stressing that the Rasmuson Foundation is invested in seeing affordable and high-speed broadband deployment succeed in Alaska and is open to discussions on how that happens. She noted that Anand Vadapalli is the Rasmuson Foundation's chief consultant for helping to determine the foundation's proper role. For this effort the board has allocated \$3 million of startup funds to be deployed in the way most useful to the state.

[3:24:52 PM](#)

ANAND VADAPALLI, Consultant, Rasmuson Foundation, provided invited testimony during the hearing on HB 363. He noted that the funding decisions under these various federal funding

programs will extend into 2023 and deployment of the infrastructure thereof will extend forward for 40 years. He urged that first and foremost the State of Alaska take a long-term perspective in setting forth the structure, governance, charter, and organization of the Office of Broadband to ensure policy and operational continuity that will span changes in the legislature and the administration over the life of these programs. Strong and shared leadership between the governor's office and the legislature, he said, is critical for good governance and long-term success. Second, he continued, as the eligible entity under the Broadband Equity Access Deployment Act (BEAD Act) program, the State of Alaska has significant responsibilities, including coordination, communication, planning, governance, and oversight. To adequately address these needs, he advised, the legislature must provide adequate resources and operating budget for this broadband office, funding digital capacity and equity planning as well as grantmaking and management capabilities. A well-resourced broadband office is critical in allowing Alaska to compete effectively for the funding available and subsequently to provide appropriate governance and oversight for the funding received. Mr. Vadapalli said the foundation's written comments provide more detail, including best practices from other states for the committee's reference.

[3:26:52 PM](#)

MIKE NAVARRE, Member, Board of Directors, Rasmuson Foundation, provided invited testimony during the hearing on HB 363. He stated that the Rasmuson Foundation has been tracking the broadband topic and multiple funding opportunities for several years. The foundation recognized that it did not have the resources to build out the infrastructure, he continued, but if the opportunity presented itself the foundation would be interested in helping to coordinate and bring people together, convene them, and offer monetary resources to help achieve success. He said the Rasmuson Foundation is here to help in any way it can to ensure the rollout of this once-in-a-generation opportunity to provide all Alaskans with critical infrastructure necessary to fully participate in the digital world. The Rasmuson board has met to specifically discuss this topic and wants to assure success in Alaska, he added.

[3:28:29 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Amendment 1 to HB 363, labeled 32-LS1527\I.6, Klein, 3/14/22, which read:

Page 1, line 12, following "federal":

Insert ", tribal,"

CO-CHAIR FIELDS objected for discussion purposes.

CO-CHAIR SPOHNHOLZ stated that the amendments being considered by the committee today are in response to last week's public testimony urging the addition of tribal members to government; that in the government-to-government relationship tribes are government as well. Adding tribes to this legislation is what Amendment 1 seeks to do, she explained.

REPRESENTATIVE BRYCE EDGMON, Alaska State Legislature, as the prime sponsor of HB 363, spoke to proposed amendments to the bill. He stated he is in total support of Amendment 1.

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment 1 was adopted.

[3:29:32 PM](#)

REPRESENTATIVE SNYDER moved to adopt Amendment 2 to HB 363, labeled 32-LS1527\I.7, Klein, 3/14/22, which read:

Page 4, line 18, following "governor":

Insert "to three-year terms"

CO-CHAIR FIELDS objected for discussion purposes.

REPRESENTATIVE SNYDER explained that Amendment 2 specifies the length of a term on the board.

REPRESENTATIVE EDGMON stated he has no objection to Amendment 2.

REPRESENTATIVE NELSON inquired about the reasoning behind three years for a term.

REPRESENTATIVE SNYDER replied that it isn't a specific rationale but rather a typical range found in advisory boards. Sometimes the range is two, sometimes three, other times four, and three seemed like a reasonable selection.

[3:30:37 PM](#)

The committee took a brief at-ease at 3:30 p.m.

[3:31:23 PM](#)

REPRESENTATIVE SNYDER moved Conceptual Amendment 1 to Amendment 2.

CO-CHAIR FIELDS objected for purposes of discussion.

REPRESENTATIVE SNYDER explained that the conceptual amendment would correct an error by changing "line '18'" to "line '19'". Therefore, Amendment 1, as amended, would read:

Page 4, line 19, following "governor":
Insert "to three-year terms"

[3:31:45 PM](#)

CO-CHAIR FIELDS removed his objection to Conceptual Amendment 1 to Amendment 2. There being no further objection, Conceptual Amendment 1 to Amendment 2 was adopted.

[3:32:07 PM](#)

REPRESENTATIVE MCCARTY noted the Office of Broadband would go about eight years, until the year 2030, which would be two three-year cycles and a final two-year cycle. He suggested making it [two four-year cycles] or [one eight-year cycle] so the term would expire when the office expires.

REPRESENTATIVE SNYDER responded that having a term length is valuable for a variety of reasons for not wanting someone to serve the entire time, such as the range of expertise that might be needed, or the dynamics on each specific board. She said this was done in collaboration with the co-chairs and in consultation with the bill sponsor, and three was the number that was landed on.

REPRESENTATIVE MCCARTY stated that historical knowledge is of value, but this knowledge would be lost every three years when all the people come off the board and a fresh board begins.

CO-CHAIR FIELDS stated that in looking at the amendment he assumed the members did not have to be bumped off the board after their terms ended, they could be reappointed.

REPRESENTATIVE SNYDER confirmed that the members could be reappointed. She said there is no limit on the term being renewed because there is no language in that aspect.

CO-CHAIR FIELDS added that a three-year term would come after the next governor, allowing that governor the benefit of gaining familiarity with the board and the ability to make an informed decision about whom he or she wants on that board.

[3:34:33 PM](#)

REPRESENTATIVE SCHRAGE surmised there could be an opportunity for this advisory board to be extended beyond the 2030 sunset date if there were to be continued federal investment or the state decided to continue investing in this area.

REPRESENTATIVE EDGMON answered "exactly." Looking forward, he said, is always of arbitrary nature and a 10-year term for the [Statewide Broadband Advisory Board] was picked because clearly it would have a lifespan of five or ten years depending on how long this work takes place. Regarding a term of three years for board members, he pointed out that the term for Board of Fisheries members is three years, after which many board members are reappointed because they did a great job and have broad support. A three-year term therefore seemed in consort with being a good period of time.

REPRESENTATIVE SCHRAGE asked whether the governor would have discretion to end someone's three-year term early. He further asked whether a three-year term could mean the state could become stuck with someone who doesn't show up at meetings or some other thing.

REPRESENTATIVE SNYDER replied that there is an endless number of sideboards and guidelines on how a board should look, operate, and be adjusted over time. In trying to strike a balance between giving some direction while allowing some flexibility, this falls within a moderate ground and is in consultation with the sponsor.

REPRESENTATIVE EDGMON responded that generally appointees serve at the pleasure of the governor.

[3:36:52 PM](#)

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment 2, as amended, was adopted.

[3:37:02 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Amendment 3 to HB 363, labeled 32-LS1527\I.8, Klein, 3/14/22, which read:

Page 4, line 18:

Delete "and"

Insert "(3) two members from the legislature, serving as ex officio nonvoting members, one of whom shall be appointed by the president of the senate and one by the speaker of the house of representatives; and"

Renumber the following paragraph accordingly.

Page 4, line 30:

Delete "(c)"

Insert "(c) (1), (2), or (4)"

[3:37:04 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[3:37:05 PM](#)

CO-CHAIR SPOHNHOLZ explained Amendment 3 would add two members of the legislature as ex officio, nonvoting, members of the board. One would be appointed by the Senate President and the other by the Speaker of the House of Representatives. She said good, close communication between this group and the legislature is wanted in the event the legislature needs to come back and make changes to the Office of Broadband or appropriations are needed to match. The legislature would be well informed and engaged in the process but would not have the ability to vote and change the direction.

REPRESENTATIVE EDGMON responded that he supports Amendment 3 because it is a standard practice and a good check and balance to have a member from each chamber attending the meetings and reporting back and being a conduit between the legislature, the board, and the Office of Broadband.

[3:38:16 PM](#)

REPRESENTATIVE SCHRAGE conveyed that he supports Amendment 3. He asked whether a term should be included in this amendment like in Amendment 2.

CO-CHAIR SPOHNHOLZ answered that this would be sitting legislators, not legislators that were termed off because they weren't reelected. The incoming Senate President or House Speaker would then fill the spot of a legislator that was not reelected.

REPRESENTATIVE EDGMON responded that as a former presiding officer, his assumption is that Amendment 2 is for the nine members appointed by the governor. Under [Amendment 3], the presiding officer at the start of each new legislative session would appoint two members. For example, the thirty-third legislature would appoint two members and then the thirty-fourth legislature would appoint two members, and, theoretically, it could be the same legislators.

REPRESENTATIVE KAUFMAN added that if a legislator is no longer in office he or she can't be there, so it will solve itself.

[3:39:49 PM.](#)

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment 3 was adopted.

[3:39:58 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Amendment 4 to HB 363, labeled 32-LS1527\I.10, Klein, 3/15/22, which read:

Page 2, line 31:
Delete "(1)"

Page 3, line 4:
Delete ";"
Insert "."

Page 3, lines 5 - 11:
Delete all material.

Page 4, line 19, following "members":
Insert ", at least two of whom live in an unserved or underserved area,"

Page 5, following line 1:
Insert a new section to read:
"Sec. 44.33.930. Definitions. In AS 44.33.910 - 44.33.930,
(1) "unserved area" means an area that does

not have broadband speeds of at least 25 Megabits per second downstream and at least 3 Megabits per second upstream with a latency sufficient to support real-time interactive applications; and

(2) "underserved area" means an area that does not have broadband speeds of at least 100 Megabits per second downstream and at least 20 Megabits per second upstream with a latency sufficient to support real-time interactive applications."

Page 5, line 2:

Delete "and 44.33.920"

Insert "44.33.920, and 44.33.930"

[3:40:00 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[3:40:01 PM](#)

CO-CHAIR SPOHNHOLZ explained that Amendment 4 was crafted in partnership with the sponsor and in response to the public testimony urging that members of the unserved and underserved communities be represented. It was heard in testimony that plenty of the people in unserved and underserved communities are experts in these subject matters. It is important to have those voices sitting at the table when those conversations are happening. Definitions [of "unserved area" and "underserved area"] are included in Amendment 3 and are the definitions found in the federal legislation.

REPRESENTATIVE EDGMON said he supports Amendment 4 because it strengthens the bill by stating what is intended and it is in full alignment with the federal [Infrastructure Investment and Jobs Act] (IIJA) and recommendations from the Governor's Task Force on Broadband.

[3:41:07 PM](#)

REPRESENTATIVE MCCARTY asked about the provision in Amendment 4 on page 1, lines 1-2, that would in the bill on page 2, line 31, delete "(1)".

[3:41:51 PM](#)

The committee took an at-ease from 3:41 p.m. to 3:42 p.m.

[3:42:50 PM](#)

CO-CHAIR FIELDS responded that no content is being deleted, only the numbers one, two, and three are being deleted.

CO-CHAIR SPOHNHOLZ stated that Amendment 4 adds the two members who live in unserved or underserved areas and moves the definitions of unserved and underserved to a section further down in the bill, thereby removing the requirement for numbers one, two, and three on page 2 of the bill, beginning on line 31. So, they are conforming changes reflected in the reorganization posed by Amendment 4.

[3:43:53 PM](#)

REPRESENTATIVE MCCARTY inquired about whether this whole section defines "anchor institution" and what it means regarding bandwidth and unserved and underserved, and therefore it would be deleting the definitions thereof and it is somewhere else.

CO-CHAIR FIELDS answered that it only deletes the number one, not any of the text on anchor institutions. The language [in the bill on page 3, lines 5-11,] defining "unserved area" and "underserved area" is being deleted and these terms defined elsewhere. Therefore, "anchor institution" is on its own and doesn't need a number in front of it; it's purely organizational and the substance of "anchor institution" isn't being changed.

[3:45:00 PM](#)

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment 4 was adopted.

[3:45:09 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Amendment 5 to HB 363, labeled 32-LS1527\I.13, Klein, 3/15/22, which read:

Page 4, following line 28:

Insert a new subsection to read:

"(d) The advisory board shall establish a broadband technical working group to provide technical recommendations to the advisory board. The advisory board shall appoint individuals to the technical working group who collectively have expertise in the different technologies that provide broadband service in the state. The broadband industry representative on

the advisory board shall also serve on the broadband technical working group."

Reletter the following subsections accordingly.

[3:45:11 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[3:45:12 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt Conceptual Amendment 1 to Amendment 5.

[3:45:17 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[3:45:53 PM](#)

REPRESENTATIVE KAUFMAN explained that Conceptual Amendment 1 would, on line 6 of Amendment 5, following the word "service", add the words "and manage and deliver projects". The idea, he said, is to ensure that there are technical-aware people as well as project-aware people because good project management and project management awareness are wanted.

CO-CHAIR SPOHNHOLZ related that she and Representative Kaufman had two separate amendments, both of which achieved the underlying objective of Amendment 5. She said adopting Conceptual Amendment 1 to Amendment 5 would consolidate the two amendments into one.

REPRESENTATIVE EDGMON stated that since it appears to be a friendly amendment he has no objection.

[3:46:49 PM](#)

CO-CHAIR FIELDS withdrew his objection. Therefore, Conceptual Amendment 1 to Amendment 5 was adopted.

[3:47:04 PM](#)

CO-CHAIR SPOHNHOLZ explained that Amendment 5, as amended, establishes a technical working group which would, in essence, be a subcommittee of the [advisory] board. The idea, she said, was to mirror in the board what was in the task force, which was

a technical subcommittee that included subject matter experts in broadband and internet access in rural Alaska and now also in project management associated with these broadband projects. This ensures that the board itself stays broad, is technology neutral, and capitalizes on all the expertise that is out there and that this technical working group will be able to provide information to the full board. The broadband industry representative on the advisory board will serve on the broadband technical working group and ideally that person will be the representative to the board as a whole and represent the working group to the broader advisory board.

REPRESENTATIVE EDGMON spoke in support of Amendment 5, as amended. He stated that when putting an advisory board together as the bill proposes to do, one must be cognizant of not making the board too big yet at the same time the board must wrap its arms around all the various players as best as possible. Industry is an integral part of all of this, and industry's expertise is needed at the table. Having a technical subgroup seems to accomplish the objective of industry having a seat at the table and being an important part of the decision-making process but at the same time not expanding the advisory board to a point that it gets too big and makes it hard to chase people down to have meetings.

[3:49:15 PM](#)

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment 5, as amended, was adopted.

[3:49:25 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Amendment 6 to HB 363, labeled 32-LS1527\I.15, Klein, 3/15/22, which read:

Page 2, line 25, following "partners":
Insert "through the University of Alaska, technical, vocational, or trade schools, and apprenticeship programs"

[3:49:28 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[3:49:29 PM](#)

CO-CHAIR SPOHNHOLZ explained that Amendment 6, on page 2, line 25 of the bill, further defines the workforce development in-state partners by stating that these partners should include the University of Alaska, technical, vocational, or trade schools, and apprenticeship programs. This ensures that while building out this infrastructure, Alaska's capacity to be able to build and maintain the infrastructure is also being built. This is a great way to get Alaskans jobs and make sure that the investment in this effort is maintained and protected.

REPRESENTATIVE EDGMON expressed his support of Amendment 6. He said this also comports with the broadband task force's recommendations.

[3:50:32 PM](#)

REPRESENTATIVE MCCARTY stated that he reads the amendment as the University of Alaska being the overseer of the workforce. He asked whether other industry individuals or organizations could partner into this.

CO-CHAIR SPOHNHOLZ replied that the intention is not for the University of Alaska to have oversight of all these areas, but that the University of Alaska is one of the stakeholders that would be involved in workforce development. She said it would also include technical, vocational, or trade schools and could include high school level programs, programs that are outside of public institutions in the state, as well as apprenticeship programs. It is not to put the University of Alaska over other workforce development, but rather to include it in a list of program types that would be consulted in terms of workforce development.

REPRESENTATIVE MCCARTY stated he is concerned that the wording seems to imply that the University of Alaska is overseeing the technical, vocational, or trade schools, and apprenticeship programs.

CO-CHAIR SPOHNHOLZ responded, "Absolutely not, it's just first in the list."

[3:52:10 PM](#)

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment 6 was adopted.

[3:52:18 PM](#)

REPRESENTATIVE KAUFMAN moved to adopt Amendment 7 to HB 363, labeled 32-LS1527\I.2, Klein, 3/14/22, which read:

Page 1, following line 12:

Insert a new paragraph to read:

"(2) develop short- and long-term strategies for deploying affordable broadband to communities statewide, based on the effects on consumer costs, the timeline for deployment, the breadth of coverage, sustainability of the broadband without further subsidy, broadband reliability and speed, whether multiple technologies are necessary, technological neutrality, and preventing duplication of federal programs;"

Renumber the following paragraphs accordingly.

Page 2, line 13, following "infrastructure":

Insert "that supports the short- and long-term strategies developed under (b) (2) of this section"

[3:52:20 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[3:52:22 PM](#)

REPRESENTATIVE KAUFMAN explained Amendment 7 by reading it aloud to the committee members.

REPRESENTATIVE EDGMON responded that the amendment is well intentioned, and he thinks he knows what it is intended to accomplish, but his first reaction is that the way the bill is presented to the committee, and as amended, accomplishes the goals that are wanted to be accomplished. He said the terms in Amendment 7, such as breadth of coverage, sustainability of the broadband without further subsidy, go outside the scope of the broadband task force.

CO-CHAIR FIELDS requested Ms. O'Connor to speak to Amendment 7.

[3:54:24 PM](#)

CHRISTINE O'CONNOR, Representative of the Telecommunications Industry, Governor's Task Force on Broadband, Executive Director, Alaska Telecom Association (ATA), stated that

Amendment 7 is quite detailed and has several concepts that aren't defined here and are not areas where the task force made recommendations. She said her concern is it could conflict with NTIA's detailed rules which will be issued in the Notice of Funding Opportunity which is due in mid-May. Her other concern, she continued, is that this could have unintended consequences on existing federal programs that are supporting schools, telemedicine, and a variety of the telecommunication ecosystem.

[3:55:35 PM](#)

REPRESENTATIVE MCCARTY inquired about what is not being done that the amendment is attempting to address.

REPRESENTATIVE KAUFMAN responded that it is to get clarity that [the state] will operate on short- and long-term strategic plans, which will avoid some of the conflicts or problems that typically crop up when doing potentially overlapping work or work in an arena where there are not only technological selections to make but also the compatibility of those. It's to make it more explicit within the framework of a short-term and long-term strategy.

[3:56:51 PM](#)

REPRESENTATIVE MCCARTY asked what Ms. O'Connor sees that is different in the language of the amendment from the intent of the task force.

MS. O'CONNOR answered that she sees some duplication here of what is already in the bill language. Affordable broadband is addressed in the task force and throughout the [federal] Infrastructure Investment and Jobs Act (IIJA), she continued. Sustainability without further subsidy is not something that the task force delved into and is a concept that needs to be carefully addressed with coordination from the federal agencies. Interagency coordination and looking at duplication of programs is happening at the federal level via an interagency working group between the Federal Communications Commission (FCC), US Department of Agriculture (USDA), and NTIA. There could be an unintended consequence of eliminating programs that are essential to Alaska's broadband infrastructure. The task force did talk about reliability in-state, but those metrics are addressed elsewhere in the bill. The amendment is not adding to the bill and in some areas it is well outside what the task force recommended.

[3:58:40 PM](#)

CO-CHAIR SPOHNHOLZ stated that the intention of Amendment 7 is good and noble. She said she is a fan of doing things right but is concerned with the issue of sustainability of broadband without further subsidy conflicting with the bipartisan IIJA's stated objective of meeting first unserved communities and then underserved communities. Alaskans are trying to educate the NTIA about what rural and what unserved in Alaska means and how important this is. Access to broadband and high-speed internet is like a utility these days - business cannot be conducted, healthcare and education cannot be received. She suggested that this could be revisited in the next year and refined with the broadband advisory group once there is a more robust understanding of what the federal guidance is going to be and how the State of Alaska can comply with the spirit and letter of the law and regulation coming from the federal government.

[4:00:33 PM](#)

REPRESENTATIVE KAUFMAN withdrew Amendment 7. He offered his appreciation for the comments and said he is relentless about well managed projects. He said he concurs with some of the points that were made although he still thinks there are good things that could be fit in now.

CO-CHAIR SPOHNHOLZ stated that HB 363 is an important piece of the bipartisan Infrastructure Investment and Jobs Act that will be a game changer for the state of Alaska. She said HB 363 is an important building block for Alaska as it moves forward.

[4:01:31 PM](#)

CO-CHAIR SPOHNHOLZ moved to report HB 363, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 363(L&C) was moved out of the House Labor and Commerce Standing Committee.

[4:01:55 PM](#)

The committee took an at-ease from 4:01 p.m. to 4:05 p.m.

PRESENTATION: Child Care Trust Fund

[4:05:09 PM](#)

CO-CHAIR FIELDS announced that the next order of business would be the Child Care Trust Fund presentation.

[4:05:52 PM](#)

AARON MERCHEN, Director, US Chamber Foundation, gave a PowerPoint presentation titled "Childcare Trust Fund". He began the presentation on slide 1, which gave a "rundown" of the upcoming slides and moved to slide 2, which outlined the U.S. Chamber Foundation's childcare services as a benefit to be offered to employers. He continued to slide 3, which gave a broad overview of the benefits of offering essential care to essential workers and moved to slide 4, which detailed the "untapped potential" of offering childcare to workers throughout the United States. He continued to slide 5, which listed three main findings of a 2021 report by the U.S. Chamber of Commerce Foundation and moved to slide 6, which gave a broad overview of childcare services currently offered in Alaska.

[4:10:56 PM](#)

MR. MERCHEN continued the presentation on slide 7, which presented the idea of childcare's "untapped potential" onto Alaska's currently employee-benefit landscape. He moved to slide 8, which highlighted the \$165 million dollar annual loss to Alaska's revenue due to a lack of accessible childcare and continued to slide 9, which highlighted the \$152 million dollar annual cost to employers due to absences and employee turnover in Alaska. He moved to slide 10, which emphasized the \$13 million dollar annual loss of tax revenue due to childcare issues and continued to slide 11, which detailed three figures that highlighted the negative impacts of inaccessible childcare. He concluded the presentation slide 12, which detailed the "most successful approach to solve Alaska's childcare challenges".

[4:15:14 PM](#)

CO-CHAIR FIELDS contextualized why childcare is a relevant topic to the committee by emphasizing the economic impact of accessible childcare. He pointed to two bills that were passed in the 1st session of the 32nd Alaska State Legislature (ASL) that concerned childcare as examples of the ASL's commitment to improving the accessibility of childcare in Alaska.

[4:16:25 PM](#)

CO-CHAIR SPOHNHOLZ commented on the importance of childcare being seen as a business issue. She shared that she stopped having children because she didn't know how she might have been able to afford to have another child. She reiterated that childcare is a workforce and business issue. She asked how the \$13 million in Alaska tax revenue lost was measured.

[4:17:39 PM](#)

MR. MERCHEN answered that there was an estimated personal tax burden according to the Institute on Social and Economic Research.

[4:19:21 PM](#)

REPRESENTATIVE MCCARTY asked if the aforementioned childcare trust fund would be available to all childcare facilities in Alaska, including faith-based childcare facilities.

[4:21:20 PM](#)

STEPHANIE BERGLUND, CEO, thread, answered committee questions on the presentation titled "Childcare Trust Fund". She explained the history of THREAD as an organization and emphasized how the underfunding of childcare in Alaska was leading to it becoming less affordable, lower quality, and overall less accessible to all children in Alaska. She detailed an average annual cost of \$12,000 for infants and \$9,000 for pre-kindergarten children and highlighted the just-as-expensive operating costs for childcare facilities alike. She said that childcare as a whole was fragile before the Coronavirus (COVID-19) pandemic, and is now even more fragile after it. She emphasized how overworked teachers working in childcare were and highlighted the benefits of a healthy childcare environment, for both the teachers and the children alike.

[4:30:21 PM](#)

REPRESENTATIVE MCCARTY asked if any funds from the Childcare Trust Fund could be dedicated towards faith-based institutions in Alaska.

MS. BERGLUND said that funds from the Childcare Trust Fund should be able to go towards any licensed childcare institution in Alaska.

[4:32:14 PM](#)

CO-CHAIR FIELDS asked if there were any faith-based childcare facilities in Alaska.

MS. BERGLUND answered that there were some faith-based childcare institutions in the state.

[4:32:46 PM](#)

REPRESENTATIVE MCCARTY commented that faith-based schools are not currently eligible to receive funding from the Childcare Trust Fund.

[4:33:32 PM](#)

MS. BERGLUND added that she would be happy to follow-up with more information after the committee meeting and explained the numerous different types of childcare institutions that exist in the state, each having different philosophies.

[4:34:26 PM](#)

CO-CHAIR SPOHNHOLZ commented that public funds are only to be dedicated towards public education, therefore childcare would be treated separately as a private institution.

[4:35:21 PM](#)

CO-CHAIR FIELDS invited Blue Shibler forward to testify.

[4:35:32 PM](#)

BLUE SHIBLER, Executive Director, Association for Education of Young Children (AEYC), testified on the presentation titled "Childcare Trust Fund." She spoke to the business side of childcare politics in Alaska and emphasized that most childcare facilities are operating on a very small profit margin. She highlighted the Southeast Alaska Association for the Education of Young Children (AEYC)'s profit margin of one to two percent as an example of the low-profit margins that exist for childcare businesses in Alaska. She spoke to the inaccessibility of childcare in Alaska by explaining that only 1 in 5 children might ever be able to go to childcare with both of their parents working. She said that there is little growth in the scale of childcare facilities in Alaska because there just isn't enough revenue in the business. She concluded her remarks by highlighting the numerous positive impacts that investments in

childcare have and said that she was in support of the Childcare Trust Fund and a general public investment in childcare.

[4:40:04 PM](#)

DAN BUETEL, Growing Alaska Leaders, testified on the presentation titled "Childcare Trust Fund." He began his remarks by sharing that he had recently quit his nine-year career working for the state due to the childcare situation he was in. He said that his work schedule could have never aligned with raising his two preschool age children and emphasized how difficult it was for him to find care for his baby while he had to work. He explained how it would have cost him \$39,000 to cover the cost of one year of childcare and said that the "math is worse" for people who work in lower-paying, less stable jobs. He explained how inaccessible childcare leads to unemployed parents, which leads to a less stimulated economy, while a future without children doesn't make any sense either.

[4:44:26 PM](#)

REPRESENTATIVE MCCARTY asked Mr. Buetel what he was hearing from other people who made the challenging decision to quit work to take care of their child.

MR. BUETEL shared various stories of people making difficult decisions to get their child the proper care they need.

[4:46:36 PM](#)

MS. SHIBLER added that the child-to-caregiver ratio has to be a lot higher in order to meet the childcare needs of Alaska.

[4:48:11 PM](#)

REPRESENTATIVE MCCARTY asked Ms. Shibler what current child-to-caregiver the ratio is in Alaska and asked what could be done to improve that ratio.

MS. SHIBLER responded that there are currently federal requirements for what childcare facilities ratios must be and said that she wouldn't allow a lower ratio than 1 child per 3 caregivers, because the needs of the child would not be met in any scenario.

[4:50:10 PM](#)

GRACE KUBITZ, Staff, Representative Zack Fields, Alaska State Legislature, gave an overview with a PowerPoint, titled "Childcare Trust Funds" [hard copy included in the committee file]. She began the overview on slide 2, which detailed the landscape of childcare in New Mexico and moved to slide 3, which described the Massachusetts early education and care public private fund. She continued to slide 4, which gave a brief look at Nebraska's early childhood education endowment fund and concluded the overview on slide 5, which outlined additional childcare programs in other states such as North Carolina, Oregon, Kansas, and Alabama.

[4:56:43 PM](#)

REPRESENTATIVE MCCARTY asked for further detail on the trust funds described in the overview.

[4:57:45 PM](#)

TRISTAN WALSH, Staff, Representative Zack Fields, Alaska State Legislature, explained that the New Mexico childcare trust fund was budgeted as a 5 percent draw from its annual childcare budget of \$20 Million.

[4:58:02 PM](#)

CO-CHAIR SPOHNHOLZ clarified that every state in the union has a childcare trust, but each does not do the same thing. She pointed to childcare subsidies as an example of a wide-reaching solution.

SB 143-COMMON INTEREST COMMUNITIES; LIENS

[4:59:09 PM](#)

CO-CHAIR FIELDS announced that the final order of business would be SENATE BILL NO. 143, "An Act relating to horizontal property regimes and common interest communities; and relating to mortgages, deeds of trust, and other property liens."

[4:59:31 PM](#)

EMMA TORKELSON, Staff, Senator Josh Revak, Alaska State Legislature, on behalf of Senator Revak, sponsor of SB 143, introduced the bill. She stated that SB 143 fixes two issues that have been causing problems for homeowner associations (HOAs) and condominium owner associations (COAs) for years. She

explained that in 1986, the [Alaska] Uniform Common Interest Ownership Act (UCIOA) made an overhaul of HOA and COA statute. The amendment process created by UCIOA requires that HOAs receive written consent from all loan holders before HOAs can make amendments to their governing documents. However, HOAs have found it nearly impossible to get these written responses to their request for consent from the lienholders so they are left with long outdated rules that they cannot change.

MS. TORKELSON explained that SB 143 does not repeal the current process but codifies a process so that if HOAs provide the required notice to lienholders and do not receive a response within 60 days the lienholder is considered to have approved it and the association can proceed with the rest of the regular process to amend its governing documents. She clarified that SB 143 does not change anything about the requirement for HOAs to receive written consent from homeowners or any other written requirement, it will just simply stop HOAs from being unable to change their documents if lienholders don't respond to their requests.

MS. TORKELSON further explained that currently when a homeowner stops paying their dues or abandons their home, HOAs created after 1986 can collect up to six months of unpaid dues from the primary lienholder. However, HOAs created before 1986 don't get that same right and must absorb the cost, often passing it directly along to the other homeowners in the association. So, SB 143 clarifies what is already in statute to assure that the approximately 150 pre-1986 or pre-UCIOA associations will also be able to collect their unpaid dues just like their post-1986 counterparts. This clarification will provide consistency with how these liens are handled for both pre- and post-1986.

MS. TORKELSON concluded her introduction of SB 143 by pointing out that the bill will directly benefit all dues paying home and condominium owners associations and grant all associations, regardless of when they were formed, the same flexibility and rights.

[5:02:22 PM](#)

MS. TORKELSON provided the sectional analysis of SB 143. She paraphrased from the written sectional analysis, which read as follows [original punctuation provided]:

Section 1 - Amends AS 34.07 by adding a new section which lays out an alternative method for Common

Interest communities formed before Uniform Common Interest Ownership Act of 1986 (UCIOA) to obtain lienholder approval of proposed changes to their governing documents.

Under this section, pre-UCIOA communities who choose to use this alternative "shall send to a lienholder a dated written notice and a copy of the proposed amendment by certified mail, return receipt requested[.]" If the association complies with the written notice requirements and the lienholder does not respond within 60 days of the postmark date of the notice, "the lienholder is considered to have approved the proposed amendment."

Section 2 - Amends AS 34.08 to clarify that communities formed before UCIOA are granted super-priority lien status in the same way that their post-UCIOA counterparts are currently granted by AS 34.08.470(b).

Section 3 - Inserts the same language as in Section 1 to AS 34.08 by to provide an alternative method for Common Interest Communities formed after 1986 to obtain lienholder approval of proposed changes to their governing documents.

Under this section, post-UCIOA communities who choose to use this alternative "shall send to a lienholder a dated written notice and a copy of the proposed amendment by certified mail, return receipt requested[.]" If the association complies with the written notice requirements and the lienholder does not respond within 60 days of the postmark date of the notice, "the lienholder is considered to have approved the proposed amendment."

CO-CHAIR FIELDS open invited testimony on SB 143.

[5:04:38 PM](#)

SARAH BADTEN, Attorney, Birch Horton Bittner & Cherot, provided invited testimony in support of SB 143. She noted that she's been practicing community association law in Alaska for about 15 years. She said SB 143 is much needed legislation for especially the older homeowners' associations in Alaska. She explained that she helps homeowner associations and condominium

associations enforce their governing documents and interpret their governing documents. She cannot tell the committee how many times over the years she has had condominium and homeowner associations be unable to amend their governing documents because of this onerous written requirement by the lienholders. Some of these associations even require 100 percent written consent from the lienholders, which is very burdensome when national banks hold these liens and they don't care about a little HOA in Alaska, so getting that written approval is almost impossible. What that means is that older associations are having to either violate their own governing documents to take some action, which she can never recommend, or they must govern under archaic rules, which is unfair. She posed an example of all unit owners in an association wanting the association to take over the maintenance of mailboxes, but the current declaration requires that the unit owners themselves maintain their own mailboxes. Because of this requirement, any amendment must be approved by the lienholder in writing, so even a change as simple as this cannot be done.

[5:07:32 PM](#)

MS. BADTEN stated that SB 143 also solves another major problem, which is that pre-1986 properties are continually getting financially stuck with having to absorb costs that their post-1986 counterparts are not having to deal with. She said this is because of language that banks are saying invalidates the declaration, so the banks are therefore refusing to pay the super-priority lien on these pre-existing associations. It is these older associations that need this protection the most because they are the ones that have the older buildings in need of repair, and they also tend to have more lower-income people living in these buildings. It is only fair that these older associations be given the same benefits that are granted to post-1986 properties, especially when considering that it is these mortgage lenders that are making the loans and, when an owner doesn't pay, the association is still contractually obligated to maintain and uphold the buildings and do yard maintenance and snow removal, which benefits the secured interest of that lienholder. Since it is the associations that are maintaining the secured interest of the lienholders it is only fair that the lienholders pay their fair share. Ms. Badten added that SB 143 would put pre- and post-1986 properties on the same footing.

[5:09:36 PM](#)

SUSAN JENSEN, Manager, Bayshore Owners Association, provided invited testimony in support of SB 143. She noted that for the past 18 years she has been the operations manager of Bayshore Owners Association, which has 454 private homes and was founded in 1974. She concurred with Ms. Badten's testimony and said SB 143 has important provisions for her association. She related that Bayshore has wanted to amend its declarations many times over the years and has been unable to do so because of the burdensome requirement of bank approval in writing. For example, she continued, Bayshore could find itself in violation of its own governing documents when doing necessary maintenance projects. There is a provision that any expenditure over \$20,000 requires a two-thirds approval of the members of the association, already a hurdle, but without bank approval the association cannot go forward even if it succeeds [in receiving the two-thirds homeowner approval]. The association's governing documents need to be amended to reflect the reality and the association today. She recounted an example of when her association lost out on a \$100,000 improvement that would have made it safer for children to walk to school using the greenbelts and main roadway. The association was offered, at no cost to the association, a paved lighted pathway connecting the roadway through the association's greenbelt to three other roads and further greenbelts in the subdivision. However, the association would have had to cede the property to the municipality, and because of being unable to amend its governing documents the association lost out on that opportunity.

MS. JENSEN further related that the association often stands to lose out on thousands of dollars owed to it for dues, attorney fees, or maintenance on individual properties while the lenders pay nothing while waiting for the eventual sale or foreclosure of a home. Numerous lenders, she pointed out, have lawyers who vigorously defend their right to pay nothing based on the Alaska law as it stands now or their interpretation of it. The bag gets passed on to innocent dues paying owners. She urged that the bill be passed to protect older associations by being able to amend their declarations and give super priority liens.

[5:12:11 PM](#)

CO-CHAIR FIELDS announced that SB 143 was held over.

[5:12:37 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:12 p.m.