

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

March 21, 2022

3:19 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

SENATE JOINT RESOLUTION NO. 12

Urging the United States Congress to repeal the Windfall Elimination Provision and Government Pension Offset of the Social Security Act.

- HEARD & HELD

PRESENTATION: PROFESSIONAL LICENSING PROCESSING

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: SJR 12

SHORT TITLE: SOCIAL SECURITY BENEFIT REDUCTION REPEAL

SPONSOR(s): SENATOR(s) WIELECHOWSKI

03/29/21	(S)	READ THE FIRST TIME - REFERRALS
03/29/21	(S)	STA, FIN
04/27/21	(S)	STA AT 3:30 PM BUTROVICH 205
04/27/21	(S)	<Bill Hearing Canceled>
05/04/21	(S)	STA AT 3:30 PM BUTROVICH 205
05/04/21	(S)	Heard & Held
05/04/21	(S)	MINUTE(STA)
05/06/21	(S)	STA AT 3:30 PM BUTROVICH 205
05/06/21	(S)	Moved SJR 12 Out of Committee

05/06/21	(S)	MINUTE (STA)
05/07/21	(S)	STA RPT 1DP 3NR
05/07/21	(S)	DP: SHOWER
05/07/21	(S)	NR: HOLLAND, COSTELLO, REINBOLD
02/24/22	(S)	FIN AT 9:00 AM SENATE FINANCE 532
02/24/22	(S)	Heard & Held
02/24/22	(S)	MINUTE (FIN)
03/01/22	(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/01/22	(S)	Moved SJR 12 Out of Committee
03/01/22	(S)	MINUTE (FIN)
03/04/22	(S)	FIN RPT 6DP
03/04/22	(S)	DP: STEDMAN, BISHOP, HOFFMAN, WILSON, WIELECHOWSKI, OLSON
03/11/22	(S)	TRANSMITTED TO (H)
03/11/22	(S)	VERSION: SJR 12
03/14/22	(H)	READ THE FIRST TIME - REFERRALS
03/14/22	(H)	STA
03/14/22	(H)	L&C REPLACES STA REFERRAL
03/21/22	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

SENATOR BILL WIELECHOWSKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor, introduced SJR 12.

KEEGAN FARONE, Intern
Senator Wielechowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Senator Wielechowski, prime sponsor of SJR 12, provided a PowerPoint presentation titled "Senate Joint Resolution 12."

TOM KLAAMEYER, President
National Education Association-Alaska (NEA-Alaska)
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of SJR 12.

KATHLEEN YERBICH, Teacher
Matanuska-Susitna Education Association (MSEA)
Wasilla, Alaska

POSITION STATEMENT: Provided invited testimony in support of SJR 12.

SARA CHAMBERS, Director
Division of Corporations, Business, and Professional Licensing,
Department of Commerce, Community, and Economic Development
Juneau, Alaska

POSITION STATEMENT: Gave the presentation on Professional Licensing Processing.

GLENN HOSKINSON, Deputy Director
Division of Corporations, Business, and Professional Licensing,
Department of Commerce, Community, and Economic Development
Juneau, Alaska

POSITION STATEMENT: Provided comment during the presentation on Professional Licensing Processing.

RICHARD WEIN
Chair, State Medical Board
Sitka, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

DANETTE SCHLOEDER, RN, Chair
Alaska Board of Nursing
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

ERIN JOHNSON, PhD
Chair, Board of Psychologists and Psychological Associate Examiners
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

JUSTIN RUFFRIDGE, PharmD
Chair, Board of Pharmacy
Soldotna, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

DORENE "DORI" HAGEN, LPC, Chair
Board of Professional Counselors
Homer, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

JARED KOSIN, CEO
Alaska State Hospital and Nursing Home Association

Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

SARA MASSMANN

Legislative Committee Co-Chair, Alaska Nurses Association
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

TONIE PROTZMAN, MS, LPC, CDC, PSP III, Executive Director
Alaska Chapter of the National Association of Social Workers
Anchorage, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

TOM CHARD, CEO

Alaska Behavioral Health Association
Juneau, Alaska

POSITION STATEMENT: Testified during the presentation on Professional Licensing Processing.

TIM MULLEN, PhD, CEO

Ortho Alaska, Inc.;
Member

Alaska State Medical Association
Anchorage, Alaska

POSITION STATEMENT: Testified during the Professional Licensing Processing.

ACTION NARRATIVE

[3:19:43 PM](#)

CO-CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Kaufman, Nelson, McCarty, Schrage, and Spohnholz were present at the call to order. Representatives Fields and Snyder arrived as the meeting was in progress.

SJR 12-SOCIAL SECURITY BENEFIT REDUCTION REPEAL

[3:20:22 PM](#)

CO-CHAIR SPOHNHOLZ announced that the first order of business would be SENATE JOINT RESOLUTION NO. 12, Urging the United

States Congress to repeal the Windfall Elimination Provision and Government Pension Offset of the Social Security Act.

[3:21:11 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, as the prime sponsor, introduced SJR 12. He explained that the resolution urges Congress to repeal the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) of the Social Security Act. He paraphrased from the written sponsor statement [included in the committee packet], which read [original punctuation provided]:

SJR 12 urges Congress to repeal the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) of the Social Security Act. The WEP cuts the Social Security benefits of public employees in Alaska if they plan to switch between the public sector and private sector or military. In 2021, this loss could be as much as \$498 per month, or about \$6,000 a year. The GPO cuts spousal or widows' benefits for public employees for no reason other than their work in the public sector. This cut could amount to as much as 2/3rds the value of the individual's government pension.

Because Alaska is one of few states that does not offer a defined benefit plan or coverage for social security, the WEP and GPO affect more Alaskans per capita than any other state. Public employees in Alaska are being punished for choosing to work in public service.

The WEP and GPO negatively impact recruitment and retention of Alaska public employees such as firefighters, police officers and especially teachers. Those who do not want to be subject to these provisions will simply look elsewhere for employment. Punishing individuals for choosing public service runs counter to retaining dedicated Alaskan workers and recruiting the best of the best to Alaska.

Passage of SJR 12 will demonstrate that the Alaska Legislature opposes arbitrary and unfair cuts to the rightfully earned Social Security benefits of Alaskans.

Alaskans deserve to retire with dignity. I urge your support of SJR 12.

SENATOR WIELECHOWSKI added that this affects about 16,000 Alaskans, and that Alaska is the most impacted of all the states with over 15 percent of retirees in Alaska impacted by this. He reported that several bills in Congress have widespread bipartisan support, one of which is cosponsored by Alaska's US Senator Lisa Murkowski. He said this is a nationwide effort, with people across the US cheering on SJR 12.

[3:23:15 PM](#)

KEEGAN FARONE, Intern, Senator Wielechowski, Alaska State Legislature, on behalf of Senator Wielechowski, prime sponsor of SJR 12, provided a PowerPoint presentation titled "Senate Joint Resolution 12." He displayed the title slide and stated that SJR 12 urges the US Congress to repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) of the Social Security Act. He moved to slide 2, "Windfall Elimination Provision," and explained that the WEP affects workers whose work histories include both [Social Security]-covered and noncovered employment, with the noncovered employment also providing a pension.

MR. FARONE proceeded to slide 3, "Windfall Elimination Provision," and stated that through what is called the "first bend" a worker's first \$996 of Social Security is reduced from 90 percent to as low as 40 percent depending on the quantity of recorded years considered to be of substantial earnings. The "three bend formula" constitutes what is known as the primary insurance amount (PIA), which is the amount of Social Security benefits paid to a retiree at full retirement age. The reduction is based on the years of substantial earnings accumulated throughout the worker's lifetime, which is reduced in 5 percent increments for years less than 30. So, a worker with fewer than 21 years of substantial earnings will receive a 50 percent reduction to the first bend of the average index monthly earnings (AIME).

MR. FARONE presented slide 4, "Windfall Elimination Provision," and related that the WEP affects more Alaskans per capita than any other state. In 2020, over 12,000 retired Alaskan workers, 60 disabled workers, and 478 spouses and children were subject to WEP reductions. Of all Social Security beneficiaries in Alaska, 11.6 percent had their benefits reduced by the WEP.

MR. FARONE continued to slide 5, "Government Pension Offset," and explained that the GPO affects Alaskans the second most per capita of all US states. However, unlike the WEP which can apply to any noncovered employment, the GPO applies specifically to government workers' retirement benefits.

MR. FARONE showed slide 6, "Government Pension Offset," and reported that the GPO may equate to two-thirds of the pension that a Social Security beneficiary is set to receive from noncovered employment. In what is known as a "partial offset," GPO refers to a reduction in which the GPO is smaller than the benefit, so the remainder of Social Security benefits are paid. In "full offset," the GPO is larger than the spousal benefit, so no Social Security benefit is paid.

MR. FARONE displayed slide 7, "Government Pension Offset," and specified that of the 3,322 Alaskans subject to GPO reductions in 2020, nearly 73 percent were fully offset, meaning those affected received no Social Security spousal or widower's benefit because the reduction was greater than the benefit itself. He further specified that 43 percent of those affected were widows or widowers.

MR. FARONE continued to slide 8, "Conclusion," and stated that although the WEP and GPO were created to address the inequality with double-dipping principle, another was inadvertently created. He said Alaskans should not suffer cuts to their rightfully earned Social Security benefits due to their dedication to public service.

[3:27:04 PM](#)

CO-CHAIR SPOHNHOLZ observed the statement [on slide 4], "In 2020, over 12,000 Alaskans had Social Security benefits reduced by the WEP." She then observed the statement [on slide 7] that 3,322 Alaskans were affected by the GPO. She asked what the difference is between the two.

MR. FARONE replied that the WEP and GPO are separate provisions. The WEP is a provision that affects the individual's Social Security [benefits], and the GPO applies specifically to spouses and widower's benefits.

CO-CHAIR SPOHNHOLZ asked whether some folks have both provisions layering on top of each other.

MR. FARONE responded that is correct.

3:28:09 PM

REPRESENTATIVE MCCARTY surmised that this pertains only to state employees, not non-state employees.

SENATOR WIELECHOWSKI answered that it could apply to anyone who does not pay into Social Security. It would apply to anyone who works in the state of Alaska for an employer that does not pay into Social Security, which typically is all state employees, municipal employees, and school district employees.

REPRESENTATIVE MCCARTY inquired whether this pertains in any way to non-government employees.

SENATOR WIELECHOWSKI replied that it would not, unless they had a job that didn't pay into Social Security, which he doesn't know that there are any in Alaska.

REPRESENTATIVE MCCARTY posed a scenario of someone working a government job and then going to a non-government job, or vice versa. He offered his understanding that right now this person would have a reduction on his or her Social Security portion because of the government job.

SENATOR WIELECHOWSKI responded yes, that is the way it works. This would not apply, he explained, to someone who has worked a full 30 years with Social Security contributions being made on his or her behalf. This would only apply if the person has worked less than 30 years, which is many people. For example, if prior to retiring, someone works 25 years as a legislator, firefighter, or military member, his or her Social Security benefits will be reduced significantly. A person who has worked 20 or fewer years, will have his or her Social Security cut by up to \$498 per month or almost \$6,000 a year. Every year from 20 to 30 years there is a 5 percent increase. So, a person who has worked 21 years with Social Security benefits and who has also worked for a public employer, would have a maximum cut of \$448 [per month]. It drops 5 percent for every year between 20 and 30 years.

3:31:06 PM

REPRESENTATIVE MCCARTY posed a scenario in which he has worked for one entity for 20 years and then another entity for an additional 20 years, and he now receives retirement from each one. In this scenario, he is not double dipping, he just has

two different retirement plans. However, he continued, if he works for a government entity for 20 years and then works in another job in which he pays into Social Security, he will not be able to get a full expectation from that. This resolution would fix it so that he could have a double retirement.

SENATOR WIELECHOWSKI answered that is correct.

REPRESENTATIVE MCCARTY remarked, "This is a great idea."

SENATOR WIELECHOWSKI posed a scenario in which a person works 20 years for a government employer and then 20 years for a private employer. He said this person would have his or her Social Security cut by \$498 [a month]. This is penalizing people for working for a public employer. If a person worked for a private employer there would be no cut. The person has paid in and is getting cut because Congress made this bizarre bill decades ago, for which the ramifications were not thought out.

[3:33:11 PM](#)

CO-CHAIR SPOHNHOLZ suggested that providing a sectional analysis would not be necessary, to which no one objected.

[3:33:18 PM](#)

CO-CHAIR SPOHNHOLZ opened invited testimony on SJR 12.

[3:33:31 PM](#)

TOM KLAAMEYER, President, National Education Association-Alaska (NEA-Alaska), provided invited testimony in support of SJR 12. He shared that he arrived in Alaska in 1989 courtesy of the US Air Force. He said he used his GI bill to attend the University of Alaska Anchorage and is now in his twenty-sixth year as an educator in the Anchorage School District. He stated that this is an obscure topic to many people, but of incredible importance to members of NEA-Alaska, members of Alaska's Teachers' Retirement System (TRS) and Public Employees' Retirement System (PERS), and every legislator and staff member, all of whom are subject to GPO/WEP penalties. The GPO/WEP is a series of penalties that can negatively impact the Social Security benefits that were earned by certain former federal and state employees by virtue of these employees collecting a PERS or TRS retirement.

MR. KLAAMEYER noted that Alaska educators and public employees hired after 2006 are particularly vulnerable to both provisions. In 2006, he explained, PERS/TRS changed from a pension (defined benefit program) to a defined contribution retirement system for all subsequent employees. The GPO/WEP were designed to reduce the Social Security benefits of former state and federal employees who held government pensions. Certificated Alaska educators hired after 2006, now numbering about 60 percent of all teachers in Alaska, have no pension. Yet, they are subject to GPO/WEP if they have previous Social Security earnings, and they aren't eligible to participate in Social Security as educators even if they wanted to. When talking about teachers, he explained, he is including all certificated educators, counselors, nurses, principals, and superintendents. Alaska certificated educators have the dubious distinction of having the absolute worst, least secure retirement system in the US without a pension or Social Security. A person entering teaching as a second career or working another job to make ends meet has paid into the system with their taxes, but because of the GPO/WEP this person gets a double whammy of having no pension and a reduced Social Security benefit.

MR. KLAAMEYER specified that the decision for TRS to opt out of the Social Security system was made in 1951 during Alaska's territorial days, so knowing the reasoning is difficult. From his research through NEA's history, he said it may have been thought that belonging to Social Security wasn't necessary because at the time the TRS Tier I benefits provided security in retirement. But those days are long gone, he stated. The GPO/WEP provisions were added in 1983, and he would like to think that a different decision would have been made by Alaska's state leaders had they known then what a precarious situation they would be placing on future educators.

MR. KLAAMEYER said it was learned in the last few years that there is a process by which individual districts, or the state, could once again reenter the Social Security system, which might provide some help in providing retirement security. However, he continued, because of the GPO/WEP problem that issue becomes muddled and quickly problematic as the costs and benefits of such a move are weighed. To be clear, one of the solutions suggested is to go ahead and get back into the Social Security system to give that security in retirement, which could be done, but then NEA-Alaska's members would lose up to half of their Social Security benefits because they are still receiving a TRS or PERS pension. So, it becomes a dubious choice - an educator would be paying the same as everybody else to get into Social

Security but not be able to collect the full benefit unless the person had more than 30 years when he or she would no longer be subject to GPO/WEP.

[3:39:40 PM](#)

MR. KLAAMEYER related that he's heard of people who retired not knowing of GPO/WEP or that they were impacted until they went to Social Security and were told that their benefits were reduced by hundreds of dollars. Even worse, some educators have lost their eligibility entirely for the survivor benefits from the spouse or parent. This money for retirement may have been counted on for their entire working careers and it is simply gone. He said NEA-Alaska is doing its best to inform its members about this problem and is advocating for fixing it, but the complexity of the topic makes for an uphill battle. Arming NEA-Alaska's members with the details does not mitigate the harm that they will receive from GPO/WEP, he pointed out, they just know it's coming. It may seem obscure or minimal to some, but to a senior on a fixed retirement income after a lifetime of public service, several hundred dollars a month can have real consequences.

MR. KLAAMEYER thanked the sponsor for bringing forth SJR 12 and the committee for hearing the resolution. He said NEA-Alaska has been working for years with the Alaska Congressional Delegation, which speaks to the length of time of working on this and the complexity of the problem. Perhaps SJR 12 will raise the profile of the problem, he continued, and give the Alaska Congressional Delegation the support needed to advocate for Alaska's state workers and retirees more effectively.

[3:42:02 PM](#)

REPRESENTATIVE MCCARTY asked why [the GPO/WEP] exists.

MR. KLAAMEYER replied that that is the point, it has no logic to it, it is an unfair penalty. He shared that he is a TRS Tier II beneficiary with a pension, so maybe there is some logic to that. He said he has had other jobs through which he paid into Social Security, and if he were to earn 40 quarters by working a job outside of education he would then receive a benefit, but it would be offset. Because he has spent the bulk of his career in education not paying into Social Security he likely would not be as impacted as some. For people who worked in other careers before becoming an educator, all their retirement benefits become subject, even though it isn't a pension. In the TRS

system the employer and the employee each pay greater than the 6.2 percent that employers and employees each pay into Social Security; by that definition the Social Security Administration still counts it as a pension even though it is a defined contribution plan. He said NEA-Alaska has asked the Social Security Administration to waive Alaska from consideration for GPO/WEP, but was told it couldn't be done administratively, it must be done in statute. He concurred it makes no sense that one retirement benefit earned in one job cancels out a retirement benefit earned in another job. It is ludicrous and unfair and impacts NEA-Alaska members more than most.

[3:45:21 PM](#)

KATHLEEN YERBICH, Teacher, Matanuska-Susitna Education Association (MSEA), provided invited testimony in support of SJR 12. She explained that the WEP and GPO were put in place in 1983 with the main justification being that teachers and other public employees had earned a generous pension, so they didn't the Social Security piece. But, she continued, this is no longer the case. She does not have a generous retirement as she is Tier III - after working 20 years as a teacher, she will receive \$900 per month retirement. Financial analysts say Alaska's Tier III system doesn't fit the requirements to even be called a retirement. Even if she worked for 30 years, the money that she will receive will not be enough to retire.

MS. YERBICH stated she has a Social Security account from monies earned during her teen years, her military years, and her years of a part-time job as an adult. However, she continued, she will only receive a fraction from this account. Her husband worked 40 years in Alaska construction and is now retired and receiving a Social Security check. If he passes away before her, she will only receive a fraction of his check. The rest of his money and her money will get absorbed into the system - this is what the WEP and GPO mean.

MS. YERBICH related that when she explains the WEP and GPO to other people, the common response is that it must be illegal. And it does seem illegal because it is so unjust. While educating people she has had many widowers share their struggle with her. They worked for 20 or more years, their husband worked 20 or more years, and together they made ends meet, until their husband passed away. They only receive a fraction of this money, and it is heartbreaking. The committee has the power to help them by urging repeal of the WEP and GPO. Both pieces were

designed so teachers and public employees were not given too much of the pie, but they are now barely at the table.

[3:47:37 PM](#)

REPRESENTATIVE MCCARTY observed that if the GPO/WEP were repealed it would become retroactive. He inquired about how far it would go and how much money would be available to do a retroactive capture to take care of these retirement pieces.

MS. YERBICH responded that if it is repealed she will get all her Social Security monies when she retires and will not be penalized. She will get all her husband's Social Security money if he passes away before her because it would not be penalized. Repeal of both the GPO and WEP gets rid of the penalization.

[3:48:52 PM](#)

CO-CHAIR SPOHNHOLZ opined that it's wrong that people who have worked in the public sector and the private sector are penalized in this way. When the GPO and WEP were created, she continued, it was based on the rich retirement pensions that were had in those days, but those days are long gone and haven't existed for [most of] her life. She was about eight years old when the State of Alaska chose to opt out of Social Security. The state's programs are no longer as rich as they used to be, and it is problematic that now people who worked in both the public and private sectors are penalized.

[SJR 12 was held over.]

PRESENTATION: Professional Licensing Processing

[3:49:57 PM](#)

CO-CHAIR SPOHNHOLZ announced that the final order of business would be a presentation on the Professional Licensing Processing.

[3:51:33 PM](#)

SARA CHAMBERS, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community, and Economic Development, gave a presentation titled "Professional Licensing Processing" She began the presentation on slide 2, which compared the differences of how the Department of Commerce, Community, and Economic Development (DCCED) worked

during the Coronavirus (COVID-19) Pandemic and how it planned to operate in the future. She moved to slide 3, which detailed certain statistics within the DCCEED for fiscal year 2021.

[3:55:54 PM](#)

GLENN HOSKINSON, Deputy Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community, and Economic Development, explained the increases and decreases in various licensure needs. One section of their office touched 600k documents just during FY2021.

[3:57:20 PM](#)

CO-CHAIR SPOHNHOLZ noted that the committee heard from them on April 21. Licenses were already up about 40 percent over the preceding 10 years and asked about a recent staffing increase within the DCEED.

[3:58:05 PM](#)

MS. CHAMBERS responded that they have added non-permanent positions to get some more administrative support at lower levels.

[3:58:39 PM](#)

MS. HOSKINSON picked up the presentation on slide 4, which displayed text boxes of various testimonials from frustrated professionals that had interacted with the DCCED within the previous two years. She continued to slide 5, which displayed a graphic that detailed current professional licensing statistics in Alaska.

[4:02:55 PM](#)

CO-CHAIR FIELDS asked Ms. Hoskinson to remind him of the salary level of a range 14. He asked whether the DCCED had worked to pursue any separate revenue paths.

[4:03:21 PM](#)

MS. CHAMBERS responded that they have not pursued that particular avenue but there are some other areas that the DCCED could investigate.

CO-CHAIR FIELDS commented that it might be difficult to recruit qualified individuals for a professional position at such a low wage range.

[4:03:54 PM](#)

REPRESENTATIVE KAUFMAN asked if there was any professional streamlining that could be done within the DCCED.

MS. CHAMBERS responded that the DCCED would like to streamline its operation as a solution to some of its revenue issues.

[4:05:38 PM](#)

MS. CHAMBERS resumed the presentation on slide 7, which listed various improvements to the working conditions of DCCED employees.

[4:08:54 PM](#)

CO-CHAIR SPOHNHOLZ asked how telework improved productivity in the DCCED.

MS. CHAMBERS responded that comfort, flexibility with childcare, the ability to dedicate more time to specific tasks, and less distractions all allow for more time to focus on jobs.

CO-CHAIR SPOHNHOLZ added shared that it is a common misconception that telework would lead to a less productive worker.

[4:10:08 PM](#)

MS. CHAMBERS resumed the presentation on slide 8, which detailed Governor Dunleavy's Administrative Order to direct the operation of the DCCED toward its core licensing function.

[4:14:43 PM](#)

REPRESENTATIVE SNYDER asked about the increase of licenses approved versus the number of individuals that applied for licenses.

MS. CHAMBERS responded that professional licensing applications and approved applicants were on a sharp rise in 2019 and 2020 until the COVID-19 pandemic began, after which both figures collapsed and are now recovering to near pre-pandemic levels.

She explained that the challenge the DCCED is facing is now that it is understaffed and having a hard time filling the positions it needs to fulfill its core licensing duties.

[4:18:28 PM](#)

REPRESENTATIVE KAUFMAN asked Ms. Chambers whether there's been a study of the burden of licensing that Alaska imposes on its professionals relative to other states.

MS. CHAMBERS said that Representative Kaufman's question would be answered on a later slide. She said that Alaska is one of the most burdensome states with regard to its professional licensing requirements.

[4:22:02 PM](#)

REPRESENTATIVE NELSON asked about the reciprocity of military spouse licenses in Alaska.

[4:22:25 PM](#)

CO-CHAIR SPOHNHOLZ noted that the Alaska State Legislature has been working on its professional licensing reciprocity policy.

[4:22:50 PM](#)

MS. CHAMBERS resumed the presentation on slide 9, which detailed how the DCCED was working to modernize its "infrastructure" to better suit the needs of professionals in Alaska. She moved to slide 10, which described the Council of State Governments report on occupational licensing resiliency.

[4:26:41 PM](#)

MS. CHAMBERS continued the presentation on slide 11, which displayed a map of other states with universal professional licensure reciprocity and moved to slide 12, which displayed a map of states that had professional licensure reciprocity compacts with other states.

[4:29:51 PM](#)

CO-CHAIR SPOHNHOLZ thanked the DCCED for its time and work in putting the presentation together.

[4:31:20 PM](#)

RICHARD WEIN, Chair, State Medical Board, testified during the hearing on the professional licensing presentation. He emphasized the need for improved safety and quality practices within the DCCED and said that the State Medical Board needs to have its information current and quickly as it becomes available. He explained that different professions within the medical industry should be subject to different levels of scrutiny in order to obtain a safe and more streamlined professional medical licensing process in Alaska. He proposed additional fees for expedited applications and pay raises for employees within the DCCED.

[4:35:28 PM](#)

DANETTE SCHLOEDER, RN, Chair, Alaska Board of Nursing, testified during the hearing on the professional licensing presentation. He explained that the State Medical Board was working to update and modernize the current regulations that govern the DCCED in its professional medical licensing practices. She gave example of other states that are more rigorous in their professional medical licensing standards than Alaska and detailed how the State Medical Board goes about the processing of emergency courtesy licenses.

[4:38:51 PM](#)

ERIN JOHNSON, PhD, Chair, Board of Psychologists and Psychological Associate Examiners, testified during the hearing on the professional licensing presentation. She explained how the state had reduced the buy-in fee for a medical license by almost \$1,000 in the previous two years.

[4:41:02 PM](#)

REPRESENTATIVE MCCARTY asked about similarities between the behavioral health boards.

[4:42:32 PM](#)

JUSTIN RUFFRIDGE, PharmD, Chair, Board of Pharmacy, answered that the licensing process within the Board of Pharmacy took on an emergency role. He mentioned that the board he chaired had seen some "bad actors" try to utilize the emergency licensure application as a means to get around the existing slower routes.

[4:46:16 PM](#)

CO-CHAIR SPOHNHOLZ asked Dr. Ruffridge about the elimination of fingerprinting in certain medical licensure applications.

DR. RUDFFRIDGE responded that pharmaceutical licenses in Alaska do not require background checks that would have otherwise included a fingerprinting process.

[4:49:25 PM](#)

CO-CHAIR FIELDS asked about the pharmaceutical reform bill that was currently moving through the Alaska State Legislature and asked Dr. Ruffridge if he thought it could be fair to say that the pharmaceutical reform bill could solve some of the issues that had been spoken of in the current meeting.

DR. RUFFRIDGE explained how certain anti-vaccination amendments would only be directed toward COVID-19 vaccines. He said that the Board of Pharmacy does not support any official COVID-19 vaccination mandate and opined that such scenarios should not be legislated.

[4:51:45 PM](#)

DORENE "DORI" HAGEN, LPC, Chair, Board of Professional Counselors, explained how the Board of Professional Counselors had observed professional counselors from out-of-state offering services to Alaskans via telehealth due to the state's intense licensure requirements for professional counselors.

[4:54:24 PM](#)

REPRESENTATIVE MCCARTY asked about a recent increase in the number of professional counselors in Alaska and asked if that increase had resulted in reduced fees for its licensure application.

MS. HAGEN responded that she did not know the answer.

[4:55:34 PM](#)

JARED KOSIN, CEO, Alaska State Hospital and Nursing Home Association, began his testimony by noting that his critiques were aimed at Alaska's medical licensure process as a whole, not at any one individual worker within the system. He emphasized that communication is one of the biggest challenges in delivering swift and quality licensure services. He explained

how the State of Alaska could not afford to lose any more of its workers at a time when it is seeing such an increased demand for its services and pointed to the importance of safe temporary licensing as a way to alleviate the administrative burden posed by the recent influx of professionals to Alaska.

[4:58:32 PM](#)

CO-CHAIR FIELDS asked Mr. Kosin about a current budget proposal within the Alaska State Legislature that would boost funding to a nursing program at the University of Alaska Anchorage (UAA).

MR. KOSIN replied that the Alaska State Hospital and Nursing Home Association would encourage the Alaska State Legislature to "throw every single dollar it could find" at the UAA nursing program.

[4:59:41 PM](#)

SARA MASSMANN, Legislative Committee Co-Chair, Alaska Nurses Association, began her testimony by emphasizing the importance of allowing military spouses to begin working in the state with as little of a delay as possible. She said that she would like to see some of the redundancies in Alaska's licensure process "go away" and said that the Alask Native Association would like to see the State of Alaska better invest in new graduates of high school and the UA.

[5:04:00 PM](#)

REPRESENTATIVE MCCARTY asked for clarification on nurses having to get background checks and fingerprint checks regularly within their license renewal process.

MS. MASSMAN responded that the state would only do a fingerprint check upon a person's initial licensure application and said that there are two separate background checks, one from the state and one from the Board of Nursing.

[5:07:03 PM](#)

TONIE PROTZMAN, MS, LPC, CDC, PSP III, Executive Director, Alaska Chapter of the National Association of Social Workers, she began her testimony by explaining that she represented social workers in Alaska and detailed how certain pieces of legislation within the Alaska State Legislature would affect social workers currently employed within the state. She pointed

to backlogs of applications and loopholes in the current application process.

[5:09:14 PM](#)

TOM CHARD, CEO, Alaska Behavioral Health Association, he began his testimony by explaining that members of the Alaska Behavioral Health Association had reported long delays, no follow-ups, or no follow-ups at all as great issues afflicting the DCCED in its ability to safely and swiftly issue professional licenses in Alaska. He pointed to electronic fingerprint scans and local law enforcement assistance as ways that the DCCED could improve its licensure application process.

[5:13:40 PM](#)

TIM MULLEN, PhD, CEO, Ortho Alaska, Inc., Member, Alaska State Medical Association, he began his testimony by explaining the various frustrations experienced by professionals trying to seek employment within their field in Alaska. He emphasized the need for certain barriers to be removed in the field of medical practice, which would allow many professionals to make Alaska home and contribute to the state in ways that they otherwise could not have.

[5:16:31 PM](#)

CO-CHAIR SPOHNHOLZ thanked the invited testifiers and delivered committee announcements.

[5:17:20 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:17 p.m.