

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

March 21, 2023

3:03 p.m.

MEMBERS PRESENT

Representative Mike Prax, Chair
Representative Justin Ruffridge, Vice Chair
Representative CJ McCormick
Representative Dan Saddler
Representative Jesse Sumner
Representative Zack Fields
Representative Genevieve Mina

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S):

Department of Family and Community Services

Kim Kovol - Anchorage

- CONFIRMATION(S) ADVANCED

HOUSE BILL NO. 57

"An Act relating to review organizations and permitting an emergency medical services provider to establish a review organization; and relating to patient records."

- HEARD & HELD

HOUSE BILL NO. 46

"An Act allowing child care providers that receive state aid to organize and collectively bargain with the Department of Health; and establishing the child care provider fund."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 57

SHORT TITLE: EMERGENCY MED. SVCS: REVIEW ORGANIZATIONS

SPONSOR (s) : REPRESENTATIVE (s) WRIGHT

02/03/23 (H) READ THE FIRST TIME - REFERRALS
02/03/23 (H) L&C, HSS
02/17/23 (H) L&C AT 3:15 PM BARNES 124
02/17/23 (H) Heard & Held
02/17/23 (H) MINUTE(L&C)
03/03/23 (H) L&C AT 3:15 PM BARNES 124
03/03/23 (H) Moved HB 57 Out of Committee
03/03/23 (H) MINUTE(L&C)
03/06/23 (H) L&C RPT 4DP 1NR
03/06/23 (H) DP: SADDLER, PRAX, RUFFRIDGE, SUMNER
03/06/23 (H) NR: CARRICK
03/21/23 (H) HSS AT 3:00 PM DAVIS 106

BILL: HB 46

SHORT TITLE: CHILD CARE PROVIDER COLLECTIVE BARGAINING

SPONSOR (s) : REPRESENTATIVE (s) FIELDS

01/25/23 (H) READ THE FIRST TIME - REFERRALS
01/25/23 (H) L&C, STA, FIN
01/30/23 (H) L&C AT 3:15 PM BARNES 124
01/30/23 (H) Heard & Held
01/30/23 (H) MINUTE(L&C)
02/10/23 (H) L&C AT 3:15 PM BARNES 124
02/10/23 (H) Heard & Held
02/10/23 (H) MINUTE(L&C)
02/20/23 (H) L&C AT 3:15 PM BARNES 124
02/20/23 (H) Heard & Held
02/20/23 (H) MINUTE(L&C)
02/27/23 (H) HSS REPLACES STA REFERRAL
02/27/23 (H) BILL REPRINTED
03/01/23 (H) L&C AT 3:15 PM BARNES 124
03/01/23 (H) Moved CSHB 46(L&C) Out of Committee
03/01/23 (H) MINUTE(L&C)
03/06/23 (H) L&C RPT CS(L&C) NEW TITLE 2DP 2NR 2AM
03/06/23 (H) DP: FIELDS, WRIGHT
03/06/23 (H) NR: PRAX, RUFFRIDGE
03/06/23 (H) AM: SADDLER, SUMNER
03/21/23 (H) HSS AT 3:00 PM DAVIS 106

WITNESS REGISTER

KIM KOVOL, Commissioner Designee
Department of Family and Community Services
Anchorage, Alaska

POSITION STATEMENT: Testified as commissioner designee of the Department of Family and Community Services.

DAVID IGNELL, representing self
Juneau, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

JASON FLOYD, representing self
Kenai, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

YVETTE DEBLOIS, representing self
(No address provided)

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

JARED KOSIN, President, CEO
Alaska Hospital and Healthcare Association
Anchorage, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

BILL GALIC, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

CHRIS KOLEROK, Public Policy Director
Cook Inlet Housing Authority
Anchorage, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

JASMINE BOYLE, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

LAURIE VANDENBERG, representing self
Wasilla, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

LINDA BREINER, representing self
Talkeetna, Alaska

POSITION STATEMENT: Testified during the confirmation hearing for commissioner of the Department of Family and Community Services.

REPRESENTATIVE STANLEY WRIGHT
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor, presented HB 57.

PI RIORDAN-RANDALL, Staff
Representative Stanley Wright
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Wright, prime sponsor, gave the sectional analysis of HB 57.

BRIAN WEBB, representing self
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony on HB 57.

JOSEPH LIVENGOOD, MD, representing self
Fairbanks, Alaska

POSITION STATEMENT: Provided invited testimony on HB 57.

CANDACE RICHEY, Owner
Candi's Tot Stop
North Pole, Alaska

POSITION STATEMENT: Testified in support of HB 46.

BRIAN HOLST, Executive Director
Juneau Economic Development Council
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 46.

EVAN ANDERSON, Staff
Representative Zach Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Fields, prime sponsor, presented CSHB 46 (L&C).

BRANDON SPANOS, Deputy Director
Tax Division
Department of Revenue
Eagle River, Alaska

POSITION STATEMENT: Answered questions relating to CSHB 46 (L&C).

ACTION NARRATIVE

[3:03:11 PM](#)

CHAIR MIKE PRAX called the House Health and Social Services Standing Committee meeting to order at 3:03 p.m. Representatives McCormick, Ruffridge, Sumner, Saddler, Fields, Mina, and Prax were present at the call to order.

CONFIRMATION HEARING(S):
DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

[3:04:19 PM](#)

CHAIR PRAX announced that the first order of business would be the confirmation hearing on the governor's appointee to the Department of Family and Community Services.

[3:05:27 PM](#)

KIM KOVOL, Commissioner Designee, Department of Family and Community Services (DFCS), shared that she has been acting commissioner since July 1, 2022, after the reorganization of the Department of Health and Social Services. Prior to being appointed commissioner, she stated that she had served as the governor's special assistant. Before this, she had spent 25 years working in private and nonprofit organizations. She said she has been told that she has a "lovingly firm" leadership style. She shared that she grew up in a traditional military family, traveling nationally and internationally. After her father retired, he and her mother, who worked in civil service, helped refugees during Operation Eli on Grande Island, Philippines. She said she has an administrative certification in early child education and a master's degree in social work from the University of Alaska Anchorage (UAA). She shared that she is designated as a Leadership, Education, Neurodevelopmental

and Related Disabilities (LEND) fellow, focusing on service access and availability for families and individuals living with autism. She shared that two of her three children were diagnosed with autism in preschool. She explained that DFCS is new, but the divisions are not, and the reorganization will give Alaskans an intensive level of engagement, focus, attention, redress, and corrections.

[3:09:44 PM](#)

MS. KOVOL pointed out that she has visited DFCS employees across the state, and she acknowledged the current workforce crisis. She discussed a visit with the Office of Children's Services (OCS) staff in the Bethel office where a caseworker talked about her travels to remote sites to visit families and children. She said that her vision for DFCS is to focus on "person first," as well as ensuring a high standard of care to patients. She added that other priorities include addressing the needs of staff, workforce training, wellness training, wages, and retention. She said that addressing the needs of youth and adults in DFCS's care is an absolute priority, requiring both public and private sectors to work together. She explained that she has received feedback that reinforced the following opportunities: collaborate and focus on delivery services and exchanges; establish both divisional and department cross-programming opportunities; encourage more internships and mentorships in educational systems; and examine DFCS's role in the child welfare and elder care systems in the state. She stressed that adequate housing, access to nutrition, healthcare, safe childhood experiences, and educational opportunities are part of the overall system for healthy children, elders, families, and communities.

[3:13:01 PM](#)

CHAIR PRAX opened public testimony on the confirmation hearing for commissioner of the Department of Family and Community Services.

[3:13:32 PM](#)

DAVID IGNELL, representing self, shared that he is a forensic journalist in Juneau and has spent 10 years as a litigator in equity courts. He informed members that he has submitted numerous written comments and exhibits to the committee [copies included in the committee packet]. He stated that the topic of his testimony would be on how "bad" children are doing in the

state's care and under Ms. Kovol's leadership. As an example, he named a child who was diagnosed with fetal alcohol syndrome, autism, and attention deficit hyperactivity disorder (ADHD). He expressed the understanding that this child was well cared for by family until OCS took the child at 11 years old. Since this time, the child has been moved 18 times. Offering another example, he described a child, who was diagnosed with fetal alcohol syndrome, autism, ADHD, depression, and bi-polar disorder. He expressed the understanding that this child was also being well cared for until taken by OCS at 15 years old. He noted that this child has been moved 7 times in the last 2 years. He voiced an accusation that this child had been bribed by OCS to miss a call with family. He gave a third, similar example of another child, where OCS put the child in "a life-threatening situation."

MR. IGNELL continued to the issue of Katelynn Shelhamer, who was murdered two months after turning 18 years old. He expressed the understanding that she had been in OCS's care and was "trafficked" since she was 14 years old. He continued that after Katelynn left OCS's care, she "started turning her life around, according to a friend." He posed the question of whether Katelynn was killed because "she knew too much." He directed attention to the class action lawsuit filed in federal court. He stated that there are 13 named plaintiffs in the lawsuit, and this includes the three children described in his previous examples of OCS's actions.

MR. IGNELL advised that the state is working to get the class action lawsuit dismissed. He then addressed that the grand jury investigations against OCS have been "hijacked" by state officials. He recounted that six years ago former Representative Tammie Wilson expressed the opinion that the grand jury investigations into OCS were "hijacked." He suggested that if those investigations had gone forward, Katelynn would be alive today. Furthermore, he questioned who the next Katelynn would be if this injustice is not stopped.

[3:18:09 PM](#)

CHAIR PRAX informed the testifier that the committee is unable to discuss active legal cases.

[3:19:10 PM](#)

JASON FLOYD, representing self, shared that he was previously an employee of OCS. He stated that he had been the executive

director of a department related to the Indian Child Welfare Act (ICWA). He stated that he had also served two terms on the Board of Social Work Licensing Examiners. He asserted that the state continues to exempt itself from its own laws, specifically AS 08.95, and AAC 12.18, which both are cited by the board as the governing law for people practicing social work. He explained that social workers often say they are not "social workers," but "case managers;" however, he pointed out that the OCS website lists these employees as being directed by the National Association of Social Work Code of Ethics. He expressed the opinion that commissioners should know the law, so best practices are guided and overseen by the licensing authority. He expressed the opinion that social workers are changing job titles to exempt themselves from the law. He said he was a social worker with OCS and carried a license for 11 years. He argued that he knows what best practice is and OCS is not completing best practice. He shared that in his last case, he had worked for a Tribe fighting OCS for two years concerning the right placement for an ICWA child. Concerning this case, he stated that the judge had said that "in all of her time on the bench she had never seen such a miscarriage of justice and abuse of power in her entire career." While he voiced appreciation for Ms. Kovol's desire to help people, he argued that a position as important as commissioner requires someone who has "boots on the ground," is ethical, has practice experience, and is committed to the licensure process.

[3:23:31 PM](#)

YVETTE DEBLOIS, representing self, said her testimony would cover how OCS has victimized her family. She shared that her brother, Thomas Jack, was a foster parent; however, she expressed the opinion that because of OCS's manipulation, he is now in prison. She referred members to the Powered by Justice's website, which details Mr. Jack's case. She expressed the importance of exposing these issues through a grand jury. She suggested that if grand juries were stronger, there would be a desire to fix the problems. She expressed low confidence in Ms. Kovol's ability to do the job as commissioner and suggested that grand juries should not be "rubberstamps" for prosecutors.

[3:25:55 PM](#)

CHAIR PRAX reminded testifiers that the committee could not talk about specific cases that are currently in the court system.

[3:26:14 PM](#)

JARED KOSIN, President, CEO, Alaska Hospital and Healthcare Association, expressed support for the appointment of Ms. Koval. He expressed the opinion that she is the perfect nominee to lead the department, as she has made it clear that improving the lives of Alaskan children, adults, and families is her highest priority. On behalf of the association, he expressed support for her confirmation as commissioner of DFCS.

[3:27:37 PM](#)

BILL GALIC, representing self, said that he holds a master's degree in social work. He shared that he is a retired clinical social worker and was a supervisor in the Kenai office for 19 years. He noted that he was an assistant professor with the UAA School of Social Work. He said that Ms. Koval was a student in three of his master level classes and had a full career in the social services field before returning to school for her master's degree. He added that she also has experience managing business in the private sector; therefore, she understands the needs, problems, and costs associated with providing services. He added that he was her field supervisor in the master's program as she interned on the governor's staff for two years, with the governor later appointing her as the special assistant for social services. He expressed the opinion that Ms. Koval has both the personality and work ethic that suits the position. He expressed wholehearted support for her confirmation as commissioner of DFCS.

[3:30:18 PM](#)

CHRIS KOLEROK, Public Policy Director, Cook Inlet Housing Authority, expressed full support for Ms. Koval's confirmation as commissioner of DFCS. He said that balancing public service while completing a master's degree in social work speaks to her dedication.

[3:33:03 PM](#)

JASMINE BOYLE, representing self, testified in support of Ms. Koval's appointment as commissioner of DFCS. She pointed out that Ms. Koval has over 20 years in senior and executive experience in child welfare and family services. She stated that OCS is a "challenging beast" and needs improvement and Alaskan families deserve better. She stated that she has worked directly with Ms. Koval for five years in a variety of professional roles and expressed the belief that Ms. Koval would

be a responsible commissioner of DFCS. She continued that even though they have different political affiliations, they share "a mutual, unwavering commitment to Alaskans, particularly those most vulnerable in our state." She stated that she has worked side-by-side with Ms. Koval during a humanitarian crisis regarding Anchorage homelessness and she has witnessed Ms. Koval's immediate responses to those in crisis. She stated that they "share the belief that it is absolutely possible to build systems to care for our most vulnerable in a sustainable way." She added that this includes creating a budget rooted in reality.

[3:36:59 PM](#)

LAURIE VANDENBERG, representing self, shared that she is a registered nurse and a prior foster parent. She said that, while it sounds like Ms. Koval has done a great amount of work, she has not seen any of the results. She stated that her heart breaks to hear that Ms. Koval has two children who are autistic, but she has not stepped up to the injustices occurring in the OCS system, as there are changes that could be made. She urged that OCS be fixed, and she expressed the desire to speak with Ms. Koval about what changes could be done to help the program.

[3:38:47 PM](#)

LINDA BREINER, representing self, shared that she has known a woman for two years who lost her five children to OCS. She expressed the understanding that "OCS was claiming things that were not true and have yet to prove her case, or even let her defend herself." She explained that OCS has taken five siblings, separated them, and moved them over 55 times. She suggested that OCS continually disregards its own regulations, and if Ms. Koval is accepted, she asked that the case of these children be investigated.

[3:40:12 PM](#)

CHAIR PRAX, after ascertaining that there was no one else who wished to testify, closed public testimony.

[3:40:34 PM](#)

REPRESENTATIVE FIELDS thanked Ms. Koval for her work. He said that last year the Department of Justice (DOJ) released an investigative report addressing the overabundance of Alaska children being institutionalized, and in some cases in out-of-

state, for-profit facilities. He explained that the problems identified in the DOJ report predate Ms. Kovol's appointment as acting commissioner, and he asked that she explain her, as well as the department's, role in fixing the problems found in the report.

MS. KOVOL, regarding the DOJ report, said that the Department of Health and DFCS are in the final stages of answering the questions presented by DOJ, and as it is still being finalized and reviewed, it would be preemptive to comment. In addressing the question concerning out-of-state facilities, she explained that sometimes the facilities in the state are not sufficient, so out-of-state facilities are used only as a last resort. She said DFCS looks for facilities that can accept the condition of the child and provide the best treatment, and whether the facility is for profit is not considered. She reported that the number of children currently out of state is 25, and the goal is to bring them home, but this would need to be a treatment center in Alaska that could meet their needs. She argued there are not enough treatment centers in the state, whether private, public, or a partnership.

REPRESENTATIVE FIELDS expressed support of DFCS.

[3:43:54 PM](#)

REPRESENTATIVE MINA asked what Ms. Kovol's vision is for the Tribal Child Welfare Compact Program.

MS. KOVOL answered that DFCS is looking at adding one more Tribe at the end of the fiscal year, and another next year. She said that the most meaningful engagements with Tribal partners are around prevention work, where the compact and the state collaborate to make a decision of what is best for communities.

[3:45:26 PM](#)

REPRESENTATIVE SADDLER pointed out the strong allegations made during public testimony. He asked that Ms. Kovol address these allegations as broad or as narrow as she would like.

MS. KOVOL stated that in order to protect due process, DFCS does not comment on [active] litigation; furthermore, commissioners are not involved personally in the cases, which are at the division level and in congruence with law.

[3:46:43 PM](#)

REPRESENTATIVE RUFFRIDGE expressed concern about the DFCS's direction, as it relates to the safety of children. He questioned Ms. Kovol's ideas for the divisions going forward.

MS. KOVOL explained that the DFCS has four divisions: the Alaska Psychiatric Institute (API), the Division of Juvenile Justice (DJJ), the Alaska Pioneer Home, and OCS. She expressed the opinion that it is imperative that the department is focused on "person first," always looking at what is in the best interest of the client, patient, or resident, as well as the staff. Regarding OCS, she stated that she is currently in conversation with the governor. This discussion regards whether there are ways to restructure the operations, so divisions best align with children and families. She reiterated that it would be preemptive for her to talk specifics. She stated that things cannot remain status quo and advised that "the ship can be turned around."

REPRESENTATIVE RUFFRIDGE congratulated Ms. Kovol for recently attaining her master's degree in social work. He asked if she is pursuing a license.

MS. KOVOL responded that she is not pursuing her license but did enroll for her master's in public health, but this has been put on hold for the next few years.

REPRESENTATIVE RUFFRIDGE asked what "person first" looks like for Alaska's children. He clarified that the report indicates there are struggles in having a "person-first" mentality.

MS. KOVOL answered that "person centered" means the focus is individual needs and not "lumping" individuals into cohorts based on characteristics. She explained that DFCS would be looking more into the complex nature of the person's individual needs. She said that often when a child is presenting complex behaviors or medical needs, different communities would need to be involved.

[3:53:53 PM](#)

REPRESENTATIVE MINA referred to an API presentation and how it has made progress in vacancies. She asked if Ms. Kovol's vision on addressing these vacancies could be used in the other divisions.

MS. KOVOL commented that API has done amazing work, coming from a very low bed count, as now it has 77 beds, which is considered full. Furthermore, she stated that staff and patient assault has been reduced by 50 percent, and this is because programming was redesigned. To replicate this, she said that it comes down to training and communicating expectations of safety.

[3:56:05 PM](#)

REPRESENTATIVE SADDLER expressed the opinion that the human services world is very challenging, and the state has responsibilities to care for the less fortunate. He asked if Alaska faces special challenges in dealing with its disabled, aged, foster children, and mentally ill.

MS. KOVOL shared her personal history, in that she has seen many different scenarios around the world, including living through a war. She said that trauma is different for everyone, as are disabilities. She stated that disabilities may demonstrate similar needs and traits, but it is important that communities and medical centers are able to focus on an individual's needs, as this would set the tone for success. She added that every family is unique, reacting differently depending on its stress. She reiterated that it is different for every culture and every person, so there is no one answer across the board.

[3:58:51 PM](#)

CHAIR PRAX stated that the House Health and Social Services Standing Committee has reviewed the qualifications of the governor's appointees and recommends that the following names be forwarded to a joint session for consideration: Kim Kovol, Department of Family and Community Services. He 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.

[3:59:14 PM](#)

The committee took an at-ease from 3:59 p.m. to 4:02 p.m.

HB 57-EMERGENCY MED. SVCS: REVIEW ORGANIZATIONS

[4:02:06 PM](#)

CHAIR PRAX announced that the next order of business would be HOUSE BILL NO. 57, "An Act relating to review organizations and permitting an emergency medical services provider to establish a review organization; and relating to patient records."

[4:02:31 PM](#)

REPRESENTATIVE STANLEY WRIGHT, Alaska State Legislature, as prime sponsor, paraphrased the sponsor statement [copy in the committee packet], which read as follows [original punctuation provided]:

House Bill 57 gives EMS agencies protections for peer review activities.

Peer review is an intensive self-evaluation process used within healthcare organizations in order to continuously monitor and improve patient care. Peer review activities are non-discoverable - this important protection is provided by states to healthcare organizations to establish an environment conducive to improvement, without fear of discovery and litigation. The current status provides a chilling effect on the openness and educational process that EMS peer review provides.

This proposed legislation will promote candor and objectivity in EMS system review and discussion. It is essential that allowing EMS medical practitioners to frankly discuss care and conduct in a confidential setting, without worry about external access to the information, would enhance the quality of pre-hospital medical practice.

Past legal decisions have asserted that the existing statutory provisions which provide this protection to medical facilities, institutions, or hospital governing bodies and their committees, provide the same protections to emergency medical services (EMS) and fire-based pre-hospital agencies. This is an untested theory and places pre-hospital medical agencies in an unprotected status which other entities enjoy.

HB 57 changes the definition of "review organization" to include EMS groups who perform quality improvement functions. By doing so, they are afforded equitable

immunity and confidentiality protection that hospitals and other healthcare workers enjoy. Peer review protection is essential if Alaska's EMS systems are to be used to their maximum potential. Passage of this legislation enhances the safety of the public and the educational process for EMS through the peer review program.

[4:04:35 PM](#)

PI RIORDAN-RANDALL, Staff, Representative Stanley Wright, Alaska State Legislature, on behalf of Representative Wright, prime sponsor of HB 57, gave the sectional analysis [copy included in the committee packet], which read as follows [original punctuation provided]:

Section I:

Amends AS 18.23.070(1) to Include EMT's, dispatchers, and paramedics in the definition of "health care provider" for the purpose of peer review protection.

Section II:

Amends the definition of "healthcare provider" in AS 18.23.070(3) to include EMS agencies and employees who are conducting peer review activities.

Section III:

AS 18.23.070(5) is amended to include emergency medical services agencies and employees under the definition of a "review organization"

[4:07:28 PM](#)

BRIAN WEBB, representing self, provided invited testimony on HB 57. He referred to his written testimony [copy included in the committee packet]. He noted that he has previously spoken to the importance of recruitment and retention of medical directors for emergency medical services (EMS), and he called HB 57 a request to provide protections to these services. He stated that EMS committees not only review patient care activities but also openly challenge medical directors and training officers to defend the care given. He said that the proposed legislation would just be asking the legislature to provide a level of equity in statute for EMS.

[4:12:18 PM](#)

JOSEPH LIVENGOOD, MD, representing self, provided invited testimony on HB 57. He shared that he is an acute care surgeon who works in Fairbanks and Ketchikan, serving as the EMS director for several agencies. He said that HB 57 would clarify that EMS agencies are covered under the Health Insurance Portability and Accountability Act (HIPPA) privacy rules. He stated that these rules allow patient information to be shared for the purpose of quality management, and the proposed legislation would allow discussions to occur without the context being misconstrued during an outside review. He relayed to members that such protections are in place already for hospitals and clinics, but not for EMS.

[4:14:39 PM](#)

REPRESENTATIVE MINA noted that podiatrists are not included in the statute. She asked whether the "chilling effect happening with quality assurance for EMS" is happening with podiatry.

MR. WEBB answered that in 2015, podiatrists had the same concerns as EMS. He said that there was an amendment to the original bill adding podiatrists, and it was decided during the drafting that this would be left in.

[4:15:55 PM](#)

CHAIR PRAX announced that HB 57 was held over.

[4:16:12 PM](#)

The committee took a brief at-ease.

HB 46-CHILD CARE PROVIDER COLLECTIVE BARGAINING

[4:16:16 PM](#)

CHAIR PRAX announced that the final order of business would be HOUSE BILL NO. 46, "An Act allowing child care providers that receive state aid to organize and collectively bargain with the Department of Health; and establishing the child care provider fund." [Before the committee was CSHB 46 (L&C).]

[4:17:35 PM](#)

CHAIR PRAX [opened public testimony].

[4:17:53 PM](#)

CANDACE RICHEY, Owner, Candi's Tot Stop, shared that she has been in business for 17 years. She said that child care providers have been asked about their needs; however, she expressed the opinion that "they are not heard." She stated that HB 46 would offer support to providers. She thanked members who helped pass similar legislation through the House last year; however, it was blocked in the Senate. She expressed hope that the proposed legislation would make it to the governor this year. She explained that the bill would cover topics of concern in the child care industry, including wages, benefits, and retirement. She said that the low wages earned in the industry are not a living wage, resulting in high staff turnovers. She shared that families on her waitlist for child care consists of many military service members, and she suggested that this lack of child care is impacting the [country's] preparedness. She explained that benefits are not possible because of the unaffordable insurance premiums for small businesses. She argued that the bill would give providers more of a say as to where the state funds marked for child care would go.

[4:21:56 PM](#)

BRIAN HOLST, Executive Director, Juneau Economic Development Council, explained that child care is an important economic development issue for the state, as it provides a high return on public investment. He suggested that high quality early care for children is critical and pointed out the Heckman Curve, as it shows that investment has diminishing returns as children get older. He argued that the lack of child care hurts the economy, as data from 2019 has shown that \$165 million is lost annually from the state's economy. He continued that 77 percent of Alaska parents missed school or work for child care in a three-month period; 36 percent of Alaska parents postpone school or training due to such issues; and 47 percent of families rely on other family members or friends for child care. He said that every state ranks child care readiness, and two-thirds of the state's students are not ready for kindergarten. He explained that the Journal of Education Psychology identified that if 50 first graders have problems reading, 44 of them would still have problems reading by the time they are in fourth grade. He argued that a lack of access to affordable high-quality child care has an impact on the workforce. While employers want more

child care options, there are significant barriers, such as cost and scarcity. He explained that the current model of child care in the state is broken, as wages are uncompetitive, and workers can earn more in an entry level retail job. He pointed out that operators are small because of the cost of rent and the child-to-adult ratio requirements. He opined that these programs cannot raise wages without increasing prices.

[4:27:19 PM](#)

REPRESENTATIVE RUFFRIDGE questioned whether businesses would offer child care services in regard to the added tax incentives for this in the proposed legislation.

MR. HOLST answered that, when businesses were surveyed, they said they are interested in supporting child care operations, however; he expressed the understanding that the challenge would be in the size of the business, as smaller businesses would not be able to make these investments.

[4:28:37 PM](#)

[Public testimony on HB 46 was closed.]

[4:28:43 PM](#)

REPRESENTATIVE ZACK FIELDS, Alaska State Legislature, as prime sponsor, addressed CSHB 46 (L&C). He explained that the proposed legislation has three provisions: 1) it would establish the opportunity for child care providers to enter intersectoral bargaining with the state. Intersectoral bargaining is when employees and owners of businesses bargain with the state over terms and conditions of employment. This would include how federal and state child care funds are used, and it would give providers more of a voice concerning any regulation changes; 2) it would establish a child care trust fund, allowing savings to trickle out for child care when state revenues are low; and 3) it would provide tax credits to companies who participate in helping provide child care.

[4:32:46 PM](#)

REPRESENTATIVE SUMNER questioned the experience other states may have had with intersectoral bargaining agreements.

REPRESENTATIVE FIELDS explained that legislatures can only implement sectoral bargaining for child care or farmwork, as

these are the only two areas excluded from the National Labor Relations Act. He said that 10 states have implemented this framework, with some being successful. He shared that last year the House Labor and Commerce Standing Committee heard from providers in Washington State, which have this bargaining. These providers described how, over time, the profession was built up to a living wage, which increased the supply of labor and child care.

[4:35:28 PM](#)

EVAN ANDERSON, Staff, Representative Zack Fields, Alaska State Legislature, on behalf of Representative Fields, prime sponsor, gave the sectional analysis for CSHB 46 (L&C) [copy included in the committee packet], which read as follows [original punctuation provided]:

Section 1: This section amends AS 23.05.360(f) to allow the Alaska Labor Relations Agency board in the Department of Labor & Workforce Development the authority to include workers in the child care sector for the purpose of holding hearings. This is a conforming change to language added in Sec 4.

Section 2: This section amends AS 23.05.370(a) to direct the Alaska Labor Relations Agency to serve as labor relations agency for workers in the child care sector covered by the new language added in Sec. 4.

Section 3: This section amends AS 23.05.380 to give Department of Labor & Workforce Development the authority to update regulations pertaining to collective bargaining rights for workers in the child care sector. This is a conforming change to language added in Sec 4.

Section 4: This section amends AS 23.40 to give child care providers the right to self-organize, join, or assist an organization to bargain collectively and engage in concerted activities for the purposes of collective bargaining or other mutual aid or protection. This section prohibits the Department of Health from engaging in unfair labor practices, and it provides a process for investigation and conciliation of complaints. This section also provides definitions.

Section 5: This section establishes a child care provider fund as a separate fund in the state treasury. This section also establishes a child care stakeholder group to recommend disbursements from the fund.

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CHAIR PRAX mentioned that New Mexico has a \$2 billion trust fund for child care. He asked if such a fund is designated or dedicated.

REPRESENTATIVE FIELDS said he does not know if New Mexico has the same designated fund restrictions as Alaska. He expressed the understanding from Legislative Legal Services that the key phrase is "funds do not last". He said there were hundreds of millions of additional dollars last year, and there were \$400 million put towards capital funding, as an example.

CHAIR PRAX pointed out that the fiscal note contemplates just an annual appropriation.

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MR. ANDERSON explained that the bill's two fiscal notes, one from the Department of Health and another from the Department of Revenue, clearly lay out protected deficits around the tax credit program.

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BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue, answered that on the fiscal note there would be three parts that would reduce the revenue: 1) broadening what is allowed to be an expenditure on credits and how many companies would take advantage of this; 2) expanding the program to \$3 million from the capped \$1 million. He added that companies often contribute more than they can take as a credit; and 3) extending the sunset date.

CHAIR PRAX suggested that this would be the only anticipated loss for the tax revenue, and this is because the companies would donate money to the program.

MR. SPANOS responded in the affirmative.

CHAIR PRAX asked whether it would be a one-to-one tax credit. He also asked whether the money would go into the child care fund.

MR. SPANOS explained that the tax credit in current statute has changed over the years, but in the first year and after the first \$100,000, 50 percent would be applied to the credit; therefore, it is a 5:1 ratio.

CHAIR PRAX inquired as to whether the proposed \$15 million initial appropriation would have sufficient interest earnings to maintain the fund.

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REPRESENTATIVE FIELDS expressed the opinion that a \$15 million fund could be managed, but it would not be large enough to make a difference in the sector; however, it could be something to establish and be built up over time.

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CHAIR PRAX announced that CSHB 46(L&C) was held over.

[4:49:13 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:49 p.m.