

**ALASKA STATE LEGISLATURE**  
**HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

February 10, 2023

3:15 p.m.

**MEMBERS PRESENT**

Representative Jesse Sumner, Chair  
Representative Justin Ruffridge, Vice Chair  
Representative Mike Prax  
Representative Dan Saddler  
Representative Ashley Carrick  
Representative Zack Fields

**MEMBERS ABSENT**

Representative Stanley Wright

**OTHER LEGISLATORS PRESENT**

Representative Andi Story

**COMMITTEE CALENDAR**

HOUSE BILL NO. 29

"An Act relating to insurance discrimination."

- HEARD & HELD

HOUSE BILL NO. 51

"An Act relating to refrigerants designated as acceptable for use under federal law."

- MOVED HB 51 OUT OF COMMITTEE

HOUSE BILL NO. 13

"An Act relating to the definition of 'employer' for the purposes of the State Commission for Human Rights."

- MOVED HB 13 OUT OF COMMITTEE

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 29

SHORT TITLE: INSURANCE DISCRIMINATION

SPONSOR(s): REPRESENTATIVE(s) MCCABE

01/19/23 (H) PREFILE RELEASED 1/9/23  
01/19/23 (H) READ THE FIRST TIME - REFERRALS  
01/19/23 (H) L&C, JUD  
02/10/23 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 51

SHORT TITLE: USE OF DESIGNATED REFRIGERANTS

SPONSOR(s): REPRESENTATIVE(s) WRIGHT

01/30/23 (H) READ THE FIRST TIME - REFERRALS  
01/30/23 (H) L&C  
02/06/23 (H) L&C AT 3:15 PM BARNES 124  
02/06/23 (H) Heard & Held  
02/06/23 (H) MINUTE(L&C)  
02/10/23 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 13

SHORT TITLE: APPLICABILITY OF HUMAN RIGHTS COMMISSION

SPONSOR(s): REPRESENTATIVE(s) JOSEPHSON

01/19/23 (H) PREFILE RELEASED 1/9/23  
01/19/23 (H) READ THE FIRST TIME - REFERRALS  
01/19/23 (H) L&C, JUD  
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

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

**WITNESS REGISTER**

REPRESENTATIVE KEVIN MCCABE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 29.

BUDDY WHITT, Staff  
Representative Kevin McCabe  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the sectional analysis for HB 29 on behalf of Representative McCabe, prime sponsor.

GREG SMITH, Legislative Liaison  
Department of Commerce, Community, and Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 29.

MIKE NEROZZI, Director  
Air-Conditioning, Heating, and Refrigeration Institute  
Hershey, Pennsylvania

**POSITION STATEMENT:** Provided invited testimony during the hearing on HB 51.

HELEN WALTER-TERRINONI, VP of Regulatory Affairs and Policy  
Air-Conditioning, Heating, and Refrigeration Institute  
Wilmington, Delaware

**POSITION STATEMENT:** Answered questions during the hearing on HB 51.

REPRESENTATIVE ANDY JOSEPHSON  
Alaska State Representative  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered questions during the hearing on HB 13.

KAYLA SVINICKI, Owner  
Auke Lake Preschool and Afterschool  
Juneau, Alaska

**POSITION STATEMENT:** Gave public testimony in support of HB 46.

AMANDA TRIPLETT, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Gave public testimony in support of HB 46.

SUSAN DELOACH, Owner

Bright Beginnings Early Learning Center  
Anchorage, Alaska

**POSITION STATEMENT:** Gave public testimony in support of HB 46.

HEIDI PEARSON, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Gave public testimony in support of HB 46.

DANIEL VOLLAND, OD, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Gave public testimony in support of HB 46.

#### **ACTION NARRATIVE**

[3:15:38 PM](#)

**CHAIR JESSE SUMNER** called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Prax, Carrick, and Sumner were present at the call to order. Representatives Ruffridge, Saddler, and Fields arrived as the meeting was in progress.

#### **HB 29-INSURANCE DISCRIMINATION**

[3:16:10 PM](#)

CHAIR SUMNER announced that the first order of business would be HOUSE BILL NO. 29, "An Act relating to insurance discrimination."

[3:16:43 PM](#)

REPRESENTATIVE KEVIN MCCABE, Alaska State Representative, as prime sponsor, presented HB 29. He stated insurance companies discriminate based on certain risk factors for the purposes of rate management and to incentivize certain risk reduction measures. He continued that there are some limitations on the types of discrimination that can be used by insurance companies. He stated that HB 29 would add political expression, affiliation, and status as an elected official to the list of classes protected against discrimination by insurance companies.

[3:19:12 PM](#)

BUDDY WHITT, Staff, Representative Kevin McCabe, Alaska State Legislature, provided the sectional analysis and sponsor statement for HB 29 on behalf of Representative McCabe, prime

sponsor. He stated that Section 1 of HB 29 would amend AS 21.36 by adding a new section that would prohibit insurance brokers from discriminating against people on the basis of their political affiliation or expression or a person's status as an elected official as defined in AS 44.99.205. He said that Section 2 would amend uncodified law to provide effective dates to insurance companies.

[3:20:12 PM](#)

REPRESENTATIVE PRAX asked if Representative McCabe had talked to insurance providers about the provisions of the bill.

REPRESENTATIVE MCCABE answered that some insurance providers told him that they would not provide certain policies to elected officials, including umbrella policies.

REPRESENTATIVE PRAX asked if there are any insurance companies that will provide that specific coverage.

REPRESENTATIVE MCCABE answered that some providers said they would.

[3:21:41 PM](#)

REPRESENTATIVE CARRICK asked if Representative McCabe had spoken to any elected officials or other individuals that had been denied coverage on the grounds covered by the bill.

REPRESENTATIVE MCCABE answered that he had spoken to several elected officials on the state, municipal, and school board levels that had been denied umbrella policies due to their status as an elected official.

[3:22:43 PM](#)

REPRESENTATIVE RUFFRIDGE asked if there is a definition of discrimination attached to the bill, and whether that would cause the price of insurance to increase.

REPRESENTATIVE MCCABE answered that it is possible for the bill to cause prices to increase. He stated that he believes there is a significant difference between discriminating against someone because they won an election and discriminating against someone because they received multiple traffic citations.

REPRESENTATIVE RUFFRIDGE asked if the reason for that change in discrimination was a result of an assumed increase in risk for the elected official.

REPRESENTATIVE MCCABE answered that he had looked through multiple actuaries but was unable to find one pertaining to the risk of being a public official.

[3:25:47 PM](#)

REPRESENTATIVE SADDLER asked if any insurance providers explicitly denied someone coverage because of their status as a public official.

REPRESENTATIVE MCCABE answered that he had spoken to elected officials that told him that they had been denied umbrella coverage due to their status as an elected official.

[3:26:58 PM](#)

REPRESENTATIVE PRAX asked if Greg Smith had anything to add to the previous answers.

GREG SMITH, Legislative Liaison, Department of Commerce, Community, and Economic Development, answered that insurance companies have the ability to discriminate but not to discriminate unfairly. He stated that he was unable to find the protected classes in statute but understood that certain classes such as race could not be used to discriminate. He added that insurance companies sometimes discriminate against "people of notoriety" due to an assumed level of increased risk.

REPRESENTATIVE PRAX stated that umbrella coverage is excess liability coverage, and while homeowner's insurance covers slander and libel, the limit for it is lower. He asked if any insurance providers would exclude someone from buying liability coverage on a homeowner's policy because of their status as an elected official.

MR. SMITH answered that he was unsure.

[3:29:52 PM](#)

REPRESENTATIVE RUFFRIDGE asked about the potential of liability coverage from the special Department of Risk under the Department of Administration.

MR. SMITH answered that he is unsure how the department works, but that elected officials would be indemnified in certain cases.

[3:31:38 PM](#)

REPRESENTATIVE CARRICK asked what definition of political affiliation the bill would use and whether Representative McCabe knew of anyone that had been denied coverage explicitly for their political affiliation.

REPRESENTATIVE MCCABE answered that he is unaware of any person in Alaska that has been denied coverage on the grounds of their political affiliation; he stated that the bill is modeled after a similar bill in the state of Texas where there had been incidents in which a person was denied coverage on those grounds. He said that he would define political affiliation as a party registration or stated political belief.

[3:33:21 PM](#)

REPRESENTATIVE PRAX asked if it was Representative McCabe's intention to keep the political affiliation language in the bill.

REPRESENTATIVE MCCABE answered that he had looked at bills from other states as models, stating that he believed the one from Texas made the most sense. He said that he understands why an insurance company would be able to discriminate based on circumstances such as driving record; he continued that he does not believe that should apply to political affiliation. He stated that the possibility of losing umbrella coverage as a result of being elected to an office is a barrier to people wanting to run for office.

REPRESENTATIVE PRAX asked if there were any documents available pertaining to the Texas bill that HB 29 is modeled after.

MR. WHITT answered that he would be able to retrieve those documents, including a paper written by a PhD student at the University of Texas detailing risk pools and discrimination within those risk pools. He referenced a previous question asked by Representative Ruffridge and stated that within certain risk pools, there are certain classes that are still protected against discrimination. He added that the bill would add a section to Title 21 preventing discrimination based on political

affiliation and status as an elected official for insurance coverage.

[3:37:31 PM](#)

REPRESENTATIVE SADDLER stated that the definition of "elected official" given in A.S. 44.99.205 includes only the Governor, Lieutenant Governor, and members of the legislature, and asked whether the bill could be improved by expanding the definition to include local and school board officials.

REPRESENTATIVE MCCABE answered that he believes the bill can be improved but was concerned about the scope going too far. He stated his willingness to broaden the definition of elected officials used by the bill in the future.

[HB 29 was held over.]

#### **HB 51-USE OF DESIGNATED REFRIGERANTS**

[3:39:21 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 51, "An Act relating to refrigerants designated as acceptable for use under federal law."

[3:39:42 PM](#)

CHAIR SUMNER opened public testimony on HB 51.

[3:40:10 PM](#)

MIKE NEROZZI, Director, Air-Conditioning, Heating, and Refrigeration Institute (AHRI), stated that AHRI supports HB 51, as it gives the heating, ventilation, and air conditioning industry the tools it needs to comply with upcoming federal regulations on hydrofluorocarbons. He stated the economic impact of AHRI in the U.S. and Alaska. He stated that the American Innovation and Manufacturing Act was signed into law in December 2020 by then President Donald Trump, directing the Environmental Protection Agency (EPA) to restrict the use of certain refrigerants in commercial refrigeration. He continued that building codes need to be updated in order to allow the usage of new refrigerants that would comply with the new regulations put in place by the EPA. He stated that HB 51 eliminates the timing barrier for the new regulations,

preventing the possibility of a time period in which Alaska would not have access to refrigerants.

[3:43:20 PM](#)

REPRESENTATIVE PRAX asked if the new EPA regulations would also apply to firefighting agents.

HELEN WALTER-TERRINONI, VP of Regulatory Affairs and Policy, Air-Conditioning, Heating, and Refrigeration Institute, answered that they would not.

[3:45:10 PM](#)

REPRESENTATIVE PRAX asked if the legislature would need to consider firefighting agents in the building codes in the future.

MS. WALTER-TERRONI answered that firefighting suppressants are protected from the regulations.

[3:46:23 PM](#)

CHAIR SUMNER, after ascertaining that no one else wished to testify, closed public testimony on HB 51.

[3:46:36 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 51 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 51 was reported out of the House Labor and Commerce Standing Committee.

[3:46:57 PM](#)

The committee took an at-ease from 3:46 p.m. to 3:50 p.m.

**HB 13-APPLICABILITY OF HUMAN RIGHTS COMMISSION**

[3:50:35 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 13, "An Act relating to the definition of 'employer' for the purposes of the State Commission for Human Rights."

[3:50:56 PM](#)

CHAIR SUMNER opened public testimony on HB 13. After ascertaining that nobody wished to testify, he closed public testimony.

[3:51:29 PM](#)

REPRESENTATIVE PRAX expressed his concern about the possible "weaponization" of human rights cases in smaller businesses and asked if it would be worth holding the bill for the purposes of taking a deeper look at that conversation.

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Representative, as prime sponsor of HB 13, answered that he would not be in favor of holding the bill and stated that a lawyer would not be necessary in the beginning stages of a complaint. He said that the Alaska State Commission on Human does a good job on vetting complaints and filtering out ones without merit.

[3:53:54 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 13 out of committee with individual recommendations and the accompanying fiscal notes.

[3:54:13 PM](#)

REPRESENTATIVE PRAX objected.

A roll call vote was taken. Representatives Ruffridge, Saddler, Carrick, Fields, and Sumner voted in favor of moving HB 13 out of committee with individual recommendations and the accompanying fiscal notes. Representative Prax voted against it. Therefore, HB 13 was reported out of the House Labor and Commerce Standing Committee by a vote of 5-1.

[3:55:13 PM](#)

The committee took an at-ease from 3:55 p.m. to 3:58 p.m.

**HB 46-CHILD CARE PROVIDER COLLECTIVE BARGAINING**

[3:59:25 PM](#)

CHAIR SUMNER 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."

[3:59:38 PM](#)

CHAIR SUMNER opened public testimony on HB 46.

[4:00:03 PM](#)

KAYLA SVINICKI, Owner, Auke Lake Preschool and Afterschool, stated that she became a child care worker because of affordability issues with her own children's care. She said that when she became a home-care provider, she realized that she needed more training and education to do the best possible job for the children in her care. She stated that she eventually became the operator of Auke Lake Preschool and Afterschool in Juneau, Alaska; the center employs 29 educators and cares for 75 children. She stated that child care employees do not have high enough wages because raising their wages would cause child care providers to have to raise the cost of tuition, which many families would not be able to afford. She stated that child care providers need state funding to be able to pay their employees more and give them the training that they need to best care for the children under their care.

[4:04:27 PM](#)

REPRESENTATIVE PRAX asked if the ratio of caretakers to children at Ms. Svinicki's child care center was due to statutory regulations, or if her child care center could accept more children if they were available.

MS. SVINICKI answered that her child care center has a long waitlist, but the building has more capacity.

REPRESENTATIVE PRAX followed up and asked if the ratio of 3:1 caretakers to children her childcare center has is a regulatory requirement.

MS. SVINICKI answered that the regulations are different for different age ranges, but her childcare center employs more caretakers to children than required to help the staff.

[4:05:27 PM](#)

REPRESENTATIVE CARRICK asked whether Ms. Svinicki was losing employees due to low wages and benefits.

MS. SVINICKI answered that she did lose employees for those reasons and because of the long work hours. In response to a follow-up question, she stated that she believes those employees would continue to work as child care providers if they received higher compensation.

[4:06:16 PM](#)

AMANDA TRIPLETT, representing self, stated that she believes it is essential for Alaska to have strong child care centers across the state. She said that child care employees leaving the industry is a common problem that creates problems for anyone trying to return to work.

[4:07:44 PM](#)

REPRESENTATIVE PRAX asked Ms. Svinicki who pays Auke Lake Preschool and Afterschool for the child care it provides.

MS. SVINICKI answered that the center's income comes from the parents paying for their children's care, although Auke Lake Preschool and Afterschool does have some contracts with tribal organizations and are seeking funding from the City of Juneau. In response to a follow up question, she stated that raising prices would cause families to make a choice between becoming a single income home or leaving Juneau altogether.

REPRESENTATIVE PRAX asked Ms. Svinicki if her expectation of the bill is that it would enable child care centers to receive state funding.

MS. SVINICKI answered that it is.

[4:10:31 PM](#)

REPRESENTATIVE RUFFRIDGE asked Ms. Svinicki how the ability to collectively bargain would affect child care employee wages and the cost of child care to parents.

MS. SVINICKI answered that the ability to collectively bargain would allow child care providers to come together to work on the issue.

REPRESENTATIVE RUFFRIDGE commented on the lack of a fiscal note for the bill and asked what parents would be able to contribute.

MS. TRIPLETT answered that many families are already unable to afford child care. She said that she believes the state should step in to ensure that child care workers are paid better wages and that families can afford child care.

[4:14:40 PM](#)

SUSAN DELOACH, Owner, Bright Beginnings Early Learning Center, stated that she has been a childcare provider in Alaska for 28 years, and the current operating conditions are the most difficult she has ever seen. She said that operating costs have increased 30 percent and it is difficult to find qualified child care workers, which has reduced the number of children Bright Beginnings is able to accommodate. She continued that losing access to child care will cause harm to the economy as parents will be forced to miss work to care for their children, and the threat of more child care centers shutting down is greater now that pandemic relief funds are coming to an end.

[4:17:45 PM](#)

HEIDI PEARSON, representing self, stated that the difficulty of finding child care was made more difficult by the pandemic, and that the difficulty caused by a lack of access to child care has caused her and her husband to consider the possibility of one of them leaving their job. She added that it is more expensive to send a child to day care than to send a student to the University of Alaska. She said that she knows people that have left the state of Alaska in part because of the difficulty of finding adequate child care.

[4:20:41 PM](#)

DANIEL VOLLAND, OD, representing self, stated that the Municipality of Anchorage is facing a worker shortage that is affecting the city's ability to provide basic services. He continued that Anchorage businesses have identified lack of available child care as one their greatest challenges in finding employees. He stated that he believes building the child care workforce is necessary to build the workforce as a whole.

[4:24:16 PM](#)

CHAIR SUMNER, after ascertaining that no one else wished to testify, closed public testimony on HB 46.

[4:24:51 PM](#)

REPRESENTATIVE FIELDS, as prime sponsor of HB 46, stated that the percentage of income going toward child care ranged from 17 to 34 percent, depending largely on whether a household had 1 or 2 parents. He continued that government assistance covers only the minority of the cost to parents. He stated that there are 431 licensed child care providers in Alaska, with there being a decrease of over 50 child care centers since 2021. He said that these closures coincided with a decrease in the total number of child care employees.

[HB 46 was held over.]

[4:28:35 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:28 p.m.