

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

April 28, 2023

3:16 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 55(FIN)

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; extending the termination date of the State Medical Board; and providing for an effective date."

- MOVED CSSB 55(FIN) OUT OF COMMITTEE

HOUSE BILL NO. 166

"An Act relating to firefighting substances; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 124

"An Act relating to commercial motor vehicle drivers' license requirements; and providing for an effective date."

- MOVED HB 124 OUT OF COMMITTEE

HOUSE BILL NO. 21

"An Act relating to group insurance coverage and self-insurance coverage for school district employees, employees of the University of Alaska, and employees of other governmental units in the state; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 55

SHORT TITLE: EXTND BDS: MEDICAL, DIRECT-ENTRY MIDWIVES

SPONSOR(s): SENATOR(s) WIELECHOWSKI

|          |     |                                      |
|----------|-----|--------------------------------------|
| 02/01/23 | (S) | READ THE FIRST TIME - REFERRALS      |
| 02/01/23 | (S) | L&C, FIN                             |
| 02/17/23 | (S) | L&C AT 1:30 PM BELTZ 105 (TSBldg)    |
| 02/17/23 | (S) | Heard & Held                         |
| 02/17/23 | (S) | MINUTE(L&C)                          |
| 02/20/23 | (S) | L&C AT 1:30 PM BELTZ 105 (TSBldg)    |
| 02/20/23 | (S) | Moved SB 55 Out of Committee         |
| 02/20/23 | (S) | MINUTE(L&C)                          |
| 02/22/23 | (S) | L&C RPT 3DP 1NR                      |
| 02/22/23 | (S) | DP: BISHOP, DUNBAR, GRAY-JACKSON     |
| 02/22/23 | (S) | NR: MERRICK                          |
| 03/07/23 | (S) | FIN AT 9:00 AM SENATE FINANCE 532    |
| 03/07/23 | (S) | Heard & Held                         |
| 03/07/23 | (S) | MINUTE(FIN)                          |
| 04/03/23 | (S) | FIN AT 9:00 AM SENATE FINANCE 532    |
| 04/03/23 | (S) | Moved CSSB 55(FIN) Out of Committee  |
| 04/03/23 | (S) | MINUTE(FIN)                          |
| 04/07/23 | (S) | FIN RPT CS 3DP 4NR NEW TITLE         |
| 04/07/23 | (S) | DP: HOFFMAN, OLSON, KIEHL            |
| 04/07/23 | (S) | NR: STEDMAN, WILSON, MERRICK, BISHOP |
| 04/12/23 | (S) | TRANSMITTED TO (H)                   |
| 04/12/23 | (S) | VERSION: CSSB 55(FIN)                |
| 04/14/23 | (H) | READ THE FIRST TIME - REFERRALS      |
| 04/14/23 | (H) | L&C, FIN                             |
| 04/26/23 | (H) | L&C AT 3:15 PM BARNES 124            |
| 04/26/23 | (H) | Heard & Held                         |
| 04/26/23 | (H) | MINUTE(L&C)                          |
| 04/28/23 | (H) | L&C AT 3:15 PM BARNES 124            |

BILL: HB 166

SHORT TITLE: PFAS USE FIREFIGHTING

SPONSOR(s): REPRESENTATIVE(s) STAPP

|          |     |                                 |
|----------|-----|---------------------------------|
| 04/19/23 | (H) | READ THE FIRST TIME - REFERRALS |
| 04/19/23 | (H) | L&C, FIN                        |
| 04/28/23 | (H) | L&C AT 3:15 PM BARNES 124       |

BILL: HB 124

SHORT TITLE: LICENSE REQUIREMENTS: COMM. DRIVERS

SPONSOR(s): REPRESENTATIVE(s) COULOMBE

03/17/23 (H) READ THE FIRST TIME - REFERRALS  
 03/17/23 (H) TRA, L&C  
 04/12/23 (H) BILL REPRINTED  
 04/18/23 (H) TRA AT 1:00 PM BARNES 124  
 04/18/23 (H) Heard & Held  
 04/18/23 (H) MINUTE(TRA)  
 04/20/23 (H) TRA AT 1:00 PM BARNES 124  
 04/20/23 (H) Moved HB 124 Out of Committee  
 04/20/23 (H) MINUTE(TRA)  
 04/24/23 (H) TRA RPT 5DP  
 04/24/23 (H) DP: C.JOHNSON, MCKAY, VANCE, MINA,  
 MCCABE  
 04/28/23 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 21

SHORT TITLE: SCHOOL/UNIVERSITY EMPLOYEE HEALTH INSUR

SPONSOR(S): REPRESENTATIVE(S) VANCE

01/19/23 (H) PREFILE RELEASED 1/9/23  
 01/19/23 (H) READ THE FIRST TIME - REFERRALS  
 01/19/23 (H) CRA, EDC, L&C  
 01/27/23 (H) CRA REFERRAL REMOVED  
 01/27/23 (H) BILL REPRINTED  
 03/13/23 (H) EDC AT 8:00 AM DAVIS 106  
 03/13/23 (H) Heard & Held  
 03/13/23 (H) MINUTE(EDC)  
 03/27/23 (H) EDC AT 8:00 AM DAVIS 106  
 03/27/23 (H) Moved HB 21 Out of Committee  
 03/27/23 (H) MINUTE(EDC)  
 03/29/23 (H) EDC RPT 2DP 4NR  
 03/29/23 (H) DP: MCKAY, ALLARD  
 03/29/23 (H) NR: HIMSCHOOT, STORY, PRAX, RUFFRIDGE  
 04/03/23 (H) L&C AT 3:15 PM BARNES 124  
 04/03/23 (H) -- MEETING CANCELED --  
 04/05/23 (H) L&C AT 3:15 PM BARNES 124  
 04/05/23 (H) -- MEETING CANCELED --  
 04/12/23 (H) L&C AT 3:15 PM BARNES 124  
 04/12/23 (H) Heard & Held  
 04/12/23 (H) MINUTE(L&C)  
 04/14/23 (H) L&C AT 3:15 PM BARNES 124  
 04/14/23 (H) Heard & Held  
 04/14/23 (H) MINUTE(L&C)  
 04/17/23 (H) L&C AT 3:15 PM BARNES 124  
 04/17/23 (H) Heard & Held  
 04/17/23 (H) MINUTE(L&C)  
 04/19/23 (H) L&C AT 3:15 PM BARNES 124

04/19/23 (H) -- MEETING CANCELED --  
04/21/23 (H) L&C AT 3:15 PM BARNES 124  
04/21/23 (H) <Bill Hearing Rescheduled to 04/24/23>  
04/24/23 (H) L&C AT 3:15 PM BARNES 124  
04/24/23 (H) Heard & Held  
04/24/23 (H) MINUTE (L&C)  
04/28/23 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE WILL STAPP  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 166.

Clifton Coghill, Staff  
Representative Will Stapp  
Alaska State Legislature

**POSITION STATEMENT:** Gave the sectional analysis for HB 166, on behalf of Representative Stapp, prime sponsor.

LLOYD NAKANO, Director and Alaska State Fire Marshal  
Division of Fire and Life Safety  
Alaska Department of Public Safety  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 166.

ANDY MILLS, Legislative Liaison and Special Assistant to the  
Commissioner  
Office of the Commissioner  
Alaska Department of Transportation and Public Facilities  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 166.

SUZANNE CUNNINGHAM, Government Relations Liaison  
Alyeska Pipeline Service Company  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 166.

REPRESENTATIVE JULIE COULOMBE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 124.

DANIEL ROBBINS, Staff  
Representative Julie Coulombe  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the sectional analysis for HB 124, on behalf of Representative Coulombe, prime sponsor.

JOEY CRUM, JD, President and CEO  
Northern Industrial Training, LLC  
Palmer, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 124.

JOE MICHEL, Executive Director  
Alaska Trucking Association  
Fairbanks, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 124.

TETYANA ROBBINS, CEO  
Ukraine Relief Program  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 124.

DANIEL ROBBINS, representing self  
Juneau, Alaska

**POSITION STATEMENT:** Gave public testimony in support of HB 124.

REPRESENTATIVE SARAH VANCE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, spoke to HB 21.

JAKE ALMEIDA, Staff  
Representative Sarah Vance  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Vance, prime sponsor, addressed HB 21.

ANDREA MUECA, Health Operations Manager  
Division of Retirement and Benefits  
Department of Administration  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 21.

**ACTION NARRATIVE**

[3:16:21 PM](#)

**CHAIR JESSE SUMNER** called the House Labor and Commerce Standing Committee meeting to order at 3:16 p.m. Representatives Prax, Wright, Carrick, Fields, Ruffridge, and Sumner were present at the call to order. Representative Saddler arrived as the meeting was in progress.

**SB 55-EXTND BDS: MEDICAL, DIRECT-ENTRY MIDWIVES**

[3:17:12 PM](#)

CHAIR SUMNER announced that the first order of business would be CS FOR SENATE BILL NO. 55(FIN), "An Act extending the termination date of the Board of Certified Direct-Entry Midwives; extending the termination date of the State Medical Board; and providing for an effective date."

[3:17:18 PM](#)

CHAIR SUMNER opened public testimony on SB 55. After ascertaining there was no one who wished to testify, he closed public testimony.

[3:18:11 PM](#)

The committee took a brief at-ease.

[3:18:24 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report CSSB 55(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 55(FIN) was reported out of the House Labor and Commerce Standing Committee.

[3:18:49 PM](#)

The committee took an at-ease from 3:18 p.m. to 3:20 p.m.

**HB 166-PFAS USE FIREFIGHTING**

[3:20:38 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 166, "An Act relating to firefighting substances; and providing for an effective date."

[3:20:47 PM](#)

REPRESENTATIVE WILL STAPP, Alaska State Legislature, as prime sponsor, introduced HB 166. He stated that perfluoroalkyl and polyfluoroalkyl substances (PFAS) are harmful chemicals known to cause cancer, even in small dosages. He said that these substances are used in firefighting foams, and they seep into drinking water. He stated that HB 166 would end this usage, with the exception of oil and gas facilities, which would still be permitted as there is no alternative at this time.

[3:23:26 PM](#)

CLIFTON COGHILL, Staff, Representative Will Stapp, Alaska State Legislature, on behalf of Representative Stapp, prime sponsor, gave the sectional analysis for HB 166 [copy included in the committee packet] which read as follows [original punctuation provided]:

Sec. 1 of the bill creates a new section:

Sec. 46.03.340(a): Everyone outside the oil & gas industry must stop using PFAS- containing foams, unless federal law preempts Alaska law.

Sec. 46.03.340(b): People fighting fires in the oil & gas industry may continue using PFAS-containing foams until an alternative is approved by regulation.

Sec. 46.03.340(c): The state fire marshal can determine there is a safe and effective PFAS-free foam for fighting oil or gas fires if the alternate foam is listed by an organization in OSHA's Nationally Recognized Testing Laboratory Program. The fire marshal must require the new foam by regulation, with a stated effective date.

Sec. 46.03.340(d): DEC must take up to 40 gallons per year of PFAS containing firefighting foam from Alaskans for disposal.

Sec. 2 of the bill sets an effective date of January 1, 2024.

[3:24:54 PM](#)

REPRESENTATIVE FIELDS asked whether similar legislation introduced the previous year could have potentially included the oil and gas industry.

REPRESENTATIVE STAPP answered that changes from the previous legislation have been made; however, he expressed uncertainty concerning the past legislation because of a change in sponsorship. In response to a follow-up question, he said that HB 166 would be a good first step in eliminating PFAS contamination.

REPRESENTATIVE FIELDS asked whether the bill would compliment the new Environmental Protection Agency regulations.

REPRESENTATIVE STAPP answered yes.

[3:27:35 PM](#)

REPRESENTATIVE CARRICK questioned the amount of PFAS used by the oil and gas industry.

REPRESENTATIVE STAPP answered that he is unsure. In response to a follow-up question, he said that oil and gas fires have a greater level of combustion.

[3:29:39 PM](#)

LLOYD NAKANO, Director and Alaska State Fire Marshal, Division of Fire and Life Safety, Alaska Department of Public Safety, answered that oil and gas fires take significantly more resources to put out, and the foams used to do so are not currently replaceable.

[3:30:24 PM](#)

REPRESENTATIVE CARRICK asked why a standard higher than 40 gallons for disposal was not chosen.

REPRESENTATIVE STAPP answered that the disposal methods are unique, and many places which require PFAS removal are in rural Alaska. He offered to follow up with the committee with the many other reasons that the 40-gallon amount was chosen. In

response to a follow-up question, he said that rural Alaska does not have the same resources available for disposal.

[3:32:09 PM](#)

REPRESENTATIVE RUFFRIDGE asked what options exist for disposal.

[3:32:36 PM](#)

ANDY MILLS, Legislative Liaison, Special Assistant to the Commissioner, Office of the Commissioner, Alaska Department of Transportation and Public Facilities, answered that the department has submitted a fiscal note for PFAS disposal because of the high amount of PFAS that is used at airports. He added that in the past, villages in rural Alaska received firefighting materials, including PFAS foams amounting to approximately 40 gallons.

[3:36:15 PM](#)

REPRESENTATIVE FIELDS asked whether the oil and gas industry sprays PFAS containing foams as part of their firefighting training exercises.

[3:36:34 PM](#)

SUZANNE CUNNINGHAM, Government Relations Liaison, Alyeska Pipeline Service Company, answered that she could not answer for the entire industry.

[3:37:02 PM](#)

REPRESENTATIVE FIELDS asked whether Alyeska Pipeline Service Company has used PFAS-containing foams for training purposes.

MS. CUNNINGHAM answered no.

[3:37:33 PM](#)

REPRESENTATIVE PRAX asked whether PFAS foam would still be eligible for the purpose of preventing a fire from starting in the event an oil or gas truck was overturned.

REPRESENTATIVE STAPP answered that he is unsure. In response to a follow-up question, he said that all PFAS containing substances would be banned except for oil and gas facilities.

REPRESENTATIVE PRAX noted that he has served as a volunteer firefighter and expressed concern about the possibility that firefighting foams may not be available for fire prevention in the event of an oil or gas spill.

[3:41:03 PM](#)

REPRESENTATIVE SADDLER asked for a definition of "firefighting substance."

MR. NAKANO answered that it is not an official term used by firefighters.

[3:42:07 PM](#)

REPRESENTATIVE WRIGHT asked whether there are other terms that can be used instead of "firefighting substances."

MR. NAKANO answered yes. He said that he would look into terminology being used by other states.

[3:42:33 PM](#)

REPRESENTATIVE SADDLER asked whether the bill sponsor would oppose the addition of definitions to the bill.

REPRESENTATIVE STAPP expressed support for the addition of definitions for clarity to the proposed legislation.

REPRESENTATIVE SADDLER asked how the fire marshal's office would determine a safe and effective alternative to PFAS foams.

MR. NAKANO answered that it would use products listed by the National Laboratories which meet the Occupational Safety and Health Administration's standards for firefighting capabilities. In response to a follow-up question, he said that he is working with other firefighting agencies in the state to determine effective and safe alternatives.

[3:45:36 PM](#)

REPRESENTATIVE RUFFRIDGE asked whether there is a possibility to work with other states on disposal.

REPRESENTATIVE STAPP expressed uncertainty.

[3:46:42 PM](#)

REPRESENTATIVE PRAX asked whether a safe method with the same effectiveness as PFAS foams has been determined for aircraft fires.

MR. NAKANO answered that this is in the developmental stage. In response to a follow-up question, he said that airport firefighters are still covered by federal regulations.

[3:47:43 PM](#)

REPRESENTATIVE PRAX asked whether there is a risk that the PFAS foams exceeding the 40-gallon limit would not be disposed of properly.

MR. MILLS answered that 40 gallons is the best estimate for rural communities. He added that, in some communities, this amount has already been used or lost. In response to a follow-up question, he said that the department was unable to come up with a method to account for every industry.

[3:52:19 PM](#)

REPRESENTATIVE SADDLER asked whether the bill would only include PFAS which are part of Operation Code-Red.

REPRESENTATIVE STAPP answered that the bill would apply to all communities.

[3:53:54 PM](#)

CHAIR SUMNER announced that HB 166 was held over.

**HB 124-LICENSE REQUIREMENTS: COMM. DRIVERS**

[3:54:20 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 124, "An Act relating to commercial motor vehicle drivers' license requirements; and providing for an effective date."

[3:54:48 PM](#)

REPRESENTATIVE JULIE COULOMBE, Alaska State Legislature, as prime sponsor, introduced HB 124. She stated that HB 124 would repeal the provision in the statutes which requires an

individual to hold a driver's license for a year prior to applying for a commercial driver's license (CDL). She explained that the provision was created in 1985, long before modern CDL training was available. She argued that it is a barrier for young people wishing to enter the profession of commercial driving, and safety regulations and training are at the highest level. She added that new federal regulations have standardized the requirements to hold CDL. She noted that the state is short on commercial drivers, and that the bill would help reduce this shortage. She acknowledged that HB 124 is a companion bill to SB 123.

[3:58:00 PM](#)

DANIEL ROBBINS, Staff, Representative Julie Coulombe, Alaska State Legislature, on behalf of Representative Coulombe, prime sponsor, gave the sectional analysis for HB 124 [copy included in the committee packet] which read as follows [original punctuation provided]:

**Sec 1.** - Amends AS 28.33.100(a) to remove subsection (2) which requires an applicant for a Commercial Driver's License to have held a regular driver's license for at least one year before beginning the CDL certification process.

**Sec 2.** - Sets January 20, 2024, effective date.

[3:58:41 PM](#)

JOEY CRUM, President and CEO, Northern Industrial Training, LLC, stated that the company trains individuals from across the state to become commercial drivers, earning their CDL. He said the proposed legislation would remove barriers to the commercial driving industry. He noted that he has seen young people lose interest in becoming commercial drivers upon learning that training would not begin immediately. He argued that new federal regulations would ensure the safety of drivers, even without the requirement of holding a standard driver's license for a year. He said that CDL applicants are required to pass driving and written tests administered by federally registered training providers.

[4:02:15 PM](#)

REPRESENTATIVE SADDLER asked when the new federal regulations went into effect.

MR. CRUM answered February 7, 2022. In response to a follow-up question, he said that there is no published data on the effectiveness of the new regulations.

[4:02:59 PM](#)

REPRESENTATIVE CARRICK asked whether CDL training in Alaska includes winter-specific conditions.

MR. CRUM answered that CDL standards are set by the federal government, and the state of Alaska has not imposed any additional requirements. He added that a CDL driver earning a license in a state such as Florida would be able to drive commercially in Alaska; however, Alaska based trainers provide winter specific training.

[4:05:12 PM](#)

JOE MICHEL, Executive Director, Alaska Trucking Association, stated that the Alaska Trucking Association is in full support of HB 124.

[4:05:53 PM](#)

REPRESENTATIVE SADDLER questioned whether the new federal regulations have improved safety.

MR. MICHEL answered that no data has been published, but prior to the regulations being put in place, no formal training was required to earn CDL. In response to a follow-up question, he said that data is being collected, and the process is being done by the federal government.

[4:07:40 PM](#)

TETYANA ROBBINS, CEO, Ukraine Relief Program, stated that Ukraine Relief Program aids Ukrainians who have fled the ongoing war between Russia and Ukraine. She said that the bill would help provide Ukrainians who have come to Alaska find stable employment, as many have previous commercial driving experience.

[4:09:47 PM](#)

CHAIR SUMNER opened public testimony on HB 124.

[4:09:58 PM](#)

DANIEL ROBBINS, representing self, stated that he is the son of Tetyana Robbins, and they are both Ukrainian immigrants. He expressed support for the bill, noting that it would provide employment opportunities to Ukrainian immigrants.

[4:10:59 PM](#)

CHAIR SUMNER, after ascertaining there was no one else who wished to testify, closed public testimony on HB 124

[4:11:09 PM](#)

The committee took an at-ease from 4:11 p.m. to 4:15 p.m.

[4:15:03 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 124 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 124 was reported out of the House Labor and Commerce Standing Committee.

[4:15:39 PM](#)

The committee took an at-ease from 4:15 p.m. to 4:17 p.m.

**HB 21-SCHOOL/UNIVERSITY EMPLOYEE HEALTH INSUR**

[4:17:20 PM](#)

CHAIR SUMNER announced that the final order of business would be HB 21, "An Act relating to group insurance coverage and self-insurance coverage for school district employees, employees of the University of Alaska, and employees of other governmental units in the state; and providing for an effective date." [On 4/24/23, the committee adopted Amendment 1 and left a motion to adopt Amendment 2, with objection, pending.]

[4:17:25 PM](#)

REPRESENTATIVE FIELDS repeated the motion to adopt Amendment 2 to HB 21, as amended, labeled 33-LS0254\A.2, Klein, 4/17/23, which read as follows:

Page 4, lines 14 - 27:  
Delete all material.

Renumber the following bill sections accordingly.

Page 9, line 23:

Delete "Sections 1 - 10"

Insert "Sections 1 - 9"

Page 9, lines 24 - 25:

Delete "secs. 1 - 10"

Insert "secs. 1 - 9"

Page 10, line 3:

Delete "sec. 4"

Insert "sec. 3"

Page 10, line 10:

Delete "Sections 12 and 13"

Insert "Sections 11 and 12"

Page 10, line 11:

Delete "sec. 14"

Insert "sec. 13"

REPRESENTATIVE FIELDS stated that Amendment 2 would eliminate the provision allowing for the usage of the public education fund for the purpose of onboarding new groups to Alaska Care.

[4:18:54 PM](#)

REPRESENTATIVE SADDLER expressed the belief that it is unfair to characterize the provision as the ability to "raid" the public education fund. He stated that his objection stems from the idea that this would be an appropriate use of the fund because it would act as a short-term loan.

[4:19:56 PM](#)

REPRESENTATIVE SARAH VANCE, Alaska State Legislature, as prime sponsor of HB 21, stated that the amendment would be detrimental to the bill. Without the ability to use the public education fund, it would place a strain on the existing health care.

[4:20:45 PM](#)

JAKE ALMEIDA, Staff, Representative Sarah Vance, Alaska State Legislature, stated that the Department of Administration (DOA) sent a letter in which it said that passing the bill without

this provision would potentially lead to Alaska Care having insufficient funds to pay claims.

[4:21:57 PM](#)

REPRESENTATIVE FIELDS commented that the bill would currently mandate DOA to allow any school district wishing to join, be allowed to join. He said that the amendment would protect the department.

[4:22:42 PM](#)

REPRESENTATIVE RUFFRIDGE asked how DOA arrived at the figure of \$100 million.

REPRESENTATIVE VANCE expressed uncertainty concerning the department's determination of the amount. She expressed the understanding that DOA is comfortable with the figure because only small amounts would be taken out at a time.

MR. ALMEIDA added that DOA referenced rising health care costs in determining the amount.

REPRESENTATIVE RUFFRIDGE commented that the amount of money referenced in the proposed legislation for onboarding seems "outlandish."

[4:26:26 PM](#)

ANDREA MUECA, Health Operations Manager, Division of Retirement and Benefits, Department of Administration, stated that there are certain drugs that can cost millions of dollars.

[4:27:15 PM](#)

REPRESENTATIVE RUFFRIDGE questioned the average cost for a month's worth of care.

MS. MUECA answered that she would follow up to the committee with an answer.

[4:28:13 PM](#)

CHAIR SUMNER asked whether the \$100 million figure would be per school district.

REPRESENTATIVE VANCE answered that it would be the total for all groups wishing to join Alaska Care.

[4:29:00 PM](#)

REPRESENTATIVE FIELDS asked how much money is in the public education fund.

REPRESENTATIVE VANCE expressed uncertainty. In response to a follow-up question, she said that school districts would only be required to pay back any expenditures and no lost revenue from the fund's earnings.

[4:30:46 PM](#)

A roll call vote was taken. Representatives Fields and Carrick voted in favor of Amendment 2. Representatives Saddler, Wright, Prax, Ruffridge, and Sumner voted against it. Therefore, Amendment 2 failed by a vote of 2-5.

[4:31:59 PM](#)

The committee took an at-ease from 4:31 p.m. to 4:33 p.m.

[4:33:29 PM](#)

REPRESENTATIVE FIELDS stated that he would not offer Amendment 3 or Amendment 4 to HB 21.

[4:33:52 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 5 to HB 21, as amended, labeled, 33-LS0254\A.5, Klein, 4/21/23, which read as follows:

Page 5, line 3:  
Delete "shall"  
Insert "may"

REPRESENTATIVE SADDLER objected.

[4:34:03 PM](#)

REPRESENTATIVE FIELDS stated that Amendment 5 would change the word "shall" to "may" in regard to allowing school districts to join Alaska Care. He said it would give DOA the chance to

reject a potential group from joining Alaska Care if its costs were deemed to be too high.

[4:34:47 PM](#)

REPRESENTATIVE SADDLER asked for the bill sponsor's thoughts on the amendment.

REPRESENTATIVE VANCE stated that the intent of the legislation is to lower health care costs for school districts. She expressed the opinion that the amendment would be harmful to this process. In response to a follow-up question, she said that the idea behind the bill is to reduce the health care costs of everyone by enlarging the pool.

[4:37:09 PM](#)

REPRESENTATIVE FIELDS noted that the proposed bill would cover other state employees and would not be limited to school district employees.

REPRESENTATIVE VANCE responded that the offered amendment referenced a section of the bill pertaining to school district and University of Alaska employees.

[4:38:36 PM](#)

A roll call vote was taken. Representatives Fields and Carrick voted in favor of Amendment 5 to HB 21, as amended. Representatives Ruffridge, Saddler, Wright, Prax and Sumner voted against it. Therefore, Amendment 5 failed by a vote of 2-5.

[4:39:14 PM](#)

REPRESENTATIVE FIELDS stated that he would not offer Amendment 6, Amendment 7, or Amendment 8.

[4:39:57 PM](#)

REPRESENTATIVE CARRICK moved to adopt Amendment 9 to HB 21, as amended, labeled 33-LS0254\A.9, Klein, 4/21/23, which read as follows:

Page 1, line 2:

Delete ", **employees of the University of Alaska**"

Page 4, line 29:  
Delete "**University and**"

Page 4, line 30:  
Delete "**University and school**"  
Insert "**School**"

Page 5, line 29:  
Delete ", a regional educational attendance area,  
or the University of Alaska"  
Insert "or a regional educational attendance  
area"

Page 5, line 30, through page 6, line 15:  
Delete all material and insert:  
"(2) "school employer" means a municipal  
school district or a regional educational attendance  
area."

Renumber the following bill sections accordingly.

Page 8, line 31, through page 9, line 3:  
Delete all material.

Renumber the following bill sections accordingly.

Page 9, line 23:  
Delete "Sections 1 - 10"  
Insert "Sections 1 - 8"

Page 9, lines 24 - 25:  
Delete "secs. 1 - 10"  
Insert "secs. 1 - 8"

Page 10, line 10:  
Delete "Sections 12 and 13"  
Insert "Sections 10 and 11"

Page 10, line 11:  
Delete "sec. 14"  
Insert "sec. 12"

CHAIR SUMNER announced there being no objection, Amendment 9 was adopted.

[4:40:24 PM](#)

REPRESENTATIVE SADDLER moved to rescind the committee's action in adopting Amendment 9. There being no objection, it was so ordered, and Amendment 9 was once again before the committee.

REPRESENTATIVE SADDLER stated his objection to Amendment 9.

[4:40:42 PM](#)

REPRESENTATIVE CARRICK stated that the amendment would remove the ability of the University of Alaska employees to join Alaska Care. She stated that the university does not have an official statement on the bill, and it recently renegotiated its health care contracts to give employees more health care options. She expressed her concern that the bill would create unintended consequences for the public education fund and described the relationship between the state and the university as unique compared to other state employees.

[4:42:57 PM](#)

REPRESENTATIVE PRAX asked whether the university has the option to choose not to enroll in Alaska Care.

REPRESENTATIVE VANCE answered yes.

REPRESENTATIVE PRAX commented that he is unsure why the university should not be given the choice to join Alaska Care.

REPRESENTATIVE CARRICK responded that the amendment is concerned with the stability of the public education fund, not the University of Alaska employees. She expressed concern that the large size of the university could be detrimental to Alaska Care.

[4:46:02 PM](#)

REPRESENTATIVE SADDLER expressed the opinion that university employees do not have a unique place as public employees. He expressed the understanding that the proposed legislation would help manage the state's health care expenditures.

[4:47:42 PM](#)

REPRESENTATIVE PRAX expressed the opinion that HB 21 should be passed to the floor with a minimal number of amendments.

[4:48:43 PM](#)

The committee took an at-ease from 4:48 p.m. to 4:50 p.m.

[4:50:05 PM](#)

REPRESENTATIVE SADDLER maintained his objection.

A roll call vote was taken. Representatives Carrick and Fields voted in favor of Amendment 9 to HB 21, as amended. Representatives Wright, Saddler, Ruffridge, Prax, and Sumner voted against it. Therefore, Amendment 9 failed to be adopted by a vote of 2-5.

[4:50:47 PM](#)

The committee took an at-ease from 4:50 p.m. to 4:51 p.m.

[4:51:24 PM](#)

CHAIR SUMNER announced that HB 21, as amended, was held over.

[4:51:28 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:51 p.m.