

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

May 1, 2023

3:17 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

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."

- MOVED CSHB 21(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 126

"An Act relating to the Board of Professional Counselors; and relating to licensing of associate counselors."

- MOVED HB 126 OUT OF COMMITTEE

HOUSE BILL NO. 97

"An Act relating to self-storage facilities for personal property, including vehicles and watercraft; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property."

- HEARD & HELD

HOUSE BILL NO. 100

"An Act relating to teacher and public employee leave."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

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
04/28/23	(H)	Heard & Held
04/28/23	(H)	MINUTE(L&C)
05/01/23	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 126

SHORT TITLE: ASSOCIATE AND PROFESSIONAL COUNSELORS

SPONSOR(S): REPRESENTATIVE(S) WRIGHT

03/22/23	(H)	READ THE FIRST TIME - REFERRALS
03/22/23	(H)	L&C
03/29/23	(H)	L&C AT 3:15 PM BARNES 124
03/29/23	(H)	Heard & Held
03/29/23	(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)	Heard & Held
04/21/23	(H)	MINUTE(L&C)
05/01/23	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 97

SHORT TITLE: SELF-STORAGE UNITS: LIENS; SALES

SPONSOR(S): REPRESENTATIVE(S) PRAX

03/06/23	(H)	READ THE FIRST TIME - REFERRALS
03/06/23	(H)	L&C, JUD
03/24/23	(H)	L&C AT 3:15 PM BARNES 124
03/24/23	(H)	Heard & Held
03/24/23	(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)
05/01/23	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 100

SHORT TITLE: PAID FAMILY LEAVE

SPONSOR(S): REPRESENTATIVE(S) ARMSTRONG

03/08/23	(H)	READ THE FIRST TIME - REFERRALS
03/08/23	(H)	L&C, EDC
04/07/23	(H)	L&C AT 3:15 PM BARNES 124
04/07/23	(H)	-- MEETING CANCELED --
04/10/23	(H)	L&C AT 3:15 PM BARNES 124
04/10/23	(H)	<Bill Hearing Canceled>
05/01/23	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE JENNIE ARMSTRONG
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 100 and presented a PowerPoint, titled "HB 100: Paid Family and Medical Leave."

TRISTIAN WALSH, Staff
Representative Jennie Armstrong
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Armstrong, prime sponsor, answered questions during the hearing on HB 100.

RACHEL GUNN, Staff
Representative Stanley Wright
Alaska State Legislature

POSITION STATEMENT: On behalf of Representative Wright, prime sponsor, provided a recap of HB 126.

ACTION NARRATIVE

[3:17:20 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:17 p.m. Representatives Carrick, Wright, Ruffridge, Saddler, Prax, Fields, and Sumner were present at the call to order.

HB 21-SCHOOL/UNIVERSITY EMPLOYEE HEALTH INSUR

[3:18:09 PM](#)

CHAIR SUMNER announced that the first order of business would be 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." [Amendment 1 was adopted to HB 21 during the committee meeting on 4/24/23.]

[3:18:15 PM](#)

REPRESENTATIVE WRIGHT moved to report HB 21, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE CARRICK objected.

[3:18:37 PM](#)

REPRESENTATIVE CARRICK expressed concern that the proposed legislation could result in unintended financial consequences for Alaska Care.

[3:19:18 PM](#)

REPRESENTATIVE FIELDS expressed the belief that the proposed bill could work if done correctly; however, it should remain in the committee until an actuarial analysis is done, as it could create unintended consequences.

[3:20:47 PM](#)

A roll call vote was taken. Representatives Ruffridge, Wright, Saddler, Prax, and Sumner voted in favor of reporting HB 21, as amended, out of committee. Representatives Carrick and Fields voted against it. Therefore, CSHB 21(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 5-2.

[3:21:24 PM](#)

The committee took an at-ease from 3:21 p.m. to 3:24 p.m.

HB 126-ASSOCIATE AND PROFESSIONAL COUNSELORS

[3:24:40 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 126, "An Act relating to the Board of Professional Counselors; and relating to licensing of associate counselors."

[3:25:15 PM](#)

RACHEL GUNN, Staff, Representative Stanley Wright, Alaska State Legislature, on behalf of Representative Wright, prime sponsor, provided a recap of HB 126. She stated that HB 126 would create a tier for individuals seeking to become counselors, after earning a graduate degree but before becoming a fully licensed counselor. This tier would allow them to earn hours toward their license under a fully licensed counselor.

[3:26:10 PM](#)

REPRESENTATIVE SADDLER asked whether Medicaid would reimburse individuals who are treated by an associate counselor.

MS. GUNN answered no.

[3:26:31 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 126 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 126 was reported out of the House Labor and Commerce Standing Committee.

[3:27:02 PM](#)

The committee took an at-ease from 3:27 p.m. to 3:29 p.m.

HB 97-SELF-STORAGE UNITS: LIENS; SALES

[3:29:50 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 97, "An Act relating to self-storage facilities for personal property, including vehicles and watercraft; distinguishing self-storage facility liens from another type of storage lien; and excluding self-storage liens from the treatment of certain unclaimed property."

[3:30:03 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt the proposed committee substitute (CS) for HB 97, Version 33-LS0392\S, Dunmire, 4/25/23, as a working document. There being no objection, Version S was before the committee.

[3:30:26 PM](#)

REPRESENTATIVE SADDLER questioned the changes made by Version S.

REPRESENTATIVE PRAX answered that a storage unit renter would be required to disclose any property with a lien in the storage facility. This would alert the storage facility owner to contact the lien holder prior to the foreclosure process.

[3:31:44 PM](#)

REPRESENTATIVE FIELDS asked whether Representative Prax had heard from the owner of Best Storage, the largest storage facility in Representative Fields' district.

REPRESENTATIVE PRAX answered he had not.

[3:32:27 PM](#)

CHAIR SUMNER announced that HB 97, Version S, was held over.

HB 100-PAID FAMILY LEAVE

[3:33:01 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 100, "An Act relating to teacher and public employee leave."

[3:33:26 PM](#)

REPRESENTATIVE JENNIE ARMSTRONG, Alaska State Legislature, as prime sponsor, introduced HB 100. She stated that HB 100 would give 18 weeks of paid family medical leave to state employees and teachers. She said that there would be a committee substitute which would give the private sector the chance to opt into the provisions of the bill.

[3:33:59 PM](#)

REPRESENTATIVE ARMSTRONG began a PowerPoint presentation, titled "HB 100: Paid Family and Medical Leave" [hard copy included in the committee packet]. Moving to slides 2 through 4, she stated that 23 percent of mothers in the U.S. return to work within 10 days of giving birth, although experts recommend a waiting period of at least 6 weeks for a birth without complications and 12 weeks for a cesarean section birth. She pointed out that children and families are the first step in investing in "human capital," and she displayed a graph showing the return on this investment.

[3:36:13 PM](#)

REPRESENTATIVE ARMSTRONG continued to slides 5 through 9 and stated a child's early years are a time of intense neurological development. She pointed out that increased social and emotional contact with a caregiver is important for a child's development, as 90 percent of brain development occurs before

kindergarten. She said that the Family and Medical Leave Act (FMLA) was passed in 1993, giving 12 weeks of unpaid leave for employees of qualifying companies and federal employers. She stated that the proposed legislation would provide up to 18 weeks of unpaid leave for state employees. She stated that the lack of paid leave costs workers in the U.S. \$22 billion annually. She displayed a map showing which states have some type of paid family leave.

[3:38:47 PM](#)

REPRESENTATIVE ARMSTRONG moved to slides 10 through 12 and gave a brief overview of how paid family leave supports families, infants, and parents. She argued that mothers are less likely to need public assistance if they are able to take paid family leave, and overall financial burdens are lessened for these families. She said that infants are more likely to receive follow-up appointments and have increased brain development under paid family leave. Mothers who take paid family leave are less likely to be re-hospitalized within 21 months of giving birth, less likely to have postpartum depression, and more likely to have a better relationship between the father and the baby.

[3:41:40 PM](#)

REPRESENTATIVE ARMSTRONG moved to slides 13 through 15 and gave a brief overview of how paid family leave would support businesses, dependents, and the state. She said that businesses offering paid family leave are more likely to retain employees. She noted that small businesses in California saw a 14 percent decrease in per worker labor costs. She suggested that paid family leave allows an increase in preventative care, reducing healthcare costs for the nearly one in three U.S. households that provide care for an adult family member with a serious disability or illness. She stated that if Alaskan women had the same rate of participation in the workforce as countries with paid family leave, it is estimated there would be an additional 8,000 workers and over \$300 million in wages earned in Alaska. She concluded that paid family leave would increase participation of women in the workforce.

[3:43:52 PM](#)

REPRESENTATIVE ARMSTRONG continued to slides 16 and 17 and stated that HB 100 would change current state statute to offer 18 weeks of paid family leave, rather than unpaid, for state

employees and teachers. She stated that a committee substitute will be offered, and this follows the model used by New Hampshire, which has made paid family leave a part of the employees' insurance policy, allowing political subdivisions of the state to opt in. She said that the plan would also allow private businesses to opt into the plan at the same rate as the state.

[3:45:16 PM](#)

REPRESENTATIVE FIELDS asked whether paid family leave would allow families to have more children, if desired.

[3:45:35 PM](#)

TRISTAN WALSH, Staff, Representative Jennie Armstrong, Alaska State Legislature, on behalf of Representative Armstrong, prime sponsor of HB 100, expressed uncertainty, but noted that childcare for early childhood is very expensive, and paid family leave would help keep the families' earnings higher.

REPRESENTATIVE ARMSTRONG added that finding childcare is difficult, and paid family leave could potentially result in more openings at childcare centers.

[3:47:26 PM](#)

REPRESENTATIVE PRAX asked whether the state would be paying the deductible.

MR. WALSH answered that New Hampshire offers an insurance plan to its employees in which it pays for the premiums, which are capped at the same rates as long-term disability premiums. He stated that he would follow up with the committee regarding who would be responsible for the deductible, under HB 100. In response to a series of follow-up questions, he said that there would be a short waiting period on the insurance policies. He answered that the proposed legislation would allow the family leave to be used for any reason a child is added to the family, as well as the care of another family member's health. Concerning the actuarial analysis, he answered that there is an estimate through legislative finance.

[3:52:58 PM](#)

REPRESENTATIVE SADDLER asked who would ultimately be responsible for paying the cost of family leave for state employees.

REPRESENTATIVE ARMSTRONG answered that it would come from the general fund like any other state employee benefit.

[3:53:44 PM](#)

REPRESENTATIVE FIELDS asked whether the Department of Administration tracks the number of employees who leave employment because of a lack of paid family leave.

MR. WALSH answered no, as it is considered to be part of an employee's personnel file. In response to a follow-up question, he said that failing to retain an employee can cost as much as 21 percent of the salary that would have been paid.

[3:55:35 PM](#)

REPRESENTATIVE CARRICK asked whether the required figure for hours worked is a standard requirement in other legislation.

MR. WALSH answered yes.

[3:57:32 PM](#)

REPRESENTATIVE PRAX asked whether it would be an optional benefit.

MR. WALSH answered no. He added that it could apply to older workers needing to take care of a family member. In response to a follow-up question, he said that there had not been much discussion with labor unions.

[3:59:46 PM](#)

REPRESENTATIVE WRIGHT asked whether there had been a conversation with the administration concerning the proposed bill.

MR. WALSH answered that there had been minimal discussion with members of the administration.

[4:00:51 PM](#)

REPRESENTATIVE SADDLER asked whether there is a figure for usage of the current unpaid leave policy.

MR. WALSH answered no. In response to a follow-up question, he said that he is unsure what the split is between employees using the leave to care for sick family members or children.

REPRESENTATIVE SADDLER questioned whether there is information on a federal level.

MR. WALSH responded that he would follow up to the committee with this information.

[4:02:54 PM](#)

CHAIR SUMNER announced that HB 100 was held over.

[4:03:01 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:03 p.m.