

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

Anchorage, Alaska

December 5, 2023

2:03 p.m.

MEMBERS PRESENT

Representative Jesse Sumner, Chair
Representative Justin Ruffridge, Vice Chair (via teleconference)
Representative Mike Prax
Representative Dan Saddler (via teleconference)
Representative Stanley Wright
Representative Ashley Carrick (via teleconference)

MEMBERS ABSENT

Representative Zack Fields

COMMITTEE CALENDAR

HOUSE BILL NO. 119

"An Act relating to marijuana taxes; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 186

"An Act relating to volunteer labor compliance officers; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 115

"An Act relating to the practice of naturopathy; establishing the Naturopathy Advisory Board; relating to the licensure of naturopaths; relating to disciplinary sanctions for naturopaths; relating to the Department of Commerce, Community, and Economic Development; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 100

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 119

SHORT TITLE: MARIJUANA TAX

SPONSOR(s): RULES BY REQUEST

03/17/23	(H)	READ THE FIRST TIME - REFERRALS
03/17/23	(H)	L&C, FIN
03/24/23	(H)	L&C AT 3:15 PM BARNES 124
03/24/23	(H)	<Bill Hearing Canceled>
03/31/23	(H)	L&C AT 3:15 PM BARNES 124
03/31/23	(H)	Heard & Held
03/31/23	(H)	MINUTE(L&C)
04/24/23	(H)	L&C AT 3:15 PM BARNES 124
04/24/23	(H)	<Bill Hearing Rescheduled to 04/26/23>
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)
08/17/23	(H)	L&C AT 3:00 PM ANCH LIO DENALI Rm
08/17/23	(H)	-- Rescheduled to 09/14/23 --
09/14/23	(H)	L&C AT 3:00 PM ANCH LIO DENALI Rm
09/14/23	(H)	-- Rescheduled from 08/17/23 --
11/16/23	(H)	L&C AT 2:00 PM ANCH LIO DENALI Rm
11/16/23	(H)	VOLUNTEER LABOR COMPLIANCE OFFICER PRGM
12/05/23	(H)	L&C AT 2:00 PM ANCH LIO DENALI Rm

BILL: HB 186

SHORT TITLE: VOLUNTEER LABOR COMPLIANCE OFFICER PRGM

SPONSOR(s): LABOR & COMMERCE

05/03/23	(H)	READ THE FIRST TIME - REFERRALS
05/03/23	(H)	L&C, FIN
11/16/23	(H)	L&C AT 2:00 PM ANCH LIO DENALI Rm
11/16/23	(H)	<Bill Hearing Canceled>
12/05/23	(H)	L&C AT 2:00 PM ANCH LIO DENALI Rm

BILL: HB 115

SHORT TITLE: NATUROPATHS: LICENSING; PRACTICE

SPONSOR(s): PRAX

03/17/23	(H)	READ THE FIRST TIME - REFERRALS
03/17/23	(H)	HSS, JUD, L&C
03/25/23	(H)	HSS AT 3:00 PM DAVIS 106
03/25/23	(H)	Heard & Held
03/25/23	(H)	MINUTE(HSS)
04/06/23	(H)	HSS AT 3:00 PM DAVIS 106
04/06/23	(H)	Heard & Held

04/06/23 (H) MINUTE (HSS)
04/11/23 (H) HSS AT 3:00 PM DAVIS 106
04/11/23 (H) Heard & Held
04/11/23 (H) MINUTE (HSS)
04/13/23 (H) HSS AT 3:00 PM DAVIS 106
04/13/23 (H) <Bill Hearing Canceled>
04/18/23 (H) HSS AT 3:00 PM DAVIS 106
04/18/23 (H) Moved HB 115 Out of Committee
04/18/23 (H) MINUTE (HSS)
04/19/23 (H) JUD REFERRAL REMOVED
04/19/23 (H) BILL REPRINTED
04/20/23 (H) HSS RPT 1DP 1NR 5AM
04/20/23 (H) DP: PRAX
04/20/23 (H) NR: MCCORMICK
04/20/23 (H) AM: FIELDS, SUMNER, RUFFRIDGE, SADDLER,
MINA
12/05/23 (H) L&C AT 2:00 PM ANCH LIO DENALI Rm

BILL: HB 100

SHORT TITLE: PAID FAMILY LEAVE INSURANCE PLAN

SPONSOR (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
05/01/23 (H) Heard & Held
05/01/23 (H) MINUTE (L&C)
12/05/23 (H) L&C AT 2:00 PM ANCH LIO DENALI Rm

WITNESS REGISTER

BIENVENIDO "BEN" METCALF, Staff
Representative Jesse Sumner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of the sponsor, the House Labor and Commerce Standing Committee, presented the sponsor statement and sectional analysis for HB 186.

NATALIE WIGGINS, ND
Alaska Association of Naturopathic Doctors
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 115.

CARRIE BALDWIN-SAYRE, ND, Director of Development
National University of Natural Medicine
Portland, Oregon

POSITION STATEMENT: As invited testifier during the hearing on HB 115, characterized allowing naturopaths to have prescriptive authority as low risk.

CLYDE JENSEN, PhD, MS, Professor of Pharmacology
College of Osteopathic Medicine
Rocky Vista University
Ivins, Utah

POSITION STATEMENT: As an invited testifier, offered his expertise as a professor of pharmacology during the hearing on HB 115.

SEAN HIGGINS, MD, Emergency Room Physician,
Alaska Regional Hospital
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 115, shared that he has witnessed naturopaths prescribe medications and perform minor procedures safely and effectively in Washington.

ROB DOWNEY, MD
Seaworthy Functional Medicine
South Peninsula Hospital
Homer, Alaska

POSITION STATEMENT: During the hearing on HB 115, provided invited testimony in support of allowing naturopathic doctors to prescribe medicine.

SCOTT LUPER, ND,
Alaska Association of Naturopathic Doctors
Fairbanks, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 115.

REPRESENTATIVE JENNIE ARMSTRONG
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor, presented HB 100.

TRISTAN WALSH, Staff
Representative Jennie Armstrong
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Armstrong, prime sponsor, gave the sectional analysis of HB 100 and answered questions.

ACTION NARRATIVE

[2:03:23 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 2:03 p.m. Representatives Ruffridge (via teleconference), Prax, Wright, Carrick (via teleconference), and Sumner were present at the call to order. Representative Saddler arrived (via teleconference) as the meeting was in progress.

HB 119-MARIJUANA TAX

[2:04:27 PM](#)

CHAIR SUMNER announced that the first order of business would be HOUSE BILL NO. 119, "An Act relating to marijuana taxes; and providing for an effective date." [Before the committee, adopted as a working document on 4/26/23, was the proposed committee substitute (CS) for HB 119, Version 33-LS0636\B, Radford, 4/18/23, as amended on 11/16/23, ("Version B").]

[2:04:46 PM](#)

REPRESENTATIVE WRIGHT moved to rescind the committee's previous action in adopting Amendment 9 to CSHB 119, Version B, as amended.

[2:05:21 PM](#)

REPRESENTATIVE CARRICK observed that Amendment 9 had not been offered during the 11/16/23 House Labor and Commerce Standing Committee meeting.

[2:05:50 PM](#)

The committee took an at-ease from 2:05 p.m. to 2:06 p.m.

[2:06:29 PM](#)

CHAIR SUMNER read Amendment 9 [in the committee packet but never offered].

[2:08:43 PM](#)

REPRESENTATIVE RUFFRIDGE observed that Amendment 9 had not been offered during the 11/16/23 House Labor and Commerce Standing Committee meeting.

[2:09:16 PM](#)

The committee took an at-ease from 2:09 p.m. to 2:10 p.m.

[2:10:42 PM](#)

CHAIR SUMNER indicated that the motion to rescind action had been made to the incorrect amendment; therefore, he asked Representative Wright to make the motion again, but for Amendment 8.

[2:10:54 PM](#)

REPRESENTATIVE WRIGHT moved to rescind the committee's previous action [on 11/16/23] in adopting Amendment 8 to CSHB 119, Version B, as amended. There being no objection, it was so ordered and Amendment 8 was once again before the committee.

[2:11:27 PM](#)

REPRESENTATIVE PRAX objected for the purpose of discussion. He requested that Amendment 8 be read.

[2:11:41 PM](#)

CHAIR SUMNER read Amendment 8 to CSHB 119, Version B, as amended, labeled 33-LS0636\B.8, Radford, 10/8/23, which read as follows:

Page 1, line 10, through page 2, line 7:
Delete all material.

Renumber the following bill sections accordingly.

Page 3, line 9:
Delete "AS 43.61.010(b) is"
Insert "AS 43.61.010(b) - (f) and
AS 44.29.020(a) (14) are"

Page 3, line 15:

Delete "Sections 3 - 5"
Insert "Sections 2 - 4"

Page 3, line 16:
Delete "sec. 9"
Insert "sec. 8"

[2:12:45 PM](#)

REPRESENTATIVE PRAX commented that his objective concerns the deletion of the designated funding from the marijuana tax; he expressed the intention not to delete any programs under the proposed bill.

[2:13:34 PM](#)

A roll call vote was taken. Representative Prax voted in favor of Amendment 8 to CSHB 119, Version B, as amended. Representatives Wright, Carrick, Ruffridge, Saddler, and Sumner voted against it. Therefore, Amendment 8 failed by a vote of 1-5.

[CSHB 119, Version B, as amended, was held over.]

HB 186-VOLUNTEER LABOR COMPLIANCE OFFICER PRGM

[2:14:31 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 186, "An Act relating to volunteer labor compliance officers; and providing for an effective date."

[2:15:06 PM](#)

BIENVENIDO "BEN" METCALF, Staff, Representative Jesse Sumner, Alaska State Legislature, on behalf of the sponsor, the House Labor and Commerce Standing Committee, presented HB 186 and paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

In Alaska, the construction industry plays a vital role in our state's economy, employing hardworking individuals who contribute to the growth and development of our communities. While many employers treat their workers fairly, some engage in unfair practices that harm workers. Wage theft remains a persistent issue, impacting countless workers who

rightfully deserve fair compensation for their efforts. To address this problem, House Bill 186 proposes the creation of a Volunteer Labor Compliance Officer Program, aimed at promoting compliance with Alaska's labor laws, educating workers about their rights, and harnessing the power of community volunteers to ensure a fair and competitive construction industry.

The creation of a statewide Volunteer Labor Compliance Officer Program will serve multiple purposes:

1. Provide Technical Assistance and Support: Contractors and subcontractors will receive technical guidance to ensure proper worker classification and adherence to Alaska's labor laws.
2. Empower Workers: More workers will be educated about their wage-related rights, ensuring awareness of their entitlements.
3. Leverage Community Volunteers: Authorized community volunteers will be trained to interview workers at worksites concerning wages, benefits, and hours, reducing the burden on government resources, and fostering labor law compliance.
4. Reduce the Budget: Alleviate state budget pressures while enhancing labor law enforcement in Alaska's construction industry.

Creating a new program like the Volunteer Labor Compliance Program raises the ceiling by lifting the floor, ensuring that workers are protected on the job while simultaneously promoting economic development and growth within our state. By ensuring compliance with labor standards, we can prevent unfair competition resulting from unscrupulous employers who exploit workers and undermine responsible businesses. This will create an environment that encourages fair and ethical practices, fostering healthy competition and attracting businesses that prioritize the well-being of their workforce.

In conclusion, we urge you to support and champion the passage of House Bill 186 to create a Volunteer Labor

Compliance Officer Program in Alaska. By doing so, you will demonstrate your commitment to the rights and well-being of workers, the promotion of fair business practices, and the overall prosperity of our state.

[2:18:42 PM](#)

MR. METCALF paraphrased the sectional analysis of HB 186 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1: Adds new Article to AS 23.05 directing the Department of Labor and Workforce Development to create a Volunteer Labor Compliance Officer Program for said volunteers to inspect construction sites in order to document compliance with state labor laws. The Department of Labor and Workplace Development through the Volunteer Labor Compliance Officer Program will ensure the state has a roster of qualified individuals to inspect constructions sites by providing the proper training, safety equipment, granting them the authority to enter a worksite and inspect records outlined in AS 23.05.100. The Department will also outline regulations for volunteers such as ID badges, required safety equipment, as well as specifying the insurance coverage needed by volunteers.

Article 6 adds new statues to AS 23.05 outlining powers and duties of the volunteer labor compliance officer. These powers and duties include the ability to access and inspect a construction site on behalf of the department and initiate labor compliance investigation, require volunteers to visibly display the Dept. issued ID card and wear the required safety equipment on site, email a report of the Department visit within 48 hours, document that the officer is covered by workers compensation, and maintain required confidentiality. A volunteer labor compliance is not allowed to be a state employee, issue citations or enforce state labor laws. While conducting the investigation the volunteer is not allowed to wear attire of any other organization other than the department, disparage the employer, organize, or promote or display insignia for any other entity or organization, or preform any type of work outside the

scope of the volunteer labor compliance officer while acting the capacity of a volunteer labor compliance officer. Article 6 also adds statues to AS 23.05 outlining to the department the requirements a potential candidate must fill to be a volunteer labor compliance officer, and the ability to permanently revoke volunteer's badge in certain instances.

Section 2: Provides an immediate effective date.

[2:21:13 PM](#)

MR. METCALF, in response to Representative Prax, explained that "wage theft" concerns workers being misclassified in order to manipulate wages.

REPRESENTATIVE PRAX questioned to which group of employers this would apply, for example, government contracts or employers with a collective bargaining unit.

MR. METCALF responded that it would apply to worksites with government contracts, worksites with collective bargaining agreements, and worksites without collective bargaining agreements. In response to two follow-up questions concerning how wage theft would be determined and the scope of the problem, he stated that he would follow up with these answers to the committee.

[2:24:51 PM](#)

CHAIR SUMNER announced that HB 186 was held over.

HB 115-NATUROPATHS: LICENSING; PRACTICE

[2:25:00 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 115, "An Act relating to the practice of naturopathy; establishing the Naturopathy Advisory Board; relating to the licensure of naturopaths; relating to disciplinary sanctions for naturopaths; relating to the Department of Commerce, Community, and Economic Development; and providing for an effective date."

[2:25:51 PM](#)

REPRESENTATIVE PRAX, as prime sponsor, stated that the purpose of HB 115 is to allow naturopaths to practice to the scope of their training. He stated that currently they are trained to prescribe drugs and do minor, in-office surgeries; however, they are not allowed to do these things in Alaska. He explained that the discussion to allow naturopaths to practice in this way in the state has been ongoing for ten years. He pointed out that in other states this is allowed, and evidence suggests that this practice is viable. He deferred to the invited testimony.

2:27:40 PM

NATALIE WIGGINS, ND, Alaska Association of Naturopathic Doctors (AKAND), gave invited testimony on HB 115. She stated that she is representing AKAND in support of HB 115. She expressed the opinion that this is in the best interest of Alaska residents, as medical costs are rising, which is directly affected by the accessibility of care and the shortage of medical providers. She said that naturopaths are ready to address this shortage; however, their practice is hindered by limitations in the state. She addressed the concerns of their qualifications by discussing naturopaths' educational requirements. She stated that after completing a bachelor's degree, a naturopath in the state would then complete an accredited four-year doctoral program. She stated that the training includes 140 hours of pharmacology and 1,120 hours of clinical training, which includes prescriptive management and minor office procedures. She stated that this training is commensurate with nurse practitioners, who have a less restrictive scope of practice in the state, and it is more training than physician assistants receive. She pointed out that both nurse practitioners and physician assistants have prescriptive authority. She argued that these restrictions prohibit naturopaths from fully using their skills in the state. She pointed out that HB 115 mirrors legislation in other states, adding that she had practiced for many years in Arizona in the full scope of her training. She stated that in Arizona she also provided training to medical students and nurses and oversight to physician assistants.

DR. WIGGINS stated that she returned to Alaska to raise her family; however, this meant that she had to give up her practice to the extent of her training. She argued that when she moved back to Alaska, her certified medical experience did not go away. She stated that in Alaska she is forced to refer patients when they need medications. Because of the limited availability of providers, she pointed out the long wait time for patients before being seen, and she argued that this is an unnecessary

burden to the state's health care infrastructure. She argued that the patients of naturopaths in the state need their doctors to have the ability to prescribe medications and perform minor office procedures; otherwise, these patients would need duplicative office appointments. She reiterated that the proposed legislation would help cushion the overwhelming health care burden. In summary, she stated that there are about 45 licensed naturopathic doctors in the state who are qualified and trained for prescriptive needs and minor office procedures.

[2:35:34 PM](#)

REPRESENTATIVE SADDLER questioned who trains the naturopaths.

DR. WIGGINS explained that clinical training is led by medical doctors and naturopathic doctors.

[2:37:08 PM](#)

REPRESENTATIVE WRIGHT questioned whether there were any instances during her work in Arizona which required another doctor.

DR. WIGGINS stated that in Arizona her prescriptive authority did not include chemotherapy. In response to a follow-up question, she stated that in a primary care setting, there are always times when patients need to be referred to other specialists.

[2:39:01 PM](#)

CARRIE BALDWIN-SAYRE, ND, Director of Advanced Community Engagement, National University of Natural Medicine (NUNM), gave invited testimony on HB 115. She addressed the education and training completed by naturopathic physicians at NUNM. To become a licensed naturopathic physician, she said that an individual must attend an accredited naturopathic medical school overseen by the US Department of Education. She added that NUNM is overseen by both programmatic accreditors and a regional institutional accreditor. She stated that this regional institutional accreditor sets the standards for curriculum delivery, performance outcomes, financial stability of the institution, and more. She added that this is the same accreditor which oversees the University of Alaska's program.

DR. BALDWIN-SAYRE stated that the naturopathic medical program at NUNM is a four-year graduate program, and it includes

approximately 5,047 hours of education and 1,254 hours of direct clinical exposure. She said that this program is comparable to the education requirements for many other medical providers, and admissions requirements are nearly identical to the prerequisites for any other medical doctor program in the country.

DR. BALDWIN-SAYRE described the first two years of academic education at NUNM for naturopaths, which includes a foundation in human sciences and extensive study in diagnostic methods and procedures. She stated that students are measured by the biomedical science national board exam. She stated that the second two years of the program focuses on clinical applications, with courses providing a framework for developing graduates into primary care physicians. Students also take courses on disease management and prevention using nutrition, lifestyle counseling, botanical medicine, pharmaceutical prescribing, and minor surgery. Students complete nearly 1,300 hours of direct clinical training and must pass three hands-on clinical examinations to graduate, and this includes a full year with their own patient load. In addition to graduation from an accredited institution, to become eligible for licensure, all candidates must pass two national board examinations.

DR. BALDWIN-SAYRE, in summary, highlighted that naturopathic medical colleges prepares graduates to be competent, safe, and effective healthcare providers who can assess the primary care needs of their patients, particularly in medically underserved states. She advised that allowing naturopaths to have prescriptive authority and the ability to perform minor office procedures would be a low risk in relation to the existing scope of their practice, as this is well within the confines of their training. She added that this would help keep the cost for patients down, as it avoids multiple office visits.

[2:45:32 PM](#)

CLYDE JENSEN, PhD, MS, Professor of Pharmacology, College of Osteopathic Medicine, Rocky Vista University, provided invited testimony on HB 115. He shared his credentials, which includes being a professor of naturopathic medicine. He said he was present today to offer his expertise. He explained that pharmacology is the study of how drugs work, when the drugs should be used, and any side effects the drugs may have. He stated that medical professional study pharmacology in preparation for prescribing drugs. He testified that the pharmacology taught to medical doctors, naturopaths, and

osteopaths is identical in quality, hours, and intensity. From his experience, he stated that he has an overview of not only the instruction but how the instruction will be utilized.

[2:48:36 PM](#)

SEAN HIGGINS, MD, Emergency Room Physician, Alaska Regional Hospital, provided invited testimony on HB 115. He shared that before his practice in Alaska he had worked in Seattle, where naturopaths are permitted to work in a broader scope which better represents their skill set and training. He addressed the shortage in health providers in Alaska, and he advised that this results in more trips to the emergency room. He stated that about 30 percent of cases seen in emergency rooms should be handled by a primary care physician, and he listed many of these conditions. He pointed out that this equates to expensive and unnecessary bills for patients and a strain on emergency room resources and staff. He argued that this is forcing emergency room doctors to practice primary care, which is outside of their scope of practice. He continued that allowing naturopaths to practice to the extent of their training would increase the number of primary care givers in Alaska. He reiterated the qualifications of naturopaths. He noted that he has witnessed naturopaths prescribe medications and perform minor procedures safely and effectively in Washington, and he said that he is "baffled" that they cannot do this in Alaska. He referenced the preventative medicines that naturopaths provide.

[2:53:19 PM](#)

ROB DOWNEY, MD, Seaworthy Functional Medicine, South Peninsula Hospital, provided invited testimony on HB 115. He shared that he has worked alongside many naturopathic doctors for the past 17 years, and he conveyed respect in speaking on behalf of these doctors. He reiterated naturopaths are properly trained to administer prescription drugs and perform minor procedures. He recommended that the proposed legislation be passed. He shared that he has been a medical doctor with 23 years of experience in family practice and 17 years of experience providing functional medicine, which is like naturopathic medicine for medical doctors. He added that he has also been a medical facility administrator. He expressed respect for his colleagues who are naturopaths in Alaska. He noted the irony in withholding these privileges from naturopaths, as these doctors tend to be more careful in recommending the use of medication.

DR. DOWNEY estimated that only 35 percent of existing medical care needs are being met in Alaska. Referencing the 65 percent of medical needs in communities not being met, he provided examples of how naturopaths could help. He expressed understanding why members of the conventional medical community could be alarmed by the proposed legislation, as this medical community culture is philosophically conservative and "feel the safest protecting the status quo." However, he continued that this attitude is leaving needs unmet, failing to match available resources with qualified providers. He expressed the opinion that the medical community would be "relieved" once this service is witnessed. He argued that it is time for naturopathic doctors to be able to prescribe medicine and to do the minor procedures for which they are trained .

[2:59:49 PM](#)

SCOTT LUPER, ND, Alaska Association of Naturopathic Doctors, provided invited testimony on HB 115. He stated that he has been practicing for 35 years in the state. In reference to students studying naturopathic medicine, he said that these students are required to be supervised by licensed naturopathic doctors and medical doctors. He argued that the passage of HB 115 would bring the practice of naturopaths in line with their training and education, which is in primary care, and this is important because of the need of primary care doctors in Alaska. He expressed the opinion that the competency of naturopaths is reflected in the low rate of complaints across the nation and the low cost of malpractice insurance in licensed states. He said that the opposition to the proposed legislation comes from the Alaska State Medical Association. He pointed out that other medical providers, such as nurse practitioners and osteopaths, have all stood in this same position against the medical association in the state. He urged the passage of HB 115.

[3:03:23 PM](#)

REPRESENTATIVE PRAX thanked the committee. He said work was done to provide documentation around the legislation, and he encouraged members to review these materials.

[3:04:35 PM](#)

CHAIR SUMNER announced that HB 115 was held over.

[3:04:57 PM](#)

The committee took an at-ease from 3:04 p.m. to 3:05 p.m.

HB 100-PAID FAMILY LEAVE INSURANCE PLAN

3:05:49 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."

3:06:09 PM

REPRESENTATIVE JENNIE ARMSTRONG, Alaska State Legislature, as prime sponsor, presented HB 100. She began by stating that the proposed bill would establish a paid family leave plan in Alaska. She stated this would address many issues the state faces regarding the economy and workforce. She expressed the opinion that Alaska is already a cost-prohibitive state to raise a family, and this is because of the lack of child care and paid family leave. She added that Alaska also has a high infant mortality rate.

REPRESENTATIVE ARMSTRONG returned to the PowerPoint presentation, which she had begun during the meeting [on 5/1/23], titled "HB 100, Paid Family and Medical Leave" [hard copy included in the committee packet]. She began on slide 19, which recapped the information on the previous slides.

REPRESENTATIVE ARMSTRONG stated that an economic trend report from December 2023 by the Department of Labor and Workforce Development shows that in 2022, Alaska had its tenth straight year of net out migration. She suggested that the out migration is specifically young professionals, and this is the population who would be starting new families. It was reported that employers in the state are spending 21 percent of a position's salary recruiting new candidates. The report also conveyed that there are two jobs for every available worker. She urged that the state must address the question of how to empower families and the workforce in the future.

REPRESENTATIVE ARMSTRONG reviewed the background of paid family leave on slide 19. She said that before 1993 and the American Family Leave Act (FMLA), there was no federal policy addressing this. She pointed out that currently the state has the Alaska Family Leave Act (AFLA), and this protects jobs during extended absences. She argued that establishing paid family leave would help families remain in the state, as children would receive

better medical care and mothers would be able to join the workforce at a faster rate. Moving to slide 20, she stated that every state in the country has, or is in the process of passing, similar legislation. Except for the proposed legislation, she said Alaska would have been the only state in the country not taking action. She reiterated that the proposed legislation would help with the out migration and also help recruit families to the state. She stated that this is important because Alaska has an aging population.

[3:11:02 PM](#)

REPRESENTATIVE ARMSTRONG stated that HB 100, Version B, would provide a "lighter footprint and expanded coverage." She explained that this would be done by implementing an insurance policy for employers to purchase for employees. She further explained the details of the policy as seen on slide 21. She stated that the goal with the legislation is to move the current AFLA to a paid family leave program. She continued that Version B adds that this would be carried into the private market. On slide 22, she listed the proposed plan's coverage, as follows: 18 paid leave weeks for state employees; 6-18 weeks for employees of political subdivisions; 6-12 weeks for enrolled employees of a participating private employer; and 6 weeks for an employee enrolled through the purchasing pool, which she noted would allow every employee in the state to opt into the plan. She added that all paid leave would be equal to 100 percent of an employee's average weekly wage, but this could not exceed \$3,000 per week.

[3:14:29 PM](#)

REPRESENTATIVE ARMSTRONG moved to slide 23 and discussed other states in the country that are offering similar legislation. She suggested that this version would give the opportunity to have wide spread public investment in an individual household. Referencing models in other states, she reiterated that this model has a small footprint and a wide reach. She pointed out that the initial version of the bill had required a large state investment but would only cover state employees. She said that Version B would expand coverage to the private sector. She moved to slide 24 to discuss cost/benefit paid family medical leave. She stated that because the proposed legislation establishes a state policy through an insurance provider, the insurance provider would be allowed to extend the insurance to a wider range of Alaskans on an optional basis.

3:16:00 PM

TRISTAN WALSH, Staff, Representative Jennie Armstrong, Alaska State Legislature, on behalf of Representative Armstrong, prime sponsor, paraphrased the sectional analysis of HB 100, Version B, [copy included in the committee packet], which read as follows:

Section 1:

This section amends AS 23.10 to add Article 9, the Alaska Paid Family Leave Plan to the statutes regarding State Employment Practices and Working Conditions.

AS 23.10.700 (a) instructs the commissioner of labor & workforce development and the commissioner of administration to jointly procure a paid family leave insurance plan, defines which employees may be eligible to use it, and how they are entitled to participate.

AS 23.10.700 (b) mandates that the procurement process will be governed by the State of Alaska Procurement Code.

AS 23.10.700 (c) provides for evaluation of the responses for that procurement, and requires they be filed with the director of insurance for approval.

AS 23.10.700 (d) specifies that the parameters of the plan adopted by both departments must include: length and time of open enrollment, enrollment processes for various eligible employees; and how premiums would be paid or deducted.

AS 23.10.700(e) directs the commissioners of administration and labor & workforce development to adopt procedures for collection of information and premiums from covered employees and transmission of such to the insurer, and penalties for late payments will be calculated.

AS 23.10.710(a) specifies wage replacement for eligible employees, and how to calculate the average weekly wage for eligible employees.

AS 23.10.710(b) specifies the maximum allowable family leave eligible employees may take. It states the plan may not impose a minimum duration.

AS 23.10.710(c) sets the employment eligibility requirements for covered employees.

AS 23.10.720(a) states that a political subdivision of the state or a private employer may opt into the paid family leave plan established in AS 23.10.700. It states that these entities shall contract directly with the insurer, and provides for parameters on their participation in the paid family leave plan.

AS 23.10.720(b) requires that any premium charged by the insurer to the political subdivision or private employer must be actuarially justified and derived from the state employee premium.

AS 23.10.720(c) states that an employee of a participating employer or political subdivision may choose to enroll in the plan.

AS 23.10.720(d) states that a participating political subdivision or private employer pay premiums directly to the insurer; they may do so via payroll deductions.

AS 23.10.720(e) states that a participating employer with 50 or more employees maintain coverage in any group health plan at the level and conditions if the employee had stayed at work; it requires them to restore the employee to the same or reasonably same role after returning to work; declares that they may not retaliate or discriminate against the employee if they take family leave. This section reflects the requirements of the national Family Medical Leave Act.

AS 23.10.720(f) states that a participating employer with fewer than 50 employees may collect and transmit the premiums directly to the insurer or to the purchasing pool premium account; it states that they may deduct the premiums via payroll deductions.

AS 23.10.730 (a) establishes the purchasing pool premium account, and requires the insurer to participate in it.

As 23.10.730 (b) allows an employee of a political subdivision or private employer that does not participate in the family leave plan or offer a substantially similar family leave benefit to contract indirectly with an insurer via the purchasing pool.

AS 23.10.730 (c) allows that the pool may be experience rated. This section establishes a waiting period and elimination period, as well as open enrollment processes. It caps the coverage premiums at \$5 a week.

AS 23.10.730 (d) states that the private employer or political subdivision of the state with 50 more employees whose employee participates in the purchasing pool transfer that employees' premiums directly to the insurer via payroll deduction. An employer with less than 50 employees may pay those premiums directly to the purchasing pool.

AS 23.10.730(e) requires the commissioner of administration to separately account for purchasing pool premium payments received by the department; and for payment of premiums to an insurer participating in a family leave insurance plan purchasing pool premium account.

AS 23.10.740(a) establishes the purchasing pool premium stabilization account. It requires the commissioner of administration to account separately for premium taxes on family leave insurance plans, appropriations made for the purchasing pool stabilization, and gifts, grants and donations made for the purpose of stabilizing the purchasing pool.

AS 23.10.740(b) allows the legislature to appropriate funds to the purchasing pool so that premiums do not exceed \$5 per week.

AS 23.10.750 (a) establishes the family leave insurance advisory board, to support the Commissioner of Administration in implementing and administering the family leave insurance plans.

AS 23.10.750(b) directs the composition of the family leave insurance advisory board.

AS 23.10.750(c) requires the advisory board to meet at least quarterly.

AS 23.10.760 declares that the provisions of AS 23.10.700-23.10.790 are not subject to collective bargaining.

AS 23.10.770 (a) requires the Department of Labor and Workforce Development, in conjunction with the Department of Administration, to prepare and submit a report to the Legislature by January 15th of each year.

AS 23.10.770 (b) directs the Department of Labor and Workforce Development to work in conjunction with the Department of Administration develop an outreach program to educate workers, families, and employers on the benefits of participation in the paid family leave program.

AS 23.10.780 directs that the Commissioners of the Departments of Labor and Workforce Development, and Commissioner of Administration, may issue regulations to implement AS 23.10.700-23.10.790.

AS 23.10.790 is the definitions section for specific terms in AS 23.10.700-23.10.790.

Section 2:

This section amends Chapter 39 Public Officers and Employees pay and compensation, for conforming changes under Section 1.

AS 39.20.305(a) is amended to allow an employee of the state to take paid family leave. This is a conforming change. The state may not require the employee to substitute accrued paid leave to which the employee is entitled.

Section 3:

This section establishes parameters for the Alaska Paid Family Leave Plan for state employees.

AS 39.20.500(b) is amended to reflect that state employees are entitled to paid family leave; because a political subdivision may choose to opt in or not, an employee of a political subdivision may opt into such

a program through AS 23.10.700-23.10.790, and such an employer is not allowed to require the employee to substitute accrued paid leave. It also establishes that eligible reasons to take paid family leave include pregnancy and birth of a child, placement of a child, caring for a child, spouse or parent who has a serious health condition, and the employee's own serious health condition.

Section 4:

This section makes conforming changes to Title 39, Chapter 20 to reflect the ongoing employment of the employee.

AS 39.20.500(d) is amended to delete the reference to unpaid leave.

Section 5:

This section is a conforming change. Because the policy is offered outright to all state employees, the language is a conforming change.

AS 39.20.500(f) is amended to include political subdivisions of the state. This is a conforming change. If a political subdivision did decide to provide the benefit, their staff would be covered.

Section 6:

These are conforming changes.

AS 39.20.550(2) is amended to make conforming changes to the definition of "employer".

Section 7:

This section establishes a paid family leave tax credit for eligible taxpayers that provide this benefit.

AS 43.20 is amended to include AS 43.20.075, a family leave insurance tax credit: taxpayers providing family leave insurance plans are allowed a credit equal to 50 percent of the premium paid by the taxpayer for the year in which the premium is paid.

Section 8: This section provides for a transition date and implementation of the paid family leave plan.

[3:24:27 PM](#)

REPRESENTATIVE PRAX offered his understanding that the state would be required to provide coverage, political subdivisions would be able to choose whether to opt in, and companies with more than 50 employees would be required to participate.

MR. WALSH responded that it is optional for all employers in the state, other than the state itself. He explained that employers with more than 50 employees would still have to follow FMLA. In response to a follow-up question, he stated that there is a discussion concerning a cost/benefit analysis. He added that the proposed legislation would require an actuarial analysis. This would look at the state pool and the rate a private employer would pay. He added that the plan would be actuarially based, with modifications for private employers that decide to offer the benefit. These modifications would be made with the state's insurance provider.

REPRESENTATIVE PRAX expressed the understanding that the benefit would be based on the number of people employed in a company. He questioned whether private employers with a smaller number of employees would be penalized for having fewer employees.

MR. WALSH responded that these employees would just become part of the state's pool.

REPRESENTATIVE PRAX, in regard to an employer opting out, questioned whether an individual employee could become part of the program.

REPRESENTATIVE ARMSTRONG responded that there will be an individual purchasing pool available to any worker in the state.

[3:28:46 PM](#)

REPRESENTATIVE WRIGHT questioned what the cost would be to buy into the insurance plan.

MR. WALSH pointed to [slide 20] and explained the costs in similar plans in other states. He stated that Washinton State's plan is \$2 a week, while New Hampshire's plan is \$5 a week. He added that the contract with the insurance provider would determine the cost.

[HB 100 was held over.]

3:30:02 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:30 p.m.