

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

January 17, 2024

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

HOUSE BILL NO. 100

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 100

SHORT TITLE: PAID FAMILY LEAVE INSURANCE PLAN

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
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
12/05/23	(H)	Heard & Held
12/05/23	(H)	MINUTE(L&C)
01/17/24	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE JENNIE ARMSTRONG
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a recap on HB 100, as prime sponsor.

VAL ZANCHUCK, President
Graphicast, Inc.
Jaffrey New Hampshire

POSITION STATEMENT: Gave invited testimony on HB 100.

TREVOR STORRS, President/CEO
Alaska Children's Trust
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on HB 100.

TAMAR BEN-YOSEF, Executive Director
All Alaska Pediatric Partnership
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony in support of HB 100.

LAURIE WOLF, MNPL, CFRE, President/CEO
Foraker Group
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 100.

JAMIE MORGAN, Relations Regional Lead
American Heart Association
Dallas, Texas

POSITION STATEMENT: Testified in support of HB 100.

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

POSITION STATEMENT: Presented HB 100 on behalf of Representative Armstrong, prime sponsor.

ACTION NARRATIVE

[3:16:35 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:16 p.m. Representatives Prax,

Ruffridge, Carrick, Fields, Saddler, Sumner were present at the call to order. Representative Wright arrived as the meeting was in progress.

HB 100-PAID FAMILY LEAVE INSURANCE PLAN

[3:17:06 PM](#)

CHAIR SUMNER announced that the only order of business was HOUSE BILL NO. 100 "An Act relating to teacher and public employee leave."

[3:17:34 PM](#)

REPRESENTATIVE JENNIE ARMSTRONG, Alaska State Legislature, as prime sponsor of HB 100, recapped the sponsor statement [included in committee packet], which read as follows [original punctuation provided]:

For years, the State of Alaska has faced a net outmigration of young families. Simultaneously, the lack of pensions and competitive benefits for state workers has meant that the State of Alaska faces crippling vacancy rates in our public sector, exacerbated by the pandemic. The result is that we pay the same penalty thrice as our workforce ages, outmigration continues, and we are unable to recruit and retain the best and brightest in Alaska.

A common thread in retention woes and outmigration is that Alaska does not have opportunity for young families. The costs associated with raising a family are prohibitively expensive as parents seek to re-enter the workforce but struggle to find support beyond family and friends in areas such as childcare. HB100 seeks to provide one solution that has become more popular since the COVID-19 Pandemic: paid family leave. Ten other states are now offering similar benefits, and Alaska's benefits under this bill would become the best in the nation.

Under the current Alaska Family Medical Leave Act, employees can take up to 18 weeks of unpaid leave in the event of childbirth, adoption, or a significant health event related to a loved one. HB100 would ensure that such leave is paid at 100% of the worker's

salary. This bill would help our public sector recruit and retain employees, as well as ensure that our state could be amongst the best in the nation to raise a family.

[3:18:18 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt the proposed committee substitute (CS) to HB 100, Version 33-LS0480\B, Klein, 11/8/23, as a working document. There being no objection, Version B was before the committee.

[3:19:32 PM](#)

The committee took an at-ease from 3:19 p.m. to 3:20 p.m.

[3:20:11 PM](#)

VAL ZANCHUCK, President, Graphicast, Inc., began invited testimony and relayed that Graphicast has been involved in the paid family medical leave program in New Hampshire for the last year. He shared that such a program is important, especially for a small business like his own which has only 25 employees. He explained that, in New Hampshire, there are about 7,000 state employees; that is used as an actuarial basis for insurance companies to bid on. He said his company applied for six-week family medical leave insurance, the premium was \$5,000 and would be able to be paid via payroll deduction. He said the company offering this insurance was a "no-brainer," and he detailed the factors that brought the insurance premium down to \$1,500. He explained that the leave plan provides the employee up to 60 percent of the employee's wages.

[3:28:44 PM](#)

TREVOR STORRS, President/CEO, Alaska Children's Trust, began invited testimony, stating that policies, like the ones in HB 100, are key in safeguarding children. He stressed the importance of early childhood development in the first three years of life, and the effect of abuse and neglect; over 40 percent of children in Alaska who experience abuse or neglect are under the age of four. He stated that shaken-baby syndrome has been shown to be reduced when paid family leave policies are available, which supports new parents in helping to establish healthy patterns that promote development for the child. He said that, while there may be an up-front cost to employers, the long-term benefits include reduced long-term expenditures and

more employee time in the workplace. Further, it supports the administration's healthy family initiative, as well as the "open for business" initiative. He urged members to approve HB 100.

[3:32:57 PM](#)

TAMAR BEN-YOSEF, Executive Director, All Alaska Pediatric Partnership, as invited testifier, shared the mission of the All Alaska Pediatric Partnership, and that its board approved a 12-week, parental leave policy with eight weeks of paid leave. She said an organization of the partnership's size can handle one employee being out for an extended period, but inevitably, the burden falls to other staff who are already operating at maximum capacity; if more than one or two employees need to be out for a long period of time, the partnership could not afford to offer the eight weeks of paid leave as well as the pay for a contractor while they are out. She stated that women should not need to choose between work and motherhood.

[3:36:14 PM](#)

CHAIR SUMNER opened public testimony on HB 100.

[3:36:54 PM](#)

LAURIE WOLF, MNPL, CFRE, President/CEO, Foraker Group, shared that Foraker Group is a non-profit, non-partisan organization. She said the group has been researching the state's non-profit workforce. She stated that workplace policies that support broad paid family leave options, like child and elder care, are a key factor in providing a more welcoming, equitable, and stable workforce.

[3:38:50 PM](#)

JAMIE MORGAN, Relations Regional Lead, American Heart Association, stated that the American Heart Association is in support of HB 100. She explained that chronic work stress is associated with an increased risk for cardiovascular disease; time off can reduce the likelihood of developing such a disease. She said that those with higher incomes, college degrees, and full-time jobs are more likely to have paid family leave and benefits, while those in production, transportation, and service sectors have the lowest rate of access. She stated that all workers should have access to paid family leave.

[3:41:32 PM](#)

CHAIR SUMNER, after ascertaining no one else wished to testify, closed public testimony on HB 100.

[3:41:46 PM](#)

REPRESENTATIVE WRIGHT asked about the proposed four and a half months of leave.

REPRESENTATIVE ARMSTRONG answered that current statute provides for 18 weeks of unpaid leave, and that HB 100 changes statute to 18 weeks paid.

REPRESENTATIVE WRIGHT inquired if there is data on that amount of leave.

REPRESENTATIVE ARMSTRONG explained that, according to studies, a year can be beneficial. She reiterated that the bill changes statute from 18-weeks unpaid leave to 18-weeks paid leave.

[3:42:55 PM](#)

REPRESENTATIVE PRAX expressed curiosity as to how many extra employees were needed in order to have a paid family leave program. He asked Mr. Zanchuk if private insurance carriers are taking on the risk of this program in New Hampshire.

MR. ZANCHUK confirmed the carriers are. In response to a follow up question, he explained that the premium is \$1,500 a year for their entire 25 employee workforce; employees do not pay as he himself is covering it.

[3:45:25 PM](#)

REPRESENTATIVE ARMSTRONG commented on how businesses handle employees in paid family leave status. She advised that the states that have implemented the plan are having a significantly easier time managing long absences with an insurance premium because the insurance company handles the wage replacement. She clarified that the plan is voluntary and gives employers flexibility.

REPRESENTATIVE PRAX asked whether the state would cover the insurance risk.

REPRESENTATIVE ARMSTRONG responded that the state will be covering the premium for state employees, and for everyone else, the employer will undergo a bidding process.

[3:47:27 PM](#)

REPRESENTATIVE SADDLER asked how much the insurance would cost the state.

[3:48:02 PM](#)

TRISTAN WALSH, Staff, Representative Jennie Armstrong, Alaska State Legislature, answered that, in [the original Version of HB 100], there was estimated cost data created. In a scenario where the state self insures and replaces every dollar lost, he said it would cost \$17 million to \$20 million for all workers. He explained that in the proposed CS Version B, there is just the \$5 premium to the worker. In response to a follow-up regarding cost, he said that Version B may cost \$9 million to \$10 million.

[3:50:54 PM](#)

REPRESENTATIVE FIELDS requested data for a future meeting on duration of care and what it is in other countries.

[HB 100 was held over.]

[3:51:29 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:51 p.m.