

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

January 24, 2024

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

PRESENTATION(S): WORKFORCE SOLUTIONS FOR ALASKA

- HEARD

HOUSE BILL NO. 146

"An Act relating to fireworks; repealing restrictions on the sale of fireworks; directing the Department of Public Safety to adopt fireworks regulations; and providing for an effective date."

- MOVED CSHB 146(STA) OUT OF COMMITTEE

HOUSE BILL NO. 204

"An Act exempting certain employees from overtime pay requirements; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 146

SHORT TITLE: REGULATION OF FIREWORKS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/29/23	(H)	READ THE FIRST TIME - REFERRALS
03/29/23	(H)	STA, L&C

04/13/23 (H) STA AT 3:00 PM GRUENBERG 120
04/13/23 (H) Heard & Held
04/13/23 (H) MINUTE(STA)
04/27/23 (H) STA AT 3:00 PM GRUENBERG 120
04/27/23 (H) Moved CSHB 146(STA) Out of Committee
04/27/23 (H) MINUTE(STA)
05/01/23 (H) STA RPT CS(STA) 5DP 2NR
05/01/23 (H) DP: CARPENTER, C.JOHNSON, ALLARD,
WRIGHT, SHAW
05/01/23 (H) NR: ARMSTRONG, STORY
05/08/23 (H) L&C AT 3:15 PM BARNES 124
05/08/23 (H) Heard & Held
05/08/23 (H) MINUTE(L&C)
01/24/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 204

SHORT TITLE: OVERTIME PAY EXEMPTION

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

05/16/23 (H) READ THE FIRST TIME - REFERRALS
05/16/23 (H) L&C, FIN
01/24/24 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

DENISE RUNGE, Ph.D., Provost
University of Alaska Anchorage
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Workforce Solutions for Alaska presentation.

RAY WEBER, Ph.D., Dean
Career and Technical College
University of Alaska Anchorage
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Workforce Solutions for Alaska presentation.

DEBBIE CRAIG, Ph.D., Dean
College of Health
University of Alaska Anchorage
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Workforce Solutions for Alaska presentation.

CHERYL SIEMERS, Ph.D., Director
Kenai Peninsula College

University of Alaska
Kenai, Alaska

POSITION STATEMENT: Co-offered the Workforce Solutions for Alaska presentation.

LLOYD NAKANO, Director Alaska State Fire Marshall
Division of Fire and Life Safety
Department of Public Safety
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 146.

JEREMY APPLGATE, Program Manager
Wage and Hour
Division of Labor Standards and Safety
Department of Labor and Workforce Development
Anchorage, Alaska

POSITION STATEMENT: Presented HB 204 on behalf of the House Rules Standing Committee, sponsor by request of the governor.

ACTION NARRATIVE

[3:17:43 PM](#)

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

PRESENTATION(s): Workforce Solutions for Alaska

[3:18:15 PM](#)

CHAIR SUMNER announced that the first order of business would be the Workforce Solutions for Alaska presentation.

[3:18:32 PM](#)

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

[3:20:48 PM](#)

CHAIR SUMNER invited the presenters to speak.

[3:21:10 PM](#)

DENISE RUNGE, Ph.D., Provost, University of Alaska Anchorage, co-offered the Workforce Solutions for Alaska presentation with

a PowerPoint [hardcopy included in committee packet]. She drew attention to slide 2, which read as follows [original punctuation provided]:

Alaska's Largest Workforce Provider

- UAA Creates Opportunity through Education
- Serving Alaska 70 years Comprehensive open access university
- Enroll +11,500 students
- Prepare students for careers through +180 programs from certificates to doctoral degrees

DR. RUNGE transitioned to slide 3, which read as follows [original punctuation provided]:

Dual Mission Serving Alaska

Combines both community college and four year college under single university.

- Leader in Career & Technical Education
- Industry driven programs and partnerships
- Community based opportunities

[3:23:58 PM](#)

RAYMOND WEBER, Ph.D., Dean, Career and Technical College, University of Alaska Anchorage, continued the presentation on slide 4, which read as follows [original punctuation provided]:

High-Demand Industries - Aviation

- Alaska's largest flight school.
- Specialized programs for advancing pilot training and aviation management.
- Strong industry and K 12 partnerships.
- Pilot program currently full capacity.

DR. WEBER moved to slide 5, which read as follows [original punctuation provided]:

High-Demand Industries - Aviation

- Aviation Maintenance program full capacity, high demand amongst prospective students.
- Graduates sought by industry, nationally recognized in maintenance competitions.
- Air Traffic Control program features nation leading simulators graduates receive preferential hiring with FAA.

[3:26:25 PM](#)

DR. WEBER advanced to slide 6, which read as follows [original punctuation provided]:

High-Demand Industries - Construction

Construction Management program online allowing Alaskans to up skill and advance careers.

- Arctic and cold weather construction emphasis.
- Program qualifies graduates to bid for federal projects.

[3:27:24 PM](#)

DR. WEBER addressed slide 7, which read as follows [original punctuation provided]:

High-Demand Industries - Automotive

- Automotive and Diesel Technology provides industry certified training.
- Practicum experience to increase skills and expedite hiring.
- Training partnerships with GM, Caterpillar, and local dealerships.

[3:28:18 PM](#)

DR. WEBER, transitioned to slide 8, which read as follows [original punctuation provided]:

High-Demand Industries - Culinary

- Culinary Arts program is Alaska's largest culinary training program served state for 50 years.
- Professional chef training, front and back house management experience.
- Practical, hands on experience through student run restaurant.
- Developing JBER collaboration for military culinary personnel with civilian opportunities.

[3:29:49 PM](#)

DR. WEBER answered questions from Representatives Fields and Saddler. He said the companies are paying for the training. In terms of culinary training, he noted that most students move into the industry after graduation. He said there are two, one-year programs and one, two-year associates' program; through industry support, this program has the most scholarship funds available, which has helped minimize the cost to the student. He advised that the contractor's license is part of the program setup but is not a required exam. He offered to follow-up with an answer as to whether graduates could immediately bid on federal projects. He noted that the construction program has a wide range of occupations. Of the 18-19-year-olds who work toward construction management, there is coordination with an advisory board for internships for field experience.

[3:35:45 PM](#)

REPRESENTATIVE WRIGHT thanked Mr. Weber and mentioned working with a graduate from the automotive program who had confidence due to the program thriving.

[3:36:39 PM](#)

DEBBIE CRAIG, Ph.D., Dean, College of Health, University of Alaska Anchorage, took up the presentation on slide 9, which read as follows [original punctuation provided]:

Alaska's Flagship Health University

- UAA College of Health statewide lead for health education in UA System.
- More 40 health degree programs certificates to doctorates.
- Close partnerships with providers, health industry partners, and policymakers.
- Graduating hundreds of health workforce professionals annually

Nursing training offered in person at 15 locations across Alaska

[3:39:53 PM](#)

DR. CRAIG advanced to slide 10, which read as follows [original punctuation provided]:

Growing Alaska's Health Workforce

- Medical Doctor (MD) - WWAMI Increasing cohort size from 20 to 30.
- Medical Assisting (AS) - Designing statewide programming.
- Dental Hygiene (BS) Increasing cohort size from 14 to 20
- Social Work (MSW) Increasing cohort from 35 to 85 through multiple partners.

[3:42:14 PM](#)

DR. CRAIG transitioned to slide 11, which read as follows [original punctuation provided]:

Innovative Health Education Partnerships

- WWAMI Medical Education with University of Washington
- MEDEX Physician Assistant

with University of Washington

- Pharmacy Doctorate
with Idaho State University

- Speech, Language Pathology
with East Carolina University

- Occupational Therapy Doctorate
with Creighton University

[3:43:03 PM](#)

DR. CRAIG answered questions from Representatives Carrick and Fields. She shared that 198 graduated last year in May with another 60 in December, and of the 95 percent seeking licensure in Alaska, there are only a couple that didn't attain it from the program. She said that most graduates, through their clinical connections, have job offers before they leave the university. She said UAA works closely with Nancy Merriman, who runs the apprenticeship program at the Alaska Primary Care Association. She noted that there has been a dramatic decrease in nursing school applicants across the country. She said that last April, there weren't enough applicants meeting the college's minimum requirements to fill all the open nursing program seats in Anchorage. She stressed that there have been efforts to increase the incoming cohort in the fall. She said the program has 400 to 600 pre-nursing majors. There is capacity in the college's rural sites, which saw a 25 percent increase in students in the fall, as compared to the Anchorage area, which saw a decrease in students. She filled in further details regarding training and rural versus urban locales.

[3:51:30 PM](#)

DR. CRAIG, in response to Representative Prax, said that whether hospitals interface with UAA's nursing programs depends on what level of nursing program is offered, as well as what the state's licensing board would entertain. She talked about various nursing levels and where their respective programs are offered. She said she is unsure as to whether licensing is a barrier to more nurses.

[3:56:15 PM](#)

CHERYL SIEMERS, Ph.D., Director, Kenai Peninsula College, University of Alaska, picked up the presentation at slide 12, which read as follows [original punctuation provided]:

Fueling Resource Industries

- Process Technology, AAS
- Industrial Process Instrument. (IPI), AAS
- Process Tech / IPI Dual Degree, AAS
- Petroleum Technology, Certificate
- Petroleum Production, Certificate

+160 students enrolled in Process Tech programs at KPC

[3:57:33 PM](#)

DR. SIEMERS advanced to slide 13, which read as follows [original punctuation provided]:

KPC Process Tech Training

Hands on training through simulation drills, instrumentation and electronics labs.

Nationally Recognized Training Facilities

DR. SIEMERS moved to slide 14, which read as follows [original punctuation provided]:

Resource Industry Partners

KPC Process Industry grads are employed by companies including Hilcorp, ConocoPhillips, ExxonMobil, Marathon, ASRC, Doyon and many others.

DR. SIEMERS summarized slide 15, which read as follows [original punctuation provided]:

Industry Opportunities for Graduates

Process Tech Graduates in high demand Excellent employment and earning opportunities in Alaska.

UAA education creates employment opportunities for students to live and work in Alaska.

[4:00:23 PM](#)

DR. SIEMERS, responding to Representative Fields, relayed that most students who attend Kenai Peninsula College (KPC) to become process technicians are those who pay out of pocket in the hopes they will get a job later on; however, there has been scholarship support from oil and gas companies in the past. To Representative Prax, she confirmed that UAF focuses primarily on oil and gas.

DR. RUNGE, in response to Representative Prax, offered that the university has put processes in place to ensure the campuses work together; for example, the Vice President of Academics and Student Affairs meets weekly with the three provosts of the university to talk through issues and ensure that campuses are aligned. She noted that community campus directors meet regularly as the Community Campus Director's Council.

[4:04:03 PM](#)

DR. RUNGE returned to the presentation on slide 16, which read as follows [original punctuation provided]:

Expanding Opportunity

- Meet students where they are in life.
- Stackable Credentials
- Credit for prior learning / apprenticeships
- UAA designated Military Friendly School 15 years in a row.
- Growing partnership with JBER providing education and services to armed forces and families.

DR. RUNGE moved to slide 17, which read as follows [original punctuation provided]:

Pathways to Careers

- College learning does not have to wait for college.

- Dual enrollment earns both high school and college credit.
- Pathways exploring careers and on ramps to accelerate learning.
- Middle College partnerships with local school districts serve thousands of students.

DR. RUNGE advanced to slide 18, which read as follows [original punctuation provided]:

STEM Pathways for Students

ANSEP nationally recognized for transformative educational opportunities for students since 1995.

DR. RUNGE transitioned to slide 19, which read as follows [original punctuation provided]:

Student Success - Michael Martinez

Longitudinal approach to education from K-to-PhD Professionals

DR. RUNGE moved to slide 20, which read as follows [original punctuation provided]:

Results for Alaska

- More than 70,000 UAA alumni worldwide.
- Represented in all major industries and communities.
- 25 members of 33rd Alaska Legislature attended or worked at UAA.
- UAA alumni more likely to stay in Alaska.

[4:08:25 PM](#)

DR. RUNGE, in response to Representative Fields regarding participation in the middle college, stated that within the Anchorage School District (ASD), there have been between 200-300 participants in the program, as it is available to all students who can place in a college level writing or math course to participate. She said another limiting factor is the social

setting. She is on the ASD Academies Model steering committee, which she said is an opportunity to bring more ASD students on the UAA campus to take college classes without leaving high school.

[4:10:06 PM](#)

CHAIR SUMNER thanked the presenters.

[4:10:31 PM](#)

The committee took an at-ease from 4:10 p.m. to 4:13 p.m.

HB 146-REGULATION OF FIREWORKS

[4:13:25 PM](#)

CHAIR SUMNER HB 146 announced that the next order of business would be HOUSE BILL NO. 146, "An Act relating to fireworks; repealing restrictions on the sale of fireworks; directing the Department of Public Safety to adopt fireworks regulations; and providing for an effective date."

[4:14:08 PM](#)

LLOYD NAKANO, Director Alaska State Fire Marshall, Division of Fire and Life Safety, Department of Public Safety (DPS), explained that HB 146 would move rules pertaining to the sales, storage, and use of fireworks from statute to regulation, thereby allowing a more streamlined and responsive approach to the state's management of fireworks. He said the statutes have not changed in several decades, and that the changes would bring state rules into alignment with more modern approaches found in international fire codes and national fire prevention standards. He explained that, under HB 146, the department would be required to enact regulations that establish minimum standards for the sale, storage, and use of fireworks. The bill would also permit the department to establish fees for fireworks, firework permits, and inspection of where fireworks are stored and kept; however, it would not authorize DPS to enter a private residence where fireworks might be stored.

REPRESENTATIVE PRAX asked who the person is to talk to regarding the regulatory change notice process. He said there is not enough information in the notices for a member of the public to know what is going on, whereas federal regulation change notices are lengthy.

MR. NAKANO answered that the regulation process is developed by the state Department of Law Regulations Office.

[4:18:00 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 146 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 146 was reported out of the House Labor and Commerce Standing Committee.

[4:18:22 PM](#)

The committee took an at-ease from 4:18 p.m. to 4:21 p.m.

HB 204-OVERTIME PAY EXEMPTION

[4:21:09 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 204, "An Act exempting certain employees from overtime pay requirements; and providing for an effective date."

[4:21:37 PM](#)

JEREMY APPLGATE, Program Manager, Wage and Hour, Division of Labor Standards and Safety, Department of Labor and Workforce Development (DLWD), summarized the sponsor statement for HB 204 [included in committee packet], which read as follows [original punctuation provided]:

House Bill 204 would increase the hours that flexible work plan employees of certain facilities may work before triggering overtime pay from 10 to 12 hours. These facilities include ambulatory surgical centers, freestanding birth centers, home health agencies, hospices, intermediate care facilities for individuals with intellectual disabilities, residential psychiatric treatment centers, rural health clinics, and subacute mental health facilities.

To improve and extend healthcare access, the availability of medical services that do not require hospital admissions has increased nationally and within Alaska; however, non-hospital medical facilities are at a disparity for managing the work-life balance of healthcare employees when compared

with hospitals, where employees are exempted from the daily overtime requirement. The result has been a noticeable migration of nurses and other critical healthcare staff to hospitals where a more flexible schedule allows the employee greater control over their time.

Alaska law requires overtime pay for eligible employees to begin either after eight working hours in a day or after 40 cumulative hours in a workweek. Employees may, however, work up to 10 hours a day without triggering the overtime requirement if they have a written voluntary flexible work plan agreement with their employer that has been filed with the Department of Labor and Workforce Development and the department has issued a certificate approving the plan. An employee working longer than 10 hours a day, or 40 hours in a week, is paid at the overtime rate.

This bill would not affect existing flexible work plan agreements, but it would permit employees working at these facilities to negotiate plans up to 12 hours per day going forward. Employees of these facilities would still be subject to a total of 40 hours per week for overtime pay.

This bill will impart flexibility for healthcare workers and provide stability for Alaska's healthcare system.

[4:25:17 PM](#)

REPRESENTATIVE SADDLER sought clarification about employee/employer signed flexible work plans and whether the employee could work 10-hour shifts four times a week and not be subject to overtime, but if they worked five, 10-hour shifts a week, then they would be subject to overtime hours.

MR. APPLEGATE confirmed that anything worked outside the plan would be paid as overtime.

[4:25:46 PM](#)

REPRESENTATIVE FIELDS offered his understanding that under current law, if a surgery center wanted to pay someone for three, 12-hour days, the center could do that but would have to pay overtime.

MR. APPELEGATE confirmed that's correct.

REPRESENTATIVE FIELDS asked whether surgery centers have provided evidence that they are financially constrained and cannot pay overtime.

MR. APPELEGATE responded that he is unaware of such concerns but was told that the change would benefit centers in hiring and firing employees by offering suitable working hours.

REPRESENTATIVE FIELDS questioned whether the department has modeled what the reduction in a nurse's pay would be as a result of not being paid overtime.

MR. APPELEGATE answered that he does not have such numbers but said that any overtime that would have been worked as part of the plan would be offset as straight time rather than overtime. He explained that if the individual worked further and outside the plan, then overtime would still exist.

[4:27:28 PM](#)

REPRESENTATIVE SADDLER referred to the list of employers who are exempt from overtime. He asked if any finding of an employer's financial condition was a determining factor as to whether or not their employees could be exempt from overtime.

MR. APPELEGATE answered no.

[4:28:05 PM](#)

REPRESENTATIVE CARRICK inquired as to how much money overtime is costing facilities currently. She further asked for the average wage of people working in the professions listed under HB 204.

MR. APPELEGATE responded that he does not have such information but could direct Representative Carrick to the appropriate agency with the data.

[4:29:07 PM](#)

REPRESENTATIVE PRAX asked if the department has tracked the cost of going back and forth to work.

MR. APPELEGATE answered that he is unaware of anyone tracking that data.

4:30:00 PM

CHAIR SUMNER suggested that a 40-hour in four-day plan is already possible. He asked if companies in the industry already offer a 10-hour flex plan and pay the additional two hours.

MR. APPELEGATE answered yes, 10-hour plans are used across various industries. He explained that the bill would add to the availability and therefore provide for longer workdays. He stressed that the statutes around flex plans direct the employer to maintain the schedule that is agreed to in the flex plan; if employees work beyond the plan, then it has to be due to circumstances beyond control of the employer. If plan violations occur 20 percent of the time that the plan is in place, then it could be invalidated.

4:32:05 PM

REPRESENTATIVE FIELDS inquired as to how many businesses are using such plans now, and how many employees are affected.

MR. APPELEGATE said he has no data to provide. He said that once an employer has an approved plan, the plan can apply to any employees that voluntarily enter it.

4:33:08 PM

REPRESENTATIVE CARRICK asked if Mr. Applegate has a comment from DLWD about the reason why HB 204 is limited to just the health industry, when it is known that there is a lot of overtime used in other professions.

MR. APPELEGATE answered that the health industry has expressed interest in 12-hour plans; in hospitals, 12 hours is the standard shift for a nurse.

4:34:42 PM

REPRESENTATIVE SADDLER asked whether the bill would obligate a surgery center employee to work overtime.

MR. APPELEGATE answered that it is the department's position that an employee serves at the employers request; if the employee would like to opt out of working overtime, they are open to do so, but there may be consequences. He said entry into a flex plan is voluntary for an employee, as they cannot be compelled to do so or have it be made as a condition of employment.

REPRESENTATIVE SADDLER asked for confirmation that the proposed bill would not obligate overtime.

MR. APPELEGATE answered correct.

REPRESENTATIVE SADDLER inquired whether under HB 204, an employee who voluntarily entered into a flex plan could agree to work 12 hours.

MR. APPELEGATE answered that's correct.

REPRESENTATIVE SADDLER asked if the bill just would expand the flexible work plan from 10 to 12 hours.

MR. APPELEGATE answered that's correct.

[4:36:05 PM](#)

REPRESENTATIVE PRAX questioned if the flex plan option is available universally.

MR. APPELEGATE answered yes, but currently just for 10 hours.

REPRESENTATIVE PRAX offered that there are many people who are working two jobs.

[4:37:02 PM](#)

REPRESENTATIVE RUFFRIDGE commented that the committee discussion is focusing around forcing an employee to work or taking away overtime. He explained that in the medical industry, the ability to hire someone is based on a facility's ability to pay a 12-hour work day; oftentimes for the employer, they may not hire an individual if the flex plan is only available at 10 hours. He observed that HB 204 may help the ability of employers to fill vacant positions, and he asked if that is the purpose of the bill.

MR. APPELEGATE answered that the title "flexible work hour plan" is accurate, and that such plans would provide flexibility for employees.

REPRESENTATIVE RUFFRIDGE, regarding why the bill applies only to certain entities, asked if the reason for the request was due to the inability to hire people who wished to have a 12-hour work plan.

MR. APPELEGATE said he does not have an answer.

[4:38:58 PM](#)

REPRESENTATIVE FIELDS requested, at a later meeting, the most recent data on orthopedic reimbursement rates in Alaska.

[4:40:23 PM](#)

REPRESENTATIVE PRAX asked whether the bill would take away or provide something.

MR. APPELEGATE answered that it is providing the ability for employees to opt in for a more flexible schedule.

[4:40:55 PM](#)

REPRESENTATIVE SADDLER asked if the department provides the legislature information regarding the profitability of businesses in Alaska

MR. APPELEGATE replied that he doesn't know.

[4:41:25 PM](#)

REPRESENTATIVE FIELDS suggested that Mr. Applegate collaborate with other departments to get more information.

MR. APPELEGATE answered that he can get members in contact with people who could answer questions.

[4:41:50 PM](#)

CHAIR SUMNER said he doesn't know if profitability data is available. He shared that he would like to see DLWD provide overtime data for the industries listed within the bill.

[4:42:12 PM](#)

CHAIR SUMNER announced that HB 204 was held over.

[4:42:22 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:42 p.m.