

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

May 13, 2024

8:23 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Dan Saddler

COMMITTEE CALENDAR

SENATE BILL NO. 206

"An Act relating to workers' compensation reemployment benefits; establishing a workers' compensation stay-at-work program; and providing for an effective date."

- MOVED SB 206 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 206

SHORT TITLE: WORKERS' COMP. STAY-AT-WORK PROGRAM

SPONSOR(S): SENATOR(S) GRAY-JACKSON

01/24/24	(S)	READ THE FIRST TIME - REFERRALS
01/24/24	(S)	L&C, FIN
02/14/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/14/24	(S)	Heard & Held
02/14/24	(S)	MINUTE(L&C)
02/21/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/21/24	(S)	Moved SB 206 Out of Committee
02/21/24	(S)	MINUTE(L&C)
02/23/24	(S)	L&C RPT 3DP 1NR
02/23/24	(S)	DP: BJORKMAN, DUNBAR, GRAY-JACKSON
02/23/24	(S)	NR: MERRICK
03/20/24	(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/20/24	(S)	Heard & Held
03/20/24	(S)	MINUTE(FIN)

04/24/24 (S) FIN RPT 2DP 4NR
04/24/24 (S) DP: OLSON, KIEHL
04/24/24 (S) NR: STEDMAN, WILSON, MERRICK, BISHOP
04/24/24 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/24/24 (S) Moved SB 206 Out of Committee
04/24/24 (S) MINUTE(FIN)
05/06/24 (S) TRANSMITTED TO (H)
05/06/24 (S) VERSION: SB 206
05/07/24 (H) READ THE FIRST TIME - REFERRALS
05/07/24 (H) L&C, FIN
05/13/24 (H) L&C AT 8:15 AM BARNES 124

WITNESS REGISTER

SENATOR ELVI GRAY-JACKSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented SB 206.

STACY NIWA, Reemployment Benefits Administrator
Division of Workers Compensation
Department of Labor & Workforce Development
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on SB 206.

LUMA DIAZ, Staff
Senator Elvi Gray-Jackson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 206 on behalf of Senator Gray-Jackson, prime sponsor.

ACTION NARRATIVE

[8:23:31 AM](#)

VICE CHAIR RUFFRIDGE called the House Labor and Commerce Standing Committee meeting to order at 8:23 a.m. Representatives Carrick, Prax, Wright, and Ruffridge were present at the call to order. Representatives Fields and Sumner arrived as the meeting was in progress.

SB 206-WORKERS' COMP. STAY-AT-WORK PROGRAM

[8:23:55 AM](#)

VICE CHAIR RUFFRIDGE announced that the only order of business would be SENATE BILL NO. 206, "An Act relating to workers' compensation reemployment benefits; establishing a workers' compensation stay-at-work program; and providing for an effective date."

8:24:08 AM

SENATOR ELVI GRAY-JACKSON, Alaska State Legislature, as prime sponsor, presented SB 206. She shared the sponsor statement [included in committee packet], which read as follows [original punctuation provided]:

Workers' Compensation Stay at Work Program

Each year, countless workers face the challenges of injuries, illnesses, or changes in their disability status, often leading to significant time away from work. This not only affects their livelihoods but also impacts the workforce and economy at large. Senate Bill 206 (which would establish The Stay-at-Work and Return-to-Work (SAW/RTW)) Program seeks to restore Alaska's once strong and healthy workforce. Through the creation of this program, an injured worker may elect assistance to return-to-work with their employer at the time of injury. The Program is optional and can be declined by a worker or an employer.

These programs focus on strategies that retain or reengage workers experiencing such changes, aiming to swiftly reintegrate them into the workforce. By providing necessary support and resources, SAW/RTW programs ensure that workers can continue their careers despite new health challenges, thereby maintaining a robust and resilient workforce.

The goal of the program is to return the worker to the same position with the same employer or to a modified position with the same employer after an injury or an occupational disease occurs. Furthermore, services provided as part of the assistance program are provided in lieu of reemployment services. Changes under this bill would be optimized by the ability of the insurer, rehabilitation specialist, and the Department of Labor and Workforce Development to provide one another necessary information. For example, the Department of Labor shall advise the insurer and employer of the request for assistance.

The services offered as part of the Program are available as a service apart from a determination regarding indemnity benefits.

Across the United States, states like Oregon and Montana, have made significant strides in implementing SAW/RTW initiatives. These programs have demonstrated success in reducing the time employees spend away from work due to disabilities or injuries, offering financial incentives, and facilitating necessary workplace adjustments. The adoption of similar legislation in Alaska promises substantial benefits. It can enhance our state's workforce stability, reduce the economic impact of prolonged employee absence, and promote a more inclusive and supportive work environment. By passing this legislation, Alaska can join other states in leading the way towards a more adaptable and supportive workforce, ultimately benefiting both our economy and the well-being of Alaskan workers.

[8:29:03 AM](#)

REPRESENTATIVE CARRICK asked for examples of the types of injuries that someone might have while utilizing the return-to-work program.

SENATOR GRAY-JACKSON deferred the question to Stacy Niwa.

[8:30:36 AM](#)

STACY NIWA, Reemployment Benefits Administrator, Division of Workers Compensation, Department of Labor & Workforce Development (DLWD), shared a hypothetical example of an individual working in construction who injures their back to exemplify how a return-to-work program would work in the real world. She explained that the program would likely begin with modified work duties, often at a lighter load than their normal work duties.

[8:31:46 AM](#)

The committee took a brief at-ease from 8:31 a.m.

[Vice Chair Ruffridge passed the gavel to Representative Wright.]

[8:32:16 AM](#)

REPRESENTATIVE CARRICK asked whether there is a requirement for a worker who is eligible for the return-to-work program to utilize such a program rather than taking advantage of a worker's compensation program.

SENATOR GRAY-JACKSON said it's voluntary for workers utilize either program.

[8:33:01 AM](#)

REPRESENTATIVE PRAX expressed uncertainty as to codifying a return-to-work program in Alaska Statutes.

SENATOR GRAY-JACKSON explained that the motivation of SB 206 is to help ease the labor shortage being experienced in Alaska.

[8:35:07 AM](#)

LUMA DIAZ, Staff, Senator Elvi Gray-Jackson, Alaska State Legislature, on behalf of Senator Gray-Jackson, prime sponsor, explained that SB 206 would add a vocational rehabilitation council physician to the Division of Worker's Compensation in order to ease the workload on the DWC.

MS. NIWA added that SB 206 is meant for workers in all sectors of labor and explained that having someone who specialized in worker's compensation and disability be a part of the division is imperative to return an injured worker to the job as soon as possible.

[8:37:44 AM](#)

REPRESENTATIVE PRAX expressed further uncertainty as to the possible benefits of SB 206.

MS. DIAZ reassured Representative Prax that the position created by the bill would provide more clear communication with workers and employers with regard to worker's compensation and a would-be return-to-work program.

[8:40:01 AM](#)

REPRESENTATIVE WRIGHT shared his understanding that the intent of SB 206 is to provide more transparency within the division.

MS. NIWA said that the proposed program would help return an injured worker to work in a much more efficient manner than is currently available.

[8:41:49 A4M](#)

REPRESENTATIVE CARRICK asked whether the division has a cost-benefit analysis of the new position.

MS. NIWA offered to follow up with the requested information.

REPRESENTATIVE CARRICK asked how many other states utilize worker's compensation programs similar to the one proposed in SB 206.

[8:43:32 AM](#)

SENATOR GRAY-JACKSON said Oregon and Montana are two examples of states that have programs similar to the one proposed in the bill. She touched on Representative Prax's comment that some workers might prefer to be on worker's compensation rather than working and noted that the division is the only agency for the State of Alaska that deals with worker's compensation issues in the State.

[8:44:51 AM](#)

REPRESENTATIVE PRAX asked whether workers who choose not to participate in the program would be penalized.

SENATOR GRAY-JACKSON said they would not be penalized and emphasized that it is a decision to be made by the employee and employer, not the State.

[8:45:24 AM](#)

REPRESENTATIVE WRIGHT opened public testimony on SB 206. After ascertaining that there was no one who wished to testify, he closed public testimony.

[8:45:46 AM](#)

The committee took a brief at-ease from 8:45 a.m.

[8:55:47 AM](#)

REPRESENTATIVE WRIGHT moved to report SB 206 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 206 was reported from the House Labor and Commerce Standing Committee.

[8:56:14 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 8:56 a.m.