

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

May 10, 2023

1:41 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Elvi Gray-Jackson
Senator Forrest Dunbar

MEMBERS ABSENT

Senator Click Bishop, Vice Chair
Senator Kelly Merrick

COMMITTEE CALENDAR

PRESENTATION(S): TRAUMA-INFORMED AND RESILIENCE-BUILDING
WORKFORCES AND WORKPLACES

- HEARD

SENATE BILL NO. 73

"An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; renaming the State Board of Registration for Architects, Engineers, and Land Surveyors the State Board of Registration for Design Professionals; relating to the State Board of Registration for Design Professionals; relating to liens for labor or materials furnished; relating to the procurement of interior design services; and providing for an effective date."

- MOVED CSSB 73(L&C) OUT OF COMMITTEE

SENATE BILL NO. 60

"An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Workers' Compensation Appeals Commission; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 601(b), 602(c) and (h), and 603(a), Alaska Rules of Appellate Procedure; and providing for an effective date."

- MOVED SB 60 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 73

SHORT TITLE: REGISTER INTERIOR DESIGNERS

SPONSOR(s): SENATOR(s) CLAMAN

02/17/23	(S)	READ THE FIRST TIME - REFERRALS
02/17/23	(S)	L&C, FIN
04/10/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/10/23	(S)	<Bill Hearing Canceled>
04/12/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/12/23	(S)	Heard & Held
04/12/23	(S)	MINUTE(L&C)
04/21/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/21/23	(S)	Heard & Held
04/21/23	(S)	MINUTE(L&C)
04/24/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/24/23	(S)	Heard & Held
04/24/23	(S)	MINUTE(L&C)
05/03/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
05/03/23	(S)	<Bill Hearing Canceled>
05/10/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 60

SHORT TITLE: REPEAL WORKERS' COMP APPEALS COMMISSION

SPONSOR(s): SENATOR(s) WIELECHOWSKI

02/06/23	(S)	READ THE FIRST TIME - REFERRALS
02/06/23	(S)	L&C, JUD
02/27/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/27/23	(S)	Heard & Held
02/27/23	(S)	MINUTE(L&C)
05/10/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

VICKIE CHOITZ, Director
Corporation for a Skilled Workforce
Ann Arbor, Michigan

POSITION STATEMENT: Presented a slideshow titled "Trauma and Resilience at Work."

BREANNA KAKARUK, Staff
Senator Matt Claman
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Gave a recap of SB 73.

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the summary of changes from version S to version D for SB 73.

DAVID DUNSMORE, Staff
Senator Bill Wielechowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave a recap of SB 60.

CHARLES COLLINS, Director
Division of Workers' Compensation
Department of Labor and Workforce Development (DOLWD)
Juneau, Alaska

POSITION STATEMENT: Responded to questions on SB 60.

NANCY MEADE, General Counsel
Alaska Court System
Anchorage, Alaska

POSITION STATEMENT: Responded to questions on SB 60.

ACTION NARRATIVE

[1:41:12 PM](#)

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:41 p.m. Present at the call to order were Senators Dunbar, Gray-Jackson, and Chair Bjorkman.

TRAUMA-INFORMED AND RESILIENCE-BUILDING WORKFORCES AND WORKPLACES

PRESENTATION(S): TRAUMA-INFORMED AND RESILIENCE-BUILDING WORKFORCES AND WORKPLACES

[1:42:17 PM](#)

CHAIR BJORKMAN announced a presentation titled Trauma-Informed and Resilience-Building Workforces and Workplaces. He briefly introduced the presenter and invited her to put herself on the record and begin her slideshow.

[1:44:47 PM](#)

VICKIE CHOITZ, Director, Corporation for a Skilled Workforce (CSW), Ann Arbor, Michigan, presented a slideshow on Trauma-Informed and Resilience-Building Workforces and Workplaces. She reviewed slide 2, highlighting the training and support services CSW provides to nonprofit, public, and private sector workforce development:

- Strategy Development
- Research and Evaluation
- Trauma and Resilience

CSW built this team over the last year and a half in response to the increasing toxic stress and trauma in society that is finding its way into workforces and workplaces. She said CSW works with federal, state, and local governments, institutions, educators, and private sector employers to engage in strategy development to become better trauma-informed and resilience-building organizations.

- Organizational Coaching and Action Planning
- Research and Field Building

[1:46:24 PM](#)

MS. CHOITZ advanced to slide 3 to discuss why CSW does not focus on mental health but instead focuses on trauma and resilience to heal and create healthy workplaces. Brain science shows that toxic stress and trauma are at the root of many mental health conditions. Increases in anxiety and depression are showing up at work and affecting work lives. These symptoms can be linked to childhood trauma, unsafe communities, COVID, and racial trauma. She reviewed slide 3:

Why Trauma + Resilience + Workplace?

Toxic stress and trauma are at the root of many mental health conditions.

Unaddressed mental health conditions are costly to employers.

Toxic stress and trauma undermine ability to succeed on the job and, sometimes, worker safety.

Toxic and unsupportive workplace cultures fueled the Great Resignation and led to costly turnover, absenteeism, low morale and teamwork, and lower productivity.

[1:49:17 PM](#)

MS. CHOITZ reviewed two informative resources explaining some of these issues on slide 4:

- A CSW webinar prepared for the U.S. Department of Labor touches on the brain science behind trauma and resilience, what happens in the brain, and why it can lead to unfortunate workplace outcomes.
- A CSW prepared a slide deck and recording called Detroit at Work to train and coach the Detroit, Michigan Public Workforce Development System to improve its workplace culture.

[1:50:13 PM](#)

MS. CHOITZ advanced to slide 5 to acknowledge what she considers the missing piece in the workplace conversation around workplace mental health:

The Missing Piece in the Conversation

Clinical

- Mental health diagnoses and treatment
- Referrals, services, insurance

MS. CHOITZ said that many organizations have an individual clinical focus on mental health diagnosis and treatments. They provide referrals, services, insurance parity, and employee assistance programs. These are necessary; however, it is insufficient to turn around the major challenges attributable to toxic stress and trauma that so many experience. She said organizations need to cultivate mentally healthy workplaces.

Workplace Culture

- Cultivate a mentally-healthy workplace
- Universal precaution design

MS. CHOITZ said the best example of universal precaution design is curb cuts. These are ramps cut into the curb for people who use wheelchairs and secondarily have proved useful for:

- pushing baby carriages,
- pulling carts filled with groceries,
- stepping up on a difficult-to-manage curb,
- toddlers on tricycles, and
- people on bicycles.

MS. CHOITZ said curb cuts were designed for one type of population but benefited a wide variety of others. This is how

CSW thinks about building healthier workplace cultures. They were initially built for people with mental health conditions or struggling with toxic stress and trauma, but they benefit the entire organization. This is not a universal precaution design; this is how organizations should design workplaces considering the number of people with toxic stress and trauma. Studies show that 60 to 70 percent of adults have had adverse childhood experiences (ACES), traumas that occurred before age 18. The effects of ACES do not stop when somebody becomes an adult. Trauma has a long tail. Unless metabolized or addressed, it will continue to negatively affect individuals who have experienced toxic stress and trauma. She said there is a lot of trauma in our society, including ACES, military veterans with post-traumatic stress disorder (PTSD), and people suffering from racial trauma, whether from systemic racism or inter-generational trauma such as Native Americans experience. It is good to create workplaces that are more mentally healthy.

[1:53:22 PM](#)

MS. CHOITZ advanced to slide 6 to explore what constitutes a mentally healthy workplace. Some people believe that a mentally healthy workplace is an abstraction that is hard to measure or put a framework around; she disagrees. Several frameworks can help employers work towards more mentally healthy workplaces. She reviewed slide 6, which examines one of these frameworks from the Substance Abuse and Mental Health Services Administration (SAMHSA):

What is a "Mentally Healthy Workplace?"
(adapted from SAMHSA's Six Key Principles)

1. Safety
2. Trustworthiness and Transparency
3. Peer Support
4. Collaboration and Mutuality
5. Empowerment, Voice, and Choice
6. Cultural Humility and Responsiveness

[1:54:38 PM](#)

MS. CHOITZ reviewed slide 7 to discuss additional frameworks:

Additional Frameworks

Healing Centered Restorative Engagement
Sanctuary Institute
Trauma-Informed Workplaces

US Surgeon General's Framework for Mental Health and Well-Being in the Workplace, which is centered on worker voice and equity:

Protection from Harm
Safety, Security

Connection and Community
Social Support, Belonging

Work-Life Harmony
Autonomy, Flexibility

Mattering at Work
Dignity, Meaning

Opportunity for Growth
Learning, Accomplishment

[1:55:48 PM](#)

MS. CHOITZ advanced to slide 8, stating building a trauma-informed, resilience-building, mentally healthy workplace is a journey. The first two stages are the awareness phase and can be accomplished in a short amount of time. It takes time to integrate the behavior stage. The organizational culture change takes an investment of at least a year, but probably two or three years to turn an organization around:

Four Stages in Trauma-Informed Journey

REALIZE

Realizes the widespread impact of trauma and understands the potential paths for building resilience.

RECOGNIZE

Recognizes the signs and symptoms of trauma in self, co-workers, staff, and clients/students

RESPOND

Responds by fully integrating knowledge about trauma into policies, procedures, and practices.

RESIST

Workplace culture actively resist re-traumatization.

Source: Adapted from SAMHSA - Substance Abuse and Mental Health Services Administration <https://www.samhsa.gov>

[1:58:19 PM](#)

MS. CHOITZ reviewed slide 9 to discuss what other states are doing to support mentally healthy workplace cultures:

State Examples

Maryland

Intro Webinar for Dept of Labor staff on Trauma and Resilience (Awareness)

Massachusetts

Intro Webinar for workforce development staff on Trauma and Resilience (Awareness);
Center on Child Wellbeing and Trauma

Michigan

Employer workgroup and report;
Resource website: Monthly webinars
(Awareness)

[1:59:12 PM](#)

MS. CHOITZ said that the deputy director for the Michigan Department of Labor is the highest-ranking administrative person who is focused on this issue nationwide. The deputy director convened a workgroup made up of employers. The workgroup created a report with statistics showing how large this problem is for employers. It provided recommendations on what the private sector can do and what the State of Michigan can do as a model employer. The state has a website and does monthly webinars, and it is working on steps for implementation.

New Hampshire

Pilot program on trauma and healing for two substance use disorder centers
(Respond)

Oklahoma

Oklahoma Department of Human Services whole agency initiative to build a hope-centered and trauma-informed agency
(Resist)

MS. CHOITZ stated that Oklahoma's initiative reduced staff turnover by 17 percent within three years, so this works.

[2:01:05 PM](#)

MS. CHOITZ reviewed slide 10:

City Examples

Chicago

Chicago Resilience Network (CRN)

Chicago Cook Workforce Partnership Youth trauma work

Chicago Jobs Council nonprofit

Detroit

Detroit at Work Trauma and Resilience initiative for workforce development agency and nonprofits

New York City

Thrive in Your Workplace: Toolkit for Employers-
Redefining Workplace Mental Health

Tools and resources continued through Workforce
Professionals Training Institute

[2:03:39 PM](#)

MS. CHOITZ advanced slide 6, which listed six policy suggestions that she and Senator Gray-Jackson wanted to share with the Alaska State Legislature for its consideration. She reviewed slides 11 and 12:

Policy Suggestions

1. State and Legislative offices model trauma-informed, resilience-building, and mentally healthy workplaces.
2. Training and organizational coaching for public agencies and non-profit partners - focused on staff and customers.
3. Funding for employer communities of practice (COPs), i.e., CRN model; consider industry-specific COPs.
4. Give procurement preference to employers with mentally healthy workplaces (based on employee assessment results) or who are on the journey.
5. Direct the state office focused on workplace physical safety (OSHA) to establish mental health safety standards, provide education and technical assistance, and enforce.

6. Develop a statewide mental health curriculum for adults in workplaces and workforce development programs

[2:08:19 PM](#)

Slide 12 reads:

Additional Policy Suggestions

1. Support Trauma and Resilience or Mental Health Ambassadors throughout public systems and across employers.
2. In human service programs, review policies, procedures, and performance measures from a trauma lens: are they trauma-informed or trauma-inducing (for either staff or clients). What's missing to be trauma-informed & build resilience?
3. Fund a public campaign to continue to encourage residents and employers to openly talk about mental health; continue destigmatization.
4. Using the MA Center on Child Trauma and Wellbeing as a model, develop a similar center focused on adults.

[2:10:32 PM](#)

MS. CHOITZ reviewed slide 13, which addresses the following:

Essential Criteria

1. Incorporate the voices of those with lived experience with trauma and mental health conditions to ground the strategy(s) in reality. Pay them for their expertise.
2. Ensure strategies and practices are racially, gender, and culturally relevant to maximize equity and effectiveness.
3. Go beyond awareness-raising, i.e., 101 webinars, and mental health resources, to also include personal behavioral and organizational culture change.

4. Provide the necessary time and resources to cultivate actual systems change.
5. Plan for scale and sustainability from the beginning.

[2:12:55 PM](#)

MS. CHOITZ reviewed slide 14, which lists trauma and resilience resources:

CSW

Trauma and Resilience at Work Quick Guides

National Fund

A Trauma-Informed Approach to Workforce

Labor and Economic Opportunity

Workplace Mental Health

Bessel Van Der Kolk

The Body Keeps the Score

Brain, Mind, and Body in the Healing of Trauma

Campaign for Trauma-Informed Policy and Practice

Pathway to Resilience

[2:14:20 PM](#)

MS. CHOITZ advanced to slide 15, which provided her contact information:

www.skilledwork.org

vchoitz@skilledwork.org

1100 Victors Way

Ann Arbor, MI

(734) 769-2900

[2:14:36 PM](#)

SENATOR DUNBAR sought help visualizing what she meant on the "Policy Suggestion" slides, specifically asking for a concrete example of a mental health safety standard.

MS. CHOITZ referred the committee to the "Frameworks" slides, stating these are useful for understanding standards. She explained that a concrete standard could be autonomy, whether employees are engaged in directing their work. This provides workers with:

- the choice of how they do they work;
- the flexibility of getting the work done in a certain way versus a narrow vision of how it needs to be done; and
- neurodivergent issues multiple ways of getting their work done.

She said this standard could lead to workplace innovation. Frontline workers know what can improve workplace practice better than anybody. It can lead to gains in employer productivity and help the bottom line.

SENATOR DUNBAR asked how the standard for neurodivergent people differs from the accommodations provided under the Americans with Disabilities Act (ADA).

MS. CHOITZ expressed her belief that the ADA standards would be part of this. However, the standards and culture of a mentally healthy workplace go beyond that. They encourage supervisors and managers to work more cooperatively with employees, to bring them into the conversation, and to have more transparency in workplace communications. It would be ADA plus additional job quality standards.

[2:18:12 PM](#)

SENATOR GRAY-JACKSON commented that mental health is a crisis in the country, and people do not want to discuss it. Mental health is as important as physical health. She expressed appreciation for all that she learned as a National Mental Health Workforce Taskforce member. She plans to look deeper into policy suggestions and recommendations and offer changes at the legislative level next session.

[2:19:30 PM](#)

CHAIR BJORKMAN asked about concrete solutions. Many workplace problems and stressors come from managers, bosses, and supervisors who are well-meaning and nice outside of the workplace, but inside the workplace, some are not. He asked how the systems presented today can reduce the impact of people who are not great bosses.

MS. CHOITZ said that bosses who are not great may be struggling from their own toxic stress or trauma. She explained that management puts pressure on bosses to produce, and bosses try to protect their workers from this stress. Their supervisorial style may be a response to the toxic stress and trauma they are experiencing. She said that people's brains automatically react to stress, whether being chased by a bear or in a stressful work

environment. Ways to respond to a stressful work environment are fight, flight, freeze, submit, or fawn. Some people perceive a boss with a fight response as mean. She reflected on a former bully boss who was stressed out from upper-level management and took it out on those she managed. This bully boss needed to understand what was happening in her brain and that it was not a healthy response for anyone in the work environment. Many frontline staff who do a great job get promoted to managers without professional development, management, or leadership training. Providing training alleviates the "bad" boss disaster. It helps bosses and managers learn how to communicate with their subordinates, provide more transparency, and feel safe providing that transparency. Helping people feel physically, psychologically, and emotionally safe is at the core of a trauma-informed and resilient workplace. People ball up, get protective, and defensive when they do not feel safe. Culturally responsive, trauma-informed, resilience-building workplace cultures are created when people feel safe sharing information that is coming from on high and sharing that they may feel overwhelmed. This creates better bosses and managers.

[2:22:59 PM](#)

MS. CHOITZ said this is evident in Detroit, where they see better bosses and managers. She noted that bosses get a chance to relieve burdens when they have a safe place to talk about issues instead of having to internalize the challenges they are experiencing. This results in much more comfortable, safe, productive workforces and workplaces.

CHAIR BJORKMAN thanked Ms. Choitz for the presentation.

SB 73-REGISTER INTERIOR DESIGNERS

[2:23:52 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 73 "An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; renaming the State Board of Registration for Architects, Engineers, and Land Surveyors the State Board of Registration for Design Professionals; relating to the State Board of Registration for Design Professionals; relating to liens for labor or materials furnished; relating to the procurement of interior design services; and providing for an effective date."

CHAIR BJORKMAN said this is the fourth hearing of this bill. The intention is to consider committee substitute (CS), version \D.

He reminded the committee that the motion to adopt the committee substitute, version U, was withdrawn on April 24. He invited Ms. Kakaruk to put herself on the record and offer a recap of SB 73.

[2:24:52 PM](#)

BREANNA KAKARUK, Staff, Senator Matt Claman, Alaska State Legislature, Juneau, Alaska, gave a recap of SB 73. This bill establishes registration for educated and qualified interior designers wishing to practice registered interior design in buildings of public occupancy within a regulated scope of services impacting public safety. SB 73 will ensure designers practicing in public occupancy buildings are qualified to do so, providing another measure of public safety protection and risk mitigation for commercial buildings. This bill will increase the number of design professionals who are able to work independently within the commercial real estate industry.

[2:25:45 PM](#)

SENATOR DUNBAR commented on the resistance from the architecture community and requested an update on that and the working group monitoring the bill.

MS. KAKARUK responded that she and Senator Claman discussed the CS with the working group last night. She said Senator Claman considered the working group's preferred changes, relayed them to the committee, and included them in the CS before the committee today. This process will be ongoing. Senator Claman will continue to hear about changes and parlay them to the next committee of referral.

[2:27:42 PM](#)

CHAIR BJORKMAN said today's committee substitute was drafted following a meeting with stakeholder organizations and distributed to those organizations and committee members last week. He solicited a motion.

[2:28:00 PM](#)

SENATOR GRAY-JACKSON moved to adopt the committee substitute (CS) for SB 73, work order 33-LS0244\D, as the working document.

CHAIR BJORKMAN presumably objected for purposes of discussion. He stated Mr. Jackson will present the summary of changes for the CS.

[2:28:41 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, said this CS, version D, resulted

from meetings with stakeholder groups reaching for consensus. He noted the CS version /U was not adopted. He presented the summary of changes from version /S to version/D:

SB 73
Summary of Changes
Version S to Version D

Old sections 1-4 are deleted. Remaining sections are renumbered.

Section 1: AS 08.48.011(b) is amended to increase the board from 11 to 13 members. This is accomplished by removing the restriction allowing one electrical engineer or one mechanical engineer. The new language allows for one of each. An interior designer position is added to the board. (Immediate effective date)

[2:30:42 PM](#)

At ease.

[2:31:10 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[2:31:18 PM](#)

MR. JACKSON continued reviewing the summary of changes:

Section 2: (Renumbered old section 5) AS 08.48.011 (b) is amended to rename the "interior designer" position on the board to a "registered interior designer". Effective with the Section 38 transition language.

MR. JACKSON said Section 2 is a conforming change that once established and the qualifications are deemed appropriate, the "interior designer" on the board would be considered a "registered interior designer."

Section 3. AS 08.48.011(c) is amended to allow more than one electrical engineer or more than one mechanical engineer to serve simultaneously on the board if a member of the other profession is not available to fill the position designated for that profession.

[Technical audio difficulty.]

[2:32:06 PM](#)

At ease.

[2:33:14 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[2:33:23 PM](#)

MR. JACKSON supplemented the explanation of Section 3. He continued reviewing the summary of changes:

Sections 4-5-6-7. Amended and renumbered old sections to conform with the addition of "registered" to the "interior designer" title.

Section 8. Old section 10 is deleted and replaced with language to conform with the addition of "registered" to the "interior designer" title.

Sections 9-10. Renumbered former sections 11-12.

Section 11. Renumbered former section 13. Inserts "registered" to the "interior designer" title.

Sections 12 & 13. Renumbered former sections 14 and 15, respectively.

[2:35:13 PM](#)

SENATOR DUNBAR sought confirmation that either the word "registered" was added or the sections were renumbered for those sections up through Section 26.

MR. JACKSON replied that looks to be the case, though some sections do both. The summary of changes for Sections 14 through 26 reads:

Section 14. Renumbered former section 16. Inserts "registered" to the "interior designer" title.

Sections 15 & 16. Renumbered former sections 17 and 18. Conforming changes to add "registered" to the "interior designer" title.

Section 17. Renumbered former section 19.

Section 18. Renumbered former section 20. Inserts "registered" to the "interior designer" title.

Sections 19-25. Renumbered former section 21-27.

Section 26. Renumbered former section 28. Inserts "registered" to the "interior designer" title.

[2:35:46 PM](#)

CHAIR BJORKMAN asked Mr. Jackson to continue the summary of changes starting at Section 27.

MR. JACKSON continued presenting the summary of changes from Section 27:

Section 27. Renumbered former section 29. Amends AS 08.48.331 (a) by deleting the reference on page 13, line 21 in paragraph (8) to a person "other than a person providing interior design services". Amends new paragraph (15) by removing the reference to (6) (A) and (B) of this subsection.

Old Section 30 is deleted.

Section 28. Amends AS 08.48.331 by adding new subsection (c) requiring an interior designer be registered if practicing interior design which affects the public health, safety or welfare, as determined by the board.

Section 29. Renumbered former section 31 and inserts "registered" to the "interior designer" title.

Section 30. Amends AS 08.48.341 (25) by simplifying the definition of a registered interior designer and removing paragraph (B) which listed practices which were not permitted by registered interior designers.

Old sections 33 and 34 are deleted.

Section 31. Renumbered former section 35.

Section 32. Amends former section 36. Inserts "registered" to the "interior designer" title.

Sections 33-36. Amends former sections 37-40. Inserts "registered" to the "interior designer" title.

Old sections 41 and 42 are deleted.

[2:38:02 PM](#)

Section 37. Renumbers former section 43 and changes references former sections 1-42 to sections 2-36.

Section 38. Adds new transition language requiring the interior designer appointed to the board be certified by the Council for Interior Design Qualification and must have resided in the state for at least three years immediately preceding the appointment. Additionally, allows for an interior designer to hold the board seat until a registered interior designer is appointed to the seat, subject to meeting certain requirements.

Section 39. Renumbered former section 44.

Sections 40 and 41. Renumbered and conforming changes to former sections 45 and 46.

[2:39:22 PM](#)

SENATOR DUNBAR asked what the primary, substantive issues were that architects raised and this CS addresses.

MR. JACKSON referred to a large change made to the bill, which affects AS 08.48.181 in Section 10, version S. He noted the change removes a reference to an examination administered by the Council for Interior Design Qualification.

MR. JACKSON referred to another significant change to the bill, which affects AS 08.48.341 in Section 32, version S. He advised that this change removes the "does not include" language in subparagraph (B) regarding the practice of registered interior design.

[2:41:24 PM](#)

SENATOR DUNBAR referred to Section 10, version S. He asked whether any direction is provided as to what kind of examination is needed to qualify as a registered interior designer if the following language is removed from the bill: "... standards must include successfully completing the examination administered by the Council for Interior Design Qualification or its successor."

MR. JACKSON apologized, stating he misspoke about the deletion of that language. He corrected himself, advising this is part of the new transition language in Section 38, version /D. That language is still in place.

MR. JACKSON said there is another substantive change.

[2:43:31 PM](#)

At ease.

[2:44:22 PM](#)

CHAIR BJORKMAN reconvened the meeting. He asked Mr. Jackson to resume outlining the agreed-upon changes between the working group of interior designers and architects.

[2:44:36 PM](#)

MR. JACKSON explained that the definition of the "practice of registered interior design" work was simplified in Section 30 of version /D, and the two stakeholders agreed on the language. He expressed his belief that the simplified language and removing language prohibiting certain actions and activities provide an adequate definition.

[2:45:42 PM](#)

CHAIR BJORKMAN removed his objection. Finding no further objection CSSB 73, work order 33-LS0244\D, was adopted as the working document.

CHAIR BJORKMAN said the outcome of this bill is that individuals trained in interior design can register as interior designers and stamp their own work. He noted that SB 73 does not preclude individuals from practicing interior design under the supervision of an architect; they may continue to do so. This bill allows individuals who want to register as interior designers and sign off on their own work to fall under the regulation of the State Board of Registration for Architects, Engineers, and Land Surveyors, which will have more oversight over their practice. He solicited the will of the committee.

[2:46:52 PM](#)

SENATOR GRAY-JACKSON moved to report CSSB 73, work order 33-LS0244\D, from committee with individual recommendations and attached fiscal note(s).

CHAIR BJORKMAN found no objection and CSSB 73(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:47:14 PM](#)

At ease.

SB 60-REPEAL WORKERS' COMP APPEALS COMMISSION

[2:48:44 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 60 "An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Workers' Compensation Appeals Commission; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 601(b), 602(c) and (h), and 603(a), Alaska Rules of Appellate Procedure; and providing for an effective date."

CHAIR BJORKMAN invited Mr. Dunsmore to put himself on the record and recap the bill. He said this bill was first heard on February 27.

[2:49:14 PM](#)

DAVID DUNSMORE, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, said SB 60 would repeal the Alaska Workers' Compensation Appeals Commission (WCAC), which handles appeals directly from the Alaska Workers' Compensation Board. SB 60 would restore jurisdiction of those appeals to the Alaska Court System. The repeal would save the state \$472,900 per year. He said the Alaska Court System provided a zero fiscal note.

[2:50:13 PM](#)

CHAIR BJORKMAN asked whether, taking into account the history and structure of the Workers' Compensation Appeals Commission, there is another quasi-judicial, decision-making board in the state that follows a similar process of appealing to an intermediary entity before petitioning the Alaska Supreme Court.

MR. DUNSMORE expressed his belief that the answer is no, stating he believes this is a unique structure where the appeals commission takes on the role that the Superior Court plays in other administrative matters.

CHAIR BJORKMAN asked whether a different state agency could take on this role.

MR. DUNSMORE replied that the Office of Administrative Hearings (OAH) contracts with certain agencies to handle administrative hearings. It has been discussed in the past whether moving this responsibility to OAH would be appropriate. He said that Senator Wielechowski's position is this would not result in cost savings. It is appropriate for the courts to hear these appeals since they are from the initial deliberative administrative body.

CHAIR BJORKMAN wondered what recourse a person who disputes a workers' compensation claim decision would have if the Workers' Compensation Appeals Commission were eliminated.

[2:52:53 PM](#)

MR. DUNSMORE replied that SB 60 would restore the jurisdiction for those appeals to the Alaska Superior Court. A workers' compensation appeal would be handled like other administrative appeals and decisions. The Superior Court would handle the part of the Workers' Compensation Appeals Commission.

CHAIR BJORKMAN said the Workers' Compensation Appeals Commission was created in 2006. He said that initially, the number of cases rose; however, the number of cases heard in the past ten years has decreased significantly. He asked what caused the Workers' Compensation Appeals Commission workload to decrease by two-thirds or more.

MR. DUNSMORE replied that he cannot provide a specific answer to that question. However, the commission is an appeals body that primarily handles matters of law, and as more case law is developed, there is less ambiguity that parties might choose to challenge. He said that the decrease in workload is likely due, in part, to this factor.

CHAIR BJORKMAN said that it is his understanding, as well, that there has been significant work toward mediation in the proceedings before the Alaska Workers' Compensation Board that likely avoids appeals to the commission.

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SENATOR DUNBAR commented that since 2006, industry often reports about its tremendous focus on safety. He expressed hope that workers' compensation claims are decreasing as a whole because there are fewer injured workers. Safety is a commitment in almost every industry. Alaska has seen a significant reduction in workplace injuries. He expressed curiosity about who appeals to the commission, for example, the employee, the insurer, or other party.

MR. DUNSMORE replied that he has not seen a breakdown of the number of appeals from claimants and the number from insurers.

SENATOR DUNBAR noted that he found only one statement in his packet either for or against SB 60, and that statement came from insurers in favor of keeping WCAC. He expressed his belief that

the committee did not receive any statements of opposition from workers' groups. He said this seems to indicate that perhaps insurers might take advantage of the Workers' Compensation Appeals Commission more frequently, but it is hard to know with only one piece of commentary in the packet.

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CHAIR BJORKMAN expressed his understanding that before 2005/2006, when the Workers' Compensation Appeals Commission was established, it took the Superior Court 8 - 18 months to render a decision. Since then, the timeframe to issue a decision has averaged around one year. In 2015, a Department of Labor and Workforce Development (DOLWD) report stated that the timeliness of those decisions changed very little. He sought confirmation as to the accuracy of this information.

MR. DUNSMORE expressed his belief that the information is correct. He noted that a significant decrease in workload has led to enhanced efficiency within the commission in recent years. He expressed his belief that enacting SB 60 would improve the average speed of reaching a final resolution in cases. He explained that during the deliberation on legislation to create the Workers' Compensation Appeals Commission, committee minutes indicated that approximately 25 percent of appeals from the Superior Court were appealed to the Supreme Court. In recent years, about 50 percent of the commission's cases were appealed. The sponsor believes that restoring jurisdiction to the [superior] court would expedite the average time to reach final resolution for cases. This is because an appeal to the Supreme Court can add months or years to the time it takes to get a final resolution.

CHAIR BJORKMAN sought clarification that currently appeals go straight from the Workers' Compensation Appeals Commission to the Supreme Court and that repealing the Worker's Compensation Appeals Commission would restore jurisdiction to the Superior Court.

MR. DUNSMORE replied that is correct.

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CHAIR BJORKMAN opened invited and public testimony on SB 60.

[3:00:10 PM](#)

CHAIR BJORKMAN expressed his intention to ask Mr. Collins questions to provide more depth to the deliberations.

[Technical audio difficulty.]

[3:00:38 PM](#)

At ease.

[3:01:52 PM](#)

CHAIR BJORKMAN reconvened the meeting and asked Mr. Collins how the process for a workers' compensation claimant works currently and how a claimant would be affected if SB 60 were enacted.

[3:02:39 PM](#)

CHARLES COLLINS, Director, Division of Workers' Compensation, Department of Labor and Workforce Development (DOLWD), Juneau, Alaska, explained the current workers' compensation process in Alaska. Under the existing system, an injured employee has the right to file a claim and receive the appropriate benefits. He said it is supposed to be a non-confrontational law; however, on occasion, employers may contest claims if they suspected errors in a claim or had concerns about certain benefits, like indemnity or medical. In such cases, the matter can be brought before the Alaska Workers' Compensation Board. This board consists of a hearing officer employed by the Division of Workers' Compensation and two panel members, one representing labor and one representing industry.

MR. COLLINS said the board conducts an adjudication process, and its decision is published. If any party, be it the employer, an insurance company acting on behalf of the employer, or the employee, believes the case was not properly decided, they have the right to appeal. Currently, these appeals are directed to the Workers' Compensation Appeals Commission that deals exclusively with workers' compensation matters. The appeals commission consists of an administrative law judge or commissioner with workers' compensation law expertise, two industry members, and two labor members, all of whom are past Alaska Workers' Compensation Board members.

[3:04:42 PM](#)

MR. COLLINS said appeals are submitted in writing to the appeals commission or, occasionally, via oral testimony. The Workers' Compensation Appeals Commission has the option to remand it back, remand it back in part, or uphold the board's decision. Due process allows a party the right to further appeal to the Supreme Court. He said all of these things happen occasionally. He offered a few statistics about appeals to the Workers' Compensation Appeals Commission. In the past three years, 54

percent of those appeals involved legal assistance, and 46 percent were pro se, unrepresented employees.

[Technical audio difficulty.]

[3:05:46 PM](#)

At ease.

[3:06:45 PM](#)

CHAIR BJORKMAN reconvened the meeting. He asked whether there are other similar bodies specifically assembled to review decisions made by another quasi-judicial body.

MR. COLLINS replied that the closest comparable body would be the Office of Administrative Hearings (OAH). OAH hears appeals from many departments, including occasional unemployment insurance tax appeals from DOLWD. OAH was established to provide a centralized venue for administrative law matters and due process. Alaska refrained from using OAH for workers' compensation cases because of the specialized nature of workers' compensation law.

CHAIR BJORKMAN asked whether committee members had questions or if Mr. Collins wanted to add to his testimony.

MR. COLLINS said he would like to submit additional information. He said workers' compensation law is in Title 23 of the Alaska Statutes and 8 AAC 45 of the Alaska Administrative Code. He held up a book governing workers' compensation law and underscored that this area of law is considerably more specialized than many types of law in the state. He noted that having a specialized knowledge of workers' compensation is not required to practice it but reiterated that it is a specialized subset of the law in its own right.

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CHAIR BJORKMAN asked if other states have a structure similar to the Workers' Compensation Appeals Commission in Alaska.

MR. COLLINS replied every state administers workers' compensation law differently. Workers' compensation is a state prerogative, and its administration differs from state to state. Several states have commissions where appeals stay within their workers' compensation domain and eventually make it to the Supreme Court. For instance, Maryland does not have panels; they have judges overseeing the first hearings, which can be appealed to a commission judge with whom they work closely and is more

interchangeable than in Alaska. In contrast, Alaska separates the appeals commission from the workers' compensation adjudication process. While the appeals commission falls under the Director of the Division of Workers' Compensation, it is separate from the adjudication side. Information is not shared until formal paperwork is sent indicating an appeal has been initiated. The two entities operate from separate locations, maintaining a distinct separation.

CHAIR BJORKMAN sought confirmation that in other states, the workers' compensation board has an internal appeals process to review their decisions, address potential issues, and subsequently make another decision.

MR. COLLINS replied that is correct. Some states are more aligned internally and do not set their process off. He noted that the specific procedures vary from state to state, but there is always an appeals component. There are very few states that go directly to the courts. For example, Nebraska does not have a workers' compensation board. He expressed his belief that everything goes through the courts there. The breadth of what happens across America and worldwide varies, and Alaska's approach falls within the more common area.

[3:13:06 PM](#)

CHAIR BJORKMAN asked Ms. Mead what the additional caseload on the court system would be and the effect on its capacity to carry out its functions if WCAC were eliminated.

[3:13:38 PM](#)

NANCY MEADE, General Counsel, Alaska Court System (ACS), Anchorage, Alaska, said she submitted a zero fiscal note. She explained that SB 60 will represent more work for the ACS judges; however, that will not justify another judge or staff person. She anticipates that the appeals will be spread around the state, but most will be filed in Anchorage or Juneau. She reiterated that these cases are very difficult, but the court can handle them. ACS receives appeals from other agencies and the Office of Administrative Hearings, which are handled differently in the Superior Court from other cases. Superior Court cases are usually trials, but agency appeals are submitted mostly on documents. There is often no oral argument, so they are paper-intensive. They are a little bit of a side issue for judges compared to the day-to-day work of hearings, monitoring the progress of ongoing trials, and pretrial preparation. It is hard to anticipate their numbers and effect on the court system. She said in past years there were 30 to 35 cases per year.

However, during the pandemic, those numbers plummeted because fewer people were working and fewer things were happening in state government and business. However, if the case numbers returned to 30 to 35, that would mean an increase in administrative appeals that would need to be handled by Superior Court judges. She said the judges in Anchorage will get more cases than others, possibly three per Anchorage civil judge. She reiterated that these are time-consuming, difficult cases. In the past, before WCAC, cases were resolved in eight to eighteen months. She expressed her concern about this statistic, noting judges are not generally familiar with these cases, and each case presents a learning opportunity for the judge to whom it is assigned. She testified that ACS can accept these cases if that is the policy of the legislature.

[3:16:19 PM](#)

SENATOR DUNBAR said the sponsor provided evidence indicating that before the appeals commission was established, about 25 percent of the Superior Court decisions were appealed to the Supreme Court, whereas 50 percent of WCAC decisions have been appealed to the Supreme Court since 2011. He expressed his understanding that SB 60 would increase the workload on Superior Court judges. He asked whether the bill might decrease the workload on the Supreme Court because the Superior Court judges might resolve the cases in a way that reduces their susceptibility to appeal.

MS. MEADE replied that she has not been able to verify or find data on that difference and how many cases go to the Supreme Court, so she said that she could not comment on that matter. She conveyed that one of the advantages of having a Workers' Compensation Appeals Commission is that the decision of that commission binds the Alaska Workers' Compensation Board, which creates precedent. Each decision creates a precedent, which might explain why fewer cases are going to WCAC. The body of law is well established now. The same is not true of Superior Court judges. She said that if Judge Jones in Anchorage renders a decision on a workers' compensation appeal, that decision will not impact a different Superior Court judge. The court system will not get settled law until the Supreme Court renders a decision in a case. So, this is something that could be lost by eliminating the Workers' Compensation Appeals Commission. She reiterated that Superior Court decisions do not have precedential value, which is one of the reasons these cases were given to an appeals commission in the past.

[3:18:31 PM](#)

SENATOR DUNBAR said that with 50 percent of WCAC decisions appealed to the Alaska Supreme Court, it is rendering decisions on the appeals commission's rulings, and those decisions are generating precedent. He sought confirmation that those Supreme Court decisions have generated precedent for the last 17 to 18 years.

MS. MEADE replied yes; however, a majority of those appealed to the Supreme Court were ultimately dismissed or denied. The Alaska Supreme Court only publishes a handful of workers' compensation opinions yearly, which has been fairly consistent.

[3:19:46 PM](#)

CHAIR BJORKMAN closed public testimony on SB 60.

CHAIR BJORKMAN commented that this bill requires legislators to make a policy call on whether the \$500,000 cost to operate the Worker's Compensation Appeals Commission is worth its value to workers and employers. Arguments for and against have accumulated over its 17-year history. He expressed his belief that the Senate Judiciary Committee should review the quasi-judicial, judicative questions and, for that reason, he wishes to move SB 60 to the next committee of referral. He expressed his intention to sign "no recommendation" to this bill today, continue policy discussions, and weigh the merits of the bill.

CHAIR BJORKMAN found no further discussion and solicited the will of the committee.

[3:21:16 PM](#)

SENATOR GRAY-JACKSON moved to report SB 60, work order 33-LS0330\A, from committee with individual recommendations and attached fiscal note(s).

CHAIR BJORKMAN found no objection and SB 60 was reported from the Senate Labor and Commerce Standing Committee.

[3:21:41 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 3:21 p.m.