

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 19, 2025

3:19 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Carolyn Hall, Co-Chair
Representative Ashley Carrick
Representative Robyn Niayuq Burke
Representative Dan Saddler
Representative Julie Coulombe

MEMBERS ABSENT

Representative David Nelson

COMMITTEE CALENDAR

PRESENTATION: CHILD CARE UPDATE

- HEARD

HOUSE BILL NO. 23

"An Act relating to the definition of 'employer' for the purposes of the State Commission for Human Rights."

- HEARD & HELD

HOUSE BILL NO. 20

"An Act relating to fees for paper documents; and relating to unfair trade practices."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: HB 23

SHORT TITLE: APPLICABILITY OF HUMAN RIGHTS COMMISSION

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	L&C, FIN
02/19/25	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

HEIDI HEDBERG, Commissioner
Department of Health
Juneau, Alaska

POSITION STATEMENT: Co-offered presentation on Child Care Update via PowerPoint, titled "Governor's Task Force on Child Care."

LEAH VAN KIRK, Healthcare Policy Advisor
Department of Health
Juneau, Alaska

POSITION STATEMENT: Co-offered presentation on Child Care Update via PowerPoint, titled "Governor's Task Force on Child Care."

REPRESENTATIVE ANDY JOSEPHSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave introductory remarks and answered questions from committee members as prime sponsor of HB 23.

KEN ALPER, Staff
Representative Andy Josephson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As staff to Representative Josephson, prime sponsor of HB 23, gave an introductory presentation via PowerPoint, titled "HB 23: Applicability of Human Rights Commission" and answered questions from committee members.

ACTION NARRATIVE

[3:19:31 PM](#)

CO-CHAIR CAROLYN HALL called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Saddler, Burke, Carrick, Fields, and Hall were present at the call to order. Representative Coulombe arrived as the meeting was in progress.

PRESENTATION: Child Care Update

[3:20:13 PM](#)

CO-CHAIR HALL announced that the first order of business would be the Child Care Update presentation.

3:20:52 PM

HEIDI HEDBERG, Commissioner, Department of Health (DOH), began by stating the task force completed its work in fall of 2024. She referred to slide 1 of a PowerPoint, titled "Governor's Task Force on Child Care" [hard copy included in the committee file], stating that she would cover both the recommendations that have been implemented by the State of Alaska and the work that is currently underway. She reminded committee members that in April 2023, Governor Mike Dunleavy signed the administrative order to create the taskforce on child care, with the purpose of addressing longstanding issues surrounding child care, identifying solutions, and making recommendations on increasing access to available, quality child care. She further stated that a robust child care system is critical to the healthy development of children. Additionally, a robust child care system supports parents in entering the workforce.

COMMISSIONER HEDBERG referred to slide 2, reporting that the taskforce concluded its studies in fall 2024 and wrote two reports with 56 recommendations. Slide 2, which represents the focus areas [of the taskforce], read as follows [original punctuation provided]:

Areas of Focus

- 1) **Background checks**
- 2) **Licensing**
- 3) **Workforce Support**
- 4) **Public/Private Partnerships**
- 5) **Tribal Authority**
- 6) **Accessibility**
- 7) **Affordability**
- 8) **Quality**

COMMISSIONER HEDBERG moved to slide 3. She stated that throughout the taskforce, there was a lot of robust participation by both public and media at each meeting. She stated DHSS received presentations by local childcare providers, state providers, the Division of Public Assistance (DPA), and national perspectives on landscape, problems, and solutions [of child care]. She gave an overview of the contractual work of the taskforce, represented on slide 3 as Workforce Study, Market Price Study, and Cost of Care Study. Additionally, she noted that a contractor conducted focus group studies, with feedback from 130 families, providers, and businesses to ensure that the work of the taskforce was echoing the focus groups.

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COMMISSIONER HEDBERG gave an overview of the elements that made up the Workforce Study, which read as follows on slide 4 [original punctuation provided]:

Wages & Benefits

Supports & retain the workforce

Healthy Workplace Conditions

Wellness for children & caregivers

Strengthen Career Pathways

Professional development & training

System Coordination

Shared values & goals support improved systems

Small Business Supports

Optimized supports for smaller businesses

COMMISSIONER HEDBERG noted that it became evident during the interview process that child care workers are "100 percent engaged and dedicated to their work."

COMMISSIONER HEDBERG gave a detailed explanation of the elements of the workforce study, beginning with wages & benefits. She stated the purpose of wages & benefits was to support and retain the workforce. She stated childcare providers desired access to health insurance, leave, and retirement. Additionally, she noted that wages & benefits varied across the state. She moved to healthy workplace conditions, the second area of study, whose purpose was to provide wellness for children & caregivers. She reported that interviews highlighted burnout experienced by [child care] providers. She noted that elements of workplace conditions were driving providers away, including administrative burdens, challenging behavior from children post [COVID-19] pandemic and a lack of infrastructure for adults in child care facilities.

COMMISSIONER HEDBERG moved to the third area of study, strengthen[ing] career pathways. She noted the purpose of this study was professional development & training [of child care providers]. She reported that there has been a decline in individuals entering early childhood [education]. She emphasized the importance of building educational pipelines through apprenticeship programs, increasing access to [child care] certifications, and increasing access to university programs related to child care.

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COMMISSIONER HEDBERG highlighted the last two areas of the workforce study: system coordination and small business supports. She stated the purpose of system coordination was to align values & goals. She reported a shared desire from stakeholders to improve the [child care] system as a whole. She stated the purpose of small business supports was to optimize supports for smaller businesses. She clarified for the committee that she was primarily referring to in-home child care businesses when talking about small businesses. She reported, from interviews, that in-home providers need additional support in the form of technical assistance in licensing, support in operating a business, and start up funding. Commissioner Hedberg concluded by noting Ms. Van Kirk and herself would cover what [DOH] has done already to address the issues and recommendations uncovered by the taskforce.

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LEAH VAN KIRK, Healthcare Policy Advisor, Department of Health, continued the presentation via PowerPoint, titled "Governor's Task Force on Child Care." She moved to slide 5, stating the goal of the task force is to ensure child care is affordable for all families. She reported that 7 out of 10 children do not use a subsidy for child care, meaning most families [in Alaska] are paying for child care. She gave the key points of slide 5, which read as follows [original punctuation provided]:

State rates influence prices set by child care businesses

Careful consideration must be taken to set rates that are not beyond what families can pay who do not use a subsidy

MS. VAN KIRK moved to slide 6, explaining that the child care subsidy program is federally funded and aids with child care to families who are considered "low to moderate" income. In Alaska, she explained, a market price survey and, for the first time, a cost of care study were both used to determine child care subsidy rates. She expounded on the market price survey, which she noted is administered to child care providers, and the cost of care study. She shared the following information from slide 6 [original punctuation provided]:

Market Price Survey

Conducted every two years
Sets rates based on the 75th percentile
Market analysis conducted through a survey

Cost of Care Study

Conducted for the 1st time in Alaska
True cost of providing child care in Alaska per child
Home & center-based costs
Alternate scenarios - wages, benefits, facilities,
quality

Ms. Van Kirk noted that the cost of care study looked at the cost of commercial rent, home mortgages, the cost to build a facility, and expanded space options - i.e. spaces that are beyond the state licensing requirements for space. Finally, she noted that the cost of alternative facilities was compared between urban and rural areas of Alaska.

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MS. VAN KIRK moved to slide 7, drawing committee members' attention to the model infographic representing the operating cost components [of child care]. She explained that revenue streams based on capacity were also assessed as part of the cost of care study. She noted that home-based child care facilities can serve up to 8 children, while licensed facilities can serve up to 9 or 12, depending on being inside or outside the Municipality of Anchorage (MOA). She reported the following as "key assumptions ... established as part of the cost of care study" in the model: operating based on group sizes and ratios according to the state licensing standards; operating at 85 percent of licensed capacity; operating for a full day; and 3 percent of non-collectible revenue. The infographic included utilities; wages and salaries; food and food service supplies; classroom and educational supplies; facilities costs - rent/debt services; employee benefits; telephone and internet; office supplies and equipment; licensing, permit, audit fees or costs; building maintenance/repairs; training; and insurance - building, general/professional liability. She clarified that the model was "not adjusted downward to reflect any type of in-kind support or other measures to reduce costs," such as reduced rent from partnerships with schools or churches, for example. Ms. Van Kirk moved to slide 8, stating that the current rate-setting methodology is not sustainable for child care businesses in Alaska. She stated a market-price survey sets rates based on the market and does not support the actual costs of child care businesses currently operating in Alaska. She asserted that the

actual cost of care methodology would help set rates based on actual business costs.

MS. VAN KIRK moved to slide 9, which represented the key highlights & recommendations of the taskforce. She noted there are gaps between subsidy rates and the actual cost of care in all settings. She reported that, in home-based settings, there are gaps between \$12 and \$140 per child per month. In licensed child care facilities, she reported, there are gaps between \$360 and \$653 per child [per month]. She noted these gaps are significant. Further, she reported the cost of care study found that rates for home-based care are approaching the actual cost of care. She also noted there are gaps of costs dependent on region and asserted that aligning subsidy rates with regional costs would support child care businesses, particularly in rural areas of Alaska. She commented that most child care businesses in rural Alaska are home-based. She stated that in rural areas of Alaska, individuals may receive cost-of-living adjustments. She provided an example about an office assistant working in Anchorage versus an office assistant working in Bethel.

MS. VAN KIRK spoke to public private partnerships. She noted that the cost of care study additionally looked at the relationship between provider revenue and cost of delivering care, and it proposed approaches to increase revenue and decrease operating costs. She stated that many child care businesses are operating under the capacity of their license. She reported that, were a child care facility to operate at full capacity per the study model, the cost of care per child per month could decrease by \$90 and \$220 per child per month. Additionally, she asserted that investing in partnerships could support mutual employer needs and child care businesses. She asserted that public private partnerships could help reduce the fixed operational costs of child care that act as barriers. She noted that leveraging public spaces, such as classrooms or schools willing to partner to with child care businesses, would be beneficial given that they [classrooms and schools] are already designed for children. She concluded that schools are a great opportunity, given that typically, they already meet the health and safety federal requirements regarding child care facilities.

[3:43:55 PM](#)

MS. VAN KIRK moved to slide 10 and gave an overview of the key accomplishments of the taskforce, based on the issues and recommendations covered at the beginning of the presentation.

She began with workforce supports, explaining that DOH, through regulation, removed the child care associate requirement and the child care assistance regulations (formerly requiring family members giving child care assistance in homes to have a high school diploma), broadened administrator qualifications, aligned licensing and child care assistance regulations, and removing the requirement for administrators to be on-site at all times, allowing delegation of authority to appropriate staff members during times of absence. Additionally, she stated that [DOH] increased its support for [professional development] via educational pipelines through partnerships with UAA and University of Alaska Fairbanks (UAF) that support child care apprenticeships and early childhood educational programs.

MS. VAN KIRK continued to the second item on accomplishments of the taskforce - affordability - and stated most families can't afford child care and "often pay more for child care than they might for a mortgage." She reported that [DOH] began covering the cost of care for children in OCS custody, explaining that in the past, foster families were required to cover any additional costs that was not covered by subsidies. Additionally, [DOH] distributed \$7.5 million to providers for operational costs. She reported that 357, or 90 percent of, providers received this financial support. Ms. Van Kirk continued to the third item on accomplishments of the taskforce, quality, which read as follows [original punctuation provided]:

Quality

Quality Recognition & Improvement System (QRIS) fully developed

MS. VAN KIRK continued to the fourth item on accomplishment of the taskforce - tribal authorities - which read as follows [original punctuation provided]:

Tribal Authority

- Tribal child care exempt from state licensure*
- Tribal Health & Safety standards acknowledged*

MS. VAN KIRK talked about the fifth accomplishment, regarding licensing and background checks. She stated that [DOH] has implemented the Alaska Child Care Information System ("AKCCIS") in an effort to modernize systems. She explained that through AKCCIS, the application and tracking process for licensure is streamlined, additionally creating communication transparency. She reported that [DOH] has opened one of three portals for staff. The second portal will be for families, and the third

portal will be for child care providers. She concluded slide 10 by announcing that [DOH] had purchased digital fingerprinting equipment, which would eventually eliminate the need to mail fingerprints via the postal system.

3:49:30 PM

MS. VAN KIRK moved to slide 11 and gave an overview of three areas of focus over the next 12 to 18 months: decreasing barriers; child care as a business; and advancing a sector. Under decreasing barriers, Ms. Van Kirk noted, an early childhood public opinion survey found that 50 percent of parents who responded were using some form of unlicensed child care. In response to that, the taskforce examined models developed by other states that allow for small, license-exempt providers to operate out of their homes, called families, friends, and neighbors. Ms. Van Kirk highlighted the importance of supporting public private partnerships under child care as a business. She stated that [DOH] would be inventorying state and public spaces that might be available for child care facilities, thus integrating them into existing hospitals, schools, businesses and reducing overall operational costs. Additionally, she noted [DOH] would be focusing on start-up and expansion support, further noting that home-based child care providers, particularly in rural communities, may need to make renovations to their homes. She also stated that [DOH] would focus on the expansion of existing larger child care facilities and assisting in technical costs of starting a child care business. The last item she spoke to under child care as a business was using the cost of care study to inform rate methodology, taking into consideration the cost of care, families who may not use the subsidy program, and "finite" federal funding. She concluded by highlighting the importance of developing and maintaining a workforce [for the child care sector].

MS.VAN KIRK spoke to the last area of focus: advancing a sector. She emphasized the need to support burnout, oftentimes related to children with more challenging behaviors. She stated [DOH] is seeing and hearing a need for increased support for infant and early childhood mental health, noting that intervention in early childhood can change the trajectory of one's life. She concluded that [DOH] has many "regulatory packages" for the upcoming year [2025] to address updating rate methodology and rates, the amount of co-payments for parents, geographic differentials, increased eligibility, and child care grants to incentivize child care providers to provide care for

children with special needs, children who might be experiencing homelessness, infants, and toddlers. She invited questions from committee members.

[3:55:15 PM](#)

REPRESENTATIVE FIELDS queried the status of implementation of [Senate Bill 189] from the Thirty-Third Alaska State Legislature.

MS. VAN KIRK noted that Senate Bill 189 passed but cannot be implemented without appropriations. She reported that [DOH] is in the process of drafting regulations.

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CO-CHAIR HALL thanked the invited presenters and noted that committee members could submit additional questions in writing.

[3:56:08 PM](#)

The committee took an at-ease from 3:56 p.m. to 3:57 p.m.

HB 23-APPLICABILITY OF HUMAN RIGHTS COMMISSION

[3:57:41 PM](#)

[CO-CHAIR HALL announced that the final order of business would be HOUSE BILL NO. 23, "An Act relating to the definition of 'employer' for the purposes of the State Commission for Human Rights."]

[3:58:02 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, as prime sponsor, presented HB 23. He began by stating that HB 23 would make non-profit organizations subject to the jurisdiction of the [Alaska State Commission on Human Rights (ASCHR)] regarding claims of discrimination related principally to employment. He further remarked that there are currently 44,000 citizens not protected under Alaska law from discrimination. He asserted that the Equal Employment Opportunity Commission (EEOC), a federal agency, provides nominal protections to these individuals not currently protected by ASCHR. He further asserted that protection under EEOC is inadequate. He explained that Robert Corbisier, the director of ASCHR, brought HB 23 to his attention. He reported that ASCHR completed unanimous

resolutions in support of the provisions of HB 23 and pointed out that all of the current appointees [of ASCHR] are from Governor Mike Dunleavy. He gave an anecdote about why the proposed legislation is necessary for the protection of employees of non-profit organizations, explaining that [ASCHR] screens complaints [of violations] and facilitates conciliation between employee and employer. He concluded by giving an overview of past iterations of the proposed legislation and suggestions for change [to HB 23] from ASCHR.

[4:04:12 PM](#)

KEN ALPER, Staff, Representative Andy Josephson, Alaska State Legislature, gave a PowerPoint [hard copy included in the committee file], titled "HB 23: Applicability of Human Rights Commission" on behalf of Representative Josephson, prime sponsor of HB 23. He began an overview of ASCHR on slide 2, which read as follows:

- State agency that enforces the Alaska civil rights laws in AS 18.80
 - Seven commissioners appointed by the Governor and confirmed by the Legislature
 - Small staff and office in Anchorage
 - Statewide powers to accept and investigate complaints for individuals across all regions of the state
- Mission Statement:
To eliminate and prevent discrimination for all Alaskans

In Alaska, it is illegal to discriminate in:

- Employment
- Places of Public Accommodation
- Sale or Rental of Real Property
- Financing and Credit
- Practices by the State or its Political Subdivisions

Because of:

- Race
- Color
- Religion
- Sex
- National Origin
- Disability

MR ALPER moved to slide 3, an overview of the jurisdiction of various human rights groups, including ASHRC, which read as follows [original punctuation provided]:

U.S. Equal Employment Opportunity Commission (EEOC) protects non-profit employees from discrimination if the employer has at least 15 employees

Municipal commissions, like the Anchorage Equal Rights Commission (AERC) and the Juneau Human Rights Commission (JHRC), cover non-profit employees in those communities

The State commission has no jurisdiction to accept or pursue discrimination cases brought to them by non-profit employees

(This is due to language in the definition of "employer" in the ASHRC statutes, AS 18.80.300(5))

MR. ALPER clarified that a non-profit is not currently included under the definition of "employer" for ASHRC. Specifically, a non-profit with fewer than 15 employees, which constitutes the majority of non-profits according to Mr. Alper, could not seek help from ASHRC for discrimination.

MR. ALPER moved to slide 4, drawing committee members' attention to a bar graph representing a breakdown of the types of non-profit jobs in Alaska. He noted that a study from the Foraker Group reported that there are 5,688 non-profits in Alaska, with 35,302 directly employed persons - roughly 12 percent of the state's workforce. He further noted that only one-fourth of the non-profits have more than a single employee, stating HB 23 would not apply to the other three-fourths [non-profits with a single person].

MR. ALPER moved to slide 5, drawing committee members' attention to an annual report from ASCHR. He highlighted one of its legislative priorities, which read as follows [original punctuation provided]:

"Work with the State Legislature to add non-profits to ASCHR's jurisdiction in an effort to include protections for 44,000 currently unprotected workers"

MR. ALPER moved to slide 6 and gave an overview of the provisions under HB 23, which read as follows [original punctuation provided]:

What does the bill do?

Exactly what the commission asked for in their resolution

Changes definition of "employer" to include non-profit organizations

The change in HB23 only applies to the State Commission for Human Rights [AS 18.80.300(5)]

Retains the exceptions for religious and fraternal organizations

MR. ALPER moved to slide 7, giving an overview of other recommendations/requests from ASCHR, which read as follows [original punctuation provided]:

1. Additional / alternative clarifying language in the definition of "employer"
2. Change name of the commission to the Alaska State Commission for Civil Rights
3. New statute saying that the governor can only remove a commissioner for cause (incompetence, neglect, misconduct, etc.)
4. Change the timing of their annual report to November 15, and allow for it to be provided electronically

All these changes were incorporated into a previous version of this bill by the House Judiciary Committee on 5/8/23, as work draft CSHB181(JUD)\U

MR. ALPER concluded by inviting questions from committee members.

[4:09:30 PM](#)

REPRESENTATIVE JOSEPHSON indicated he would welcome all four additional changes, cited on slide 7 of the PowerPoint, which ASCHR requested in its report.

[4:10:24 PM](#)

CO-CHAIR HALL noted that Robert Corbisier, the executive director of ASCHR, was available for questions.

[4:10:37 PM](#)

REPRESENTATIVE SADDLER queried why the four additional changes, cited on slide 7 of the PowerPoint, are not included in the current version of the proposed legislation.

REPRESENTATIVE JOSEPHSON offered his primary objective of covering non-profits but welcomed the additional changes. He spoke to one recommendation for change: changing the name of the commission to the Alaska State Commission for Civil Rights. He explained that the commission receives phone calls regarding matters that it cannot attend to [human rights abuses] and believes the name change would "speak better to their mission." He urged members to entertain the proposed changes and noted that the additional changes have bipartisan support.

REPRESENTATIVE SADDLER repeated his question.

REPRESENTATIVE JOSEPHSON replied that his decision not to include the additional changes was incidental.

REPRESENTATIVE SADDLER additionally asked what ASCHR does that EEOC does not do.

REPRESENTATIVE JOSEPHSON stated that he is trying to expand, not change, the jurisdiction of ASCHR [to include non-profits]. He gave an anecdote about people with red hair as an example of possible discrimination.

[4:14:23 PM](#)

MR. ALPER added that proposed legislation would allow ASCHR to cover employees working for non-profits with fewer than 15 employees, which EEOC currently does not cover.

[4:14:44 PM](#)

REPRESENTATIVE COULOMBE asked if non-profits were aware of HB 23 and whether there had been any opposition to the proposed legislation from non-profits.

REPRESENTATIVE JOSEPHSON stated he had an informal conversation with Laurie Wolf, president and CEO of the Foraker Group, who shared some concerns about the changes [to ASCHR]. He stated that the proposed legislation is bipartisan due to its reintroductions and changes over the years.

[4:16:14 PM](#)

CO-CHAIR HALL announced that HB 23 was held over.

[4:16:23 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:16 p.m.