

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 14, 2025

1:43 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Kelly Merrick, Vice Chair (via teleconference)
Senator Forrest Dunbar
Senator Robert Yundt

MEMBERS ABSENT

Senator Elvi Gray-Jackson

COMMITTEE CALENDAR

SENATE BILL NO. 89

"An Act relating to physician assistants; relating to collaborative agreements between physicians and physician assistants; relating to the practice of medicine; relating to health care providers; and relating to provisions regarding physician assistants in contracts between certain health care providers and health care insurers."

- HEARD & HELD

SENATE BILL NO. 96

"An Act relating to education tax credits for certain payments and contributions for child care and child care facilities; relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 89

SHORT TITLE: PHYSICIAN ASSISTANT SCOPE OF PRACTICE

SPONSOR(S): SENATOR(S) TOBIN

02/07/25 (S) READ THE FIRST TIME - REFERRALS
02/07/25 (S) HSS, L&C
02/18/25 (S) HSS AT 3:30 PM BUTROVICH 205
02/18/25 (S) Heard & Held
02/18/25 (S) MINUTE(HSS)
02/27/25 (S) HSS AT 3:30 PM BUTROVICH 205
02/27/25 (S) Heard & Held
02/27/25 (S) MINUTE(HSS)
03/04/25 (S) HSS AT 3:30 PM BUTROVICH 205
03/04/25 (S) Moved SB 89 Out of Committee
03/04/25 (S) MINUTE(HSS)
03/05/25 (S) HSS RPT 5DP
03/05/25 (S) DP: DUNBAR, CLAMAN, GIESSEL, TOBIN,
HUGHES
03/14/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 96

SHORT TITLE: CHILD CARE: TAX CREDITS
SPONSOR(S): RULES

02/12/25 (S) READ THE FIRST TIME - REFERRALS
02/12/25 (S) L&C, FIN
03/14/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR LOKI TOBIN, District I
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of SB 89.

MACKENZIE POPE, Staff
Senator Loki Tobin
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided the sectional analysis for SB 89.

MARY SWAIN Chief Executive Officer (CEO)
Camai Community Health Center
Bristol Bay, Alaska
POSITION STATEMENT: Testified by invitation on SB 89.

MEGHAN HALL, President
Alaska Academy of Physician Assistants
Anchorage, Alaska
POSITION STATEMENT: Testified by invitation on SB 89.

SONJA KAWASAKI, Professional Assistant
Senate Majority Counsel
Juneau, Alaska

POSITION STATEMENT: Explained legal counsel on SB 96.

REPRESENTATIVE ZACK FIELDS, District 17
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a history of SB 96.

EVAN ANDERSON, Staff
Representative Zack Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided sectional analysis for SB 96.

KATI CAPOZZI, President
Alaska State Chamber
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 96.

ACTION NARRATIVE

[1:43:43 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:43 p.m. Present at the call to order were Senators Dunbar, Yundt and Chair Bjorkman. Senator Merrick (via teleconference).

SB 89-PHYSICIAN ASSISTANT SCOPE OF PRACTICE

[1:44:44 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 89 "An Act relating to physician assistants; relating to collaborative agreements between physicians and physician assistants; relating to the practice of medicine; relating to health care providers; and relating to provisions regarding physician assistants in contracts between certain health care providers and health care insurers."

[1:45:03 PM](#)

SENATOR LOKI TOBIN, District I, Alaska State Legislature, Juneau, Alaska, sponsor of SB 89 introduced the legislation and stated that Alaska is facing a serious shortage of physicians, and many communities are struggling to get the care they need. Though long-term efforts are underway to grow the states healthcare workforce, Alaska needs solutions that help people

now. SB 89 aims to do just that by allowing physician assistants (PAs) to provide care to the maximum scope of their training without requiring a collaborative agreement with their physicians. SB 89 gives experienced PAs a path to independent licensure, similar to what nurse practitioners have had in Alaska since the 1980s. She said her office has provided studies showing 40 years of research from hospitals, medical clinics and treatment programs showing PAs provide care of the highest quality. The legislation still protects patient safety and requires physician assistants (PAs) with fewer than 4,000 hours of clinical experience to have a collaborating physician. Any PA changing medical specialties would need additional training, as determined by the state medical board. SB 89 also makes clear that PAs are not allowed to perform surgery. PAs already complete thousands of hours of hands-on training before entering practice, and their education includes clinical rotations with medical students. PAs are also required to complete 100 hours of continuing education every two years, more than any other provider in the state. SB 89 does not compare PAs to doctors or suggest they do the same job. This legislation gives qualified PAs the ability to care for Alaskans more efficiently, especially in underserved areas. With 14 percent of supervising doctors living out of state, many PAs are already providing care without a supervising doctor present. SB 89 helps ensure that PAs can keep doing their jobs, legally and effectively and that Alaskans continue to get the healthcare they need.

[1:50:24 PM](#)

SENATOR MERRICK joined the meeting via teleconference.

[1:50:34 PM](#)

MACKENZIE POPE, Staff, Senator Loki Tobin, Alaska State Legislature, Juneau, Alaska, provided the sectional analysis for SB 89:

[Original punctuation provided.]

Senate Bill 89: Sectional Analysis

Section 1. Removes state medical board (SMB) reference to AS 08.64.107 Regulation of Physician Assistants which is repealed and reenacted in a later section.

Section 2. Repeals and reenacts 08.64.107 to restructure the physician assistant authorizing statutes.

[1:50:51 PM](#)

MS. POPE continued with the sectional analysis:

Subsection (a) directs the SMB to adopt regulations related to the acts within the practice of medicine that physician assistants (PAs) may perform, which must allow for PA practice of acts they are generally educated and trained to perform. This subsection specifically prevents PAs from performing surgery without supervision. This subsection also directs the SMB to promulgate regulations for PAs who switch specialty, and the methods by which a collaborating physician will assess a PA.

Subsection (b) establishes that a PA with less than 4,000 postgraduate clinical hours may only practice under a collaborating agreement. These collaborative agreements must be in writing and describe the specialty the hours are completed within, as well as the oversight methods.

Subsection (c) outlines that assessment for PAs practicing in rural areas can be done telephonically or via video.

Subsection (d) outlines the process for a PA to notify the SMB if they begin to practice a new specialty.

Subsection (e) requires a copy of the collaborative agreement be provided to the SMB. At such a time as the PA reaches the required postgraduate hours, they shall notify the SMB and complete an attestation provided by the SMB.

Subsection (f) directs the SMB to assess whether that specialty will require additional requirements or hours. For specialty change, or in other regulation change, the requirements are not to exceed the clinical hours required in subsection (b).

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MS. POPE continued with the sectional analysis:

Section 3. Amends 08.64 to add a new section laying out the qualifications for physician assistant qualifications for licensure.

Section 4. Amends 08.64.230 to add an additional section directing the SMB or it's executive secretary to grant a license to qualified applicants.

Section 5. Amends the existing statute to include physician assistants in the list of medical practitioners whose licensure we recognize from other states and provinces of Canada.

Section 6. This amends 08.64.250 to include PAs in the existing temporary licensure process and reference the new applicable section 08.64.206.

Section 7. This section amends the existing statute to include physician assistants alongside the other medical practitioners in the list of temporary licensure and substitute roles in different medical facilities.

Section 8: Adds a subsection to include PAs in the fee requirement when applying for a license.

Section 9: Amends the section to include PAs in the existing statute regarding the SMBs parameters for evaluating any extenuating circumstances to waive certain requirements for meeting licensure qualifications.

Section 10. This section amends AS 08.64.326 subsection (a) to include PAs in the existing statutes regarding the process for being sanctioned for crime, misrepresentation, and failure to pay fees, to name a few of the examples given in the statute.

Section 11. This amends the existing statute to include PAs in the existing voluntary surrender provisions in AS 08.64.334.

Section 12. This amends the existing statute to include PAs in the process for medical practitioners who treat fellow licensed medical practitioners for

alcoholism, drug addiction, and mental/emotional disorders who might constitute a danger to their patients or themselves, to report to the SMB.

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MS. POPE continued with the sectional analysis:

Section 13. Grants immunity in civil liability for PAs who submit a report in good faith to the SMB relating to addictive substances abuse.

Section 14. Amends statute so that PAs cannot refuse to submit a report to the SMB or withhold evidence on the grounds that it is under doctor-patient confidentiality.

Section 15. Updates the statute covering all state licensees under this chapter, including PAs, to specify that if they practice without a valid license, they are guilty of a class A misdemeanor.

Section 16. Amends the statute to include PAs in the list of medical providers who can support a licensed physician in another state, in the support of the regular medical service of the United States Public Health Service, or volunteering services to the armed services of the US among other unique medical support situations.

Section 17. Amends the statute to allow physicians assistants to show their PA credentials to communicate their qualifications.

Section 18. Amends 08.64.380 to include PAs as providers who can accept concurrent referrals for systemic disease treatment.

Section 19: Amends the definition of practitioner to include physician assistant in the statute.

Section 20: Puts in statute the definition of physician assistant. HEALTH & SOCIAL SERVICES JUDICIARY TRANSPORTATION

Section 21: Amends the statute referenced to be in line with the repealed statutes removed by previous sections.

[1:54:47 PM](#)

MS. POPE continued with the sectional analysis:

Section 22: Adds a section under AS 21.07.010 to prevent any requirements within a health care insurance policy from being more restrictive than or inconsistent with the practice, education, or collaboration provisions outlined in AS 08.64.

Section 23: Updates the definition of licensed physician assistants to remove the supervision requirement allowing for PAs who have completed their postgraduate clinical requirements and are no longer subject to a collaborating physician agreement to continue their practice.

Section 24: Amends the statute to include physician assistant in the definition of health care provider in statute.

[1:55:24 PM](#)

SENATOR DUNBAR referred to Section 2(a)(1) of SB 89 and mentioned having discussions in a prior committee about whether suturing is considered surgery. He asked if "surgery" is defined in statute and whether physician assistants would be allowed to remove a melanoma.

[1:56:31 PM](#)

MS. POPE answered that their office consulted with legislative legal regarding the definition of surgery and noted that, under Section 2(a)(1), the responsibility for defining "surgery" is delegated to the state medical board and their medical expertise.

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SENATOR TOBIN stated that the regulatory process allows for public comment and input. Anyone with concerns about what should or shouldn't fall within a PA's scope of practice may be shared with the state medical board during the public rulemaking process.

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SENATOR DUNBAR asked if there are physicians on the state medical board that will be determining what is considered surgery for this new law.

[1:57:48 PM](#)

MS. POPE answered that there are medical doctors on the medical board.

[1:57:58 PM](#)

SENATOR TOBIN stated her belief that there are three physicians on the medical board and a dedicated seat for 1 physician assistant.

[1:58:26 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 89.

[1:58:46 PM](#)

MARY SWAIN, Chief Executive Officer (CEO), Cama'i Community Health Center, Bristol Bay, Alaska, testified by invitation on SB 89:

[Original punctuation provided.]

I strongly support Senate Bill 89, which provides a pathway for independent licensure for experienced Physician Assistants (PAs) in Alaska. This legislation is critical to addressing healthcare access barriers, especially in rural and underserved areas like Bristol Bay Borough, where our health center operates.

At Cama'i Community Health Center, we regularly face significant provider shortages, notably during the busy summer months when our community population dramatically increases due to the influx from the world's largest wild sockeye salmon run. Our Physician Assistants play a crucial role in delivering continuous, high-quality healthcare amidst these seasonal fluctuations. Physician openings in rural Alaska often remain vacant for extended periods, frequently averaging 12 months or longer, as noted by the Alaska Primary Care Association. Even when we actively seek to recruit physicians, the reality is that physicians rarely apply for these remote positions. When they do, the compensation required to attract and retain them often far exceeds the financial capabilities of rural clinics, leaving critical roles unfilled. Independent practice for experienced Physician Assistants will help mitigate these gaps by leveraging existing, highly trained healthcare professionals already embedded within our communities.

2:00:13 PM

MS. SWAIN continued her testimony of SB 89:

The American Academy of Physician Assistants (AAPA) notes that states such as Arizona, North Dakota, and Wyoming, which have implemented similar measures allowing PAs independent practice, have observed enhanced healthcare outcomes and increased patient satisfaction. Importantly, these states did not see physicians replaced; rather, PAs complemented the existing physician workforce, allowing teams to operate more efficiently, patient outcomes and expanding overall access to medical care. Evidence consistently indicates no decline in physician employment or replacement of physicians following PA independence; instead, it enhances the healthcare team's capacity to serve patients more effectively.

PAs undergo rigorous training comparable to medical school, completing approximately 27 months of intensive education that includes 580 hours of clinical medicine coursework and at least 2,000 hours of supervised clinical rotations across various medical disciplines. The accreditation and continuous professional development required of PAs ensure that they remain highly competent and prepared to deliver independent care.

By passing SB 89, Alaska would join other forward-looking states in improving healthcare accessibility, particularly in rural communities, without compromising medical standards or physician oversight. The bill aligns with proven outcomes, enhances healthcare delivery, and supports community-based care providers like Cama'i Community Health Center.

2:02:21 PM

MEGHAN HALL, President, Alaska Academy of Physician Assistants, Anchorage, Alaska, testified by invitation on SB 89:

[Original punctuation provided.]

Over 50 years ago, the PA profession was born out of the need for a new type of healthcare provider to ease the burden on overworked physicians. Back then, the American Medical Association helped create the PA

profession and actively lobbied for increased funding for PA programs.

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MS. HALL continued with her testimony of SB 89:

In order to rapidly deploy this novel provider type a new credentialing structure was needed. Enter the collaborative plan, supervising physician, or practice agreement. These are all forms of the same idea.

In lieu of independent licensing a PA would work under the medical license of the physician they had followed through their clinical year. It was not uncommon in the beginning for a PA student to spend an entire year with one physician learning that practice. Then after graduation the PAs worked under the supervising physician's license, ensuring collaboration and liability coverage.

This arrangement made it possible for PAs to provide care to workers in camps along the pipeline as it was being built in the 1970s.

Since then, the PA profession has evolved significantly. We now graduate with Master's degrees, hold national certifications, complete 50 hours of CME annually, and are individually state licensed and DEA registered. We are governed by the medical board and held to the same statutes as all licensees of the board.

The need for formal collaborative agreements between one or more physicians and one PA has diminished as PAs, even in remote areas, can access several physicians or other providers for consultations anytime. Collaboration is integral to the practice of medicine, not just a formality on paper and will continue even without written plans.

These collaborative agreements that once allowed a new profession to flourish have now become barriers to hiring PAs and are increasingly viewed as outdated and unnecessary. They increase the cost of hiring a PA and in some cases completely prevent smaller clinics from being able to hire us at all.

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MS. HALL continued with her testimony of SB 89:

In Alaska, we face the worst healthcare shortage in the nation, and many PAs are considering leaving to practice in states with updated statutes. Many of the states with modernized PA practice laws are in the west with large rural areas, not unlike Alaska. This outmigration of healthcare providers is the last thing we need right now.

The heart of the PA profession has always been increasing access to care through collaboration, nothing in this bill will change that.

With your support of SB89, PAs can continue to grow and meet the evolving needs of Alaskans with safe and effective care, while ensuring a more robust healthcare workforce

[2:05:24 PM](#)

SENATOR DUNBAR stated that he heard a few critiques of SB 89 from physicians claiming there are no guardrails for independently practicing PAs; this will lessen the quality of patient care and endanger patients. The hours of training needed is also a concern. He asked why PAs should be allowed to practice their specialties independently when PAs have way fewer hours of training than a doctor.

[2:06:31 PM](#)

MS. HALL answered that SB 89 clarifies that all medical statutes that apply to doctors and podiatrists also apply to physician assistants. The guardrails remain in place regardless of whether there is a collaborative plan. She said PAs cannot perform procedures they aren't trained or competent to do, including independent surgery. Institutions can still set stricter internal standards, like chart reviews or additional oversight. A collaborative plan is just one layer of safety and is a low-level guardrail. She said regarding specialty care; PAs are not and will not become physicians or specialists. In specialty clinics, PAs typically handle follow-up visits or routine care under the direction of a specialist. This helps clinics serve more patients without lowering the quality of care and improves access to services.

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CHAIR BJORKMAN asked when going to the "doctor" what different experience would a common person receive when they see a PA who does family practice, instead of a physician.

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MS. HALL answered that in family practice, the care provided by PAs can often look very similar to that of physicians. Many patients report that PAs spend more time with them during visits possibly because PAs are typically not paid based on productivity, so they aren't under the same time pressures as physicians. As a result, appointments with PAs are often longer. She said there isn't much difference in the content of the visit like reviewing vaccinations and recommending screenings. She said overall family practice is an area where the care delivered by PAs and physicians is quite comparable.

[2:11:14 PM](#)

CHAIR BJORKMAN asked if there is not a recognizable difference of experience between a family practice doctor and a PA how would this legislation assist PAs in providing primary care to patients.

[2:11:40 PM](#)

MS. HALL responded that SB 89 would allow PAs with the 4,000 hours of practice to work where there are not two physicians on staff to sign collaborative plans. It further benefits smaller clinics by reducing paperwork and costs.

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MS. SWAIN answered that the law already requires providers to introduce themselves and state their credentials, and the providers must wear identification; this will continue under SB 89. She stated that currently, she has two physicians who sign collaborative agreements, neither lives in the community, and one lives out of state. The main collaborator consults by phone or Zoom and visits the clinic quarterly. This setup costs a small clinic of 12 employees over \$55,000 annually. She said the state takes up to three months to approve the collaborative plan. SB 89 would let the clinic bring in a PA quickly without waiting months for approval. She said PAs would still need to be privileged, with clear documentation outlining what procedures they're allowed to perform, like sutures or x-rays. That scope is already regulated by the state medical board, and SB 89 doesn't change that.

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CHAIR BJORKMAN asked what guardrails will define the PA's scope of practice and outline the difference between a PA and a physician once the PA's collaborative agreement ends.

[2:16:10 PM](#)

MS. SWAIN answered that currently collaborative plans are in place, but moving forward, clinics may choose whether to maintain the plans. She said Federally Qualified Health Center (FQHC), like many rural clinics in Alaska, must follow specific rules tied to the clinic's funding. One requirement is ongoing collaboration for all providers, regardless of their role or level. The clinic must have a medical director who sets the scope of practice for all staff, including PAs, NPs, and medical assistants. So even without a mandated collaborative plan, strong guardrails remain through clinic policy and oversight.

[2:17:31 PM](#)

SENATOR BJORKMAN asked since the Camai Community Health center and other rural clinics are operating as a FQHC, do the collaborative agreements that PAs currently have for those clinics fulfill the state law's mandate for collaborative practice agreements.

[2:17:56 PM](#)

MS. SWAIN answered that the PAs at FQHCs aren't required to have a collaborative plan, but PAs are required to have peer reviews. A peer review is when another provider reviews the PA's work. She said the peer reviews and privileging documents required by the state medical board are the bigger guardrails that won't be lost in this legislation.

[2:19:01 PM](#)

SENATOR TOBIN stated that the main issue for physician assistants is the unnecessary administrative burden of collaborative agreements. Six other rural states have already removed this step. These agreements don't ensure better care; true oversight comes from the state medical board, continuing education, and practicing within a defined scope. SB 89 removes that outdated paperwork, which often lacks enforcement. She said in some cases, out-of-state doctors are paid just to be listed on these plans, turning the agreements into a costly barrier for PAs to do their jobs in Alaska.

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SENATOR DUNBAR stated that Ms. Pope confirmed there are five physicians on the medical board and one physician assistant.

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CHAIR BJORKMAN held 89 in committee.

[2:21:23 PM](#)

At ease.

SB 96-CHILD CARE: TAX CREDITS

[2:23:56 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 96 "An Act relating to education tax credits for certain payments and contributions for child care and child care facilities; relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

[2:24:22 PM](#)

SONJA KAWASAKI, Professional Assistant, Senate Majority Counsel, Juneau, Alaska, explained legal counsel's position on SB 96 and stated that in November, a lawsuit was filed challenging Senate Bill 189, claiming it violated art. II, sec. 15, Constitution of the State of Alaska, which requires each bill to address a single subject. This rule helps prevent unrelated issues from being bundled together in one bill. Senate Bill 189 included several topics, including a provision for childcare tax credits. She said to protect that childcare program from being struck down by the lawsuit, lawmakers are now proposing new legislation that re-enacts just the childcare tax credit portion. This ensures the program can continue, even if the court rules against Senate Bill 189. The lawsuit is still ongoing. The state responded to the complaint in January, and the plaintiff recently filed a motion for summary judgment. A court decision could come based on the legal arguments alone, without a full trial.

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SENATOR DUNBAR asked whether passing the component bills unamended in the same form as last year strengthens the argument for mootness.

[2:26:57 PM](#)

MS. KAWASAKI answered the strongest approach is for the legislature to pass new legislation that closely mirrors the original components. This helps avoid any need for the court or parties to evaluate whether changes in the new bill are significant or alter the substance of the original law.

[2:27:37 PM](#)

SENATOR DUNBAR agreed with Ms. Kawasaki's analysis of SB 96.

[2:28:34 PM](#)

REPRESENTATIVE ZACK FIELDS, District 17, Alaska State Legislature, Juneau, Alaska, provided a history of SB 96 and said the current legislation was part of Senate Bill 189 and part of House Bill 89 of the last legislature. He said the childcare tax credit is a key tool to help expand and stabilize childcare in Alaska. Passing SB 96 now would give businesses the financial and regulatory certainty they need to move forward with plans to increase childcare availability. Some businesses are already exploring how to use the childcare credit. He said while, the legislature could wait for the court to decide on the lawsuit involving the original bill, acting now ensures the program moves forward, regardless of the legal outcome. These childcare provisions were developed over four years and were thoroughly reviewed. They're based on best practices from across the country and shaped by input from childcare experts, business leaders, and hundreds of Alaskans through planning sessions and the state's childcare task force.

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CHAIR BJORKMAN asked for an explanation on how the childcare tax credit works.

[2:31:23 PM](#)

REPRESENTATIVE FIELDS responded that for businesses that pay state income taxes, SB 96 offers a 50 percent tax credit if that business provides childcare support, like giving employees a stipend to help pay for childcare, the business can get half of that amount back as a tax credit. If a business decides to build or expand a childcare facility at their workplace, those costs can also be deducted. He said the credit is flexible, allowing companies to support childcare in different ways. It's part of Alaska's existing education tax credit program, which many businesses already use. He stated that SB 96 doesn't cost the state much, but it can have a big impact by encouraging more childcare options across the state.

[2:32:47 PM](#)

EVAN ANDERSON, Staff, Representative Zack Fields, Alaska State Legislature, Juneau, Alaska, provided the sectional analysis for SB 96:

[Original punctuation provided.]

**Sectional Analysis
SB 96, Version A**

Sec. 1. AS 21.96.070(a): Adds a child care tax credit to the insurance business tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs.

Sec. 2. AS 21.96.070(i): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

Sec. 3. AS 43.20.014(a): Adds a child care tax credit to the corporate net income tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs.

Sec. 4. AS 43.20.014(i): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

Sec. 5. AS 43.55.019(a): Adds a child care tax credit to the oil and gas production tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs.

Sec. 6. AS 43.55.019(j): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

[2:33:46 PM](#)

MR. ANDERSON continued with the section analysis for SB 96:

Sec. 7. AS 43.56.018(a): Adds a child care tax credit to the oil and gas exploration, production, and pipeline transportation property tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs.

Sec. 8. AS 43.56.018(i): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

Sec. 9. AS 43.65.018(a): Adds a child care tax credit to the mining business tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs.

Sec. 10. AS 43.65.018(i): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

Sec. 11. AS 43.75.018(a): Adds a child care tax credit to the fisheries tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs. Created by Rep. Fields office - relating to child care tax credits

Sec. 12. AS 43.75.018(i): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

Sec. 13. AS 43.77.045(a): Adds a child care tax credit to the floating fisheries business tax statutes, allowing for deductions for contributions of cash or equipment to operate a child care facility, and payments to the employees of a taxpayer for offsetting their child care costs.

Sec. 14. AS 43.77.045(i): Adds a new subsection adjusting the dollar limit on tax credits for inflation, beginning on January 1, 2030, and every 5 years afterwards.

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MR. ANDERSON continued with the section analysis for SB 96:

Sec. 15. Repeals the provisions of HB 189 from the 33rd Session that are identical to the provisions contained in SB 96.

Sec. 16. Adds new language in uncodified law to set a retroactive effective date to July 23, 2024.

Sec. 17. Repeals the provisions of HB 189 from the 33rd Session that are identical to the provisions contained in SB 96.

Sec. 18. This is a conforming change to sunset the provisions of this bill on January 1, 2028.

Sec. 19. Sets an immediate effective date.

[2:35:47 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 96.

[2:35:57 PM](#)

KATI CAPOZZI, President, Alaska Chamber of Commerce, Anchorage, Alaska, testified by invitation on SB 96 and stated that she was asked to speak about the business community's continued need for accessible childcare. People often ask why the Alaska Chamber cares about this issue and the answer is simple: Alaska's economy depends on a strong, stable workforce. She said a major barrier to that is the lack of affordable, accessible childcare. Around 50,000 working-age Alaskans rely on childcare to stay in the workforce, yet many providers have shut down since 2020, and staffing shortages continue. One in five licensed providers has closed. As a result, businesses across the state are struggling to hire and keep workers because parents can't find or afford childcare. She stated that when parents can't work, businesses lose productivity and it's costing Alaska's economy at least \$165 million a year. This especially affects working women, many of whom have had to cut back hours or leave jobs entirely. She referenced a survey conducted last year by the chamber, 19 percent of parents missed work, and 12 percent said they chose not to work, due to childcare challenges. She said childcare in

Alaska is also among the most expensive in the U.S., with infant care averaging \$21,000 a year. That's a huge burden for families. SB 96 helps by giving tax-paying businesses the option to support childcare for their employees or even help create new childcare spaces in their communities. She emphasized this is one step in a broader solution to improve access and affordability of childcare for all Alaskans.

[2:40:10 PM](#)

CHAIR BJORKMAN held SB 96 in committee.

[2:40:35 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:40 p.m.