

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

March 24, 2025

1:32 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Kelly Merrick, Vice Chair  
Senator Elvi Gray-Jackson  
Senator Forrest Dunbar  
Senator Robert Yundt

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 137

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; extending the termination date of the Board of Nursing; extending the termination date of the Board of Parole; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 55

"An Act relating to employer contributions in the teachers' retirement system; relating to supplemental employee benefits; and providing for an effective date."

- MOVED CSSB 55(L&C) OUT OF COMMITTEE

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."

- MOVED SB 96 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 137

SHORT TITLE: EXTEND BOARDS: MIDWIVES, NURSING, PAROLE

SPONSOR(s): SENATOR(s) BJORKMAN

03/19/25 (S) READ THE FIRST TIME - REFERRALS  
03/19/25 (S) L&C, FIN  
03/24/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 55

SHORT TITLE: TRS CONTR RATE; PERS/TRS SOC SECUR OR SBS

SPONSOR(s): SENATOR(s) STEDMAN

01/24/25 (S) READ THE FIRST TIME - REFERRALS  
01/24/25 (S) L&C, FIN  
02/12/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
02/12/25 (S) Heard & Held  
02/12/25 (S) MINUTE(L&C)  
03/12/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/12/25 (S) Heard & Held  
03/12/25 (S) MINUTE(L&C)  
03/24/25 (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)  
03/14/25 (S) Heard & Held  
03/14/25 (S) MINUTE(L&C)  
03/24/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

MATT CHURCHILL, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 137.

KRIS CURTIS, Legislative Auditor  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified by invitation on SB 137.

SYLVAN ROBB, Director  
Division of Corporations, Business and Professional  
Licensing (DCBPL)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified by invitation on SB 137.

HOLLY STEINER, Chair  
Board of Certified Direct-Entry Midwifery  
Wasilla, Alaska

**POSITION STATEMENT:** Testified by invitation on SB 137.

DANETTE SCHLOEDER, Chair  
Board of Nursing  
Anchorage, Alaska

**POSITION STATEMENT:** Testified by invitation on SB 137.

LEITONI TUPOU, Chair  
Board of Parole  
Anchorage, Alaska

**POSITION STATEMENT:** Testified by invitation on SB 137.

SENATOR BERT STEDMAN, District A  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 55.

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

**POSITION STATEMENT:** Presented recap of SB 96.

BLUE SHIBLER, Executive Director  
Association for the Education of Young Children  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 96.

NICK MOE, representing self  
The Alaska Early Childhood Advocacy Group  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 96.

#### **ACTION NARRATIVE**

[1:32:27 PM](#)

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, Dunbar, Yundt and Chair Bjorkman.

**SB 137-EXTEND BOARDS: MIDWIVES, NURSING, PAROLE**

[1:33:34 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 137 "An Act extending the termination date of the Board of Certified Direct-Entry Midwives; extending the termination date of the Board of Nursing; extending the termination date of the Board of Parole; and providing for an effective date."

[1:33:55 PM](#)

MATT CHURCHILL, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, introduced SB 137 on behalf of the sponsor and stated that the following recommendations are from the 2024 state audits. SB 137 proposes extending the sunset dates for three professional boards. The Board of Direct-Entry Midwives and Board of Nursing would be extended six years to June 30, 2031, and the Board of Parole would be extended four years to June 30, 2029.

[1:35:35 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 137.

[1:35:50 PM](#)

KRIS CURTIS, Legislative Auditor, Alaska State Legislature, Juneau, Alaska, testified by invitation on SB 137. She explained the audit for the Board of Nursing:

[Original punctuation provided.]

Report Conclusions:

The audit concluded that the board served the public's interest by effectively conducting its meetings, actively amending nursing regulations, and effectively licensing nursing professionals. The audit also concluded that board-related cases were not consistently investigated in a timely manner, and one board position had been vacant for an extended period.

MS. CURTIS said the audit department recommends a six-year extension. She referred to a chart on page 7, exhibit 2, of the audit report:

"The exhibit summarizes our review of how fast or how timely nurses were issuing their licenses and we found of the licenses we reviewed that 30 percent of them had took over four months to be issued by the board. The delays were caused by staff shortages and a significant increase in their workload."

[1:36:51 PM](#)

MS. CURTIS referred to the chart on page 8, exhibit 3, of the audit report:

"as of February 2024, the board had just over 27,000 active licenses and permits and this is an increase of 37 percent compared to 2018 sunset audit. Now, the increases were mainly in the area of registered nurses who are providing services in Alaska as a result of the COVID pandemic."

MS. CURTIS referred to page 10, of the audit report:

"The board schedule of revenues and expenditures is on page 10 and as of February 2024, the board had a surplus of approximately 3.4 million and despite the large surplus, the board and DCPPL were not planning on decreasing licensing fees. That is because they believe that surplus would naturally decline and that that number of high licenses would naturally go down and so their surplus would go down."

MS. CURTIS referred to page 14, and said the audit recommends the commissioner work with policymakers to improve investigator recruitment and retention. Of 35 board-related cases reviewed, 25 percent had unjustified inactivity, often due to staff vacancies, turnover, and lengthy training times for new investigators. She said management's response to the audit is found on page 23, the commissioner and the board chair concurred with the findings and recommendation.

[1:38:33 PM](#)

MS. CURTIS continued with the audit report for the Board of Parole. She said the audit recommends the legislature extend the board to four years, half of the maximum allowed by statute. She said her reduced extension recommendation reflects the need for more timely oversight. She referred to page 8 of the audit report and stated that when Senate Bill 91 passed in 2017, the board received funding for extra staff to handle more workload,

costing about \$591,000 annually. Hearings declined to pre-reform levels or lower, after House Bill 49 repealed reforms in 2019, however staff positions were not reduced. The audit questions whether these five positions are still needed based off the charts referenced on page 9, exhibits 3 and 4. She referenced page 10, of the audit report that found the board generally followed state law in conducting parole hearings. She referenced page 11, exhibit 5 and noted a decline in discretionary parole approvals from 63 percent before the criminal justice reform to 25 percent after the repeal. The board could not explain the decrease. The audit has three recommendations that begin on page 14:

"Recommendation 1, we recommend that the board chair work with the DOC commissioner to ensure all hearings are conducted in a confidential manner. The audit found that the Highland Mountain Correctional Center, preliminary revocation hearings were at times conducted in the general population area, which violated defender's rights to confidentiality.

Recommendation 2, the board chair and the DOC commissioner should ensure the regulations are updated in a timely manner. We found that the parole regulations had not been updated since 2015, despite significant changes in statutes.

Recommendation 3, on page 15, we recommend the DOC commissioner ensure fiscal notes for pending legislation reflect decreases as appropriate."

She said the management's response to the audit begins on page 25, the Department of Corrections Commissioner and the board chair agreed with the audit's recommendations and noted corrective actions on confidentiality and regulation updates. However, the board chair disagreed with the audit's conclusion about declining parole approval rates, arguing that exhibit 5 was an inaccurate comparison since each parole hearing is unique.

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SENATOR DUNBAR stated that he doesn't understand the board chair's response, because parole cases were just as unique when the approval rate was 63 percent as they are now. He asked for an explanation of approval rates dropping to about a third of what they used to be.

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MS. CURTIS replied that she can't answer the question because it's the chair's comment. She said that during a past audit change in parole rates were explained. An example of this would be limited community treatment options that once led to fewer releases. This audit, despite the significant drop in approvals, no explanation was provided.

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SENATOR DUNBAR stated that someone that is paroled doesn't cost as much as someone that is in the state's custody. With a 40 percent drop in parolees, more individuals remain in custody. He said that's costing roughly \$220 per day for each person, which could total millions for Alaska each year. He asked if there was a fiscal note to this cost and how many millions of dollars does the change in policy cost Alaska per year.

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MS. CURTIS replied that she wouldn't be able to address the fiscal note, as it wasn't part of the scope of the audit.

[1:44:00 PM](#)

SENATOR DUNBAR asked whether fiscal matters are part of the audit.

[1:44:05 PM](#)

MS. CURTIS replied that sunset audits use 11 criteria listed in Appendix A, and auditors address each one. If additional issues arise, the audit will include them. She said regarding the fiscal impact of the parole changes, the audit department asked for an explanation, but none was provided, so the auditors cannot say whether there was a financial effect.

[1:45 :01 PM](#)

MS. CURTIS continued with the audit report for the Board of Certified Direct-Entry Midwives. She read the conclusions of the audit report:

[Original punctuation provided.]

The audit concluded that the board served the public's interest by conducting its meetings in accordance with state law and actively amending regulations to enhance public safety and improve the certification process. The audit also concluded that the board generally certified midwives in compliance with state law, but documentation improvements were needed. Furthermore,

the audit found the board did not audit compliance with certification renewal requirements in a timely manner.

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MS. CURTIS recommended a six-year extension. She referred to page 5, of the audit report and said there was a change to how midwives are certified. She said starting January 2023, midwives must hold a national Certified Professional Midwife credential from the North American Registry for Midwives (NARM), which has led to some duplication of state and national functions and has further increased already high certification costs. She said before the change, midwives already faced some of the highest certification costs, and the new requirement further increased the expenses for obtaining and maintaining state certification. She referred to page 7, exhibit 3, that shows the schedule of licensing activity for the Board of Certified Direct-Entry Midwives. The state of Alaska has 41 certified and apprentice midwives and on page 9, the chart shows a \$77,000 surplus. She said the audit report includes three recommendations that start on page 12:

"Recommendation 1, we recommend Office of the Governor, Boards and Commissions Director work with the Board to fill vacant board seats in a timely manner. This has to do with the vacant physician seat. It's one of the five members, and it's been vacant for many years.

Recommendation 2, for Division of Corporations Business and Professional Licensing (DCBPL) Director to improve training, to ensure certifications are supported by adequate documentation, and for the Board to thoroughly review applications before approval. And this recommendation comes from an error we found when testing license process regarding incomplete clinical verification information.

Recommendation 3, on page 13, we recommend the Commissioner work with policymakers to improve the recruitment and retention of licensing staff. So this has to do with finding that the DCBPL staff were not auditing compliance with renewal requirements due to changes in management and staffing shortages."

MS. CURTIS stated that management's response to the audit report begins on page 23, and agreed with their recommendations and

conclusions. She said that the Board chair is less receptive, and her response starts on page 27. She noted that the recommendations primarily target the Office of the Governor or DCPPL and therefore requested an eight-year extension. She said this is the third audit cycle for this board, which has previously received one four-year and three two-year extensions over the last four sunset cycles. A six-year extension is recommended.

[1:48:59 PM](#)

SYLVAN ROBB, Director, Division of Corporations, Business and Professional Licensing (DCBPL), Anchorage, Alaska, testified by invitation on SB 137. She stated that the DCBPL has made significant efforts to improve investigator recruitment for the Board of Nursing, including better outreach, making positions more appealing, reducing spans of control, and providing additional training. These steps have shown positive results, and similar audit recommendations on investigation delays are not expected in the next cycle. She stated that the audit for the Board of Certified Direct-Entry Midwives made three key recommendations:

First, it noted the need to fill the long-vacant physician/OB board seat, which has been challenging due to a lack of interested candidates. She said DCBPL are making efforts to assist the Governor's Office in finding someone.

Second, the audit report recommended was ensuring proper documentation and that board members thoroughly review it before issuing licenses. In response, positions were reclassified to create more supervisors with smaller spans of control, staff training was improved, and robust board training is now provided through a dedicated board advisor.

Third, the audit highlighted the need to recruit and retain licensing staff. The division updated job classifications to provide clearer career paths and advancement opportunities, and early results show positive outcomes, with several staff already promoted within the division.

[1:53:06 PM](#)

HOLLY STEINER, Chair, Board of Certified Direct-Entry Midwifery, Wasilla, Alaska, testified by invitation on SB 137 and stated that the board has worked to address previous staffing and board seat vacancy issues, and the most recent audit in June 2024 noted their progress. Four of five seats are now filled, including the OB doctor seat, with only the public member seat

remaining vacant. She said staffing has improved with a skilled licensing examiner in place. The board updated regulations to require nationally recognized certified professional midwives, though increasing licensing costs by \$210 every three years, this change is supported by most midwives and has streamlined licensure by shifting much of the work to the national registry. Overall, the board and staff have made significant improvements, and the recent audit supports a six-year extension, which the board endorses.

[1:56:03 PM](#)

DANETTE SCHLOEDER, Chair, Board of Nursing, Anchorage, Alaska, testified by invitation on SB 137 and stated that the Alaska Board of Nursing is essential for protecting public health and maintaining high nursing standards across the state. The board ensures nurses are well-trained, licensed, and uphold ethical and clinical standards, which safeguards patient safety and healthcare quality. She said extending the board supports public trust in nurses' competence, employers' confidence in licensure requirements, and nurses' trust in a governing body that advocates for their profession.

[1:58:03 PM](#)

LEITONI TUPOU, Chair, Board of Parole, Anchorage, Alaska, testified by invitation on SB 137 and stated that he reviewed the 2019 legislative audit and found some recommendations that had not been fully addressed. He said he has been working with the Department of Corrections and has completed nearly all the recommendations. He expressed concern that with the reduction in caseloads, the extra positions created under Senate Bill 91, were no longer justified. He said he worked with the Department of Corrections and even the Governor's office to address the issue, leading to staffing changes within the Board of Parole. While not all questions are resolved, the matter remains a work in progress.

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SENATOR DUNBAR highlighted the audit report's findings of a decline in discretionary parole hearings, noting they increased from 2016 to 2018 but have since fallen below 2016 levels. He asked what distinguishes discretionary hearings from non-discretionary and what factors explain the significant decrease.

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MR. TUPOU replied that Senate Bill 91 caused a major spike in discretionary parole hearings by requiring all offenders to apply, resulting in a 600 percent increase from the previous

year. After Senate Bill 91 was repealed, the number of applications dropped, leading to the current decrease in parole applications. He stated there are two types of parole: discretionary and mandatory. Discretionary parole allows offenders to apply for early release after serving one-third of their sentence, but the Board decides whether to grant it based on four legal criteria such as the seriousness of the offense, risk of reoffending, and victim input. He said offenders have the right to a hearing, but release is ultimately at the Board's discretion. He said that mandatory parole applies to sentences of two years or more and requires release after serving two-thirds of the sentence. The individual is released under parole supervision, with conditions and if those conditions are violated, the board decides whether the parolee returns to custody or are given another chance through programs to reintegrate into the community.

[2:03:38 PM](#)

SENATOR DUNBAR observed on page 9, exhibit 3 and 4, that Senate Bill 91 led to a sharp increase in parole hearings. On page 11, the chart shows the approval rate has remained significantly lower than it was in 2014 and 2015. He asked whether the decline was due to changes in the types of crimes committed or in parole requests.

[2:04:37 PM](#)

MR. TUPOU replied that a detailed study needs to be conducted to answer the question. He explained that the 2024 data came from 181 discretionary parole hearings. Each case is unique and considered individually based on factors like offense type. For example, of the 181 discretionary parole hearings 58 were assault cases, 22 were driving offenses. He argued that collectively comparing cases from one year to previous years does not make sense.

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CHAIR BJORKMAN held SB 137 in committee.

[2:06:41 PM](#)

At Ease

**SB 55-TRS CONTR RATE; PERS/TRS SOC SECUR OR SBS**

[2:09:16 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 55 "An Act relating to employer contributions in the teachers' retirement system; relating to

supplemental employee benefits; and providing for an effective date."

[2:10:05 PM](#)

SENATOR BERT STEDMAN, District A, Alaska State Legislature, Juneau, Alaska, sponsor of SB 55 stated that the bill aims to include Teachers' Retirement System (TRS) employees in the Supplemental Benefit System (SBS). Without Social Security or SBS, these employees lose about 25-33 percent of potential retirement benefits. SB 55 is intended to make retirement fairer and more secure for them.

[2:11:13 PM](#)

SENATOR MERRICK asked if anything prevents TERS employees from joining social security.

[2:11:23 PM](#)

SENATOR STEDMAN replied that there was. Teachers originally chose not to join Social Security in the 1960s because penalties meant some of their work wouldn't be credited, and their salaries were relatively high at the time. He said since then, economic conditions have shifted, and Congress has removed those penalties. Now, teachers can opt into the state's Supplemental Benefit System (SBS), which has proven very successful. The concern is that without Social Security or a similar system, teachers risk losing a crucial foundation for their retirement.

[2:13:47 PM](#)

CHAIR BJORKMAN opened public testimony on SB 55; finding none, he closed public testimony.

[2:14:15 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[2:14:17 PM](#)

SENATOR MERRICK moved to report SB 55, work order 34-LS0301\A, as amended, from committee with individual recommendations and attached fiscal note(s).

[2:14:34 PM](#)

CHAIR BJORKMAN found no objection and [CSSB 55 (L&C)] was reported from the Senate Labor and Commerce Standing Committee.

[2:14:50 PM](#)

At ease.

**SB 96-CHILD CARE: TAX CREDITS**

[2:18:10 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."

[2:18:39 PM](#)

REPRESENTATIVE ZACK FIELDS, District 17, Alaska State Legislature, Juneau, Alaska, presented a recap of SB 96 and stated that this bill reinstates the childcare tax credit to encourage private sector investment in childcare. He said it originated from bipartisan House Bill 89, carried last year by Representative Coulombe, and passed as part of an end-of-session omnibus.

[2:19:24 PM](#)

CHAIR BJORKMAN opened public testimony on SB 96.

[2:20:04 PM](#)

BLUE SHIBLER, Executive Director, Association for the Education of Young Children, Juneau, Alaska, testified in support of SB 96 and stated that Alaska faces an urgent childcare crisis, making it hard for working parents to find affordable, reliable care and for businesses to retain employees. She said the problem is too large for any single entity to solve and requires collaboration among families, providers, governments, and businesses. SB 96 offers a strategic solution by allowing corporate investment in childcare, strengthening the workforce, supporting families, and boosting the state's economic stability.

[2:21:47 PM](#)

NICK MOE, representing self, The Alaska Early Childhood Advocacy Group, Anchorage, Alaska, testified in support of SB 96 and stated that the Alaska Early Childhood Advocacy Group, a coalition of nine nonprofits, highlighted the state's childcare challenges. He said over 51 percent of families can't participate fully in the workforce due to lack of childcare, 23,000 children lack access to childcare, and Alaska loses about

\$164 million annually in economic activity. Of more than 400 licensed programs, fewer than 10 are employer sponsored. SB 96 encourages private sector investment through tax credits, helping stabilize and expand childcare options. He gave an example of him using an employee sponsored childcare program for his children which helped him have the flexibility to stay at his job. He said SB 96 passed the House last year with strong bipartisan support of (35-5), and funding is already included in the governor's budget, making timely passage feasible.

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CHAIR BJORKMAN closed public testimony on SB 96.

[2:24:57 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[2:24:59 PM](#)

SENATOR MERRICK moved to report SB 96, work order 34-LS0447\A, from committee with individual recommendations and attached fiscal note(s).

[2:25:15 PM](#)

CHAIR BJORKMAN found no objection and SB 96 was reported from the Senate Labor and Commerce Standing Committee.

[2:25:51 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:25 p.m.