

HB

2

<TARGET><BILL>HB 2</BILL><SUBJECT>HB
2</SUBJECT><COMM>SCRA30</COMM></TARGET>



Representative Chris Tuck

House Majority Leader

Alaska State Legislature

District 23 - Representing Dimond Estates, Foxridge, Taku, Campbell, Northwood and Windemere

Sponsor Statement for House Bill 2

"An Act relating to a voluntary preference for members of the national guard and veterans by private employers."

House Bill 2 would provide assistance to our veterans and active National Guard members seeking employment opportunities by allowing an optional veteran hiring preference for private employers by taking advantage of an option available under the Civil Rights Act of 1964.

The road to employment can be difficult for veterans returning to civilian life. According to a 2012 survey of veterans from all eras, two-thirds of veterans identify finding a job as the greatest challenge in transitioning. As of November 2016, the National Bureau of Labor Statistics show the jobless rate for young male veterans aged 18-24 still exceeds that of their civilian counterparts.

Soldiers in the National Guard live in two worlds: they can be sent to a war in crisis, but they also have to support themselves and their families with civilian jobs. One weekend a month and two weeks a year for National Guard duty is no longer the typical practice. Most often, more time is spent in training, drills, or deployment. Some National Guard members have stated employers are not always willing to work around their schedules, which has made challenges as they balance civilian life with service duties.

The Alaska National Guard consists of approximately 3,854 active uniformed members. The military discharges 160,000 active duty service members and approximately 110,000 reserve and National Guard service members each year. According to the Defense Manpower Data Center 2015 data, over 2,000 military personnel returned to Alaska upon separation.

All fifty states, the District of Columbia, Guam, and Puerto Rico award preferences to veterans in initial hiring for public employment. However, private employers are prohibited from establishing comparable business hiring policies unless specific legislation is passed allowing this option. To date, thirty-seven states have adopted legislation allowing private hiring preferences for veterans, which is supported by the United States Department of Defense.

House Bill 2 will provide another tool for assisting our veterans and National Guard members who continue to face employment challenges.

SENATE COMMITTEE REPORT

DATE: 3/27/17

FURTHER: Labor and Commerce

DATE TURNED
IN TO OFFICE: 2/8/18

Community and Regional Affairs Committee considered CS FOR HOUSE BILL NO. 2 (MLV)

HB 2-PRIV EMPLOYER VOLUNTARY VET PREFERENCE

"An Act relating to a voluntary preference for members of the national guard and veterans by private employers."

and recommends:

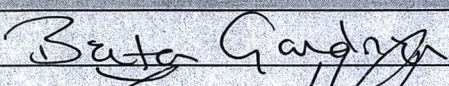



- [] be replaced with SCS _____ (_____) [] Same Title [] Technical Title Change
[] New Title/SCR No. _____
- [] adopt previous SCS _____ (_____) [] Same Title [] Technical Title Change
[] New Title/SCR No. _____
- [] attached amendment(s)
- [] adopt _____ Letter of Intent
- [] further referral to _____ Committee

| Dept Abbr. | |
|------------|-----|
| ADM | LWF |
| CED | LAW |
| COR | LEG |
| EED | MVA |
| DEC | DNR |
| DFG | DPS |
| GOV | REV |
| DHS | DOT |
| AJS | UA |

| NEW FISCAL NOTE(S) | | | | |
|--------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| MVA | | | ✓ | 3 |
| LWF | | | ✓ | 4 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| PREVIOUS FISCAL NOTE(S) | | | | |
|-------------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

[] APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | Do PASS | Do NOT PASS | No REC | AMEND |
|--|-------------------|---------|-------------|--------|-------|
|  | Gardner | ✓ | | | |
|  | HOFFMAN | ✓ | | | |
|  | SIMON | ✓ | | | |
|  | Bishop | ✓ | | | |
| | | | | | |
| CHAIR: | | | | | |



Representative Chris Tuck

House Majority Leader

Serving House District 23 • Dimond Estates, Foxridge, Taku, Campbell, Northwood, and Windemere

MEMORANDUM

January 29, 2018

TO: Senator Click Bishop
Chair, Senate Community Regional Affairs

FROM: Rep. Chris Tuck
House Majority Leader

A handwritten signature in black ink, appearing to be "C. Tuck", enclosed in a hand-drawn oval.

SUBJ: Memo of Changes for HB 2

The House Military and Veterans Affairs Committee adopted the following changes:

- Expanded the private employer preference to allow for active National Guard members as well
- Replaced "honorably discharged" to "discharged under honorable conditions" on page 1, line 6 and page 2, line 2. This change was made to include service members who are released under a general discharge.
- Updated AS 39.25.159(f)(3) to remove the requirement that National Guard members serve at least eight years before they qualify for the public employer preference.

Session (January-April):
State Capitol, Room 204
Juneau, AK 99801-1182
Phone (907) 465-2095

Rep.Chris.Tuck@akleg.gov
www.RepChrisTuck.com

Toll-Free (866) 465-2095

Interim (May-December):
1500 W Benson Blvd, Ste 217
Anchorage, AK 99503
Phone (907) 269-0240

Fiscal Note

State of Alaska
2017 Legislative Session

| | |
|---------------------|-------------|
| Bill Version: | CSHB 2(MLV) |
| Fiscal Note Number: | 1 |
| (H) Publish Date: | 2/3/2017 |

Identifier: HB002-DOLWD-WHA-01-22-17
 Title: PRIV EMPLOYER VOLUNTARY VET PREFERENCE
 Sponsor: TUCK
 Requester: (H) MLV

Department: Department of Labor and Workforce Development
 Appropriation: Labor Standards and Safety
 Allocation: Wage and Hour Administration
 OMB Component Number: 345

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2018 Appropriation Requested | Included in Governor's FY2018 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|------------|
| | | | FY 2018 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Services | | | | | | | | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | | |
|-----------|--|--|--|--|--|--|--|--|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | | | | | | | | |

Change in Revenues

| | | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)

(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)

(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No

If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Deborah Kelly, Director
 Division: Labor Standards and Safety
 Approved By: Heidi Drygas, Commissioner
 Agency: Department of Labor and Workforce Development

Phone: (907)269-4961
 Date: 01/21/2017 04:30 PM
 Date: 01/22/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This legislation allows for a voluntary hiring preference for veterans by a private employer. There is no action required by the department resulting from this legislation; therefore, there is no fiscal impact to the department anticipated as a result of this legislation.

Fiscal Note

State of Alaska
2017 Legislative Session

| | |
|---------------------|-------------|
| Bill Version: | CSHB 2(MLV) |
| Fiscal Note Number: | 2 |
| (H) Publish Date: | 2/3/2017 |

Identifier: HB002-MVA-COM-1-19-17
 Title: PRIV EMPLOYER VOLUNTARY VET PREFERENCE
 Sponsor: TUCK
 Requester: (H) MLV

Department: Department of Military and Veterans' Affairs
 Appropriation: Military and Veterans' Affairs
 Allocation: Office of the Commissioner
 OMB Component Number: 414

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2018 Appropriation Requested | Included in Governor's FY2018 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|------------|
| | | | FY 2018 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Services | | | | | | | | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | | |
|-----------|--|--|--|--|--|--|--|--|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | | | | | | | | |

Change in Revenues

| | | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)

(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)

(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Brian P. Duffy
 Division: Administrative Services
 Approved By: Laurel J. Hummel
 Agency: Office of the Commissioner

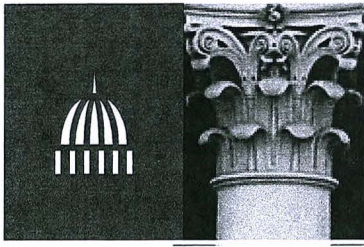
Phone: (907)428-7210
 Date: 01/19/2017 04:00 PM
 Date: 01/20/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

As this bill relates primarily to private employers, it will have no impact on the employees and services provided by the Department. We expect no increase in personnel paperwork associated with the passage of this bill, and since processing of transfers, deployments, etc. is part of the Department's everyday operations, this bill will have zero fiscal impact on the Department of Military and Veterans' Affairs.



National Conference of State Legislatures

LEGISBRIEF

BRIEFING PAPERS ON THE IMPORTANT ISSUES OF THE DAY

DECEMBER 2013

VOL. 21, No. 46

Giving Veterans Hiring Preference

By Jennifer Schultz

Veterans offer a unique set of skills, experiences and leadership abilities developed and honed during their years of military service, yet unemployment rates for veterans remain high. The jobless rate for veterans of Iraq and Afghanistan increased to 10 percent in October 2013, significantly higher than the national average of 7.3 percent. Today, more than 750,000 veterans are looking for work.

The road to employment can be difficult for veterans returning to civilian life due to difficulties with identifying transferable skills, self-marketing and cultural barriers, among others. According to a 2012 survey of veterans from all eras, 64 percent of respondents said they had a difficult transition from military service to civilian life, attributed largely to employment challenges.

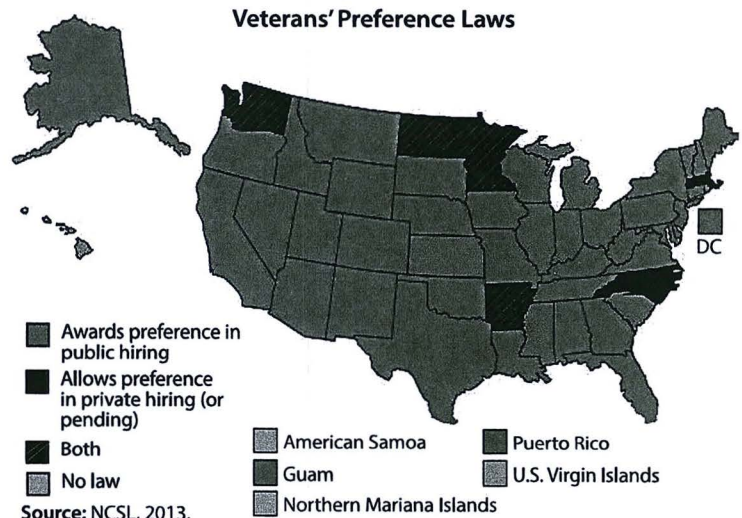
The military discharges approximately 160,000 active duty service members and approximately 110,000 Reserve and National Guard service members each year, according to U.S. Department of Labor estimates. With more and more veterans returning home, state legislatures are more focused than ever on easing these veterans' transition to civilian jobs in both the public and private sectors. One policy many states have embraced provides a uniform method by which special consideration is given to qualified veterans seeking employment. Veterans' preference laws recognize the sacrifices and experiences of those serving in the Armed Forces by helping position them more competitively in the hiring process.

State Action

Forty states, the District of Columbia, Guam and Puerto Rico award preference to veterans in initial hiring for public positions, usually by adding points to examination scores that determine the relative ranking of candidates. At least 21 states and Puerto Rico extend those preferences to internal actions such as promotions, transfers and retentions. Disabled veterans and prisoners of war are awarded preference points in 36 states, the District of Columbia and Guam. Members of the National Guard are awarded preference in 12 states.

Did You Know?

- Ten percent of veterans who served in Iraq and Afghanistan were unemployed in October 2013.
- One of the greatest challenges veterans face in finding employment is explaining how their military skills translate to the civilian workforce.
- Forty states, the District of Columbia, Guam and Puerto Rico award preference to veterans in public employment, while four states allow private employers to voluntarily give preference to veterans.



National Conference
of State Legislatures

Executive Director
William T. Pound

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While eligibility requirements vary by state, most award preference to honorably discharged veterans of the U.S. Armed Forces who served on active duty. Sixteen states and the District of Columbia require veterans claiming preference to have served for a specified period of time, and 17 states and Guam require state residency. In 25 states and the District of Columbia, the spouse or surviving spouse of an eligible veteran may be entitled to preference points. Laws in 21 states are enforced with civil penalties or extend a right of appeal to veterans who believe preference was wrongfully withheld.

While the majority of states grant some form of employment preference to veterans in the public sector, private employers have been hesitant to favor veterans due to long-standing federal laws that prohibit discrimination in hiring. Title VII of the Civil Rights Act of 1964 prohibits veterans' preference in employment as unlawfully discriminatory due to the potential disparate impact on women. However, Section 11 of the act allows special rights or preferences to be granted to veterans as long as they are authorized under federal, state or local law. To date, four states—Arkansas, Minnesota, North Dakota and Washington—allow private employers to voluntarily give preference to veterans when making hiring decisions. Legislation is currently pending in Massachusetts and North Carolina.

Washington was the first state to pass a permissive veterans' preference law in 2011. HB 1432 allows private, nonpublic employers to award a voluntary preference to veterans, surviving spouses and spouses of disabled veterans. Laws in Minnesota and North Dakota contain similar language. Arkansas' legislation requires participating employers to apply a preference policy uniformly when hiring, promoting or retaining veterans, surviving spouses and spouses of disabled veterans. The law also requires the state to maintain a registry of employers that adopt a veterans' preference policy, which advocates say will give veterans a valuable tool to identify prospective employers.

At least 12 states and the District of Columbia provide tax credits to encourage private employers to hire veterans. Employers typically may claim the tax credit for the first and second taxable year in which they employ one or more qualified veterans. Credits range from \$1,000 to \$5,000 for each veteran hired. In 2013, 58 bills were introduced on this topic in 20 states, though only Mississippi enacted legislation this year.

Federal Action

The federal government has given veterans some degree of preference in employment since the end of the Civil War. The policy in its present form stems from the Veterans' Preference Act of 1944, which is now codified in Title 5 of the United States Code. Under the law, veterans who are disabled or who served on active duty in the Armed Forces during specified periods or in military campaigns are entitled to preference over non-veterans both in hiring and retention. Preference points (either five or 10) are added to passing grades earned in entrance examinations.

In 2011, President Obama challenged the private sector to hire or train 100,000 unemployed veterans and their spouses by the end of 2013. In April of this year, the administration announced that businesses had already hired or trained 290,000 veterans and military spouses. The first lady, as part of her initiative Joining Forces, announced new commitments from private companies to hire a combined 435,000 veterans over the next five years.

NCSL Contact and Resources

Jennifer Schultz
NCSL—Denver
(303) 856-1353

NCSL Military and Veterans' Affairs webpage

NCSL Military and Veterans' Affairs Legislation
Database



ALLOW PRIVATE SECTOR EMPLOYERS TO OFFER HIRING PREFERENCE TO VETERANS

Private sector employers attempting to establish preferred veteran hiring practices may be risking claims of discrimination.

KEY MESSAGE: Many companies would like to give special consideration for hiring veterans because of their unique skill sets, proven work ethic, and reliability, but may be hesitant to do so out of concern of being sued under Title VII of the Civil Rights Act of 1964. However, Title VII, Section 11 of the Civil Rights Act contains a carve-out that exempts veterans' preference processes that are authorized by state statute.



DISCUSSION POINTS:

- States are making great strides to improve veteran employability by removing professional licensing barriers and crediting military education and experience. However, employment ultimately depends on employers providing workforce opportunities.
- Forty States and the District of Columbia award preference to veterans who are being considered for hire to a *public* position.
 - Unlike government employers, who have been incorporating veterans' hiring preferences since 1944, *private* employers do not have statutory protection to establish comparable business hiring policies.
- Through statute, states can establish policy that enables employers to provide targeted improvements in veteran workforce opportunities:
 - The statute can authorize, without mandating, a private sector employer to establish a veterans' preference process for veterans;
 - The veterans' preference processes authorized in state statute are not subject to EEOC challenge under the Title VII exception¹:
 - "Nothing contained in this subchapter shall be construed to repeal or modify any Federal, State, territorial, or local law creating special rights or preference for veterans."²
 - The language requires that an employer applies the preference policy uniformly to employment decisions regarding hiring and promotion.
 - Statutes that allow private sector veteran preference policies (that are parallel to those used by state and local governments) can allow employers to equitably compete for veteran talent.

About 360 thousand Service members separate or retire from the active force annually. These individuals gained important attributes, such as integrity, service before self, tenacity, loyalty and focus, in addition to many gaining technical skills. Providing employers an opportunity to offer veterans meaningful employment is important to them and to the economy.

¹ U.S. Equal Employment Opportunity Commission, *Policy Guidance on Veterans' Preference Under Title VII*, Notice N-915.06.

² 42 U.S.C. § 2000e-11 (1982).



LETTER OF SUPPORT

January 20, 2017

Bill Number//Law Log: HB 2

Bill Sponsor: Rep. Tuck

Bill Short Title: PRIVATE EMPLOYER VOLUNTARY VET PREFERENCE

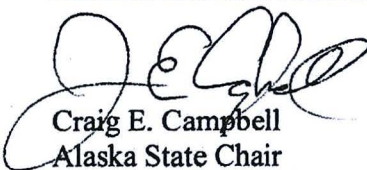
It is my understanding that Representative Tuck has introduced House Bill 2 proposing the Alaska Statutes be amended to provide a veteran hiring preference be allowed when hiring an employee.

Employer Support of the Guard and Reserve (ESGR) is a Department of Defense program established in 1972 to promote cooperation and understanding between Reserve Component Service members and their civilian employers and to assist in the resolution of conflicts arising from an employee's military commitment. As a volunteer based organization, ESGR focuses on advocating for National Guard and Reservists ability to be successful military service members, while concurrently pursuing civilian employment opportunities. ESGR is supported by a network of more than 4,500 volunteers in 54 committees located across all 50 states, the District of Columbia, Guam-Commonwealth of the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

In Alaska, our committee has been very active in advocating for strong civilian/military relationships, highlighted this past year by the nomination and selection of Alaska Airlines as one of fifteen companies nationwide to receive the Secretary of Defense "Freedom Award." The Freedom Award is the highest recognition given by the U.S. Government to employers for their outstanding support of employees serving in the Guard and Reserve.

In reference to House Bill 2, the Alaska State Committee supports efforts by our state government to strengthen a positive relationship between Alaskan civilian employees and Alaskan residents who serve in our reserve components. We understand the proposed legislation is not mandatory of the private sector to provide a veteran's preference, but the tenure of the legislation shows a strong interest by our state officials to support hiring veterans in our state. This is a very positive message!

We would ask that members of the state legislature support House Bill 2. Thank you for your consideration and continued support of Alaskan military service members.



Craig E. Campbell
Alaska State Chair

NFIB

The Voice of Small Business.®

ALASKA

January 23, 2017

The Honorable Chris Tuck
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 2

Dear Representative Tuck:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 2. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

House Bill 2 would allow an optional veteran hiring preference for private employers by taking advantage of an option available under the Civil Rights Act of 1964.

Small businesses in Alaska respect and support the many veterans who have chosen to make Alaska their home. We would appreciate the voluntary option to offer a preference to veterans in hiring.

Sincerely yours,



Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
1500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1500

January 11, 2017

The Honorable Chris Tuck
Majority Leader
Alaska House of Representatives
State Capitol, Room 204
Juneau, AK 99801

Dear Majority Leader Tuck,

On behalf of the Deputy Assistant Secretary of Defense, Military Community and Family Policy, I want to thank you for your support of Service members in private sector hiring, as evidenced by your sponsorship of House Bill 2 (HB2) in the 2017 Alaska legislative session. This key Department of Defense issue for 2017 simply allows employers to offer a hiring preference to veterans, without fear of unanticipated discrimination allegations or related legal issues, and imposes no requirement upon private sector employers to implement such a policy.

This effort can assist private sector employers seeking to hire Service members who move back to Alaska upon completing their military service. It will legally allow employers to give hiring preferences to veterans and greatly assist in their transition to civilian life. Because state and local governments already offer this hiring preference, the change would also allow some measure of balance between the private and public sector when competing for veteran talent. If the policy change, as represented in HB2 is successful, Alaska will join 37 other states already providing this help to transitioning veterans.

According to the Defense Manpower Data Center 2015 data, over 2,000 military personnel returned to Alaska upon separation, and we believe that the number separating is likely to remain steady in the near future. As of November 2016, national Bureau of Labor statistics show the jobless rate for young male veterans aged 18-24 still exceeded their civilian counterparts (239,000 veterans aged 18-24 were unemployed versus 159,000 of their civilian counterparts). Enactment of this policy is another positive step towards reducing the number left unemployed.

We greatly appreciate that the Alaska legislature has been a champion in addressing our key military family quality of life issues for the past ten years. As always, Mark San Souci, our Northwest Regional Liaison, stands ready to support where he can. If you have questions or need assistance, please do not hesitate to contact me at 571.372.5321 or Mark at 571.309.4622, mark.b.sansouci.civ@mail.mil.

Sincerely,

Marcus J. Beauregard
Director, Defense State Liaison Office