

Ballot Measure No. 1

An Act Increasing the Minimum Wage, Requiring Paid Sick Leave, and Prohibiting Mandatory Meetings about Religious or Political Issues

Ballot Language

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This act would increase the minimum wage to \$13 per hour in 2025, \$14 per hour in 2026, and \$15 per hour in 2027. The minimum wage would increase with inflation after that. The minimum wage would always be at least \$2 above the federal minimum wage.

This act would also require paid sick leave for many employees. Smaller employers would allow 40 or more hours of sick leave per year. Larger employers would allow 56 or more hours. Sick leave would carry over to the next year.

This act would prohibit employers from making their employees attend meetings about religious or political issues. These issues include whether or not to join or support a religious, political, or labor organization. Some employers would be exempt and all employers could still communicate about issues required by law or related to the workplace.

Should this initiative become law?

Yes No

Legislative Affairs Agency Summary

AN ACT INCREASING ALASKA'S MINIMUM WAGE, PROVIDING WORKERS WITH PAID SICK LEAVE, AND PROHIBITING EMPLOYERS FROM REQUIRING EMPLOYEES TO PARTICIPATE IN RELIGIOUS OR POLITICAL MATTERS.

23AMLS

The Act raises the state minimum wage. The Act raises it to \$13.00 per hour on July 1, 2025. The Act raises it to \$14.00 per hour on July 1, 2026. The Act raises it to \$15.00 per hour on July 1, 2027. Then the state will adjust for inflation each year. The state must adjust minimum wage to be at least \$2.00 more per hour than federal minimum wage. Tips and gifts do not count toward minimum wage. The Act requires employers to give employees paid sick leave, but there are some exceptions. Employers must give one hour of paid sick leave for every 30 hours worked, up to the maximum under the Act. An employer may give more paid sick leave than required by the Act. The Act prohibits employers from requiring employees to participate in religious or political matters.

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Statement of Costs

Multi Agency Cost Summary

Agency	Cost
Alaska Department of Labor and Workplace Development	\$316,831
Office of the Lieutenant Governor	\$15,000
Office of the Lieutenant Governor – Division of Elections	\$126,996
TOTAL	\$458,827

Estimate of Costs to the Alaska Department of Labor and Workforce Development

As required by AS 15.45.090(a)(4), the Alaska Department of Labor and Workforce Development (DOLWD) has prepared the following statement of costs to implement the proposed minimum wage increase ballot initiative. The minimum cost to the Alaska Department of Labor and Workforce Development, excluding legal costs to the state, is estimated to be \$316,831.

The ballot initiative increases the current Alaska minimum wage to \$13.00 per hour as of July 1, 2025, to \$14.00 per hour as of July 1, 2026, and to \$15.00 per hour as of July 1, 2027. After, 2027, the initiative establishes that the minimum wage shall be adjusted for inflation on an annual basis and that the minimum wage shall remain at least \$2.00 higher than the federal minimum wage. The initiative adds new sections at AS 23.10.066, .067, .068 and .069 to establish a requirement for paid sick leave for employees that allows accrual of 56 hours of paid leave for employers with 15 or more employees, and 40 hours for employers with less than 15 employees. AS 23.10.490 would prohibit employers from compelling employees to attend meetings regarding religious or political matters that are unrelated to their work.

There is insufficient data to establish certain cost estimates associated with minimum wage increases. It is unknown what, if any, effect the minimum wage increase may have on services contracted by the State of Alaska to private entities.

The initiative expands the purview of the Wage and Hour section in Labor Standards & Safety (LSS) to include enforcement and compliance for employer paid sick leave provisions and investigating retaliation complaints by employees for “right to avoid speech” violations. Investigations for paid sick leave requirements will be more complex than the standard wage claims Wage and Hour now investigates. These will require extensive audits of employers’ policies and accrual rates for all employees, as well as reasons for usage or denial for all employees. The “right to avoid speech” initiative will require Wage and Hour to investigate retaliation complains. Retaliation investigations will require the development of a distinctive investigative process to establish a causal relationship. Both the sick leave and “right to avoid speech” cases will not be settled through small claims court but will require Wage and Hour to seek resolution through civil court.

Wage and Hour will need an additional Administrative Assistant 2 to handle an estimated additional 20-25 inquiries Wage and Hour anticipates it will be receiving each week regarding these issues

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(a projected increase of 1040-1300 inquiries annually). The Administrative Assistant 2 will also create and sustain the systems and administrative processes and publications produced by the DOLWD to notify employers and employees of legal requirements that include the minimum wage and sick leave requirements, and to prepare files for civil cases. The estimated cost of one full-time Administrative Assistant 2 is \$95,732.

It is estimated that of the additional inquiries, 10% will result in investigations, which is an additional 104-130 investigations each year. Two Investigator 2 positions will be needed to implement and enforce the new programs and develop outreach programs for the public and handle the additional investigations. The estimated expenses for two full-time Investigator 2 positions is \$216,392.

The estimated yearly cost for all publications associated with annual adjustments to minimum wage is \$4,707.

Estimate by Category

Personnel Services	\$312,124
10,000 Posters – “Summary of Wage and Hour Act”	\$919
10,000 “Know Your Rights” Child Labor Brochures	\$1,288
3,000 “Alaska Fishing Industry” Brochures	\$2,500
TOTAL	\$316,831

Estimate of Costs to the Office of the Lieutenant Governor and the Division of Elections

As required by AS 15.45.090(a)(3), the Office of the Lieutenant Governor and the Division of Elections have prepared the following statement of costs to implement the proposed ballot initiative.

Lieutenant Governor

Under Alaska Statute 15.45.195, at least 30 days before the election at which an initiative is to appear on the ballot, the lieutenant governor or a designee of the lieutenant governor shall hold two or more public hearings concerning the initiative in each judicial district of the state. Each public hearing under this section shall include the written or oral testimony of one supporter and one opponent of the initiative.

Estimated cost of travel for Lt. Governor and one staff member **\$15,000**

Division of Elections

The minimum cost to the Division of Elections associated with certification of the initiative application and review of the initiative petition, excluding legal costs to the state and the costs to the state of any challenge to the validity of the petition, is estimated to be \$126,996.

Six temporary employees will be required to review signatures for 2,520 hours at an estimated cost of \$52,793 and certification of the initiative application and review of the initiative petition

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estimated for 504 hours will cost an estimated \$21,674. Printing service expenses associated with certification of the initiative application and review of the initiative petition will require \$1,420 for the printing of voter booklets.

Estimated cost of translating the ballot measure language for audio and sample ballots, an Official Election Pamphlet pro statement, Official Election Pamphlet con statement, and Official Election Pamphlet neutral summary into languages required by the Toyukak Settlement and Section 203 of the Federal Voting Rights Act, will require an estimated \$51,109.

Estimate by Category

Petition Review	\$74,467
Petition Printing Services	\$1,420
Language Translations of Initiative Text	\$51,109
TOTAL	\$126,996

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Full Text of Proposed Law

Alaska's Minimum Labor Standards Initiative

An Initiative To:

Increase Alaska's minimum wage, provide workers with paid sick leave, and protect workers from practices that violate their constitutional rights.

A BILL BY INITIATIVE FOR AN ACT ENTITLED

“An Act increasing the Alaska minimum wage to \$13.00 per hour effective July 1, 2025, to \$14.00 per hour effective July 1, 2026, to \$15.00 per hour July 1, 2027 and to thereafter be adjusted annually for inflation; providing employees the ability to accrue up to 56 hours of paid sick leave per year if their employers have 15 employees or more; providing employees the ability to accrue up to 40 hours of paid sick leave if their employers have under 15 employees; and to prohibit employers from compelling employees to attend meetings regarding religious or political matters that are unrelated to their work.”

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA

***Section 1.** The uncodified law of the State of Alaska is amended by adding a section to read:

FINDINGS AND INTENT. The people of the State of Alaska find:

- (1) It is in the public interest to increase the minimum wage, require a minimum amount of paid sick leave, and protect workers' constitutional rights in order to increase participation in the workforce,
- (2) An increase in Alaska's minimum wage and a requirement of paid sick leave will help ensure an adequate quality of life, health, and well-being for every Alaskan,
- (3) An increase in Alaska's minimum wage is necessary to cover rising costs of living, particularly housing and childcare costs, which have depressed participation in the workforce.
- (4) The west coast states of Washington, Oregon, and California have significantly higher minimum wages than Alaska and also have statewide laws that require a minimum amount of paid sick leave for personal and family care, leading to workforce challenges for Alaska.
- (5) It is important to require a minimum amount of paid sick leave to Alaska workers consistent with their personal health, safety, and general well-being, as well as the health, safety and well-being of their families.
- (6) It is important to respect workers by protecting their constitutional rights in the workplace by preventing them from being compelled to attend employer-sponsored meetings regarding political or religious matters that are unrelated to their work.

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***Sec. 2. AS 23.10.065(a)** is repealed and reenacted to read:

(a) Except as otherwise provided for in law, an employer shall pay to each employee a minimum wage, as established herein, for hours worked in a pay period, whether the work is measured by time, piece, commission or otherwise. An employer may not apply tips or gratuities bestowed upon employees as a credit toward payment of the minimum hourly wage required by this section. Tip credit as defined by the Fair Labor Standards Act of 1938 as amended does not apply to the minimum wage established by this section:

(1) Beginning July 1, 2025, the minimum wage shall be \$13.00 per hour;

(2) Effective July 1, 2026, the minimum wage shall be \$14.00 per hour;

(3) Effective July 1, 2027, the minimum wage shall be \$15.00 per hour; and

(4) Thereafter the minimum wage shall be adjusted annually for inflation. The adjustment shall be calculated each September 30, for the proceeding January-December calendar year, by the Alaska Department of Labor and Workforce Development, using 100 percent of the rate of inflation based on the Consumer Price Index for all urban consumers for the Anchorage metropolitan area, compiled by the Bureau of Labor Statistics, United States Department of Labor; the department shall round the adjusted minimum hourly wage up to the nearest ten cents; the adjusted minimum hourly wage shall apply to work performed beginning on January 1 through December 31 of the year for which it is effective.

***Sec. 3. AS 23.10.065(d)** is repealed and reenacted to read:

(d) If at any point the minimum wage determined under (a) of this section is less than two dollars over the federal minimum wage, the Alaska minimum wage shall be set at two dollars over the federal minimum wage. The two dollar amount itself shall be adjusted for inflation in subsequent years by the method established in (a) of this section.

***Sec. 4. AS 23.10.** is amended to add a new section to read:

AS 23.10.066 Minimum paid sick leave benefit. Employers in Alaska are required to provide their employees paid sick leave as follows:

(a) Employers with 15 or more employees shall allow employees to accrue a minimum of one hour of paid sick leave for every 30 hours worked, but employees are not entitled to accrue or use more than 56 hours of paid sick leave per year, unless their employer sets a higher limit.

(b) Employers with fewer than 15 employees shall allow employees to accrue a minimum of one hour of paid sick leave for every 30 hours worked, but employees are not entitled to accrue or use more than 40 hours of paid sick leave per year, unless their employer sets a higher limit.

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- (c) Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) shall be assumed to work 40 hours in each work week for purposes of paid sick leave accrual unless their normal work week is less than 40 hours, in which case paid sick leave accrues based upon that normal work week.
- (d) Paid sick leave shall carry over to the following year, but an employer is not required to allow an employee to use more than the applicable amounts of paid sick leave described in subsections (a) or (b) per year.
- (e) Paid sick leave as provided in this section shall begin to accrue at the commencement of employment or July 1, 2025, whichever is later. An employee shall be entitled to use paid sick leave as it is accrued.
- (f) Any employer with a paid leave or paid time off policy, who makes available an amount of paid leave sufficient to meet the requirements of this section that may be used for the same purposes and under the same conditions as paid sick leave under this section, is not required to provide additional paid sick leave.
- (g) An employee who is transferred to a separate entity or location, but remains employed by the same employer, is entitled to all paid sick leave accrued at the prior entity or location. When there is a separation from employment, but the employee is rehired within six months of separation by the same employer, previously accrued and unused paid sick leave shall be immediately reinstated. When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all accrued and unused paid sick leave.

***Sec. 5. AS 23.10.** is amended to add a new section to read:

AS 23.10.067 Utilization of paid sick leave benefit. The paid sick leave benefit required under AS 23.10.066 may be utilized as follows:

- (a) Employees shall be permitted to use paid sick leave for:
 - (1) An employee's mental or physical illness, injury or health condition; the employee's need for medical diagnosis, care, or treatment; or the employee's need for preventative medical care;
 - (2) Care or assistance to the employee's family member relating to the needs described in subsection (1). "Family member" means an immediate family member as defined pursuant to AS 39.52.960(11); a domestic partner; a foster child, legal ward, or person to whom an employee stands in loco parentis; a foster parent, adoptive parent, legal guardian, or a person who stood in loco parentis when the employee was a minor child; or any other individual related by blood or whose close association is the equivalent of a family relationship; or
 - (3) Absences necessary due to domestic violence, sexual assault, or stalking, provided the leave is to allow the employee to obtain for the employee or a family member: medical or psychological attention; services from a victim's aid organization; relocation or steps to secure an existing home; or legal services, including participation in any investigation or civil or criminal proceeding.

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- (b) When the need for paid sick leave is foreseeable, the employee shall make a good faith effort to provide notice to the employer in advance of the use of paid sick leave and make a reasonable effort to schedule use of paid sick leave in a manner that does not unduly disrupt the employer's operations.
- (c) For paid sick leave of more than three consecutive workdays, an employer may require reasonable documentation that the paid sick leave has been used for a purpose covered by subsection (a). Documentation signed by a health care professional indicating that paid sick leave is or was necessary shall be considered reasonable documentation for subsection (a)(1) or (2) purposes, but an employer may not require that the documentation explain the nature or details of the illness or underlying health needs.
 - (1) In cases of domestic violence, sexual assault, or stalking, under subsection (a)(3), one of the following types of documentation selected by the employee shall be considered reasonable documentation: a police report; a written statement from a witness advocate affirming services from a victim's aid organization; a court document indicating relevant legal action; or a written, non-notarized statement from the employee affirming that paid sick leave was taken for a qualifying purpose of subsection (a)(3).
 - (2) Unless otherwise required by law, an employer may not require disclosure of the details of an employee's or an employee's family member's health or safety information as a condition of providing paid sick leave under AS 23.10.066 and must treat any health or safety information regarding an employee or employee's family member as confidential medical records.
- (d) Paid sick leave under AS 23.10.066 may be used in the smaller of hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.
- (e) An employer shall not interfere with, restrain, or deny the exercise of, or the attempt to exercise, the right to paid sick leave under AS 23.10.066. An employer shall not:
 - (1) engage in retaliation or discrimination, or take any other adverse action, against an employee who utilizes, or attempts to utilize, their paid sick leave;
 - (2) require, as a condition of an employee's taking paid sick leave under this AS 23.10.066 and .067, that the employee search for or find a replacement worker to cover the hours during which the employee is using paid sick leave; or
 - (3) use an absence control policy that counts paid sick leave taken under AS 23.10.066 and .067 as an absence that may lead to or result in retaliation or any other adverse action.

***Sec. 6. AS 23.10.** is amended to add a new section to read:

AS 23.10.068 Limitations, notice, and violations related to paid sick leave benefit.

- (a) Nothing in AS 23.10.066 to .067 shall be construed as:
 - (1) Requiring financial reimbursement to an employee following the employee's termination, resignation, retirement, or other separation for unused paid sick leave, unless otherwise required by law;

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- (2) Preempting, limiting, or otherwise impacting the applicability of any other law, regulation, or policy providing more generous paid sick leave; or
- (3) Prohibiting an employer from adopting or retaining a more generous paid sick leave policy or diminishing an employer's obligation to comply with any contract, agreement, employment benefit plan, or collective bargaining agreement providing more generous paid sick leave than required herein.
- (b) An employer found to violate AS 23.10.066 or .067 is liable for an employee's lost wages or damages as may be appropriate and allowable under state law to remedy the violation.
- (c) Employers shall give employees written notice of the following at the commencement of employment or within 30 days of this section's effective date, whichever is later: That beginning July 1, 2025, employees are entitled to paid sick leave and the amount of paid sick leave, the terms of its use guaranteed under AS 23.10.066 and .067, and that retaliation against employees who request or use paid sick leave is prohibited.
- (d) The rights and remedies under AS 23.10.066 and .067 may not be waived by any agreement, policy, form, or condition of employment; provided, however, that they shall not apply to employees covered by a bona fide collective bargaining agreement if the requirements are expressly waived in the collective bargaining agreement in clear and unambiguous terms.
- (e) Application to multiemployer collective bargaining agreements. An employer signatory to a multiemployer collective bargaining agreement may fulfill its obligations under AS 23.10.066 and .067 by making contributions to a multiemployer paid sick leave fund based on the hours each employee accrues pursuant to AS 23.10.066 while working under the multiemployer collective bargaining agreement, if the fund enables employees to collect paid sick leave from the fund based on hours they have worked under the multiemployer collective bargaining agreement and for the purposes specified in AS 23.10.067.

***Sec. 7. AS 23.10.** is amended to add a new section to read:

AS 23.10.069 Exemptions from paid sick leave benefit.

- (a) Employment described in AS 23.10.070, AS 23.10.071, AS 33.30.201, and AS 33.30.191 is exempt from the requirements of AS 23.10.066 to .068.
- (b) Employment described in AS 23.10.055(a)(1) to (a)(8) and AS 23.10.055(a)(10) to (a)(18) is exempt from the requirements of AS 23.10.066 to .068. However, notwithstanding any other provisions of this chapter, employment described under AS 23.10.055(a)(9) shall be covered by the paid sick leave requirements of AS 23.10.066 to .068.
- (c) An "employee" as defined by 45 U.S.C. 351(d) who is subject to the federal Railroad Unemployment Insurance Act, 45 U.S.C. 351 et seq. shall be exempt from the requirements of AS 23.10.066 to .068.

***Sec. 8. AS 23.10.** is amended to add a new section to read:

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AS 23.10.490 Employee rights to avoid speech.

- (a) An employer, either personally or through an agent or representative, may not take or threaten to take adverse employment action against an employee because that employee refuses to:
 - (1) attend an employer-sponsored meeting, the primary purpose of which is to communicate the employer's opinion about religious matters or political matters; or
 - (2) listen to communications, the primary purpose of which is to communicate the employer's opinion about religious matters or political matters.
- (b) An employer found to violate (a) of this section is liable for the employee's lost wages resulting from the employee's decision not to participate or any adverse employment action taken as a result.
- (c) This section does not prohibit:
 - (1) an employer or its agent or representative from communicating to its employees information:
 - (A) the employer is required by law to communicate;
 - (B) necessary for an employee to perform the employee's job; or
 - (C) directly related to, or relevant to, the workplace.
 - (2) an institution of higher education or its agent or representative from communicating to its employees coursework, symposia, or an academic program;
 - (3) a requirement that an employer's executive personnel listen to communications about the employer's business;
 - (4) a bona fide religious organization from requiring its employees to attend an employer-sponsored meeting or participate in any communication with the employer of the employer's agent, representative, or designee for the primary purpose of communicating the employer's religious beliefs, practices, or tenets.
- (d) In this section:
 - (1) "political matters" means matters relating to elections for political office, political parties, candidates, proposed legislation or regulations, and the decision whether or not to join or support a political party, or political, civic, communal, fraternal, or labor organization;
 - (2) "religious matters" means matters relating to religious affiliation and practice and the decision whether or not to join or support a religious organization or association.
- (e) The provisions of this section do not apply to informational meetings otherwise required by local, state, or federal law.

***Sec. 9. Effective Date.** The provisions of this bill shall become effective on July 1, 2025.

***Sec. 10. Severability Clause.** The provisions of this Act are independent and severable. If any provision of this Act, or the applicability of any provision to any person or circumstance, shall be held to be invalid by a court of competent jurisdiction, the remainder of this act shall not be affected and shall be given effect to the fullest extent possible.