



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Labor and  
Workforce Development**

Division of Employment and Training Services

1111 W 8<sup>th</sup> Street, Suite 210  
Juneau, Alaska 99801  
Phone: 907.465.5543

April 5, 2017

Honorable Representative Sam Kito  
Alaska State Capitol, Room 403  
Juneau, Alaska 99801

Re: House Bill 142, corrections to March 29, 2017 hearing testimony

Dear Representative Kito:

This is to provide correction to statements made during testimony on House Bill (HB) 142 on March 29, 2017. In response to a question regarding the duration of unemployment benefits, I stated the minimum duration of weeks potentially allowable on an unemployment insurance claim was 18. The minimum duration is 16 weeks.

In response to questions raised by Representative Birch regarding the impact of the diversions from the employee's portion of unemployment insurance contributions for the State Training and Employment Program (STEP) and Technical and Vocational Education Program (TVEP) I stated that employees may pay more in the long run if trust fund solvency required additional contributions, in which case those would be apportioned 73% to employers and 27% to employees. In fact, the trust fund solvency factor does not work this way. While determination of tax rates is based upon a 73/27 split of the actual benefit costs to the program, when the trust fund solvency formula requires funding in addition to regular tax payments, a solvency factor is applied to employer rates only. Employees do not pay more in this case, as their contribution rate is solely reflective of program costs, and is not impacted by the diversion of part of their tax contributions for STEP and TVEP.

I apologize for the errors in my testimony. Please let me know if this letter is sufficient correction, or if you would like to address this on the record at the next hearing for HB 142.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ed Flanagan".

Ed Flanagan  
Director