



ASSOCIATED GENERAL CONTRACTORS of ALASKA

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April 9, 2018

Senator Mia Costello, Chair, Senate Labor & Commerce Committee
State Capitol
Juneau AK, 99801

Re: House Bill 142

Dear Senator Costello,

The Associated General Contractors of Alaska is a trade association representing over 640 Alaskan businesses in the construction industry. Within our membership is much of Alaska's construction industry. On behalf of the AGC and those businesses, I offer the following comments on House Bill 142, an increase in weekly Unemployment Insurance (UI) benefits.

Ten years may be too long between benefit increases, and I don't disagree that the UI need to be increased to keep up with inflation. It's also good that the cost of the increase will be covered with a federal grant. But next year, if there is not another grant, the cost of the increase will be borne by the employer.

In a robust economy, employers might agree to an increase as proposed. As you are aware, the economy is not robust. In fact, the construction sector has been one of the hardest hit. Construction workers are some of the highest paid workers in Alaska and are highly seasonal, most drawing on unemployment for a good part of the year. Construction employers will pay a big piece of this.

The last time the Unemployment Insurance weekly benefit was increased was Senate Bill 120 in 2008. In the process of developing the specifics of that bill, Senator Ellis recognized that this was a substantial benefit to the employees, yet most of the cost was born by the employers. He worked with AGC and changed the apportionment of share, decreasing the employers share what was then 80% to the 73% where it presently sits.

I ask that you give similar consideration in HB 142 as Senator Ellis did ten years ago in SB 120. Change the apportionment so that after the grant is gone, the employee shares in the cost increase with the employer.

Sincerely,

John MacKinnon, Executive Director
Associated General Contractors of Alaska

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