



March 16, 2022

Chairperson Costello and members of the Senate Labor & Commerce committee,

The signs are everywhere around Alaska: “Help wanted” “Now hiring!” “Hiring Bonus!” As a business owner of four operating companies with approximately 160 employees in the wholesale distribution, real estate, food service and hospitality industries, I can attest to the fact that hiring is a major challenge right now for Alaska’s employers.


In order to make Alaska’s economy strong, we need positive policy reforms that will get Alaskans into the job market. Senate Bill 159 takes the right steps in that direction.

We know that unemployment insurance was originally intended to help workers who unexpectedly lost jobs by providing temporary, limited benefits. But COVID-related unemployment insurance incentives created a scenario whereby unemployed persons were sometimes earning more in benefits than if they had been working. Those bonuses have ended, but the problem of many more open jobs than workers to fill them persists in Alaska.

In order to address this issue, I am supportive of the idea of indexing unemployment benefits to Alaska’s unemployment rate. I think it is sound policy to provide benefits for a shorter period of time when there are many jobs available in the state. The maximum period of benefits can still be available when the market is tight and few job openings exist. It only makes sense that when the unemployment rate is high, people would be allowed more time to get jobs but when unemployment is low, we should incentivize them to find work sooner.

Alaska’s unemployment insurance model should be about re-employing our residents. I believe that Senate Bill 159 will help do this.

I appreciate you considering my testimony on this important issue.

Sincerely, 

Bill Vivlamore
President, Vivlamore Companies
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To: Members of the Senate Labor and Commerce Committee

From: Joelle Hall, President of the Alaska AFL-CIO

Date: 3/15/2022

Subject: SB 159 - UNEMPLOYMENT BENEFITS

The Alaska AFL-CIO opposes SB 159 on the following grounds:

Industry specific recessions or layoffs: In the bill packet, there is a powerpoint from the sponsor with a slide that reads: "When jobs are scarce, they're scarce for everyone. When jobs are abundant, there are more options for everyone." Our economy is not a monolith. It is possible for certain sectors to thrive while others face hardship, layoffs, and downturns.

Geographic uniqueness: Rural and coastal Alaska are treated the same as urban Alaska under this bill. The unemployment rate disproportionately skews to reflect the economic situation in southcentral Alaska given the demographics of our state. A "one-size fits all" approach to a state as large and diverse is not the correct course of action.

Childcare as a hurdle to (re)entering the workforce: From a report commissioned by the US Chamber of Commerce: "Childcare issues prevent many Alaska parents from working or pursuing postsecondary education. As a result of childcare challenges, such as breakdowns in care, affordability, or lack of access, working parents arrive late to work or leave early, forgo promotions, postpone school and training programs, and sometimes leave the workforce altogether." As long as childcare issues remain unsolved, a workforce shortage will persist. ¹

Alaskans earned the benefit (and paid for it); a solvent UI fund: Every working Alaskan pays into our unemployment fund. We oppose depriving Alaskans of a benefit they have directly funded. Additionally, our unemployment insurance fund is fully solvent and in good health.

Would prevent better economic outcomes: Research shows that more generous unemployment insurance improves workers' ability to find jobs better suited to their skills and that longer benefit durations decrease the mismatch between workers' educational attainments and the educational requirements of jobs. Both workers and employers have an interest in good matches. Quality worker-employer matches are also indicative of an efficient economy. ²

¹ "UNTAPPED POTENTIAL IN AK: HOW CHILDCARE IMPACTS ALASKA'S WORKFORCE PRODUCTIVITY AND THE STATE ECONOMY." *The U.S. Chamber of Commerce Foundation* (November 2021). https://www.uschamberfoundation.org/sites/default/files/EarlyEd_ALASKA_2021_DIGITAL.pdf

² Farooq, Ammar, Adrianna D. Kugler, and Umberto Muratori. "DO UNEMPLOYMENT INSURANCE BENEFITS IMPROVE MATCH QUALITY? EVIDENCE FROM RECENT U.S. RECESSIONS." *NATIONAL BUREAU OF ECONOMIC RESEARCH WORKING PAPER SERIES* (July 2020). https://www.nber.org/system/files/working_papers/w27574/w27574.pdf.