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April 4, 2023

RE: Opposition to Senate Bill 60 and House Bill 63, repealing the Alaska Workers' Compensation Appeals Commission

Dear honorable members of the House Judiciary and Senate Labor & Commerce Committees,

In his Feb. 1, 2023, address to the Alaska Legislature, out-going Chief Justice Daniel Winfree said the Alaska Court System continues to work through a higher-than-normal backlog of criminal cases that was exacerbated by Covid-19. He said efforts to resolve the pending cases are going more slowly than officials had hoped. For these reasons and more, we oppose Senate Bill 60 and House Bill 63, aimed at abolishing the Workers' Compensation Appeals Commission.

The Greater Fairbanks Chamber of Commerce represents more than 600 members throughout Interior Alaska, and we appreciate efforts by state leaders to look for cost savings in the state budget, but we feel that the \$433,000 spent to operate the commission is money well spent and contributes to keeping Alaska businesses running smoothly.

Both employers and employees rely on the Workers' Compensation Appeals Commission to resolve complex disagreements between them. Shifting the responsibilities of the appeals commission to the Superior Court would be a mistake. In 2022, of the 22 cases that appeared on the appeals commission's docket, 16 were closed, according to the panel's annual report. The average time to process a case was 170 days. It is difficult to imagine that the Alaska Court System, which sees tens of thousands of new cases per year, would improve on that.

We also appreciate the subject-matter expertise provided by a commission that is dedicated to the topic of workers' compensation. Unlike Superior Court judges, members of the appeals commission are experts in workers' compensation claims. These are the only cases they determine, while Superior Court judges must preside over myriad criminal and civil cases. There are no sitting Superior Court judges with workers' compensation experience. Therefore, the transition would include a significant learning curve that would likely result in decision delays while the case-specific statutes and regulations could be reviewed and interpreted. These delays could either withhold benefits from an employee (while possibly incurring penalties for the employer), or unnecessarily extend them on behalf of an employer, with no

recourse for reimbursement. The costs of “training” the judges would ultimately influence worker’s compensation rates, which are one of the biggest expenses our members face.

Shifting the responsibilities of the Workers’ Compensation Appeals Commission to the Superior Court is likely to lengthen the process, increase costs, and discourage parties from pursuing their right to appeal. Please join us in opposing this legislation.

Sincerely,

Greater Fairbanks Chamber of Commerce



Jeremy Johnson
President & CEO



Patrick Cotter
Board Chair

CC:

Governor Mike Dunleavy
The 33rd Alaska Legislature
Workers’ Compensation Board
Commissioner Cathy Munoz
Alaska Chamber