



ELECTRONIC MAIL

February 5, 2024

Representative George Rauscher
Senator Bill Wielechowski
Alaska State Capitol
Juneau, AK 99801

Re: Support for HB 63 & SB 60 – Repeal Workers' Compensation Appeals Commission

Dear Representative Rauscher and Senator Wielechowski:

As the primary trade organization representing the residential construction industry in Alaska, the Alaska State Home Building Association (ASHBA) writes to express its support for HB 63 and SB 60 to repeal the Alaska Workers' Compensation Appeals Commission (Commission) and return jurisdiction over appeals of Workers' Compensation Board decisions to the Superior Court.

The construction industry, by its very nature, is one that involves inherent risks and challenges. Despite stringent safety protocols and preventive measures, accidents can and do occur. When such incidents happen, it is vital that workers have access to a fair and efficient process for seeking recourse and receiving the compensation they rightly deserve.

Since 2005, the Commission has carried out its mission of providing an impartial forum for resolving disputes over workers' compensation. However, given the Commission's decreased workload, the state's current fiscal challenges, and the need to prioritize state spending in a responsible manner, it makes sense to consider opportunities to streamline government processes and eliminate inefficiencies wherever possible. And evidence shows that the Alaska Court System possesses the capacity to absorb the relatively small caseload associated with workers' compensation appeals across its jurisdictions without necessitating additional resources.

Thank you for your service to the State of Alaska,


David Bunts, President
Alaska State Home Building Association



To: Alaska Senate Judiciary Committee
From: Americans for Tax Reform
Re: Support Senate Bill 60

Dear Senator,

On behalf of Americans for Tax Reform (ATR) and our supporters across Alaska, I urge you to support Senate Bill 60, legislation that would repeal the Workers' Compensation Appeals Commission. This common-sense reform would cut unnecessary government bureaucracy while saving the state government nearly half a million dollars per year.

Most attempts to cut state spending involve taking away dollars from individuals, families, businesses, or other entities who may have come to rely on government handouts and subsidies. That is not the case with SB 60. The Workers' Compensation Appeals Commission may be the closest thing to a useless government entity that Alaska has ever seen, providing direct benefits to no one except its two high-paid employees.

With just 4 cases filed with the commission in all of 2023, Alaska taxpayers are on the hook for well over \$100k per case. Yet for all that excess spending, the Commission has demonstrably failed to accomplish its goal of handling cases faster than the state court system.

Thankfully, the "work" currently performed by the commission can easily be absorbed by the existing judicial structure – namely, the Alaska Superior Court – at no cost to the state. That holds true even if 30 cases were to be filed annually (as in 2013), rather than last year's total caseload of 4. Under SB 60, the Workers' Compensation Board would remain fully functional, and the workers themselves would retain their ability to appeal decisions handed down by the Board. In fact, SB 60 simply moves Alaska back to the system it employed before 2005.

Half a million dollars is not an extraordinary sum of money, but the job of reining in government spending and bureaucracy must be undertaken one step at a time. Moreover, in light of budget deficits currently faced by the broader Workers' Compensation system, repealing this appeals commission is the natural first step toward making the fund solvent once again, all without raising taxes or fees. For these reasons, ATR supports SB 60 and urges you to vote yes on this bill at the first opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Grover G. Norquist".

Grover G. Norquist
President
Americans for Tax Reform