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House Bill 192: Unemployment Benefits

Sponsor Statement

The mission of Alaska's state unemployment insurance program is to: provide temporary wage replacement for individuals who lose a job through no fault of their own, to protect employers against the dispersal of a trained workforce while temporary shutdowns are necessary, to facilitate reemployment, and to help stabilize the economy.

In calendar year 2024, 19,651 Alaskans (or about 1 out of every 50 Alaskans) qualified for and received at least one unemployment insurance weekly benefit payment after being separated from employment, yet unemployment weekly benefit amounts have not increased since 2009.

During the seventeen years since the 2008 legislation making changes to unemployment benefit amounts was enrolled, neither the weekly benefit amount nor the weekly dependent benefit allowance have been increased. HB 192 adjusts the weekly benefit amount and weekly dependent benefit allowance to inflation-proof Alaska's state unemployment insurance program. In addition, HB 192 implements an annual unemployment benefit amount adjustment and ties the benefit adjustment increment to the average percentage of increase of the urban Alaska Consumer Price Index over the most recent three-year period, calculating new weekly benefit amounts accordingly. The Alaska Urban Consumer Price Index is the standard reference benchmark for inflation used by the Alaska Legislature.

Unlike other state social support services which may rely on general funding for support, Alaska's unemployment insurance program is funded by Federal Unemployment Tax Act taxes collected from employers, and by contributions from employed individuals, both of which are paid into a Federal Unemployment Insurance Trust Fund. Federal law restricts employer contributions to the fund from being used for anything other than benefit payments. In September of 2024, the balance on the Unemployment Insurance Trust Fund account was an unprecedented \$724.4 million. By way of comparison, in FY24 the UI brought in an additional \$165.9 million in revenue and paid out only \$45.3 million in benefits.

In addition to the above changes, this bill seeks to contemporize Alaska's Employment Security Act by specifying: required deadlines for payment of weekly benefit amounts to qualified insured workers in certain specific situations; defined parameters within which benefit payment

will be sustained during limited travel for certain remote and newly rehired insured workers; and by incrementally extending the number of payments a qualified insured worker is eligible for by eliminating a mandatory one-week wait period from statute and extending weekly benefit payments to support a successful transition to reemployment at the end of their unemployment benefit period.