

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 192
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB192-DOLWD-UI-04-18-25
Title: UNEMPLOYMENT BENEFITS
Sponsor: EISCHEID
Requester: (H) L&C

Department: Department of Labor and Workforce Development
Appropriation: Employment and Training Services
Allocation: Unemployment Insurance
OMB Component Number: 2276

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/01/25

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Labor & Workforce Development

Phone: (907)465-5543
Date: 04/18/2025
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB 192

Analysis

This legislation would result in the following changes to the state's unemployment insurance (UI) program, it: eliminates the waiting week; requires processing of benefits within 24 hours of determination of eligibility, including weekends and holidays; establishes a 10% penalty due to the claimant for each day a payment is delayed; increases the dependent allowance from \$24 per dependent up to three to \$35 per dependent up to three; increases the maximum weekly benefit amount from \$370 to \$530 by raising the maximum qualifying wages from \$42,000 to \$62,000; adds an annual adjustment to the maximum qualifying wages and corresponding maximum weekly benefit amount based on changes to the consumer price index (CPI); extends the claimant qualification period to until they receive their first paycheck; requires the UI to develop a contingency plan for when call volumes exceed call center capacity; reduces the separation penalty disqualification period for claimants who quit work without good cause or are discharged for misconduct from six weeks to five weeks; and allows travel for claimants that have accepted an offer of work and cannot start work before the hire date, or who have a history of remote work.

The fiscal impact on the department and the state general fund is indeterminate at this time. The department does not currently track the number of UI claim payments delayed by a holiday or weekend; additional analysis is needed to estimate the potential costs of the penalty. The department has verified with the United States Department of Labor (USDOL) that the federal UI administrative funding cannot be used for paying penalties so there will need to be state funding to cover those costs.

Trying to avoid penalty costs would require the UI, Department of Revenue, and Department of Administration all to be adequately staffed during weekends and holidays to facilitate timely payment. If weekend and holiday payments were facilitated through the combined efforts of each of these departments, penalties would only be issued should a payment be delayed due to a technical issue preventing payment being issued the following day, a metric that is not currently monitored.

During FY2024, 18,465 claimants filed for at least one week of benefits. In that same timeframe, claimants averaged a weekly benefit amount of \$282. A processing payment delaying payment by one day for all 18,465 claimants would result in an estimated penalty payment of \$520,713. This does not factor in the increase to benefits proposed by this legislation.

This legislation will require significant programming changes to the UI Mainframe system. The department estimates a minimum of six months to program and implement weekend and holiday payment issuing and delayed payment penalties, one month to implement WBA changes and three months to issue a change to the dependent allowance based on past experience during the pandemic. Removal of the waiting week would take an estimated one month to program, and the separation penalty reduction would take up to two months to program. It is unclear if delays to benefit increases resulting from this legislation that are due to programming change needs would result in penalties.

Associated regulation changes for this legislation would take approximately six months to develop and fully implement from the effective date of the bill.

The costs of this legislation will likely be significant, but the department cannot formulate them without several weeks of analysis.