

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version: SB 156
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB156CS(HSS)-DOLWD-UI-04-08-22
Title: PROHIBIT COVID-19 VACCINE DISCRIMINATION
Sponsor: REINBOLD
Requester: (S) HSS

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)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1002 Fed Rcpts (Fed)	(20,000.0)		(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)
Total	(20,000.0)	0.0	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) 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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version

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Agency: DOLWD Administrative Services Division

Phone: (907)465-5543
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

BILL NO. SB 156

Analysis

New sections added will impact eligibility determinations for unemployment insurance benefits.

Sec. 18.09.250 will prohibit denial of benefits based on an individual's COVID-19 vaccination status if an individual finds themselves unemployed due to their vaccination status. Likewise, an individual's eligibility for benefits could not be impacted if an employer refused to hire them due to vaccination status.

Sec. 18.09.280 restricts the requirement for justification regarding refusal of a COVID-19 vaccination and allows refusal for any reason. Therefore, existing policy and procedure for reviewing whether alternative options were offered and/or pursued for medical or religious exemptions would no longer be reviewed under this proposed legislation.

This bill conflicts with federal law regarding the federal COVID-19 mandate for health care workers. This mandate was recently upheld by the U.S. Supreme Court. This bill would place the state's unemployment insurance program out of conformity and compliance with federal law. Following are the impacts of non-conformity if language is not added to the bill that allows for an exemption to Alaska's Unemployment Insurance (UI) Program to operate the program in compliance with federal law.

Alaska's employers would lose their Federal Unemployment Tax Act (FUTA) credit.

- The current FUTA rate is 6% of the first \$7,000 in paid wages for each employee.
- With the 5.4% credit, the effective rate is 0.6% or \$42 annually for each employee.
- Without the credit, the annual tax paid by the employer for each employee would be \$420, an increase of \$378.

The state would forfeit the \$20 million dollar administrative grant it receives to operate Alaska's UI Program.