

ALASKA STATE LEGISLATURE  
**SENATE LABOR & COMMERCE COMMITTEE**

May 6, 2001  
8:32 am

**MEMBERS PRESENT**

Senator Randy Phillips, Chair  
Senator Alan Austerman  
Senator John Torgerson

**MEMBERS ABSENT**

Senator Loren Leman

**COMMITTEE CALENDAR**

CS FOR HOUSE BILL NO. 58(L&C)  
"An Act relating to the calculation and payment of unemployment compensation benefits; and providing for an effective date."

MOVED CSHB 58(L&C) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

HB 58 - No previous action to consider.

**WITNESS REGISTER**

Ms. Rebecca Gamez, Deputy Commissioner  
Department of Labor & Workforce  
Development  
PO Box 21149  
Juneau, AK 99802-1149  
**POSITION STATEMENT:** Supported HB 58.

Mr. Ron Hall, Director  
Division of Employment Security  
Department of Labor & Workforce  
Development  
PO Box 21149  
Juneau, AK 99802-1149  
**POSITION STATEMENT:** Supported HB 58.

Mr. Don Etheridge  
Alaska AFL-CIO  
710 W 9th St.  
Juneau AK 99801

**POSITION STATEMENT:** Supported HB 58.

**ACTION NARRATIVE**

**TAPE 01-28, SIDE A**

Number 001

#HB58

**HB 58-UNEMPLOYMENT COMPENSATION BENEFITS**

**CHAIRMAN RANDY PHILLIPS** called the Senate Labor & Commerce Committee meeting to order at 8:32 am and announced HB 58 to be up for consideration.

MS. REBECCA GAMEZ, Deputy Commissioner, Department of Labor and Workforce Development, testified that HB 58 is much like SB 30 that was before the committee a few weeks ago, without the indexing.

This bill will increase the maximum weekly benefit amount to \$320 over a three-year period from \$248 in the first year to \$272; in year two from \$272 to \$296; and in year three from \$296 to \$320; then the \$320 would stay in statute.

CHAIRMAN PHILLIPS asked what the costs were to the employers as opposed to the costs to the employees.

MS. GAMEZ replied that it's an estimated cost over a six-year period of about \$10 million - \$8 million would be employer contributions and \$2 million would be worker contributions. She said this was in reference to the private sector and the fiscal notes speak to the University and the Department of Administration.

CHAIRMAN PHILLIPS asked what the percentage match was for employer an employee for unemployment insurance.

MS. GAMEZ replied that it's an 80/20 split. She said it's capped at roughly \$150 for worker contribution.

MR. RON HALL, Director, Employment Security Division, explained, "Over the six-year period to 2008 when it's fully in place, the impact of the taxes is raised for the average employer by \$51 per employee per year."

CHAIRMAN PHILLIPS asked if there was any opposition to this bill.

MS. GAMEZ replied that the only opposition that she's aware of is that the State Chamber of Commerce did a survey and then revised

their opposition and said they would support "one bump up." She said the department hadn't received any complaints and had actually received a lot of input from claimants who say that it's not enough to get them through times of seasonal unemployment.

CHAIRMAN PHILLIPS asked if Alaska was number 50 of the states that have passed legislation like this.

MS. GAMEZ replied, "Yes."

CHAIRMAN PHILLIPS asked if they would pass this, where would Alaska be in the rankings.

MS. GAMEZ replied that we would be at the lower end of the middle.

MR. HALL said that it's a moving target, "Other states will be going up. We'll still be in the bottom third."

MS. GAMEZ replied that we would be in the top of the bottom third if things stay as they are today.

SENATOR AUSTERMAN asked what "one bump up" meant to the Chamber of Commerce.

MS. GAMEZ replied that she thought it meant that they were supportive of the bump from the current \$248 to the \$272.

MR. DON ETHERIDGE, Alaska State AFL-CIO, said he supported HB 58. "Many of our members pointed out that there is a lot of seasonal employment and they just cannot make it on the rate that's being paid right now."

CHAIRMAN PHILLIPS said:

I'm a little hesitant on this bill, not because of the subject matter in the bill, but because of the short notice on the effects of the employers and not having them here to testify either for or against or at least list their concerns...

SENATOR DAVIS moved to pass CSHB 52(L&C) from committee with individual recommendations with the attached fiscal note. There were no objections and it was so ordered.

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CHAIRMAN PHILLIPS adjourned the meeting at 8:40 am.