

**CS FOR SENATE BILL NO. 120(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/11/08

Referred: Finance

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to disclosure of certain information from the records of the  
2 Department of Labor and Workforce Development and limiting the use of the disclosed  
3 information, and to the calculation and payment of unemployment compensation  
4 benefits; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 \* **Section 1.** AS 23.20.110(a) is amended to read:

7 (a) Except **for disclosures required by 42 U.S.C. 503, as amended, and 20**  
8 **C.F.R. 603, as amended, and disclosures authorized under** [AS PROVIDED IN (h)  
9 AND (i) OF] this section, the department shall hold information obtained from an  
10 employing unit or individual in the course of administering this chapter and  
11 determinations as to the benefit rights of an individual confidential and may not  
12 disclose them or open them to public inspection in a manner that reveals the identity of  
13 the individual or employing unit. A claimant or an employing unit [, OR THE LEGAL  
14 REPRESENTATIVE OF THE CLAIMANT OR THE EMPLOYING UNIT,] is

1 entitled to information from the records of the department **only** to the extent necessary  
 2 to properly present or protest a claim or determination under this chapter. **The**  
 3 **department may not provide information that is confidential under this section to**  
 4 **a person for use in any civil or administrative matter not directly involving the**  
 5 **presentation or protest of a claim or determination under this chapter; however,**  
 6 **subject** [SUBJECT] to restrictions that the department prescribes by regulation, the  
 7 information **must** [MAY] be made available to **the United States Department of**  
 8 **Homeland Security, Bureau of Citizenship and Immigration Services, for the**  
 9 **purpose of verifying a claimant's immigration status, to the United States**  
 10 **Railroad Retirement Board, to** an agency of this state or another state or federal  
 11 agency charged with the administration of an unemployment compensation law or the  
 12 maintenance of a system of public employment offices, **to the United States**  
 13 **Department of the Treasury, Internal Revenue Service** [OR], for the purposes of  
 14 the Federal Unemployment Tax Act, **or to the Department of Revenue** [TO THE  
 15 INTERNAL REVENUE SERVICE OF THE UNITED STATES, OR,] for tax  
 16 purposes [, TO THE DEPARTMENT OF REVENUE]. Information obtained in the  
 17 course of administering this chapter or in connection with the administration of the  
 18 employment service may be made available to persons or agencies for purposes  
 19 appropriate to the operation of a public employment service or the administration of  
 20 employment and training programs planned or coordinated by the Alaska Workforce  
 21 Investment Board under AS 23.15.550 - 23.15.585.

22 \* **Sec. 2.** AS 23.20.110(e) is amended to read:

23 (e) The department shall provide **wage and unemployment compensation**  
 24 information

25 (1) requested by a state or federal agency under an income and  
 26 eligibility verification system that meets the requirements of 42 U.S.C. 1320b-7  
 27 (Social Security Act); [OR]

28 (2) as required by federal law for child support purposes;

29 **(3) to the United States Secretary of Health and Human Services**  
 30 **for the National Directory of New Hires as required by 42 U.S.C. 503 and 42**  
 31 **U.S.C. 653; or**

1                   **(4) to a state or a political subdivision of a state that administers a**  
 2                   **program funded under 42 U.S.C. 601 - 619 that provides temporary assistance**  
 3                   **for needy families.**

4 \* **Sec. 3.** AS 23.20.110(g) is amended to read:

5                   (g) **A recipient of records disclosed under** [THE REQUIREMENTS OF]  
 6                   this section **may not use the disclosed records for a purpose other than the**  
 7                   **purpose for which the disclosure was made. The requirements** concerning the  
 8                   confidentiality of information obtained in the course of administering this chapter  
 9                   apply to officers and employees of a state, federal, [OR] municipal, **or other** agency to  
 10                   whom the department provides information as authorized by this section.

11 \* **Sec. 4.** AS 23.20.110(k) is amended to read:

12                   (k) If an individual who is applying for or participating in a housing assistance  
 13                   program administered by the United States Department of Housing and Urban  
 14                   Development gives authorization, the department shall disclose, to the United States  
 15                   Department of Housing and Urban Development or to representatives of the housing  
 16                   assistance program operating the program, wage information and unemployment  
 17                   compensation information. The authorization shall be made by the individual on a  
 18                   consent form approved by the department. The form must state the information  
 19                   authorized to be released and require the signature of the individual. In this subsection,

20                   (1) "unemployment compensation information" means whether the  
 21                   individual is receiving, has received, or has applied for unemployment compensation,  
 22                   and the amount of unemployment compensation that the individual is receiving, **has**  
 23                   **received, or is eligible to** [WILL] receive, **and the individual's current address and**  
 24                   **other contact information;**

25                   (2) "wage information" means the social security number, or numbers  
 26                   if there are more than one, and quarterly wages of an employee, and the name,  
 27                   address, state, and, if known, federal employer identification number of an employer  
 28                   reporting wages under this chapter.

29 \* **Sec. 5.** AS 23.20.110(m) is amended to read:

30                   (m) The department may not release information under this section to a state  
 31                   agency or to a person under contract with the state until the department and the agency

1 or person have entered into a written agreement that governs the release of  
2 information. The written agreement must specify

3 (1) the purpose for the information;

4 (2) a description of the information to be provided;

5 (3) a description of the procedure for transmitting, securing, using, and  
6 disposing of the information; [AND]

7 (4) the method of reimbursement, if any, for the cost of providing the  
8 information; **and**

9 **(5) that the department may perform on-site inspections to ensure**  
10 **that the confidentiality requirements of this section are met.**

11 \* **Sec. 6.** AS 23.20.110(n) is amended to read:

12 (n) **Notwithstanding (a) of this section, the** [THE] department may produce  
13 statistical and other public reports based on information obtained in the course of  
14 administering this chapter, so long as the **department complies with the**  
15 **requirements of 20 C.F.R. 603, as amended, regarding the use or release of**  
16 **confidential records** [REPORTS DO NOT REVEAL WAGE AND PAYROLL  
17 DATA FOR AN EMPLOYING UNIT OR THE NAME OR NUMBER  
18 IDENTIFYING AN INDIVIDUAL. THE REPORTS MAY INCLUDE THE FIRM  
19 NAME, ADDRESS, NORTH AMERICAN INDUSTRY CLASSIFICATION  
20 SYSTEM CODE, CENSUS AREA CODE, NUMBER OF WORKERS EMPLOYED,  
21 AND OCCUPATIONAL STAFFING PATTERNS FOR AN EMPLOYING UNIT].

22 \* **Sec. 7.** AS 23.20.110 is amended by adding a new subsection to read:

23 (r) The confidentiality requirements of this section do not apply to disclosure  
24 of decisions and records on appeal in any matter before the department as long as the  
25 federal social security number of the claimant and the employer's federal employer  
26 identification number and federal social security number are redacted or removed  
27 before disclosure is made.

28 \* **Sec. 8.** AS 23.20.115 is amended to read:

29 **Sec. 23.20.115. Unauthorized disclosure of information.** A member of the  
30 department, an employee of the department, an agent of the department, or an officer  
31 or employee of a state, federal, [OR] municipal, **or other** agency that has been

1 provided with information by the department who, in violation of AS 23.20.110,  
 2 makes a disclosure of information obtained from an employing unit or from an  
 3 individual in the administration of this chapter, or a person who has obtained a list of  
 4 applicants for work or of claimants or recipients of benefits under this chapter and  
 5 who uses or permits the use of the list for a purpose not authorized by AS 23.20.110 is  
 6 guilty of a class B misdemeanor.

7 \* **Sec. 9.** AS 23.20.290(c) is amended to read:

8 (c) Beginning January 1, 2009 [1997], the rate of contributions for each  
 9 employer is 73 [80] percent of the average benefit cost rate multiplied by the  
 10 employer's experience factor set out in column C of the table in this subsection  
 11 opposite the employer's applicable rate class set out in column A plus the fund  
 12 solvency adjustment required under (f) of this section. However, the rate of  
 13 contributions for an employer may not be less than one percent or more than six and  
 14 one-half percent. The rate of contributions for an employer in rate class 21 may not be  
 15 less than 5.4 percent. The rate of contributions for an employer must be rounded to the  
 16 nearest 1/100th of one percent.

COLUMN A Rate Class	COLUMN B Cumulative Ratable Payroll		COLUMN C Experience Factor
	at least	but less than	
	(percent)	(percent)	
1	5	5	.40
2	5	10	.45
3	10	15	.50
4	15	20	.55
5	20	25	.60
6	25	30	.65
7	30	35	.70
8	35	40	.80
9	40	45	.90
10	45	50	1.00

1	11	50	55	1.00
2	12	55	60	1.10
3	13	60	65	1.20
4	14	65	70	1.30
5	15	70	75	1.35
6	16	75	80	1.40
7	17	80	85	1.45
8	18	85	90	1.50
9	19	90	95	1.55
10	20	95	99.99	1.60
11	21	99.99		1.65.

12 \* **Sec. 10.** AS 23.20.290(d) is amended to read:

13 (d) Beginning January 1, 2009 [1997], and for each succeeding year thereafter,  
 14 the rate of contributions payable by each employee of an employer who is subject to  
 15 AS 23.20.165 is 27 [20] percent of the average benefit cost rate as determined in (e) of  
 16 this section rounded to the nearest 1/100th of one percent. However, the rate of  
 17 contributions for an employee may not be less than one-half percent or more than one  
 18 percent.

19 \* **Sec. 11.** AS 23.20.350(a) is amended to read:

20 (a) An individual who is paid at least \$2,500 [\$1,000] in wages during the  
 21 individual's base period for employment covered by this chapter is eligible to receive  
 22 benefits under this chapter if those wages were paid in at least two of the calendar  
 23 quarters of the individual's base period.

24 \* **Sec. 12.** AS 23.20.350(d) is amended to read:

25 (d) An individual who is eligible under (a) of this section is entitled to receive  
 26 the weekly benefit amount set out in column (B) of the table in this subsection that is  
 27 opposite the amount set out in column (A) of the individual's base period wages  
 28 determined under (c) of this section:

29	(A)	(B)
30	Base Period Wages	Weekly Benefit
31		Amount

	At least	But less than	
1			
2	0	<u>2,500</u> [1,000]	\$ 0
3	[1,000	1,250	44
4	1,250	1,500	46
5	1,500	1,750	48
6	1,750	2,000	50
7	2,000	2,250	52
8	2,250	2,500	54]
9	2,500	2,750	56
10	2,750	3,000	58
11	3,000	3,250	60
12	3,250	3,500	62
13	3,500	3,750	64
14	3,750	4,000	66
15	4,000	4,250	68
16	4,250	4,500	70
17	4,500	4,750	72
18	4,750	5,000	74
19	5,000	5,250	76
20	5,250	5,500	78
21	5,500	5,750	80
22	5,750	6,000	82
23	6,000	6,250	84
24	6,250	6,500	86
25	6,500	6,750	88
26	6,750	7,000	90
27	7,000	7,250	92
28	7,250	7,500	94
29	7,500	7,750	96
30	7,750	8,000	98
31	8,000	8,250	100

1	8,250	8,500	102
2	8,500	8,750	104
3	8,750	9,000	106
4	9,000	9,250	108
5	9,250	9,500	110
6	9,500	9,750	112
7	9,750	10,000	114
8	10,000	10,250	116
9	10,250	10,500	118
10	10,500	10,750	120
11	10,750	11,000	122
12	11,000	11,250	124
13	11,250	11,500	126
14	11,500	11,750	128
15	11,750	12,000	130
16	12,000	12,250	132
17	12,250	12,500	134
18	12,500	12,750	136
19	12,750	13,000	138
20	13,000	13,250	140
21	13,250	13,500	142
22	13,500	13,750	144
23	13,750	14,000	146
24	14,000	14,250	148
25	14,250	14,500	150
26	14,500	14,750	152
27	14,750	15,000	154
28	15,000	15,250	156
29	15,250	15,500	158
30	15,500	15,750	160
31	15,750	16,000	162

1	16,000	16,250	164
2	16,250	16,500	166
3	16,500	16,750	168
4	16,750	17,000	170
5	17,000	17,250	172
6	17,250	17,500	174
7	17,500	17,750	176
8	17,750	18,000	178
9	18,000	18,250	180
10	18,250	18,500	182
11	18,500	18,750	184
12	18,750	19,000	186
13	19,000	19,250	188
14	19,250	19,500	190
15	19,500	19,750	192
16	19,750	20,000	194
17	20,000	20,250	196
18	20,250	20,500	198
19	20,500	20,750	200
20	20,750	21,000	202
21	21,000	21,250	204
22	21,250	21,500	206
23	21,500	21,750	208
24	21,750	22,000	210
25	22,000	22,250	212
26	22,250	22,500	214
27	22,500	22,750	216
28	22,750	23,000	218
29	23,000	23,250	220
30	23,250	23,500	222
31	23,500	23,750	224

1	23,750	24,000	226
2	24,000	24,250	228
3	24,250	24,500	230
4	24,500	24,750	232
5	24,750	25,000	234
6	25,000	25,250	236
7	25,250	25,500	238
8	25,500	25,750	240
9	25,750	26,000	242
10	26,000	26,250	244
11	26,250	26,500	246
12	26,500	26,750	248
13	26,750	<u>27,000</u>	<u>250</u>
14	<u>27,000</u>	<u>27,250</u>	<u>252</u>
15	<u>27,250</u>	<u>27,500</u>	<u>254</u>
16	<u>27,500</u>	<u>27,750</u>	<u>256</u>
17	<u>27,750</u>	<u>28,000</u>	<u>258</u>
18	<u>28,000</u>	<u>28,250</u>	<u>260</u>
19	<u>28,250</u>	<u>28,500</u>	<u>262</u>
20	<u>28,500</u>	<u>28,750</u>	<u>264</u>
21	<u>28,750</u>	<u>29,000</u>	<u>266</u>
22	<u>29,000</u>	<u>29,250</u>	<u>268</u>
23	<u>29,250</u>	<u>29,500</u>	<u>270</u>
24	<u>29,500</u>	<u>29,750</u>	<u>272</u>
25	<u>29,750</u>	<u>30,000</u>	<u>274</u>
26	<u>30,000</u>	<u>30,250</u>	<u>276</u>
27	<u>30,250</u>	<u>30,500</u>	<u>278</u>
28	<u>30,500</u>	<u>30,750</u>	<u>280</u>
29	<u>30,750</u>	<u>31,000</u>	<u>282</u>
30	<u>31,000</u>	<u>31,250</u>	<u>284</u>
31	<u>31,250</u>	<u>31,500</u>	<u>286</u>

1	<u>31,500</u>	<u>31,750</u>	<u>288</u>
2	<u>31,750</u>	<u>32,000</u>	<u>290</u>
3	<u>32,000</u>	<u>32,250</u>	<u>292</u>
4	<u>32,250</u>	<u>32,500</u>	<u>294</u>
5	<u>32,500</u>	<u>32,750</u>	<u>296</u>
6	<u>32,750</u>	<u>33,000</u>	<u>298</u>
7	<u>33,000</u>	<u>33,250</u>	<u>300</u>
8	<u>33,250</u>	<u>33,500</u>	<u>302</u>
9	<u>33,500</u>	<u>33,750</u>	<u>304</u>
10	<u>33,750</u>	<u>34,000</u>	<u>306</u>
11	<u>34,000</u>	<u>34,250</u>	<u>308</u>
12	<u>34,250</u>	<u>34,500</u>	<u>310</u>
13	<u>34,500</u>	<u>34,750</u>	<u>312</u>
14	<u>34,750</u>	<u>35,000</u>	<u>314</u>
15	<u>35,000</u>	<u>35,250</u>	<u>316</u>
16	<u>35,250</u>	<u>35,500</u>	<u>318</u>
17	<u>35,500</u>	<u>35,750</u>	<u>320</u>
18	<u>35,750</u>	<u>36,000</u>	<u>322</u>
19	<u>36,000</u>	<u>36,250</u>	<u>324</u>
20	<u>36,250</u>	<u>36,500</u>	<u>326</u>
21	<u>36,500</u>	<u>36,750</u>	<u>328</u>
22	<u>36,750</u>	<u>37,000</u>	<u>330</u>
23	<u>37,000</u>	<u>37,250</u>	<u>332</u>
24	<u>37,250</u>	<u>37,500</u>	<u>334</u>
25	<u>37,500</u>	<u>37,750</u>	<u>336</u>
26	<u>37,750</u>	<u>38,000</u>	<u>338</u>
27	<u>38,000</u>	<u>38,250</u>	<u>340</u>
28	<u>38,250</u>	<u>38,500</u>	<u>342</u>
29	<u>38,500</u>	<u>38,750</u>	<u>344</u>
30	<u>38,750</u>	<u>39,000</u>	<u>346</u>
31	<u>39,000</u>	<u>39,250</u>	<u>348</u>

1	<u>39,250</u>	<u>39,500</u>	<u>350</u>
2	<u>39,500</u>	<u>39,750</u>	<u>352</u>
3	<u>39,750</u>	<u>40,000</u>	<u>354</u>
4	<u>40,000</u>	<u>40,250</u>	<u>356</u>
5	<u>40,250</u>	<u>40,500</u>	<u>358</u>
6	<u>40,500</u>	<u>40,750</u>	<u>360</u>
7	<u>40,750</u>	<u>41,000</u>	<u>362</u>
8	<u>41,000</u>	<u>41,250</u>	<u>364</u>
9	<u>41,250</u>	<u>41,500</u>	<u>366</u>
10	<u>41,500</u>	<u>41,750</u>	<u>368</u>
11	<u>41,750</u>	<u>42,000</u>	<u>370</u>
12	<u>42,000</u>		<u>370</u> [248].

13 \* **Sec. 13.** AS 23.20.350(e) is amended to read:

14 (e) An individual who is eligible under (d) **or (h)** of this section is entitled to  
 15 receive a weekly benefit under this chapter for the number of weeks set out in column  
 16 (B) of the table in this subsection opposite the applicable earnings ratio of the  
 17 individual set out in column (A):

18	(A)	(B)
19	Earnings Ratio	Number of Weeks
20	less than 1.50	16
21	1.50-1.99	18
22	2.00-2.49	20
23	2.50-2.99	22
24	3.00-3.49	24
25	3.50 or more	26.

26 \* **Sec. 14.** AS 23.20.350 is amended by adding new subsections to read:

27 (h) Notwithstanding (d) of this section, for a benefit year beginning on or after  
 28 January 1, 2009, an individual who is eligible under (a) of this section is entitled to  
 29 receive the weekly benefit amount calculated in accordance with this subsection and  
 30 set under (i) of this section if the individual's base period wages determined under (c)  
 31 of this section are at least \$42,250. The department shall adopt regulations to establish

1 a methodology to calculate new amounts that increase the highest weekly benefit  
2 amount shown in (d) of this section by \$2 increments and the highest base period  
3 wages amount shown in (d) of this section by \$250 increments if the average weekly  
4 wage in this state, as calculated under (k) of this section, has increased by an  
5 increment amount established by the department in the regulations. The methodology  
6 established under this subsection may not result in new weekly benefit amounts that  
7 exceed 50 percent replacement of the average weekly wages in this state as determined  
8 under (k) of this section. By December 1 of each year, the department shall apply the  
9 methodology established under this subsection to calculate any new weekly benefit  
10 and base period wages amounts.

11 (i) By December 1 of each year, the department shall give notice of any  
12 proposed new weekly benefit amounts calculated under (h) of this section by posting  
13 notice on the Alaska Online Public Notice System (AS 44.62.175), furnishing notice  
14 to interested persons who have requested notification, and providing a press release to  
15 the media. In the notice, the department shall provide the public with an opportunity to  
16 comment on the accuracy of the department's calculations. Fifteen days after posting  
17 the notice on the Alaska Online Public Notice System, the department shall set the  
18 new weekly benefit amounts. A new weekly benefit amount set under this subsection  
19 applies January 1 of the following calendar year, but does not apply to an individual  
20 whose current benefit year began before that date. The department may set new  
21 weekly benefit amounts under this subsection only once each calendar year, beginning  
22 in December 2008. The process under this subsection is exempt from AS 44.62  
23 (Administrative Procedure Act), but the weekly benefit amounts set under this  
24 subsection shall be submitted to the lieutenant governor for publication in the Alaska  
25 Administrative Code for informational purposes.

26 (j) The commissioner shall report to the governor and the legislature if the  
27 average weekly wage in this state decreases to the extent that an adjustment in weekly  
28 benefit amounts set in (d) of this section or under (h) and (i) of this section is  
29 appropriate for the proper administration of trust funds under this chapter.

30 (k) By December 1 of each year, the department shall determine the average  
31 weekly wage in this state by dividing the average annual wage in this state for the

1 preceding 12-month period ending June 30 by 52. The resulting figure is the average  
 2 weekly wage in this state for purposes of the department's calculations under (h) and  
 3 (j) of this section. For purposes of this subsection, the department's calculation of the  
 4 average annual wage in this state must include the wages of all employees in the state,  
 5 both public and private, who are covered by this chapter.

6 \* **Sec. 15.** AS 23.20.526(d)(8) is amended to read:

7 (8) in the employ of the state or a political subdivision of the state if the  
 8 service is performed by an individual in the exercise of duties

9 (A) as a judicial officer, the governor, the lieutenant governor,  
 10 a person hired or appointed as the head or deputy head of a department in the  
 11 executive branch, a person hired or appointed as the director of a division of a  
 12 department in the executive branch, an assistant to the governor, a chair or  
 13 member of a state commission or board, state investment officers and the state  
 14 comptroller in the Department of Revenue, an appointed or elected municipal  
 15 officer, any other elected official, the fiscal analyst of the legislative finance  
 16 division, the legislative auditor of the legislative audit division, the executive  
 17 director of the Legislative Affairs Agency, and the directors of the divisions  
 18 within the Legislative Affairs Agency;

19 (B) as a member of the Alaska Army National Guard or Alaska  
 20 Air National Guard or Alaska Naval Militia;

21 (C) as an employee serving on only a temporary basis in case  
 22 of fire, storm, snow, earthquake, flood, or similar emergency; or

23 (D) as an election official or election worker if the amount of  
 24 remuneration received by the individual during the calendar year for services  
 25 as an election official or election worker is less than **\$2,500** [\$1,000];

26 \* **Sec. 16.** AS 23.20.110(h), 23.20.110(i), and 23.20.110(j) are repealed.

27 \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
 28 read:

29 TRANSITION: REGULATIONS. Notwithstanding sec. 19 of this Act, the  
 30 Department of Labor and Workforce Development may immediately proceed to adopt  
 31 regulations necessary to implement the changes made by this Act. The regulations take effect

1 under AS 44.62 (Administrative Procedure Act), but not before the effective date of the  
2 statutory change.

3 \* **Sec. 18.** Sections 1 - 8, 16, and 17 of this Act take effect immediately under  
4 AS 01.10.070(c).

5 \* **Sec. 19.** Except as provided in sec. 18 of this Act, this Act takes effect January 1, 2009.