

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 120(FIN)
 (S) Publish Date: 3/17/08

Identifier (file name): SB120CS-DOLWD-UI-03-17-08 Dept. Affected: Labor and Workforce Development
 Title: Unemployment Compensation Benefits RDU: Employment Security
 Component: Unemployment Insurance
 Sponsor: Senate L&C
 Requester: Senate Rules Component Number: 2276

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES (33030*)	0.0	0.0	2,000.0	8,000.0	14,000.0	16,000.0	16,000.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Thomas W. Nelson, Director
 Division: Employment Security
 Approved by: Click Bishop, Commissioner
Department of Labor and Workforce Development

Phone 465-5933
 Date/Time 3/17/08 9:50 AM
 Date 3/17/08

FISCAL NOTE #2

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO. CSSB 120(FIN)

ANALYSIS CONTINUATION

The fiscal impact of this legislation arises from two proposed changes to Alaska's Unemployment Insurance Tax/Benefit system:

- (1) Raising the maximum unemployment compensation weekly benefit amount (WBA) from \$248.00 to \$370.00 effective January 1, 2009.
- (2) Changing the minimum qualifying wage from \$1,000 during the individual's base period (in at least two of the four qualifying quarters preceding a claim) to \$2,500.

The net effect of these two changes will be a gradual increase in employer/employee unemployment insurance (UI) tax receipts to the Unemployment Insurance Trust Fund. The projected change in the revenues is based on past UI tax trends and is displayed on the revenue line of the fiscal note. UI tax rates have the potential to fluctuate substantially depending on the economic strength of the state and the unemployment rate.

Note: Unemployment Insurance Tax Revenue (from employer and employee assessments) is routed through the State Treasury to the United States Treasury to be held in trust for Alaska Unemployment Insurance Benefit Payments. UI payments are not subject to appropriation under the Executive Budget Act so no expenditure information is displayed on this fiscal note. However, over time, the net amount of revenues resulting from tax changes arising from this legislation will be equal to the net amount of benefit payments.