

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 22, 2007

1:31 p.m.

MEMBERS PRESENT

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Con Bunde

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 4

Urging the attorney general, the producers of natural gas in the Cook Inlet region, and the Regulatory Commission of Alaska to work to secure long-term and affordable supplies of natural gas for the people and businesses of the state.

MOVED CSSJR 4(L&C) OUT OF COMMITTEE

SENATE BILL NO. 121

"An Act relating to discharge from commercial passenger vessels; providing for an effective date by repealing the delayed effective date found in sec. 16, ch. 153, SLA 2004; and providing for an effective date."

MOVED CSSB 121(L&C) OUT OF COMMITTEE

SENATE BILL NO. 120

"An Act relating to the calculation and payment of unemployment compensation benefits; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SJR 4

SHORT TITLE: NATURAL GAS FOR STATE RESIDENTS

SPONSOR(S): SENATOR(S) WIELECHOWSKI

03/12/07	(S)	READ THE FIRST TIME - REFERRALS
03/12/07	(S)	L&C, RES
03/20/07	(S)	L&C AT 1:30 PM BELTZ 211
03/20/07	(S)	Heard & Held

03/20/07 (S) MINUTE(L&C)
03/22/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 121

SHORT TITLE: CRUISE SHIP DISCHARGE

SPONSOR(s): SENATOR(s) ELTON

03/14/07 (S) READ THE FIRST TIME - REFERRALS
03/14/07 (S) L&C
03/20/07 (S) L&C AT 1:30 PM BELTZ 211
03/20/07 (S) Heard & Held
03/20/07 (S) MINUTE(L&C)
03/22/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 120

SHORT TITLE: UNEMPLOYMENT COMPENSATION BENEFITS

SPONSOR(s): LABOR & COMMERCE

03/14/07 (S) READ THE FIRST TIME - REFERRALS
03/14/07 (S) L&C, FIN
03/22/07 (S) L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

SENATOR WIELECHOWSKI
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of SJR 4.

SENATOR ELTON
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of SB 121.

PAT SHIRE, Chief
Employment Security Tax
Division of Employment Security
Department of Labor and Workforce Development (DOLWD)
Juneau AK
POSITION STATEMENT: Commented on SB 120.

JIM WILSON, Unemployment Insurance Actuary
Department of Labor and Workforce Development (DOLWD)
Juneau AK
POSITION STATEMENT: Commented on SB 120.

VINCE BELTRAMI, President

AFL-CIO

POSITION STATEMENT: Supported SB 120.

DENNIS DEWITT, State Director
National Federation of Independent Businesses

POSITION STATEMENT: Opposed SB 120.

ROYCE ROCK, Business Manager
Carpenters Local 1281
Anchorage AK

POSITION STATEMENT: Supported SB 120.

BARBARA HUFF-TUCKNESS, Director
Governmental and Legislative Affairs
Teamsters Local 959
Juneau AK

POSITION STATEMENT: Supported SB 120.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the Senate Labor and Commerce Standing Committee meeting to order at [1:31:34 PM](#). Present at the call to order were Senators Stevens, Bunde, Davis and Ellis.

CHAIR ELLIS noted that the committee needed to sign the letters forwarding the confirmations they had reviewed previously.

SJR 4-NATURAL GAS FOR STATE RESIDENTS

[1:32:51 PM](#)

CHAIR ELLIS announced SJR 4 to be up for consideration and it had a CS.

SENATOR WIELECHOWSKI, sponsor of SJR 4, said the CS had three changes. The first was on page 2, line 11, where "the state's first priority must be to ensure the availability of affordable natural gas to meet the needs of the people of the state" was changed to "the state must have as a priority the availability of affordable natural gas to meet the needs of its people;".

The second change was on page 2, line 15, ", in coordination with the Department of Natural Resources," was added after "attorney general" at the request of the department.

[1:34:16 PM](#)

The third change was on page 2, line 16, where "termination" was changed to "nonrenewal".

CHAIR ELLIS said the committee had heard from the public when the bill was originally before the committee.

SENATOR STEVENS moved to adopt CSSJR 4(L&C), version E. There were no objections and it was so ordered.

SENATOR BUNDE said he was still concerned about the definition of "affordable" gas and added that the gas belongs to all the people in the state and they shouldn't have to subsidize gas for people who live in Southcentral Alaska. He also remarked that SJR 4 was only a resolution and as Representative Lisa Murkowski once said about resolutions, "Do you think anybody really reads this stuff?"

[1:36:30 PM](#)

SENATOR STEVENS asked Senator Wielechowski if he saw any indication in the resolution that the state would subsidize gas for the Southcentral region of Alaska.

SENATOR WIELECHOWSKI replied no, and that is not the intent. He just wants the producers to work with the local utilities to find a way to provide affordable gas to Southcentral homes and businesses. He did look into defining "affordable", but it turned into a "real rabbit hole" of subjective terminology.

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SENATOR BUNDE pointed out that the woman from AKPIRG wanted this to be a welfare item and that meant it would be subsidized at some point. If some people in the state want to pay less than market value for gas, that means the rest of the state subsidizes it.

SENATOR WIELECHOWSKI responded:

This is our gas. This gas belongs to all Alaskans and frankly I would rather provide low cost gas to Alaskans than low cost gas to the Japanese. I don't think this is a subsidy; I don't think this is welfare. This is Alaskans using their gas for their home and their business heating needs.

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SENATOR STEVENS moved to pass CSSJR 4(L&C), version E, from committee with individual recommendations.

SENATOR BUNDE objected. A roll call vote was taken. Senators Davis, Stevens and Ellis voted yea; Senator Bunde voted nay and so CSSJR 4(L&C) moved from committee.

SB 121-CRUISE SHIP DISCHARGE

CHAIR ELLIS announced SB 121 and a proposed CS, version K, to be up for consideration.

SENATOR KIM ELTON, sponsor of SB 121, explained that the CS removed former sections 8 and 9 and corrected some typos that are currently in law. On page 4, line 17, "waster" was removed and replaced with "wastewater" and "of" was replaced with "or" on line 22. These sections broaden the title and, as with other law, they would be dealt with in a reviser's bill.

He explained that the new section 8 deals with latitudes the department has for information collection and was necessary to fully restore the provisions of HB 522.

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SENATOR HOFFMAN joined the committee.

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SENATOR STEVENS moved to adopt CSSB 121(L&C), version K. There were no objections and the motion carried.

SENATOR ELTON said Senator Bunde asked if this bill made a substantive change to the initiative. He had been assured previously that it didn't, but the chair suggested getting that in writing and that was requested this morning. However, instead of receiving a memo that dealt with a substantive issue, he received a sectional analysis. In his conversation with the drafter this morning, he was assured again that it did not make a substantive change to the initiative.

SENATOR ELTON said the Department of Law suggested a potential amendment to further tighten the title by inserting "commercial" between "small" and "passenger" on page 1, line 2. This definitely clarified that they are talking about only one class of vessel and he had no objection to it.

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SENATOR STEVENS moved the amendment.

SENATOR STEVENS and DAVIS both asked what the difference was between a small commercial vessel and a small commercial passenger vessel.

SENATOR ELTON replied that a small passenger vessel could be his 16 ft. Boston Whaler.

Clearly this is not intended to affect my 16 ft. Boston Whaler; it's only small commercial. And small commercial passenger vessels are otherwise described in law. My recollection is it's 250 or less passengers.

There were no further objections to the amendment; and so it was adopted.

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SENATOR STEVENS asked what the small commercial vessels have to do now that they didn't have to do before.

SENATOR ELTON replied there really is no change. A couple of years ago a statute was passed for small commercial passenger vessels that are U.S. flagged that didn't have the capacity, simply because of size, to have waste water treatment plants onboard. An alternative process was put in place in HB 522 so that the small vessels could comply with state discharge laws. This just reinstates what the law was before for small commercial vessels and all parties support it.

SENATOR BUNDE said he knew the sponsors of the initiative made some changes and asked why they didn't make this change at that time.

SENATOR ELTON replied that for the same reason the mistake wasn't noticed.

CHAIR ELLIS noted two zero fiscal notes.

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SENATOR STEVENS moved to pass CSSB 121(L&C) from committee with individual recommendations and zero fiscal notes. There were no objections and it was so ordered.

SB 120-UNEMPLOYMENT COMPENSATION BENEFITS

[1:51:33 PM](#)

CHAIR ELLIS announced SB 120 to be up for consideration.

DANA OWEN, staff to Senator Ellis, explained that this bill was brought before them because of the state's failure to raise the maximum weekly benefit amount under unemployment insurance since 1997.

Section 1 extends the schedule of payment amounts and raises the maximum weekly benefit amount from \$248 to \$370. Section 2 sets out the method of determining how many weeks of benefits a person is eligible for. It includes in section 3, for eligibility, persons who fall under a new section (h).

Section 3 allows for increases in the maximum weekly benefit amounts as wages increase - specifically the maximum weekly benefit increases by \$2 and the highest base period wages by \$250 - when average wages have increased by an amount established by the Department of Labor. Weekly benefit amounts are capped at 50 percent replacement of average weekly wages. This section also provides for a public notice of these changes; but that notice is exempted from provisions of the Administrative Procedures Act that normally apply with regulations.

It also provides that if the average wage decreases to the extent that adjustments to the benefit amounts would be appropriate to protect the trust fund, the commissioner is obliged to report to the governor and the legislature. This section also provides a method of determining the average weekly wage.

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Section 4 is transition language that allows the department to begin adopting regulations immediately. Section 5 sets an immediate effective date for section 4 and section 6 has a January 1, 2008 effective date for all of the rest of the bill.

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MR. OWEN stated the reason for the bill is that Alaska lags other states in providing unemployment insurance benefits that replace wages lost when a person loses his or her job. A Department of Labor and Workforce Development's "Alaska Economic Trends" article shows that Alaska is dead last among the states in the ability to replace wages lost from unemployment. It is ahead of only the District of Columbia in that regard. He highly recommended reading the article for further background on this issue.

He further informed them that the maximum benefit amount has been frozen since 1997. And since 1984, the Anchorage Consumer Price Index has risen 71.6 percent. Meanwhile the maximum benefit amount over that time has risen only 32 percent.

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SENATOR BUNDE asked if this version contains any references to actively seeking work.

MR. OWEN replied that this bill doesn't address that.

CHAIR ELLIS added that he was open to working with Senator Bunde and others to include some of those kinds of improvements to the bill.

SENATOR BUNDE mentioned that Alaska is one of the few states that allows people who are fired for cause to seek UI benefits and asked if that was addressed here.

[1:58:27 PM](#)

PAT SHIRE, Chief, Employment Security Tax Division, Department of Labor and Workforce Development (DOLWD), said he wrote the "Alaska Economic Trends" article the committee was referencing and offered to answer questions about the financing or taxation provisions of the UI program.

SENATOR HOFFMAN asked if this legislation passed, where Alaska would stand among the state rankings in terms of unemployment insurance (UI) payments.

MR. SHIRE estimated that Alaska would fall roughly in the middle.

CHAIR ELLIS noted: "Not on top; not on bottom; just a less embarrassing place than we are today."

SENATOR STEVENS stated that the "Alaska Economic Trends" article also said that Alaskans use unemployment insurance more than most other states do.

MR. SHIRE went to page 8 of the "Trends" publication and said Alaska has an extraordinarily high recipient rate compared to other states - 53 percent of the workers participate in the program.

CHAIR ELLIS asked Mr. Shire to explain how the program works.

[2:01:45 PM](#)

MR. SHIRE explained that the division is charged with helping employers report and pay the proper amount of unemployment tax so there are sufficient reserves according to AS 23.20.010. Using those reserves, money can go to those local economies when people become unemployed, because it's not only the unemployed workers who suffer in those times, but the local business people that would otherwise see a greater drop in their income.

Employers also tell him that the UI program helps keep qualified workers in the local economy so that when it turns around they don't have to look outside the state or their economic areas for workers and have to entice them back in with even larger pay scales and moving costs.

SENATOR STEVENS asked on page 7 if the department has the ability to change weekly benefits without legislative approval and asked Mr. Shire if that was a new provision.

MR. SHIRE replied that is a new provision.

SENATOR STEVENS asked him to defend that change.

MR. SHIRE replied that there are reasons to embrace it and also reasons to examine it carefully. The fact that it's indexed would keep the department and legislature free of the burden of having this discussion periodically. On the other hand, he understands that others are concerned about increased benefits and this is an opportunity for them to weigh in before a legislative body.

[2:04:01 PM](#)

SENATOR BUNDE rephrased that it's an opportunity for the department to do a cost of living adjustment without involvement from the legislature.

MR. SHIRE replied that it would have that effect.

SENATOR BUNDE said he has often heard that Alaska has the lowest benefits, but one of the more generous and easier plans to take advantage of. He asked if it includes dependent benefits.

MR. SHIRE replied it does and that approximately 43 percent of individuals who claim benefits also claim a dependent and 10 percent of those claim the maximum number of three or more dependents.

SENATOR BUNDE asked if that is used to calculate the average benefits compared to other states.

MR. SHIRE deferred that question to his colleague, Jim Wilson.

SENATOR BUNDE said if UI benefits go up, it is likely the employee contributions would go up as well and that there is probably a hidden tax on the worker as well as the employer.

MR. SHIRE replied yes, "Statutorily, as close as we can get to 20 percent of the cost of the program must be borne by workers."

CHAIR ELLIS noted the great seasonality of the Alaska workforce and that businesses struggle to pay their taxes. However there is also a benefit to seasonal employers to be able to retain a workforce in the state and not have "to bring the college kids in or entice them in." He asked, given the great seasonality of our work force compared to many other states, if aspects of a different model UI system could better balance those pressures on small and medium-sized employers - anything that would help the committee make this reasonable legislation from a worker's and an employer's perspective. He said the bill would be held over so those issues could be considered further.

MR. SHIRE said he appreciated that.

SENATOR HOFFMAN asked the average of the highest pay range for the four other states, noting that SB 120 adds a range from \$26,750 to \$42,000. He asked if other states have that range.

MR. SHIRE said he didn't have that information at his fingertips, but he would get it for him.

CHAIR ELLIS said he hoped to accomplish something this year and all these items are open for discussion. He was interested in his professional opinions and suggestions for improvement.

MR. SHIRE commented that seasonality isn't the only issue. Alaska has suffered "economic chilling" in the past and during 1985 - 87 when he owned a business, the UI trust fund paid out \$500 million into economies all over Alaska. "Depending on how you measure it, it was the third largest employer." The fund paid out \$100 million more than it took in, which is what the reserve is designed to do. He thought it was instrumental in keeping many individuals hanging on until things began to improve.

[2:09:35 PM](#)

JIM WILSON, Unemployment Insurance Actuary, Department of Labor and Workforce Development (DOLWD), said he is an economist and author of the "Alaska Economic Trends" Article. He offered to answer questions.

SENATOR HOFFMAN restated his question regarding what upper limits other states have.

MR. WILSON replied that other states use a variety of calculations to determine their benefit amounts. In some manner they are tied to wages earned. In some cases they are on the high quarter and some do it on an annual basis. He could get that information for them also.

He explained that Alaska has a corresponding increase in the benefit schedule of \$2 for every \$250 increase in wages. It starts at the bottom where \$1,000 qualifies a person for the minimum benefit amount of \$44 a week. That goes up and tops out at a maximum benefit of \$248 per week. A few other states have maximum benefit amounts that are roughly twice that of Alaska's - like Washington and Oregon.

CHAIR ELLIS asked how Alaska compares to other states on the West Coast.

MR. WILSON answered that he compared Alaska's maximum benefit amount to Washington, Oregon, California, Nevada, and Hawaii; Alaska came in last.

CHAIR ELLIS asked how often other states adjust their benefit.

MR. WILSON replied that he frequently sees changes in the data from other states; so there's a constant revision in the schedules.

SENATOR BUNDE asked if 20 percent of the UI program is borne by the laborer, is the other 80 percent borne by the employer or does interest earnings help support the program.

MR. WILSON replied the way the formula works is that the system tries to recapture the average cost of benefits that have been paid out for the last several years. Once that amount is determined, employers basically are responsible for paying 80 percent and employees 20 percent. The trust fund does receive interest earnings on a quarterly basis; that has the effect of boosting the value of the trust fund, which, in itself becomes

part of the tax calculation - but only when the value of the trust fund falls below a target window. Now they attempt to keep the balance of the trust fund equal to about 3.2 percent of the total value of wages in the Alaska economy. So, as wages grow in the Alaska economy, the ideal is that the trust fund will keep pace - the idea being the fund would have sufficient reserves to cover a traumatic episode like Alaska experienced in 1986 and 87.

SENATOR BUNDE asked if the interest of the trust goes back into it until a certain cutoff point.

MR. WILSON replied that any interest earned on a quarterly basis goes back into the trust fund and helps to keep it balanced at the level desired by the financing system. He didn't think there was a tax relief feature, because the program is trying to replace the amount of benefit dollars that are paid out.

SENATOR BUNDE asked if he hoped for a 10 percent return, like the Permanent Fund, with 4 or 5 percent going back into the trust.

MR. WILSON replied that the return to the trust fund based on interest payments is determined by the federal government that is the authority that actually holds the funds in the U.S. Treasury.

CHAIR ELLIS asked how he would characterize the overall health of the fund today.

MR. WILSON replied that the fund is healthy in general. He explained that a solvency element to the employers' tax is in effect, which meant the value of the trust fund needs to improve slightly.

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SENATOR STEVENS asked him to comment on advantages or disadvantages to giving the department the ability to make increases or to establish a methodology to calculate amounts that increase the weekly benefits.

MR. WILSON replied that feature would be new in Alaska's system. One of the advantages would be similar to what Mr. Shire stated; it would relieve the department and the legislature of the need to come back and have a discussion about increasing benefits. It would provide an automatic adjustment based on the economy,

specifically the growth in wages. However, he didn't know if that would be the same as the growth in the CPI.

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CHAIR ELLIS announced that he was planning on some work sessions in a less formal setting on this issue and trying to achieve some sort of consensus on legislation.

SENATOR BUNDE said he appreciated the "Trends" article and went to page 10 and asked Mr. Wilson if he considered not allowing firing for cause to be eligible for benefits.

MR. WILSON replied that the committee could look at the eligibility provisions although he didn't have any recommendations.

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SENATOR BUNDE asked whether benefits to dependents are figured into the national scale.

VINCE BELTRAMI, President, AFL-CIO, said this bill is long overdue saying, "Alaska has been stuck at the bottom of the barrel in terms of how we've taken care of our hard-working employees who find themselves out of work and having to rely on unemployment insurance."

He said that obviously unemployment income is not intended to be a wage replacement and they don't want to create disincentives to go to work.

SB 120 goes quite a ways, I won't say it goes a long ways in restoring fairness and dignity of the hardships that result from lost wages during periods of involuntary unemployment. And as I'm sure all of you are aware, while Alaska has enjoyed generally high wages, we've slipped over the years. We're currently 18th in average weekly earnings among the 50 states. Our maximum weekly benefit is near the bottom and as a ratio against the average weekly earnings, as we've also heard, dead last amongst the 50 states. To Senator Hoffman, through the chair, you asked about where that would put it for Alaska. With the increase, if this bill were to pass in its present form, my simple math puts it at 49.3 percent of weekly earnings as a ratio, which would put us at 29th amongst the 50 states, still not quite the top half.

And of course with the sliding scale that's proposed, many Alaskans still wouldn't qualify for the maximum benefit. But SB 120 is definitely a step in the right direction....

Those statistics are all fine and dandy, but obviously as a group of fiscally responsible legislators, you're looking at cost benefit analysis and the question is can we afford the increase as a state at this time. And I think the answer is an emphatic yes. We can afford it more easily this time than any time in the last several years from the research that I've seen. UI benefits that I've seen paid out have been trending down since 2003 and the trust fund deposits are significantly up. If I look at this graph I have in front of me that came out of the employment security division, it looks like the fund has grown in 2003 that it was a little below \$200 million; and right now it looks like it's roughly around \$275 million or so.

The bad news for the Alaska worker is that despite low unemployment generally, the cost of living continues to increase in a fashion that is outpacing income and in some parts of the state and particularly in some parts of rural Alaska unemployment ranges from 50 - 80 percent in some places - which is just an atrocity.

This increase would help offset some of that loss of purchasing power and, in fact, one of the primary benefits an increase in the UI income can help stabilize local economies by putting more money into the economy.

MR. BELTRAMI said the benefit increase would not increase the employer contributions for potentially several years. A few years ago he was business agent at the IBEW and a number of electricians from Washington were working seasonally. A number of them wanted to plant roots here, but they were unwilling to wait the winter out to establish their residency when they had qualified unemployment benefits at home that were double what they would get here. At the same time, a number of local electricians were also faced with the option of waiting for work through the winter seasonally and opted to go to work that was available in Oregon and Washington - one of the reasons being if they were laid off, they would have a much better benefit down there - and they would much rather sit through the winter down

there. Unfortunately a couple of them have yet to return, because that is what happened.

He said at a time when Alaska is trying to figure out how to increase workforce development efforts and bring more skilled workers into the workforce to prepare them to construct a gas pipeline, it's imperative that some of these obstacles get removed that drive people away or lure them to other states.

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CHAIR ELLIS asked if the UI benefit is a significant factor in state to state competition for skilled workers.

MR. BELTRAMI replied yes.

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DENNIS DEWITT, State Director, National Federation of Independent Business, opposed SB 120 and one of the main reasons was that the cost would fall to small employers. However, he suggested some things that would make it more neutral to them. Senator Bunde mentioned several of them in terms of the period between separation and payment for those who choose voluntarily to leave or are discharged and recognizing the relationship of the benefit to the income derived from minimum wage would be another. He did not want to see the UI benefit exceeding the minimum wage making it more advantageous to not work than to seek employment. He was also concerned about the indexing in SB 120 and said he believed that was a legislative prerogative that ought to stay there.

He said the probability of a substantial employment boom around the gas pipeline will increase the average weekly wage in Alaska atypically and probably ought not to be something that drives a change in the UI program through a formula.

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SENATOR STEVENS asked what eligibility provisions he would suggest.

MR. DEWITT responded that he was working on putting those together.

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ROYCE ROCK, Business Manager, Carpenters Local 1281, referenced the "Trends" article that said the objective of the UI system is economic stability for both businesses and individuals and how the Alaska UI program with the amount that is being paid now

isn't stabilizing anything right now. It concerns him greatly when one of his sons has a \$1,200 house payment and an unemployment payment that doesn't even cover two-thirds of it.

MR. ROCK said one of the reasons for making the adjustments automatic is that it would take politics out of the equation. In the past years, especially in the Senate, there is the philosophy that someone would quit a \$1,200 - \$1,300 a week job to draw \$248 in unemployment. "This isn't politics, folks. This is people's lives we're dealing with...."

He said this bill does a lot as far as what the bottom line is - \$370 versus \$248, but the truth of the matter is in the proposed 2001 bill the maximum benefit amount would have raised to \$284 with an income of \$31,250. The 2007 proposal before them doesn't raise anything from that. What has really changed is the maximum amount one must earn in order to get the highest UI payment.

MR. ROCK said, "I'm retiring from the carpenters. You've wore me out. I've tried everything in my power to make this bill pass. We have attempted to make a bill that helps both labor and management."

He remarked that Mr. DeWitt says this increase is a burden on small businesses, but he remembers when Mr. DeWitt worked for Representative Mulder who passed a bill to spend \$10 million out of the Unemployment fund for the AVTEC Center in Seward and Kotzebue.

MR. ROCK said Senator Hoffman wanted to know where this change would put Alaska compared to other states, but at this point he said:

You know folks, I really don't care. I am embarrassed that we're at the bottom of list, but I think what we need to look at is how this helps our people instead of what number we are, what anything. If we're at the bottom of list, then our economy is at the bottom.

2:39:15 PM

BARBARA HUFF-TUCKNESS, Director, Governmental and Legislative Affairs, Teamsters Local 959, supported SB 120. She said she didn't need to add too much more to previous testimony. She thought a few might take advantage of the program even at the maximum salary of \$370 a week, but she didn't know too many folks who were being paid \$25 or \$35 an hour that would give up that kind of a job to receive that kind of a benefit. It doesn't

make sense. It even doesn't make sense at the lowest denominator.

MS. HUFF-TUCKNESS said everyone needs to remember the impact is out there. It will be an increase, but it won't be immediate and is projected out over quite a few years when all workers would be paying the increase. She said Alaska is one of three states that require working people to pay into the unemployment insurance fund. She personally thought working people supported that as an interim cushion. She encouraged the committee to work through the issues because it's a very important piece of legislation that she would be proud as a working person in this state to see pass after 10 years.

CHAIR ELLIS thanked her for being with them. He adjourned the meeting at [2:43:31 PM](#).