Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSSB 159(L&C)
Fiscal Note Number:	2
(S) Publish Date:	3/18/2022

Identifier: SB159-DOLWD-UI-01-28-22
Title: UNEMPLOYMENT BENEFITS
Sponsor: COSTELLO
Requester: (S) L&C

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	483.3						
Travel							
Services	191.4						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**674.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	674.7						
Total	**674.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

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If yes, by what date are the regulations to be adopted, amended or repealed?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

Prepared By:	Patsy Westcott, Director	Phone:	(907)465-5543
Division:	Division of Employment and Training Services	Date:	01/28/2022 09:48 AM
Approved By:	Dan DeBartolo, Director	Date:	01/28/22
Agency:	DOL&WD Administrative Services Division		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

This legislation explicitly identifies duplicate, out-of-state, and foreign Internet protocol (IP) addresses as evidence to be reviewed as part of an initial monetary determination of eligibility. These specifics are currently addressed as they pertain to eligibility. A duplicate IP address may be benign as public computers and shared home computers can result in valid claim applications for multiple individuals. Out-of-state (interstate) IP addresses are also valid as we allow interstate filing as part of our state and federal reciprocal agreement. Office of Information Technology (OIT) currently restricts access to myAlaska from a foreign IP address.

The legislation also requires verification of claimant identity and coordination with the Department of Health (DOH)to review any records relevant to monetary eligibility prior to the initial determination. Claimant identity is currently verified upon initial filing of a claim and at any point the agency feels verification is necessary.

Additionally, it explicitly authorizes a redetermination, within one year of initial monetary determination, when there is evidence that a claim was submitted from a duplicate, interstate, or foreign IP address. Existing statute currently authorizes the agency to issue a redetermination if any pertinent facts become available.

Finally, it changes how duration of UI benefits are determined and decreases both the minimum and maximum durations available to unemployed workers. The proposed criteria for determining duration is based on an average state unemployment rate in a specified three month period versus the existing determination criteria which is based on the consistency of employment across an individual’s base period by use of a base period earnings ratio.

Coordination with the DOH, prior to making an eligibility determination, would impede the current automated process and may be in conflict with statutory authorization for sharing of confidential information. This would require the purchasing and implementation of a secure access management system by the DOH in order to access their records or require programming between both departments for a crossmatching system. At this time it is unclear what the intention for crossmatching of information with DOH may be. Benefits received through their assistance programs are not based on work and earnings and therefore would not impact UI monetary eligiblity. However, if it was determined that a crossmatching process was not in conflict with existing UI confidentiality law, the estimated cost would be $207,863.81 from the UI administrative fund. See itemization below:

Employment Security Analyst 3:	$45,195.50 (37.5 hrs/wk, 3mo)
Employment Security Analyst 2:	$40,595.33 (37.5 hrs/wk, 3mo)
UI Technical Manager:	$17,671.32 (40 hrs/wk, 4wk)
UI Technical Manager:	$16,103.18 (40 hrs/wk, 4wk)
UI Systems Programmer 4:	$24,385.76 (40 hrs/wk, 4wk)
System Programmer 2:	$63,912.72 (37.5 hrs/wk, 3mo)

Implementation of the statutory change to duration of benefits would require an extensive rewrite of monetary determination system programming and would require a minimum of six months at an approximated total cost of $466,856.52 from the UI administrative fund. See itemization below:

Employment Security Analyst 3:	$47,632.92 (20 hrs/wk)
Employment Security Analyst 3:	$39,871.16 (20 hrs/wk)
Employment Security Analyst 2:	$40,272.84 (20 hrs/wk)
Employment Security Analyst 2:	$42,755.23 (20 hrs/wk)
UI Technical Manager:	$52,763.57 (20 hrs/wk)
UI Systems Programmer 3:	$115,735.38 (37.5 hrs/wk)
System Programmer 2:	$127,825.44 (37.5 hrs/wk)