

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	HB 204
Fiscal Note Number:	1
(H) Publish Date:	5/16/2023

Identifier: 0771-DOLWD-WH-05-15-23
 Title: OVERTIME PAY EXEMPTION
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

Department: Department of Labor and Workforce Development
 Appropriation: Labor Standards and Safety
 Allocation: Wage and Hour Administration
 OMB Component Number: 345

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2024 Request	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES	FY 2024	FY 2024						
Personal Services	206.5		206.5	116.7	116.7	116.7	116.7	116.7
Travel								
Services	22.0		15.5	9.2	9.2	9.2	9.2	9.2
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	228.5	0.0	222.0	125.9	125.9	125.9	125.9	125.9

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	228.5		222.0	125.9	125.9	125.9	125.9
Total	228.5	0.0	222.0	125.9	125.9	125.9	125.9

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary	1.0		1.0				

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

Why this fiscal note differs from previous version/comments:

Not applicable, initial version

Prepared By:	Tanya Keith, Director	Phone:	(907)269-4920
Division:	Labor Standards and Safety	Date:	05/15/2023 08:30 AM
Approved By:	Dan DeBartolo, Director	Date:	05/15/23
Agency:	DOLWD Administrative Services Division		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

State of Alaska overtime pay requirements begin either after eight working hours in a day or after 40 cumulative hours in a work week. Currently, AS 23.10.060(d)(20) allows for employers to get an exemption from the daily overtime requirement by getting a voluntary flexible work plan approved by the department. It does not allow for working more than 10 hours a day. Effective under AS 01.10.060(d)(20), this legislation would create a daily overtime exemption for certain employers, operating facilities licensed under AS 47.32.010(b)(010)(b)(1), which includes ambulatory surgical centers, rural health clinics, freestanding birth centers and more. This legislation would provide a special voluntary flexible work hour plan for these employers that would allow 12 hour shifts for all employees.

This legislation would require the creation of a separate regulation package in FY24 to address administration and provision of the plan, as well as ongoing informational printing and IT costs.

In FY24 Wage and Hour would need to develop policies and procedures, create databases, create and publish forms, and train staff. In FY24 and FY25, while getting the program up and running the additional administrative work would require the temporary hire of a Administrative Assistant 2.

Wage and Hour will also need an additional Investigator 2 to handle the additional workload this legislation will create. These flex plans will require additional research by Wage and Hour staff, taking longer to process. Staff will need to ensure that the facility where work is being performed meets the licensing requirements of the legislation. For example a large health organization employer could have many facilities, or departments; some may qualify and others will not. This will require staff to ensure the employee is working in a facility where 12 hour shifts is allowable before approving the plan. Inevitably, the dual flex plan will create confusion, and Wage and Hour staff will have to spend time explaining to employers and employees who have submitted plans for 12 hour shifts, why they do not qualify. We estimate 10-15 of these flex plans a week, for a total of 520-780 additional per year. From that, we estimate total new investigations on the low side at 5%, which is 26-39 investigations a year.