

**ALASKA STATE LEGISLATURE
HOUSE JUDICIARY STANDING COMMITTEE**

January 29, 2024

1:02 p.m.

MEMBERS PRESENT

Representative Sarah Vance, Chair
Representative Jamie Allard, Vice Chair
Representative Ben Carpenter
Representative Craig Johnson
Representative Jesse Sumner (via Microsoft Teams)
Representative Andrew Gray
Representative Cliff Groh

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 170

"An Act relating to the misuse of an official position."

- HEARD & HELD

HOUSE BILL NO. 88

"An Act relating to work quotas for employees at warehouse distribution centers; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 63

"An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Workers' Compensation Appeals Commission; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 601(b), 602(c) and (h), and 603(a), Alaska Rules of Appellate Procedure; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 170

SHORT TITLE: MISUSE OF PUB. OFFICER OFFICIAL POSITION
SPONSOR(s): REPRESENTATIVE(s) CRONK

04/24/23 (H) READ THE FIRST TIME - REFERRALS
04/24/23 (H) JUD
01/29/24 (H) JUD AT 1:00 PM GRUENBERG 120

BILL: HB 88

SHORT TITLE: WAREHOUSE WORK QUOTAS
SPONSOR(s): REPRESENTATIVE(s) RAUSCHER

02/27/23 (H) READ THE FIRST TIME - REFERRALS
02/27/23 (H) L&C, JUD
03/29/23 (H) L&C AT 3:15 PM BARNES 124
03/29/23 (H) Heard & Held
03/29/23 (H) MINUTE(L&C)
04/10/23 (H) L&C AT 3:15 PM BARNES 124
04/10/23 (H) <Bill Hearing Canceled>
04/12/23 (H) L&C AT 3:15 PM BARNES 124
04/12/23 (H) Heard & Held
04/12/23 (H) MINUTE(L&C)
04/14/23 (H) L&C AT 3:15 PM BARNES 124
04/14/23 (H) Heard & Held
04/14/23 (H) MINUTE(L&C)
04/17/23 (H) L&C AT 3:15 PM BARNES 124
04/17/23 (H) Moved CSHB 88(L&C) Out of Committee
04/17/23 (H) MINUTE(L&C)
04/19/23 (H) L&C RPT CS(L&C) 3DP 4NR
04/19/23 (H) DP: FIELDS, CARRICK, SUMNER
04/19/23 (H) NR: SADDLER, PRAX, WRIGHT, RUFFRIDGE
01/29/24 (H) JUD AT 1:00 PM GRUENBERG 120

BILL: HB 63

SHORT TITLE: REPEAL WORKERS' COMP APPEALS COMMISSION
SPONSOR(s): REPRESENTATIVE(s) RAUSCHER

02/06/23 (H) READ THE FIRST TIME - REFERRALS
02/06/23 (H) L&C, JUD
02/17/23 (H) L&C AT 3:15 PM BARNES 124
02/17/23 (H) Heard & Held
02/17/23 (H) MINUTE(L&C)
03/03/23 (H) L&C AT 3:15 PM BARNES 124
03/03/23 (H) Heard & Held
03/03/23 (H) MINUTE(L&C)
03/15/23 (H) L&C AT 3:15 PM BARNES 124
03/15/23 (H) Moved HB 63 Out of Committee
03/15/23 (H) MINUTE(L&C)

03/17/23	(H)	L&C RPT 2DP 5NR
03/17/23	(H)	DP: WRIGHT, SADDLER
03/17/23	(H)	NR: RUFFRIDGE, PRAX, FIELDS, CARRICK, SUMNER
03/17/23	(H)	L&C AT 3:15 PM BARNES 124
03/17/23	(H)	<Bill Hearing Canceled>
03/20/23	(H)	FIN REFERRAL ADDED AFTER JUD
03/20/23	(H)	BILL REPRINTED
01/29/24	(H)	JUD AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE MIKE CRONK
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 170.

DAVE STANCLIFF, Staff
Representative Mike Cronk
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 170, on behalf of Representative Cronk, prime sponsor.

NOAH KLEIN, Attorney
Legislative Legal Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 170.

REPRESENTATIVE RAUSCHER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented CSHB 88(L&C); as prime sponsor, presented HB 63.

RYAN MCKEE, Staff
Representative George Rauscher
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for CSHB 88(L&C), on behalf of Representative Rauscher, prime sponsor; presented the sectional analysis and PowerPoint for HB 63, on behalf of Representative Rauscher, prime sponsor.

PATRICK FITZGERALD, Political Coordinator

Alaska Teamsters Union
Juneau, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on CSHB 88(L&C).

ACTION NARRATIVE

[1:02:41 PM](#)

CHAIR VANCE called the House Judiciary Standing Committee meeting to order at 1:02 p.m. Representatives C. Johnson, Sumner (via Microsoft Teams), Gray, Groh, Allard, and Vance were present at the call to order. Representative Carpenter arrived as the meeting was in progress.

HB 170-MISUSE OF PUB. OFFICER OFFICIAL POSITION

[1:03:48 PM](#)

CHAIR VANCE announced that the first order of business would be HOUSE BILL NO. 170, "An Act relating to the misuse of an official position."

[1:04:03 PM](#)

REPRESENTATIVE MIKE CRONK, Alaska State Legislature, prime sponsor, presented HB 170. He shared the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

There's an old saying "An ounce of prevention is worth a pound of cure."

Like our existing ethics laws, House Bill 170 is all about prevention.

It is intended to prevent any public official who might be tempted to personally use their position or influence to punish or put pressure on a person or business not to do so.

This addition to the existing ethics statutes expressly prohibits such punitive action by a public official and makes it punishable under existing ethic act provisions.

Providing this protection will increase public confidence knowing it is unlawful for public officials to use their authority for personal reasons.

[1:05:08 PM](#)

DAVE STANCLIFF, Staff, Representative Mike Cronk, Alaska State Legislature, on behalf of Representative Cronk, prime sponsor, further contextualized the proposed legislation. He stated, "When a person who has the ability to regulate or put into effect policy, goes beyond what the public purpose for doing that is, persons and businesses can be severely damaged." The purpose of the bill, he explained, was to protect people from their government, adding that it was the first legislation in the country to enact legal restraints to prevent a policy person from taking punitive action against a person for reasons other than appropriating state business. He noted that the bill language was an extension of the Ethics Act. Penalties for violating the law range from a \$5,000 fine to a misdemeanor.

CHAIR VANCE sought questions from committee members.

[1:08:26 PM](#)

REPRESENTATIVE GRAY asked for the definition of "justifiable public purpose."

MR. STANCLIFF, referencing page 2, lines 15-16, defined the phrase as a purpose related to the best interests of the state.

REPRESENTATIVE GRAY asked for an example of a case in which this law would be used.

REPRESENTATIVE CRONK recounted a scenario in which a government official misled a constituent, resulting in the constituent's inability to finance a piece of equipment for his business.

[1:11:28 PM](#)

REPRESENTATIVE GRAY shared his understanding that should the bill pass, it would no longer be legal to send misleading, misinformed information as a department official.

MR. STANCLIFF said the bill would allow a guilty person to be held responsible and charged with a fine or a misdemeanor. From the constituent's perspective, he said, the letter from the

state official was retaliatory behavior for opposing a piece of legislation that the division was advocating for.

[1:14:44 PM](#)

REPRESENTATIVE SUMNER asked, in terms of "justifiable public purpose," whether flipping a coin or consulting a magic eight ball on a decision would be considered unethical or whether malign intent was necessary.

MR. STANCLIFF responded that the evidence would need to be more substantial.

REPRESENTATIVE SUMNER asked whether proof of [malintent] was required for criminal prosecution or whether inconsistent decisions would suffice.

MR. STANCLIFF shared his understanding that "the weight would be pretty heavy" to bring forth a misdemeanor conviction. He added that intent was factor.

[1:17:32 PM](#)

The committee took a brief at-ease.

[1:18:19 PM](#)

REPRESENTATIVE ALLARD asked for the legal definition of "misleading."

REPRESENTATIVE CRONK did not know the answer.

REPRESENTATIVE ALLARD requested the definition of "public officer." In addition, she posed a scenario in which an elected official consistently recuses himself/herself from votes due to a conflict of interest. The elected official sits on a nonprofit "body" that distributes funds into the individual's nonprofit from which his/her salary is drawn. She asked whether the bill would cover that scenario.

MR. STANCLIFF said, "It very well could." He explained that the bill would come into play when a public official misuses his/her power.

REPRESENTATIVE GROH emphasized the need for legal advice. He referenced the definition of "justifiable public purpose" and

asked Mr. Klein to address the question of intent and termination of evidence.

[1:24:00 PM](#)

NOAH KLEIN, Attorney, Legislative Legal Services, Legislative Affairs Agency (LAA), said he did not understand the question in the context of the bill.

REPRESENTATIVE GROH summarized the scenario that inspired the bill.

[1:25:16 PM](#)

The committee took a brief at-ease.

[1:26:16 PM](#)

REPRESENTATIVE ALLARD expressed concern that the bill sponsor was being impugned.

CHAIR VANCE asked the bill sponsor to clarify the scenario that inspired the bill.

REPRESENTATIVE CRONK restated the scenario as follows:

A person was asking for something that he previously had gotten through the state and a person that works for the state figured out a way around and denied him that. And through that process, we realize that there ... was a lot of false statements for the denial. And we feel justified in bringing this bill forward because that person felt that because he opposed some prior legislation that this was punishment for him being very vocal against it.

[1:28:28 PM](#)

REPRESENTATIVE GROH asked Mr. Klein to describe the role of intent in the proposed legislation and how it would be determined.

[1:29:05 PM](#)

MR. KLEIN stated that the prohibition in the proposed legislation did not speak to a specific mental state or intent of the public official. Instead, it was a prohibition on doing

something that does not meet the standard of a "justifiable public purpose," as defined in the act.

CHAIR VANCE asked whether the bill would allow a citizen to take action against a state-employed plow for what's perceived to be a punitive act of piling large amounts of snow in his/her driveway unless a "justifiable public purpose" was displayed.

MR. STANCLIFF said he had a list of complaints involving questionable decisions that were much more serious than snow in a yard. He reiterated that the bill would expand upon the existing Ethics Act.

[1:34:43 PM](#)

REPRESENTATIVE SUMNER shared his understanding that the bill would create a "strict liability crime" and asked whether that was the intent.

MR. KLEIN said the bill would be making, in addition to the Ethics Act, a paragraph that would be interpreted by the attorney general and the personnel board. Although there was no express intent or mental state requirement, the lack of a "justifiable public purpose" would need to be determined by the executive branch.

[1:36:38 PM](#)

CHAIR VANCE announced that HB 170 would be held over.

[1:37:11 PM](#)

The committee took an at-ease from 1:37 p.m. to 1:37 p.m.

HB 88-WAREHOUSE WORK QUOTAS

[1:39:53 PM](#)

CHAIR VANCE announced that the next order of business would be HOUSE BILL NO. 88, "An Act relating to work quotas for employees at warehouse distribution centers; and providing for an effective date." [Before the committee was CSHB 88(L&C).]

[1:40:25 PM](#)

REPRESENTATIVE RAUSCHER, Alaska State Legislature, prime sponsor, presented CSHB 88(L&C). He shared the sponsor

statement [included in the committee packet], which read as follows:

House Bill 88 Warehouse Worker Protection Act is designed to provide transparency for warehouse and logistic workers when they agree to a pay scale based on a quota or production goal. HB 88 is also designed to provide protections for workers against counterproductive methods employers miss the mark on, to speed up production and save on costs.

Alaska is one of the most bountiful states in the country with its salmon runs, wild game, and natural resources. The abundance of the state is a blessing but there is still a need for supplies and goods to be imported, stored, and delivered. The workers who manage the logistics of these imports are the unsung heroes of Alaskan food security and supply chain. With over 90% of food coming from outside Alaska, these workers are the lifeline to keep the state operational. Warehouse and logistic workers face many challenges in the workplace, HB 88 will allow workers to focus on delivering goods and maintaining a healthy supply chain while also ensuring they are able to work in a safe environment where employers don't encourage speed over safety.

[1:42:11 PM](#)

RYAN MCKEE, Staff, Representative George Rauscher, Alaska State Legislature, on behalf of Representative Rauscher, prime sponsor, presented the sectional analysis for CSHB 88(L&C) [included in the committee packet], which read as follows [original punctuation provided]:

Sec 1. - Amends AS 23.10 by adding new sections

Article 9. Work Quotas at Warehouse Distribution centers.

Section 23.10.700. - Specifies what types of employers the newly added

sections AS 23.10.700-23.10.725 apply to. Specifically, 100 or more employees at a single warehouse distribution center, or 1,000 or more

employees at one or more warehouse distribution centers in the state.

Section 23.10.705. - Specifies when an employer that is subject to AS 23.10.700 - 23.10.725 needs to provide a written description of each quota that applies to the employee. It further describes what needs to be included in that written quota description.

Section 23.10.710. - States what specifically an employer is not allowed to require in order for employees to meet quota expectations.

Section 23.10.715. - States that a current or former employee may request, orally or in writing a request for a quota description. And specifies what needs to be included in the request as well as a timeline for when an employee will receive the requested description.

Section 23.10.720. - States that an employee may seek an injunction in the superior court to enjoying an employer violating AS 23.10.700-23.10.715.

Section 23.10.725. - Provides definitions for terms listed in the above language.

Sec 2. - Sets an effective date of January 1st, 2025.

CHAIR VANCE opened invited testimony.

[1:44:23 PM](#)

PATRICK FITZGERALD, Political Coordinator, Alaska Teamsters Union, gave invited testimony during the hearing on CSHB 88(L&C). He stated that the bill would add to statute protections for warehouse and logistic workers to curb predatory practices that come with a quota-based warehouse job. The legislation would allow these employees to access their work speed data, and to advocate for themselves when the quota is changed. He argued that access to the data would allow for more efficient production and would bring solutions to problems regarding retention and turnover; transparency; and better understanding of operations. He urged legislators to protect warehouse workers by passing CSHB 88(L&C).

CHAIR VANCE sought questions from committee members.

[1:46:25 PM](#)

REPRESENTATIVE GRAY questioned the increase from 100 to 200 workers.

MR. MCKEE explained that the sponsor wanted to focus on larger warehouse groups and ensure that small businesses were excluded to avoid unintended consequences.

[1:47:21 PM](#)

REPRESENTATIVE ALLARD shared an example of a bank employee whose quota was increased. She asked whether the purpose of the bill was to regulate businesses and make them implement these changes to avoid being sued by workers who oppose quota increases.

REPRESENTATIVE RAUSCHER said Representative Allard had phrased the bill in a light that did not accurately reflect the bill's intent. He shared a personal anecdote and opined that workers should not need to "drop [dead]" in order to earn a salary because quotas have been raised beyond the expectations expressed at the time of hire.

[1:51:15 PM](#)

REPRESENTATIVE ALLARD asked why a representative from the union was testifying unless the goal was to unionize.

REPRESENTATIVE RAUSCHER contended that the bill resonated with him because of his personal background. He clarified that the goal was not to unionize, adding that, as a legislator, he was trying to do something that would benefit the workers in Alaska.

MR. FITZGERALD, in response to Representative Allard, explained that in a quota-based industry, work speed data was already being kept by employers and used to track the efficiency of employees. The bill would simply allow employees to track that data. He clarified that the law would apply to all employees, both union and nonunion, in Alaska.

[1:54:58 PM](#)

CHAIR VANCE cited the "Right to request a quota description" on page 2 of the bill and asked the bill sponsor to address the impact of the 21-day calendar, [as referenced on lines 23-25].

REPRESENTATIVE RAUSCHER offered to follow up with the requested information. He reiterated that he was not pushing a union plan with the proposed legislation, just trying to protect workers.

[1:57:07 PM](#)

REPRESENTATIVE C. JOHNSON shared his understanding that should the bill pass, it was still the employer's ability to change the quota; however, it would allow the employee to know about that change. For that reason, he surmised that the bill was an "employer full disclosure to employees act." In addition, he noted that the fiscal note was incomplete.

CHAIR VANCE announced that CSHB 88(L&C) would be held over.

[1:58:46 PM](#)

The committee took an at-ease from 1:58 p.m. to 2:01 p.m.

HB 63-REPEAL WORKERS' COMP APPEALS COMMISSION

[2:01:57 PM](#)

CHAIR VANCE announced that the final order of business would be HOUSE BILL NO. 63, "An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Workers' Compensation Appeals Commission; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 601(b), 602(c) and (h), and 603(a), Alaska Rules of Appellate Procedure; and providing for an effective date."

[2:02:13 PM](#)

REPRESENTATIVE RAUSCHER, prime sponsor, presented HB 63. He shared the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill 63 would save \$433,000 per year, remove an unnecessary bureaucracy, and make Alaska's Workers' Compensation program more sustainable by repealing the

Alaska Workers' Compensation Appeals Commission. Passing House Bill 63 will return jurisdiction over appeals of Workers' Compensation Board decisions to the Superior Court. Currently the Appeals Commission handles these cases, and their decisions can be appealed to the Supreme Court.

For decades, the Superior Court had handled these cases. Operating the Appeals Commission costs \$433,000 annually and it currently has two fulltime employees, while the Court System has testified that they can handle these cases with their current budget and staffing levels. The Appeals Commission's workload has decreased considerably since it was created in 2005. In 2007, they had 49 new cases filed and published 42 decisions but by 2022 they only had 14 new cases and published only 5 decisions.

In 2015, the House Labor and Workforce Finance Subcommittee found the Appeals Commission to be "an ineffective division" and that "their closure rate and average time for closure is not demonstrably better than the process was before the establishment of the commission."

This bill would create a transition period between June 1 and December 1 of 2023 when new cases would be filed with the Superior Court, but the Appeals Commission would continue to handle the cases that were already pending. On December 2, all pending cases would be transferred to the Superior Court and the Appeals Commission will be fully repealed on December 31.

Alaska's Workers' Compensation regulation is funded by service fees collected from insurance providers and self-insurers. In Fiscal Year 2021 the state collected \$6.3 million in fees and the Department of Revenue projects this will fall to \$5.9 million in FY 2022 and \$5.4 million in FY 2023. Given Alaska's budget deficit and this declining revenue, we simply cannot afford to spend \$433,000 to operate a separate commission when the courts are well equipped to handle these cases.

[2:04:37 PM](#)

MR. MCKEE, on behalf of Representative Rauscher, prime sponsor, presented the sectional analysis for HB 63 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1 establishes that the Workers' Compensation Board (Board) shall maintain records of the repealed Workers' Compensation Appeals Commission (Commission). It also establishes that Commission decisions remain as legal precedent unless overturned or modified by the courts.

Section 2 removes references to the Commission.

Section 3 removes a reference to the Commission.

Section 4 removes a reference to the Commission.

Section 5 creates a new AS 23.30.126 governing appeals of Workers' Compensation Board decisions.

Subsection (a) establishes that Board decisions and orders become effective when filed, that these decisions and orders can be modified or reconsidered, and that a party may appeal a decision or order to the superior court.

Subsection (b) establishes that Board decisions and orders are not automatically stayed pending judicial review and establishes the criteria for when a court may issue a stay.

Subsection (c) establishes that factual findings made by the Board shall be conclusive if supported by substantial evidence and that AS 44.62.570 governing administrative appeals shall apply to the appeals of Board decisions.

Subsection (d) allows the director of the Division of Workers' Compensation to intervene in appeals and to file appeals if a party is not represented by an attorney and the case presents an unsettled question of law.

Section 6 is a conforming amendment to reflect the changes made by Section 5.

Section 7 removes a reference to the Commission.

Section 8 repeals the court rules related to the Commission.

Section 9 repeals the statutes related to the Commission.

Section 10 contains indirect court rule amendments to reflect the changes made by Section 5.

Section 11 establishes which procedures apply to appeals pending before the Commission between June 1 and December 1, 2023.

Subsection (a) establishes that the Commission shall continue to handle cases through December 1, 2023 and that the Commission shall continue all cases pending on December 1, 2023.

Subsection (b) establishes that the new procedure in Section 5 does not apply to cases before December 1, 2023.

Subsection (c) establishes that the old statutes apply for appeals of final decisions made by the commission and issued by December 1st.

Section 12 establishes transitional provisions.

Subsection (a) establishes that starting June 1, 2023, all new appeals of Board decisions shall be filed with the Superior Court under Section 5.

Subsection (b) establishes that appeals of Commission rulings issued by December 1, 2023 shall be filed with the Supreme Court.

Subsection (c) ends the Commission's ability to order reconsideration of cases on December 2, 2023. All outstanding requests for reconsideration pending on that date would be automatically rejected, and any party whose request was denied may appeal their case to the Supreme Court.

Subsection (d) requires the Commission to transfer the files for all pending cases to the Superior Court on

December 2, 2023 and to provide the parties 30 days' notice of the transfer of jurisdiction. If the court finds that the records do not meet the requirements of the Rules of Appellate Procedure, it may order the Commission to make necessary changes and resubmit them.

Section 13 ends the terms of all Commission members on December 31, 2023.

Section 14 makes this act only take effect if the court rule changes in Sections 8 and 10 are adopted.

Section 15 provides a June 1, 2023 effective date.

[2:08:42 PM](#)

MR. MCKEE directed attention to a PowerPoint presentation, titled "House Bill 63 Repeal Workers' Compensation Appeals Commission" [hard copy included in the committee packet]. He began on slide 2, "House Bill 63," which read as follows [original punctuation provided]:

Repeals the Alaska Workers' Compensation Appeals Commission

Returns jurisdiction over Workers' Compensation appeals to the Superior Court

Saves \$482,400 per year

Helps fill the Workers' Compensation budget deficit and make Alaska's Workers' Compensation system more solvent

MR. MCKEE continued to slide 3, which featured a flowchart of the workers' compensation claim appeals process. He moved to slide 4, "HB 63 Will Save \$482,400 Per Year," which read as follows [original punctuation provided]:

Currently the Commission has 2 full-time employees and pays for commissioners' travel and per diem

Previously, the Court System has testified that they can absorb these cases with a zero fiscal note

[2:10:06 PM](#)

MR. MCKEE directed attention to the graph on slide 5, indicating that the commission's workload had declined from 49 cases filed and 42 published decisions in 2007 to 4 cases filed and 5 decisions issued in 2023. Slide 6 read as follows [original punctuation provided]:

"The Worker's Compensation Appeals Commission is an ineffective division... The Commission during the calendar year of 2013 closed 30 cases for a closure rate of 67 percent with an average time from filing to closure of seven months. This closure rate and average time for closure is not demonstrably better than the process was before the establishment of the commission."

House Department of Labor and Workforce Development
Finance Subcommittee, February 25, 2015

[2:11:15 PM](#)

MR. MCKEE continued to slide 7, "The workers' Compensation Appeals Commission Has Not Closed Cases Faster than the Courts," which read as follows [original punctuation provided]:

- The Superior Court took "8 to 18 months" to decide Workers' Compensation Appeals.
- When the Appeals Commission was created, it was estimated that the Commission could decide cases in 6 months.
- Instead, in 2018 it averaged 12.2 months to decide cases.
- Even as their workload decreased, in 2021 they still averaged 9.3 months to decide cases.
- More Commission decisions are appealed to the Supreme Court, adding months to years before final resolution.

Sources: Testimony of Paul Lisankie, Director, Division of Workers' Compensation, Senate Labor and Commerce Committee, March 10, 2005.
Alaska Workers' Compensation Appeals Commission Annual Report for Calendar Year 2021.

MR. MCKEE proceeded to slide 8, "HB 63 Will Reduce Appeals to the Supreme Court," which read as follows [original punctuation provided]:

When the Superior Court handled appeals approximately 25% of their decisions were appealed to the Supreme Court.

Since the Commission was created in 2005, 36% of its decisions have been appealed to the Supreme Court.

Since 2011, 50% of Commission decisions have been appealed.

Sources: Testimony of Doug Wooliver, administrative attorney, Alaska Court System, Senate Labor and Commerce Committee, March 10, 2005. Legislative Research Services Report 19-175.

[2:12:41 PM](#)

MR. MCKEE moved to slide 9, which read as follows [original punctuation provided]:

Alaska's Workers' Compensation and Safety Program Faces a Growing Budget Deficit-HB 63 Will Help Fill It

- Workers' Compensation and Safety are funded by a tax on Workers' Compensation payments
- These programs cost \$9.1 million annually and are projected to remain flat
- Saving \$482,400 will help close the growing budget gap.

MR. MCKEE concluded on slide 10, "Bottom Line," which read as follows [original punctuation provided]:

HB 63 saves \$482,400 annually

Preserves parties' right to have their cases heard in timely manner

Will reduce appeals to the Supreme Court

Makes Alaska's Workers' Compensation system more solvent

[2:13:37 PM](#)

REPRESENTATIVE ALLARD asked whether there were any attorneys or paralegals on the commission.

MR. MCKEE stated that the chair was a lawyer; however, the two commissioners were not. In response to a follow up question, he confirmed that the caseload had decreased significantly, but the time it takes to render a decision remained the same.

REPRESENTATIVE ALLARD highlighted the letter from Mr. Croft, an attorney, in the supporting documents.

[2:14:55 PM](#)

REPRESENTATIVE GROH asked why the number of cases had fallen over the years.

MR. MCKEE pointed out that more safety measures were being implemented by companies, resulting in fewer grievances being filed.

REPRESENTATIVE RAUSCHER explained that businesses were constantly holding safety meetings and implementing safety measures to decrease injuries on the job because compensation costs money.

[2:16:35 PM](#)

REPRESENTATIVE GRAY sought to confirm that there was a zero fiscal note for up to 30 cases.

MR. MCKEE confirmed that the commission could take up to 30 cases at no additional cost. In response to a follow up question, he said the courts would determine the fiscal cost if the case count were to rise above 30.

[2:17:40 PM](#)

CHAIR VANCE announced that HB 63 would be held over.

[2:18:31 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 2:18 p.m.