

4-7-82

S B 552

S B 648

HOUSE LABOR & COMMERCE  
STANDING COMMITTEE  
April 7, 1982  
1:13 p.m.

Members Present: Rep. Martin, Chairman  
Rep. Randolph  
Rep. Rogers

Members Absent: Rep. Bylsma, Vice Chairman  
Rep. Gardiner

COMMITTEE CALENDAR

SB 552 An Act exempting certain child care workers from the Alaska Wage and Hour Act.

SB 648 An Act relating to workers' compensation coverage of certain persons providing community work service.

WITNESS REGISTER

Patrick Conheady, Director  
Pretrial Services  
Department of Law  
Pouch KT  
Juneau, Alaska 99811  
465-3678  
Position Statement: Explained and supported CSSB 648 (L&C).

Bev Koski  
Division of Risk Management  
Pouch C  
Juneau, Alaska 99811  
465-2180  
Position Statement: Explained state's current workers compensation position.

Judy Knight  
Department of Labor  
Box 1149  
Juneau, Alaska 99811  
465-2700  
Position Statement: Explained purpose of CSSB 648 (L&C).

PREVIOUS ACTION

SB 552 Senate Action: First reading 5/6/81.  
Reported from Labor & Commerce 5/28/81.  
Reported from Finance 3/18/82, with zero

fiscal note. Reported from Rules 3/22/82; taken up immediately. Finance committee substitute adopted by unanimous consent in second reading 3/22/82. Passed third reading 3/22/82.

House Action: First reading 3/22/82; assigned to Labor & Commerce.

Statutory Reference: AS 23.10.055

Action Taken: CSSB 552 (Fin) reported out of committee.

SB 648

Senate Action: First reading 1/12/82. Reported from Labor & Commerce 2/11/82. Reported from Rules 2/17/82; taken up immediately. Recommitted to Labor & Commerce by unanimous consent 2/17/82. Reported from Labor & Commerce 3/18/82. Reported from Rules 3/22/82; taken up immediately. Labor & Commerce committee substitute adopted by unanimous consent in second reading 3/22/82. Passed third reading 3/22/82.

House Action: First reading 3/22/82; assigned to Labor & Commerce.

Statutory Reference: AS 23.30

Action Taken: Amended; committee substitute adopted; HCS CSSB 648 (L&C) reported out of committee, with Finance referral requested.

ACTION NARRATIVE

Tape #56  
Recording  
Number 000

The meeting was called to order by Chairman Martin at 1:13 p.m. Members present were: Representatives Martin, Rogers, and Randolph. Representatives Bylsma and Gardiner were absent. Rep. Zharoff attended the meeting. Rep. Martin brought CSSB 648 (L&C) before the committee.

Number 010

Pat Conheady, director of Pretrial Services, Department of Law, said the bill was aimed at correcting problems encountered in community work service. He referred to letters he had given to the committee. He explained the problem the bill addresses,

and how this bill will correct the situation by defining those performing community work service at the direction of the state as employees of the state for purposes of workers compensation.

Number 042

There was discussion. Rep. Martin asked about the fiscal note. Conheady said a fiscal note would be extremely speculative, as it would be difficult to project costs. There was discussion of what type of work is performed, and by whom. Rep. Randolph was concerned that, as 2,000 people had worked over 50,000 hours with no workers compensation claims; he was concerned that making workers compensation available would encourage claims. There was discussion. Rep. Randolph asked exactly what could be claimed--whether it was just medical expenses, or if it would include wages and dependents coverage. Conheady referred the question to Judy Knight.

Number 177

Bev Koski of the Division of Risk Management explained the state's current workers compensation position. There was discussion of who uses voluntary work.

Number 235

Judy Knight, Department of Labor, said she had worked with the Department of Law on drafting of the bill. She said the main purpose of the bill is to provide offenders and pretrial individuals with more places to do community work service. She said the purpose of the bill is to limit the liability an employer would accrue in order to encourage more employers to take part in community work service programs. Knight said they had modeled this bill after a bill introduced to cover high school students in work study programs. She saw the bill reducing the state's liability, as it would limit the liability to workers compensation. There was discussion of liability.

Number 311

Conheady explained how post-conviction work service works. Rep. Rogers was concerned about attempts by people to get a workers compensation claim for the income. There was discussion of this aspect of potential abuses. Rep. Randolph asked if other approaches had been considered. There was discussion. Rep. Rogers said he would be more comfortable with workers compensation

covering medical expenses, and the tort system for wages. There was discussion of alternatives.

Number 450

Jeff Barry, committee aide, said that these people are not employees, so there is a question of their right to sue. He referred to a statute which sets out liability. Conheady disagreed with Barry's analysis, and went over case law regarding third parties.

Number 525

Rep. Rogers moved that sections 1 and 2 be replaced with sections limiting compensation to medical expenses only, with language to be drafted by the legislative lawyers. There was discussion. The motion passed without objection.

Number 645

Rep. Rogers moved, lines 6 and 7, to delete the language, "of certain persons providing community work service.", so that the title of the bill would read, "An Act relating to workers' compensation coverage.", and to add to the end of the bill the body of CSHB 159 (Fin). There was objection, and discussion. On the question: for--Rogers, Martin; opposed--Randolph. Motion carried.

Number 698

Rep. Rogers moved to report HCS CSSB 648 (L&C) out of committee. Motion passed without objection.

Number 700

Rep. Rogers moved to request an additional committee referral (to Finance committee). Motion passed without objection.

Side B, Number 000

Rep. Rogers moved to report CSSE 552 (Fin) out of committee. There being no objection, the motion carried.

Number 010

As there was no further business to come before the committee, the meeting was adjourned.

HOUSE LABOR & COMMERCE  
STANDING COMMITTEE  
April 8, 1982  
1:14 p.m.

Members Present: Rep. Martin, Chairman  
Rep. Bylsma, Vice Chairman  
Rep. Randolph

Members Absent: Rep. Gardiner  
Rep. Rogers

COMMITTEE CALENDAR

SB 548 An Act relating to the Medical Indemnity Corporation of Alaska (AS 21.88).

SB 611 An Act revising the criminal penalties for unlawful operation of an aircraft.

WITNESS REGISTER

Don Koch, Chief  
Market Surveillance Section  
Division of Insurance  
Pouch D  
Juneau, Alaska 99811  
465-2577  
Position Statement: Supported CSSB 548; gave background and explained bill.

William G. Brock  
Medical Indemnity Corporation of Alaska (MICA)  
1700 Angus Way  
Juneau, Alaska 99801  
586-3656  
Position Statement: Explained need for bill.

PREVIOUS ACTION

SB 548 Senate Action: First reading 5/5/81.  
Reported from Labor & Commerce 1/27/82.  
Reported from Finance 3/17/82. Reported from Rules 3/18/82; taken up immediately.  
Recommitted to Rules by unanimous consent 3/18/82. Reported back out from Rules 3/22/82; taken up immediately. Finance committee substitute adopted in second reading by unanimous consent 3/22/82. Advanced to third reading and passed third reading 3/22/82.

House Action: First reading 3/22/82;  
referred to Labor & Commerce.

Statutory Reference: AS 21.88; Sections 1  
and 21(b), ch. 177, SLA 1978.

Action Taken: CSSB 548 (Fin) reported out  
of committee.

SB 611

Senate Action: First reading 1/11/82.  
Reported from Labor & Commerce 2/9/82.  
Reported from Judiciary 2/25/82. Reported  
from Rules 3/1/82; taken up immediately.  
Passed second reading 3/2/81; advanced to  
third reading and passed 3/1/82.

House Action: First reading 3/1/81. Labor  
& Commerce Committee referral added 3/5/82.

Statutory Reference: AS 02.30.040; AS  
02.35.120

Action Taken: Bill reported out with  
individual recommendations.

#### ACTION NARRATIVE

Tape #57  
Recording  
Number 000

The meeting was called to order by Chairman  
Martin at 1:14 p.m. Members present were:  
Representatives Martin, Bylsma, and  
Randolph. Representatives Rogers and  
Gardiner were absent. Rep. Martin announced  
Rep. Randolph's upcoming birthday.

Number 017

Rep. Martin brought CSSB 548 before the  
committee for consideration.

Number 022

Don Koch, Division of Insurance, supported  
the bill. He gave background and explained  
what the bill does. He said: 1) it changes  
the makeup of the board of governors of  
MICA; 2) dates in the law are now obsolete,  
so these were removed, and provided that  
coverage for prior periods should be  
available under certain conditions for a  
fee; 3) language would permit writing  
general liability coverages at the  
discretion of the director; and, 4) the bill  
deals with the director's ability to lower,  
remove, or reinstate assessments.

- Number 084 William Brock, member of the board of governors and legislative committee member of MICA, explained assessability. He said there is also a provision allowing them to insure institutions (not doctors or hospitals) which provide care under the direction of medical doctors if the direction of the Division of Insurance thinks it appropriate. He cited examples (eg, Alaska Treatment Center in Anchorage).
- Number 145 Rep. Bylsma moved to report CSSB 548 (Fin) out of committee. There being no objection, the motion passed.
- Number 150 Rep. Martin then brought SB 611 before the committee. He gave background on the bill. There was discussion.
- Number 188 Jeff Barry, committee aide, reported progress on the Alaska Power Authority investigation. He went over a list of legislative subpoenas needed, and the reasons for the subpoenas. There was discussion of the need for subpoenas.
- Number 223 Rep. Randolph moved that subpoenas be prepared. There was discussion. There being no objection, the motion passed.
- Number 231 Rep. Bylsma moved that SB 611 be reported out of committee, with individual recommendations. There being no objection, the motion passed.
- Number 241 As there was no further business to come before the committee, the meeting was adjourned.

Absent:  
Byloma  
Gardiner

4/7/82

H. Labor & Commerce

Tape # 56

SB 552

SB 648

Zharoff here

1:13

000 Call to order  
CSSB 648 (L+C) Conheady

010 Pat Conady, dir. pretrial svcs, dept law - aimed at  
correcting probs encountered in comm wk svcs.

Referred to ltrs he had given committee.

Exp. in problem bill addresses & how this will  
correct svcs by defining those performing comm wk  
svcs at the direction of the state, as an employee  
of the state for purposes of wkrs comp.

042

Discussion. Martin asked abt f/n - Conady said a  
f/n wd be extremely speculative - difficult to  
project costs. Discussion of what type of work is  
performed, & by whom. Randolph was concerned,  
as 2,000 people had wkd over 50,000 hrs w/no claims,  
he was concerned that making w/c available wd  
encourage claims. Discussion.

Rep. Randolph asked exactly what cd be claimed -  
whether it was just medical expenses, or if it wd  
include wage & dependents coverage. Conady  
deferred the qsn to Judy Knight.

177

Rep Koski, Div Risk Mgmt - explained state's <sup>current w/c</sup> position.

There was discussion of who uses voluntary work.

235

Judy Knight, DOL - wkd w/Law Dept on drafting of bill.

Main purpose of bill is to provide offenders & pretrial  
inmates w/ <sup>more</sup> places to do community wk svcs. Purp of  
bill is to limit liability employer wd accrue.

Modeled after bill int'd to cover high school students  
in work study pgms. She sees bill reducing  
state's liability, as it limits liability to w/c.  
Discussion of liability.

311 Conedy ~~said post-conviction~~ people explained how post-  
conviction wk svc works. Rogers was concerned  
abt attempt by a person to get a w/c claim for  
income. There was discussion of this aspect of  
potential abuses. Randolph asked if other approaches  
had been considered. Discussion. Rogers said  
he'd be more comfortable w/ comp medical & tort wage.  
Discussion of alternatives.

450  
415  
Barry - 1) these are not employees, as there is gov't of right  
to sue. He referred to a statute which ~~said~~ sets  
~~state or employer~~ as far out liability.  
Conedy disagreed w/ Barry's analysis; went over  
case law regarding third parties.

525 Rogers moved, secs 1 & 2 be replaced w/ sections limiting  
comp to medical <sup>expenses</sup> only. Discussion.  
Passed w/o obj.

645 Rog- l. 6 & 7, delete lang<sup>and</sup> insert <sup>"of certain... wk svc."</sup> <sup>to end of bill body of</sup> Fin CS HB 159. Objection.  
Discussion.

Qstr: for, Rogers Martin opp'd Rand passed.

698 Rogers moved to report CS out; passed.

700 " " " add Fin referral. Discussion. Passed.

Side B

000 Rog moved to report CS SB 552 (Fin) out of comm.  
No obj, no passed.

010 Adjourned

SB 552 SENATE ACTION  
DATE SEQ PAGE

09:44 4/14/82 PAGE 2 OF 3

LEGISLATIVE ACTION

05/06/81 01 0978  
05/28/81 02 1237  
03/18/82 03 0603  
03/18/82 04 0603  
03/22/82 05 0638

FIRST READING -- COMMITTEE REPORTS

L&C -- CS03

FIN -- CS04

F/NOTE EQUALS ZERO

RLS -- OTHER03

TAKEN UP IMMEDIATELY

03/22/82 06 0641  
03/22/82 07 0641  
03/22/82 08 0641  
03/22/82 09 0641  
03/22/82 10 0642

SECOND READING

FIN CS ADOPTED BY UNAN CONSENT

ADVANCED TO 3RD READING BY UNAN CONSENT

THIRD READING

PASSED BY DIV 16-00-04

\*\*\*\* \*\* \*\*

\*\*\* \*\* \*

SB 552 HOUSE ACTION  
DATE SEQ PAGE

09:44 4/14/82 PAGE 3 OF 3

LEGISLATIVE ACTION

03/22/82 11 0885  
04/07/82 12 1173

FIRST READING -- COMMITTEE REPORTS

L&C -- DP01, NR02

FINANCE

RULES

LABOR & COMMERCE COMMITTEE  
DAILY COMMITTEE HEARING

Date: 4/7/82

Place: \_\_\_\_\_

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair				
Rep. D. Randolph	_____ ✓	_____	1:12	
Rep. B. Rogers	_____ ✓	_____	1:12	
Rep. T. Gardiner				
Rep. T. Martin, Chair	_____ ✓	_____	1:00	

Subject Matter:

House Bill No. \_\_\_\_\_

Senate Bill No. 552 648 \_\_\_\_\_

Special Orders:



