

HB

287

**HOUSE COMMITTEE REPORT**

R.O. 1

(11)

Date referred: 5/6/87

FURTHER REFERRALS:

DATE: 1-25-88

The Finance Committee has considered HB 287

"An Act relating to students' entitlement to unemployment compensation credit and benefits."

**RECOMMENDS:**

- replace with CS HB 287 (fin.)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

ADAMS [Signature]

FOURCHOT [Signature]

WALLIS [Signature]

BROWN [Signature]

BOYER [Signature]

RIESER [Signature]

SWACK-HAMMER [Signature]

**SIGNING OTHER RECOMMENDATIONS:**

GOLL [Signature] NR

DAVIS [Signature] NO REC

FRANK [Signature] NO REC

[Signature]  
Chairman's signature

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: All  
 Title: "An Act relating to students' entitlement to unemployment compensation..." BRU: All  
 Sponsor: Ulmer and Koponen Components: All  
 Requestor: House Labor and Commerce

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		30.0	30.0	30.0	30.0	30.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		21.0	21.0	21.0	21.0	21.0
FEDERAL FUNDS						
OTHER		9.0	9.0	9.0	9.0	9.0
<b>TOTAL</b>	<b>0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

\_\_\_\_\_  
 Prepared by: Joe Sitton, Director Phone: 465-2712  
 Division: Employment Security Date: 1/11/88

Approved by Commissioner: Jim Sampson Date: 1/11/88  
 Agency: Labor

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Fiscal Note Analysis  
CSHB 287 (L&C)

This bill would pay unemployment benefits to individuals who attend school if they became unemployed while both attending school and working at least thirty hours a week.

There would be a cost to the State if state employees became unemployed and qualified under this bill for unemployment benefits. Under existing law, the State reimburses the Unemployment Insurance trust fund for benefits paid to its employees. We estimate that fifteen employees a year would qualify for benefits. At an average benefit of \$2,000 each, this would equate to \$30,000 a year.

Since approximately 70% of the state operating budget is general funds, we estimate that \$21,000 (70% of \$30,000) of general fund money would be used while \$9,000 would be other funded. Other funds includes federal, inter-agency, user fees, etc.

Original sponsors: Ulmer and Koponen

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 287 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to students' entitlement to unem-  
7 ployment compensation credit and benefits."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 23.20.378(c) is amended to read:

10 (c) An insured worker is disqualified for waiting-week credit or  
11 benefits for a week of unemployment while the insured worker is pursu-  
12 ing an academic education [ATTENDS AN ESTABLISHED SCHOOL IN A COURSE  
13 OF STUDY PROVIDING ACADEMIC INSTRUCTION OF 10 OR MORE CREDIT HOURS PER  
14 WEEK, OR THE EQUIVALENT]. A disqualification under this subsection  
15 begins with the first week of academic instruction and ends with the  
16 week immediately before the first full week in which the insured  
17 worker is no longer attending classes if the insured worker certifies  
18 that the period of nonattendance will last at least 60 days. However,  
19 an insured worker who has been pursuing an academic education for at  
20 least one school term and who was working at least 30 hours a week  
21 during a significant portion of the time that the worker was pursuing  
22 an academic education is not disqualified for waiting-week credit or  
23 benefits under this subsection if the worker's academic schedule does  
24 not conflict with the normal full-time work hours of the worker's  
25 occupation and if the insured worker became unemployed because the  
26 worker was laid off or the worker's job was eliminated. In this  
27 subsection,

28 (1) "pursuing an academic education" means attending an  
29 established school in a course of study providing academic instruction

1 of 10 or more credit hours per week, or the equivalent;

2 (2) [THE TERM] "school" includes primary schools, secondary  
3 schools, and institutions of higher education.  
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R/a 1-25-88  
Rec'd 2-5-88

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 287 FIN (AM)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act relating to students'  
entitlement to unemployment compensation"  
Sponsor: Illmer and Koponen  
Requestor: Senate Labor and Commerce

Agency Affected: ALL  
BRU: ALL  
Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		30.0	30.0	30.0	30.0	30.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	30.0	30.0	30.0	30.0	30.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		21.0	21.0	21.0	21.0	21.0
FEDERAL FUNDS						
OTHER		9.0	9.0	9.0	9.0	9.0
TOTAL	0	30.0	30.0	30.0	30.0	30.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Joe Sitton, Director Phone: 465-2712  
Division: Employment Security Date: 2/03/88

Approved by Commissioner: Jim Sambora Date: 2/03/88  
Agency: Labor

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

RECEIVED  
FEB 5 1988

LEGISLATIVE FINANCE

Fiscal Note Analysis  
CSHB 287 FIN (am)

This bill would pay unemployment benefits to individuals who attend school if they became unemployed while both attending school and working at least thirty hours a week.

There would be a cost to the State if state employees became unemployed and qualified under this bill for unemployment benefits. Under existing law, the State reimburses the Unemployment Insurance trust fund for benefits paid to its employees. We estimate that fifteen employees a year would qualify for benefits. At an average benefit of \$2,000 each, this would equate to \$30,000 a year.

Since approximately 70% of the state operating budget is general funds, we estimate that \$21,000 (70% of \$30,000) of general fund money would be used while \$9,000 would be other funded. Other funds include federal, inter-agency, user fees, etc.

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: All  
 Title: "An Act relating to students' entitlement to unemployment compensation..." BRU: All  
 Sponsor: Ulmer and Koponen Components: All  
 Requestor: House Labor and Commerce

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		30.0	30.0	30.0	30.0	30.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		21.0	21.0	21.0	21.0	21.0
FEDERAL FUNDS						
OTHER		9.0	9.0	9.0	9.0	9.0
<b>TOTAL</b>	<b>0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Joe Sitton, Director Phone: 465-2712  
 Division: Employment Security Date: 1/11/88

Approved by Commissioner: Jim Sampson Date: 1/11/88  
 Agency: Labor

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

**RECEIVED**  
 JAN 22 1988

Fiscal Note Analysis  
CSHB 287 (L&C)

This bill would pay unemployment benefits to individuals who attend school if they became unemployed while both attending school and working at least thirty hours a week.

There would be a cost to the State if state employees became unemployed and qualified under this bill for unemployment benefits. Under existing law, the State reimburses the Unemployment Insurance trust fund for benefits paid to its employees. We estimate that fifteen employees a year would qualify for benefits. At an average benefit of \$2,000 each, this would equate to \$30,000 a year.

Since approximately 70% of the state operating budget is general funds, we estimate that \$21,000 (70% of \$30,000) of general fund money would be used while \$9,000 would be other funded. Other funds includes federal, inter-agency, user fees, etc.

Bill No.  
Title

Committee Substitute for  
House Bill 287 (L&C)  
"An Act relating to student's  
entitlement to unemployment  
compensation credit and benefits."

Date  
Contact:  
January 21, 1988  
Joe Sitton  
465-2712  
Eileen Plate  
465-2700

Committee Substitute for House Bill 287 (L&C) provides for the payment of unemployment insurance benefits to individuals who have been working full-time while attending school and who are laid off from work. Under present law, a person who is taking 10 or more credit hours of classes is not eligible for unemployment insurance benefits, without exception.

The provisions of this bill remedy an inequity in the law that denies benefits to persons who have demonstrated that school attendance does not affect their availability for work or their ability to simultaneously work full-time and attend school.

The Department's understanding is that the intent of the existing law is to prevent persons from voluntarily leaving their jobs and attending school to an extent that the school attendance precludes the likelihood of their obtaining work. Those persons who have demonstrated that school attendance does not interfere are, therefore, unfairly penalized under the current law.

The Department agrees that the exceptional claimant whose availability is unimpaired by full-time school attendance should not be arbitrarily disqualified from receiving unemployment insurance benefits.

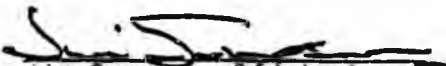
The Department would, however, recommend an amendment to the bill to further clarify the actual intent.

The attached amendment clarifies that the worker must have demonstrated his or her ability to simultaneously pursue an academic education and work full-time. The evidence required would be that the worker must have been pursuing an academic education for at least one school term, and during a significant portion of the term must have been working at least 30-hours per week. In addition, the worker's academic schedule could not conflict with the normal full-time work hours of the worker's occupation.

The Department would also like to update information provided in its May 8, 1987 position paper on this bill with respect to the condition of the Unemployment Insurance Trust Fund. At that time the Trust Fund, from which unemployment insurance benefits are paid, was projected to exhaust early this year. The Trust Fund did not experience the benefit outlays that were anticipated in 1987; and it is no longer expected that the Fund will zero out as we had anticipated. The Department, therefore, withdraws the objection posed in 1987 with respect to this bill which had been based upon the projected insolvency of the Trust Fund.

The Department supports the provisions of CSHB 287 with incorporation of the clarification set out in the attached amendment.

APPROVED:

  
Jim Sampson, Commissioner

**POSITION PAPER/**Department of Labor

Department of Labor  
Proposed Amendment  
Committee Substitute for House Bill 287 (L & C)

Amend lines 19 - 23 to read:

an insured worker who has been pursuing an academic education for at least one school term and who was working at least 30 hours a week during a significant portion of the time that the worker was pursuing an academic education is not disqualified for waiting-week credit or benefits under this subsection if the worker's academic schedule does not conflict with the normal full-time work hours of the worker's occupation and if the insured worker became unemployed because the worker was laid off or the worker's job was eliminated.

STATE OF ALASKA



REPRESENTATIVE  
FRAN ULMER

HOUSE OF REPRESENTATIVES

P.O. Box V  
JUNEAU, ALASKA 99811  
(907) 465-4947

M E M O R A N D U M

January 22, 1988

TO: Members of the Finance Committee

FROM: Representative Fran Ulmer

SUBJECT: House Bill 287

House Bill 287 was introduced last year to remedy an inequity in the employment security act (unemployment insurance). This bill would allow an individual who has been working full-time, while pursuing an academic education full-time, to qualify for unemployment benefits if the worker became unemployed because of a layoff or job elimination.

When AS 23.20.378 was enacted into law in 1980, the intent was to prohibit individuals from quitting their jobs to go to school full-time while drawing unemployment benefits.

House Bill 287 would permit only those few individuals who have been going to school full-time while working full-time to receive unemployment benefits if their source of income were suddenly terminated. The individual would still have to meet all the other statutory requirements in order to receive benefits. These individuals are currently unfairly penalized under existing law.

The Department of Labor amended the bill in the House Labor & Commerce Committee to clarify the full-time working status and that the individual had been engaged in both activities for some time. At this time, the Department is proposing another amendment to further clarify this language in Section 1 of the bill. I have no objection to the new amendment.

Last session, the Department supported this bill with some hesitancy because the Unemployment Insurance Trust Fund was projected to run out of funds. The UI trust fund has remained solvent and current projections do not indicate that it will go broke. The Department had subsequently revised its position and endorses the bill.

Thank you for your favorable consideration.

# MEMORANDUM


# State of Alaska

TO: Jim Robison,  
Commissioner

DATE: November 15, 1983

FILE NO:

TELEPHONE NO: 465-2700

FROM:   
Dan Kassner,  
Hearing Officer

SUBJECT: AS 23.20.378(c)

Under the subject statute, any student who is attending an academic course of instruction of 10 or more credit hours per week or the equivalent is not eligible for benefits. Although no concise definition of "academic instruction" exists, AS 23.20.520(26) defines "vocational training or retraining course" as not including, "A program of instruction for an individual, including a transfer credit program of instruction given at a community college, which is intended as credit for a degree from an institution of higher education." As this definition is used to establish the difference between academic and vocational training courses, it is reasonable to apply this definition as well to students who are attending academic courses of instruction and who fall under the purview of AS 23.20.378(c).

Only one other state, Washington, has a law which is remotely similar to ours. However, the Washington law provides for an exception. The Revised Code of Washington (RCW) 50.20.095 provides that an individual who is attending 12 or more hours per week or the equivalent is disqualified unless that person is in approved training within the confines of RCW 50.20.043 (Washington's vocational training provision), or demonstrates by a preponderance of the evidence the person's actual availability for work. RCW 50.20.095 further puts forth 4 factors which shall be considered in determining a student's availability for work.

There are 13 other states which laws contain some provision for disqualifying students. Of these, 3 unequivocally deny benefits to all full-time students, 4 deny benefits but with some equivocation, 3 deny benefits unless the base period wages were earned while attending school full-time, and 2 consider a full-time student as not unemployed.

None of the states which have an unequivocal law denying benefits to full-time students have any known cases which have gone to court and which have been allowed benefits. In addition, the Superior Court of the State of Alaska, has twice upheld the 10 credit rule stating in one, "The legislature determined that full-time students were not 'available' for work if they are attending school as full-time students and they are, therefore, ineligible for unemployment compensation. There is no reason for this court to upset this legislative determination." Caruth v State, Sup. Ct. 3dJD 3AN-81-368 Civ (12/08/81 unrp'd).

It is my opinion based on the foregoing that to allow any individual who is attending school in an academic course of instruction of 10 or more credit hours per week or its equivalent regardless of the time of day, week, or year would be in direct opposition to the stated law and the intent of the Alaska legislature.

Original sponsors: Ulmer and Koponen

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 287 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to students' entitlement to unem-  
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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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13 OF STUDY PROVIDING ACADEMIC INSTRUCTION OF 10 OR MORE CREDIT HOURS PER  
14 WEEK, OR THE EQUIVALENT]. A disqualification under this subsection  
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16 week immediately before the first full week in which the insured  
17 worker is no longer attending classes if the insured worker certifies  
18 that the period of nonattendance will last at least 60 days. However,  
19 an insured worker who was working at least 30 hours a week during a  
20 significant portion of the time that the worker was pursuing an aca-  
21 ademic education is not disqualified for waiting-week credit or bene-  
22 fits under this subsection if the insured worker became unemployed  
23 because the worker was laid off or the worker's job was eliminated.

24 In this subsection,

25 (1) "pursuing an academic education" means attending an  
26 established school in a course of study providing academic instruction  
27 of 10 or more credit hours per week, or the equivalent;

28 (2) [THE TERM] "school" includes primary schools, secondary  
29 schools, and institutions of higher education.

1 IN THE HOUSE

BY ULMER AND KOPONEN

2

HOUSE BILL NO. 287

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to students' entitlement to unem-  
7 ployment compensation credit and benefits."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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19 an insured worker who was working at least 30 hours a week while  
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(2) [THE TERM] "school" includes primary schools, secondary  
28 schools, and institutions of higher education.

28