

HB

287

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/22/87

FURTHER REFERRALS: Finance

DATE: 5/5/87

The Labor & Commerce Committee has considered HB 287

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

RECOMMENDS:

- replace with CS HB 287 (LTC) 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:

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

Cliff Davidson no rec

[Signature] no REC

[Signature] no rec

[Signature] no REC

[Signature]
Chairman's signature

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HL+C

5-5-87

1:30 p.m.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HB 287

Publish Date: _____

REQUEST: _____

Revision Date: _____

Title: "An Act relating to student's entitlement to unemployment compensation..."

Sponsor: Ulmer and Koponen

Requestor: House Labor and Commerce

Agency Affected: All

BRU: All

Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|------------------------|----------|-------------|-------------|-------------|-------------|-------------|
| 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 | | | | | | |
|----------------|--|--|--|--|--|--|

| | | | | | | |
|----------------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|----------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|----------|-------------|-------------|-------------|-------------|-------------|
| GENERAL FUND | | 19.8 | 19.8 | 19.8 | 19.8 | 19.8 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | 10.2 | 10.2 | 10.2 | 10.2 | 10.2 |
| 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: JS Joe Sitton, Director Phone: 465-2712
 Division: Employment Security Date: 5/4/87
 Approved by Commissioner: Jim Sampson Date: 5/4/87
 Agency: Labor

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

Fiscal Note Analysis
HB 287

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 66% of the state operating budget is general funds, we estimate that \$19,800 (66% of \$30,000) of general fund money would be used while \$10,200 would be other funded. Other funds includes Federal, inter-agency, user fees, etc.

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."

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 was working at least 30 hours a week ~~while~~
20 pursuing an academic education is not disqualified for waiting-week
21 credit or benefits under this subsection if the insured worker became
22 unemployed because the worker was laid off or the worker's job was
23 eliminated. In this subsection,

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

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

*during a signifi-
cantly portion of
the time
a worker
was*

Bill No. House Bill 287

Date May 5, 1987

Title "An Act relating to student's entitlement to unemployment compensation credit and benefits."

Contact: Joe Sitton
465-2712

Eileen Plate
465-2700

House Bill 287 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.

Accordingly, the Department supports the concept of House Bill 287. However, it is projected that the liberalization of benefits proposed under the bill will increase outlays from the Unemployment Insurance Trust Fund by approximately \$225,000. Inasmuch as the Trust Fund is rapidly being depleted because of the extensive and prolonged economic downturn in the state, and, in fact, the fund is projected to be exhausted by early 1988, the Department cannot support any proposals at this time which will result in increased Trust Fund expenditures.

Should the Legislature pursue passage of this bill, the Department would recommend the following amendment to it.

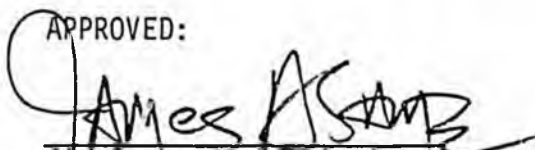
Amend Line 19 to read:

an insured worker who was working at least 30 hours a week during a significant portion of the time the worker was

This amendment would clarify the extent to which a worker must have demonstrated his/her ability to simultaneously work full-time and attend school. The present language is not clear in this regard.

The Department's fiscal note for state reimbursement of benefit outlays to laid off state employees is attached.

APPROVED:


Jim Sampson, Commissioner
Department of Labor

POSITION PAPER/Department of Labor

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 JAN-81-368 Civ (12/08/81 unrptd).

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.