

HB

529

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/17/88

FURTHER REFERRALS:

State Affairs
Finance

DATE: 4/12/88

The Labor & Commerce Committee has considered HB 529

"An Act relating to workers' compensation benefits for members of the state's organized militia; and providing for an effective date."

RECOMMENDS:

- replace with _____ 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 ^{three} zero fiscal note published 2/17/88
 zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Clyde D. ...
W. A. ...

Send Amendment N/A RE
and only (NO REC)

W. A. ...
Chairman's signature

STATE OF ALASKA
THE LEGISLATURE

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

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

4-12-88

2:00 p.m.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 17, 1988

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to workers' compensation benefits for members of the Alaska State Militia, Alaska National Guard, and Alaska Naval Militia.

Under AS 26.05.020, the organized militia is composed of the Alaska State Militia (also known as the Alaska State Guard), the Alaska National Guard (composed of the Alaska Army National Guard and the Alaska Air National Guard), and the Alaska Naval Militia.

The National Guard is concurrently a reserve component of the armed forces of the United States. The National Guard drills one weekend each month and two weeks annually. For this duty, members of the National Guard are paid by the federal government from money appropriated to the Department of Defense. Members of the Naval Militia are concurrently members of the U.S. Naval Reserve. When performing drill for the U.S. Navy, naval reservists may be paid from money appropriated to the Navy Department.

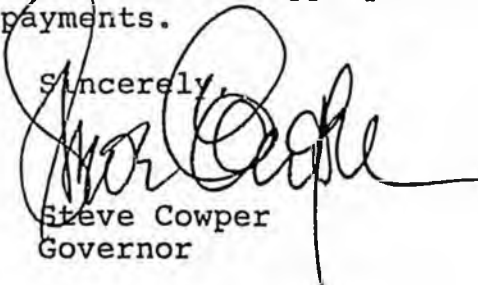
The Alaska State Militia (ASM) has no status as a reserve of the armed forces of the United States and its members receive no compensation from the federal government. The governor has authority to call the organized militia into active state service or training duty under AS 26.05.070. As currently written, AS 26.05.260 expressly provides that members of the National Guard and Naval Militia who are injured or killed while performing duties under AS 26.05.070 are entitled to workers' compensation. The statute is silent regarding compensation of members of the ASM who are injured or killed while performing duties under AS 26.05.070. No state workers' compensation coverage is presently provided for members of the National Guard who are injured or killed in the line of duty in the reserve component of the armed forces of the United States.

This bill expressly extends workers' compensation coverage to members of the ASM. Sections 1, 2, and 3 of the bill. This insures that injured militia members receive adequate compensation for injuries incurred incident to state service, and the bill limits the state's liability for injuries to the remedy provided for in AS 23.30. The bill also expressly extends workers' compensation coverage to members of the organized militia who are injured or killed in the line of duty under certain federal statutes, including federal details, drills, exercises, and training. However, members injured or killed in the line of federal duty are not covered while in transit to and from duty, and workers' compensation benefits are subject to a setoff described below. Section 4 of the bill, in proposed AS 26.05.260(i) and (j).

For purposes of computing workers' compensation benefits for a member of the organized militia, the bill provides that a member's earnings are presumed to be no less than the pay and allowances authorized for a member of the armed forces in the same grade and rank as the member at the time of the injury or death. Section 4 of the bill, in proposed AS 26.05.260(l). The bill also provides that members, or survivors of members, of the Alaska National Guard must apply for available benefits payable by the federal government for the injury or death of the member, and that workers' compensation payments will be reduced by the amount payable by the federal government for the disability or death. Section 4 of the bill, in proposed AS 26.05.260(k). The provisions on the federal setoff apply only to the National Guard because, of the three components of the organized militia, only that one is entitled to federal compensation under federal law. Notwithstanding the federal benefits, there will be some occasions when individuals will have recourse to the Alaska workers' compensation system. Therefore, some additional appropriation to cover the premium for this responsibility is anticipated.

This bill, then, provides for equity among the three components of Alaska's organized militia, and appropriately provides for setoff of federal payments.

Sincerely,



Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An act relating to workers' comp. benefits for member of the ANG, ANM & ASM
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Department of Administration
BRU: Risk Management
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0.0	88.0	114.0	148.0	193.0	250.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	88.0	114.0	148.0	193.0	250.0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	88.0	114.0	148.0	193.0	250.0
TOTAL	0	88.0	114.0	148.0	193.0	250.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is extremely difficult to project---see Fiscal Note Analysis on page 2.

Prepared By: Donald J. Hitchcock Phone: 465-2180
Division: Risk Management Date: February 10, 1988

Approved by Commissioner: John M. Andrews Date: 2/16/88
Agency: Department of Administration

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

CONTINUATION OF FISCAL NOTE ANALYSIS

This fiscal note is based on present estimated costs of the State self-insured Workers' Compensation program prorated to the number of days of probable National Guard or Militia exposure.

It is further estimated that the Federal Government would pay 75% of loss and the State of Alaska would pay any additional in order to provide the injured person with Alaska Workers' Compensation benefits. If no Federal coverage was available, then the State may become obligated to the entire amount of loss.

There are approximately 5,000 people in these affected military units of which approximately 600 are full time.

It is very difficult to estimate total additional exposure to the State with no loss history available.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An act relating to workers comp
benefits for members of the org. militia
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Military & Veterans Affairs
BRU: Alaska National Guard
Components: Office of the Adjutant General

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		88.0	114.0	148.0	193.0	250.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		88.0	114.0	148.0	193.0	250.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		88.0	114.0	148.0	193.0	250.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Amounts budgeted by this fiscal note will be transferred by RSA to Risk Management, Department of Administration, to pay for additional insurance coverage created by this bill. See attached analysis.

Prepared by: Jeff Morrison
Division: Administrative & Support Services, DMVA

Phone: 465-4600
Date: February 11, 1988

Approved by Commissioner: MG John W. Schaeffer
Agency: Department of Military & Veterans Affairs

Date: February 11, 1988

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

Attachment to fiscal note for: "An Act relating to workers compensation benefits for members of the organized militia."

Overview: This act makes two changes to existing statutes: 1) to expand workers compensation coverage to members of the Alaska State Militia; and 2) to provide a safety net of state workers compensation coverage to members of the Alaska National Guard on training status.

1. Alaska State Militia (ASM) workers compensation coverage: Premiums for workers compensation coverage are calculated by multiplying the total payroll covered by the specific rate for the type of work being performed. Members of the ASM serve without pay for their training, which consists of two days per month, for a total of 24 days per year. Under the bill, the earnings of a member of the ASM are presumed to be the same as they would be if the ASM member held the same grade or rank as a member of the U.S. Armed Forces. Under this assumption, the total covered payroll of the ASM amounts to about \$10,000 per day. For the 24 days of drill per year, the total payroll covered is about \$240,000. During drills, members of the ASM train in an office setting. The rate for workers compensation for office workers is approximately 1% of the total payroll. At an assumed total payroll of \$240,000, and a premium rate of 1%, the total annual premium due to the Division of Risk Management is \$2,400.
2. Safety net coverage for Alaska National Guard members: Alaska National Guard members are already covered under state workers compensation while on state active duty. The proposed legislation would extend that coverage to include the times that a guardsman is on federal duty under 32 U.S.C. Since guardsmen are also covered under federal workers compensation while on federal duty, the state would only be paying for the coverage which exceeds the federal workers compensation coverage. The legislation also provides that any state workers compensation payable under the proposed new language of the law would be reduced and offset by the amount payable under the federal coverage. The Division of Risk Management has estimated that the additional workers compensation exposure created by this bill will cost the state an additional \$ 85,600 in the first year.
3. FY90 and beyond: Recent workers compensation loss history documented by the Division of Risk Management shows a growth rate in risk management costs of about 30% per year. This growth rate is applied to the total first year expense of \$88,000, to project the likely cost of this legislation for the years following FY89.

Prepared by: Jeff Morrison, Director
Administrative and Support Services Division
Department of Military and Veterans Affairs
465-4600
February 11, 1988

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to workers' Compensation benefits..."
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Labor
BRU: Workers' Compensation
Components: Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

[Empty box for analysis]

Prepared by: Jacque McClintock
Division: Workers' Compensation

Phone: 465-2790
Date: 12/16/87

Approved by Commissioner: Jim Sampson
Agency: Labor

Date: 12/16/87

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

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 529
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act relating to workers' compensation benefits for the ... militia;" BRU: Workers Compensation
 Sponsor: Governor Components: Workers Compensation
 Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jacque McClintock Phone: 465-2790
 Division: Workers Compensation Date: 4/11/88

Approved by Commissioner: Jim Sampson Date: 4/11/88
 Agency: Department of Labor

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

STATE OF ALASKA

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3822

P. O. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 561-7812

MEMORANDUM

TO: Representative Dave Donley

FROM: Senator Tim Kelly *TK*

DATE: February 29, 1988

House Bill 529, regarding extending workers' compensation coverage to the state's organized militia, has recently been brought to my attention. This is something I strongly support.

It has been suggested that it be added to SB 322. I am concerned, however, with the fiscal implication it would have on SB 322. I would like to request that you pursue passage of HB 529 and I would be pleased to help when the bill reaches the Senate.

MEMORANDUM

State of Alaska

TO: Representative Dave Donley
Chairman, House Labor & Commerce Committee

DATE: March 14, 1988

FILE NO: 465-4600

TELEPHONE NO:

THRU:

SUBJECT: HB529

J Morrison

FROM: Jeff Morrison, Director
Administrative & Support
Services Division
Department of Military &
Veterans Affairs

My memo of February 18 to you had requested that you schedule HB529 for a hearing. At that hearing we plan to have Major Gary Bowen, the Staff Judge Advocate of DMVA, testify. He will be in travel status the weeks of March 21-25, and April 4-8. We would greatly appreciate it if you would not schedule the hearing for this bill during those weeks.

Thank you very much.

MEMORANDUM

State of Alaska

TO: Representative Dave Donley
Chairman, House Labor & Commerce Committee

DATE: February 18, 1988

FILE NO:

465-4600

TELEPHONE NO:

HB529

THRU:

SUBJECT:

Morrison

FROM: Jeff Morrison, Director
Administrative & Support
Services Division
Department of Military &
Veterans Affairs

HB 529, An Act relating to workers' compensation benefits for members of the state's organized militia, has been referred to your committee. This bill was introduced by the Rules Committee by request of the Governor.

I am the Legislative Liaison for the Department of Military and Veterans Affairs, which is the Administration's lead agency on this bill. We would appreciate it very much if you would please schedule this bill for a hearing in your committee at your earliest convenience. Please contact me if you have any questions or suggestions for items to include in our testimony on this bill. Thank you very much.

④ Jeff Morrison - 4600
Leg. Liaison
DUM/ADIA/2000
Vet. Aff.
MUCH-BINGO
GOV'S BILL RULES
TRAINING + EXERCISE
AK. STATE MILITIA
① EXPANDS to state militia
② SAFETY net / AK. GUARDIAN
BBK-1989 when not covered by
Feds. W.C.