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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

House LRC:

March 29, 1988

March 31, 1988

December 27, 1987

Honorable H. A. Boucher
Alaska House of Representatives
PO Box 111038
Anchorage AK 99511

Dear Representative Boucher,

By now, I am sure you are aware of the December 11 closure of First Interstate Bank of Alaska. As an employee of First Interstate at the time of closing, several issues are of great concern to me. I would appreciate your help in looking into these matters, and will supply you with all the facts that are available to me.

As a state chartered bank, First Interstate was closed by the State Banking Commission and FDIC was appointed receiver of the bank. As such, FDIC is now administrator of the employees' 401K retirement plan. Approximately 150 employees are participants in the plan which is with Mutual of New York. FDIC has advised us that before any disbursements can be made, they must first review the plan, which may take up to 90 days. They will then turn it over to IRS for review. All of this may take up to one year. Until this process is complete, employees will not have access to their funds.

During this time, many employees have lost their jobs. Some have been offered temporary employment (60 to 90 days) with the acquiring bank. As a result, it is imperative that we have access to our money as soon as possible. Without jobs, many of us will need those funds just to meet every day living expenses. Considering the current economic conditions in Alaska, can the state afford the additional burden of more homes being foreclosed upon?

Another issue I would like to address is accrued vacation pay. According to FDIC, final pay to employees of a failed bank is regulated under Alaska State Statute 06.05.470 (t) (2). Subsequently, employees were paid for any vacation time which was accrued in the three months prior to the failure. Under those provisions, I was paid \$395.70. I am still owed \$1863.59 for accrued vacation pay. Although at some time we will be given the

opportunity to file a claim on these unpaid earnings, consensus is our chances of receiving further compensation are not good.

The former employees of First Interstate Bank are facing extremely unsettling times. While depositors have suffered no losses in this takeover, employees, on the other hand, do stand to sustain substantial losses, both through non-payment of earned vacation pay and unavailability of 401K funds. Any pressure that you can exert as an elected official upon the FDIC and the IRS to speed up the release of the 401K fund, and upon the State of Alaska Banking Commission to reimburse the employees for lost vacation pay would be greatly appreciated.

I anxiously await your response.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carole Panduren". The signature is written in dark ink and is positioned above the typed name.

Carole Panduren

PO Box 105038

Anchorage AK 99510



Official Business

COMMITTEE:

HOUSE LABOR & COMMERCE

DATE: March 31, 1988

SIGN - IN

Subject of meeting:

- HB 15 "An Act providing certain tax benefits in business enterprise zones; and providing for an effective date." WORK SESSION
- HCR 39 "Encouraging the restriction of foreign workers on oil and gas production and exploration structures on the outer continental shelf."
- HB 517 "An Act relating to civil liability of certain volunteers."
- HB 394 "An Act relating to electric and telephone cooperatives; and providing for an effective date." WORK SESSION

PLEASE PRINT
NAME & TITLE

REPRESENTING

ADDRESS & ZIP

PHONE

**DO YOU WANT
TO TESTIFY?**

**SUBJECT:
BILL #**

Sally Sandler Labor Economist IV	Dept of Labor		H W 4500	Yes	HB 15
Judy Hughes	FRAN Ulmer		H W 4947	Yes	HB 517
Jim Dumont	AK. Rec + Park Assn		H W 586-5226	Yes	HB 517
Bob Barrett	AARP State Legisl Committee		H W 586-2066	Yes	HB 517
James Sandwick	DOZ		H W	✓	HB 542
			H W		
			H W		
			H W		
			H W		
			H W		



Official Business

COMMITTEE:

HOUSE LABOR & COMMERCE

DATE: March 29, 1988

SIGN-IN

Subject of meeting:

- HB 457 "An Act relating to the Alaska stabilization assistance program." WORK SESSION
- HB 458 "An Act making a special appropriation to the Alaska stabilization assistance fund." WORK SESSION
- HB 542 "An Act relating to employer obligations when an employer makes a substantial change in a business activity or when a governmental entity contracts certain activities to a private entity."
- HB 368 "An Act relating to occupational therapists."

PLEASE PRINT
NAME & TITLE

REPRESENTING

ADDRESS & ZIP

PHONE

DO YOU WANT TO TESTIFY?

SUBJECT: BILL #

NAME & TITLE	REPRESENTING	ADDRESS & ZIP	PHONE	DO YOU WANT TO TESTIFY?	SUBJECT: BILL #
Dave Rose	SELF	4660 Thune Rd	H 586-4892 W 465-2047	Yes	457
Ashley Reed	Hollywood Group	1007 W 3rd Ave #200 Anchorage AK 99501	H 4633564 W 2795359		
James Sawick	Dept. of Labor		H W 465-2700	Yes	452
Pat Spry	AFL-CIO	1211 FIRST ST ANCHORAGE, AK	H W 586-1670	No	452
Tom			H W		
Cherie Stelley	A.P.E.A.	3410 1st St Anchorage 19801	H W 2331		
			H W		
			H W		
			H W		
			H W		

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/17/88

FURTHER REFERRALS:

C&RA
Judiciary
Finance

DATE: 3/31/88

The Labor & Commerce Committee has considered HB 542

~~HOUSE BILL NO.~~

"An Act relating to employer obligations when an employer makes a substantial change in a business activity or when a governmental entity contracts certain activities to a private entity."

RECOMMENDS:

- replace with CS HB542 (L+C) 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
- zero with analysis same as previous zero fiscal note published _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

David A. Donley
Alto F. Robinson
C. C. Hughes
Carl M. ...
Ally Davidson
Ellis

David A. Donley
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____	Agency Affected: <u>Labor</u>
Title: <u>"An Act relating to employer obligations...."</u>	BRU: <u>Labor Standards & Safety</u>
Sponsor: <u>House Labor & Commerce</u>	Components: <u>Wage & Hour</u>
Requestor: <u>House Labor & Commerce</u>	

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						
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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: Tom Stuart, Director Phone: 264-2452
Division: Labor Standards & Safety Date: 3/31/88

Approved by Commissioner: Jim Sampson Date: 3/31/88
Agency: Department of Labor

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

TABLE A.
 OF THE EMPLOYERS CLASSIFIED IN PRIVATE INDUSTRY, WHO ARE SUBJECT TO ALASKA'S UNEMPLOYMENT INSURANCE LAWS, 54% REPORTED 0 TO 3 EMPLOYEES DURING THE PAY PERIOD THAT INCLUDED THE 12TH OF SEPTEMBER, 1987.

TABLE A

STATEWIDE
 EMPLOYERS BY SIZE CLASS
 SEPTEMBER 1987

SIZE CLASS	0-3	4-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+	TOTAL
NUMBER OF EMPLOYERS	7,084	3,259	1,385	806	252	164	46	14	7	13,017
PERCENTAGE	54.42	25.04	10.64	6.19	1.94	1.26	.35	.11	.05	100.00

10% of Employers

TABLE B:
 APPROXIMATELY 13% OF ALL EMPLOYEES REPORTED BY EMPLOYERS CLASSIFIED IN PRIVATE INDUSTRY, WHO ARE SUBJECT TO ALASKA'S UNEMPLOYMENT INSURANCE LAWS, WERE ON THE PAYROLL OF EMPLOYERS WHO COUNTED 4 TO 9 PERSONS DURING THE PAYROLL PERIOD THAT INCLUDED THE 12TH OF SEPTEMBER, 1987.

TABLE B

STATEWIDE
 EMPLOYEES BY SIZE CLASS
 SEPTEMBER 1987

SIZE CLASS	0-3	4-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+	TOTAL
EMPLOYEE COUNTS	8,536	19,186	18,671	23,743	17,745	25,059	16,369	9,519	11,496	150,324
PERCENTAGE	5.68	12.76	12.42	15.80	11.80	16.67	10.89	6.33	7.65	100.00

70% of employees

5-2116A

Cramer
3/29/88

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 HOUSE BILL NO.

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 notification of employees when an
7 employer makes a substantial change in a business
8 activity or when a governmental entity contracts
9 certain activities to a private entity."

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

11 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that
12 employment is vitally important to an individual's economic well-being and
13 self-respect. Employees invest their skills and efforts in their employ-
14 er's activity and have a vital stake in the employer's continued operation
15 and their continued employment. When their employment is terminated due to
16 the termination, transfer of ownership, or relocation of the business or
17 governmental activity, the employees suffer heavy economic and personal
18 losses.

19 (b) The legislature further finds that when an employer closes or
20 relocates, particularly if the employer employs a large number of employees
21 in a locality or within an industry, it is difficult, and sometimes impos-
22 sible, for the former employees to find comparable employment with another
23 employer. When an employer closes or relocates or when employees are
24 terminated because of a transfer of ownership, long-time employees lose the
25 seniority, benefits, and unaccrued pension credits they have earned during
26 their many years of service. Employment offering comparable wages and
27 benefits is unavailable to many, and some older employees will be unable to
28 find alternative employment.

29 (c) The legislature determines that employers should be required to

1 notify their employees of anticipated substantial changes in business
2 activity so that the employees can prepare for the future.

3 * Sec. 2. AS 23.10 is amended by adding new sections to read:

4 ARTICLE 7. EMPLOYMENT CLOSURE, RELOCATION, OR TRANSFER.

5 Sec. 23.10.450. RIGHT TO NOTICE. (a) Except as provided in (b)
6 of this section, an employer who expects to make a substantial change
7 in business activity shall give each employee written notice of the
8 anticipated change at least 60 days before the date of change. An
9 employer who fails to give timely notice is liable to an employee for
10 severance pay in the amount of one month's pay.

11 (b) An employer is not liable for severance pay under this
12 section to an employee if

13 (1) the employee is covered by an express contract provid-
14 ing for severance pay in an amount equal to or greater than that
15 required by AS 23.10.450 - 23.10.470; or

16 (2) the predecessor or successor employer offers the em-
17 ployee employment that provides wages and benefits that are substan-
18 tially similar to those that the employee received before the substan-
19 tial change in the business activity.

20 Sec. 23.10.460. GOVERNMENTAL LIABILITY. (a) A governmental
21 entity that ceases to employ employees to perform an activity and
22 contracts with one or more private entities to have all or a substan-
23 tial portion of the activity performed by the private entities shall
24 notify employees whose employment is affected by the cessation as
25 required of employers under AS 23.10.450. The governmental entity is
26 liable to employees for failure to give timely notice as provided in
27 that section.

28 (b) In this section, "governmental entity" means the state, a
29 municipality, a political subdivision of the state, the University of

1 Alaska, or the Alaska Railroad, and includes an administrative unit of
2 the state, municipality, political subdivision, university, or rail-
3 road.

4 Sec. 23.10.470. DEFINITIONS. In AS 23.10.450 - 23.10.470

5 (1) "employee" means an individual employed by an employer
6 or a governmental entity;

7 (2) "employer" includes an individual, partnership, asso-
8 ciation, corporation, business trust, or other nongovernmental entity
9 that employs eight or more persons;

10 (3) "one month's pay" means the average monthly compen-
11 sation paid to an employee by an employer based on the amount of
12 compensation received by the employee during the preceding 12 months;

13 (4) "predecessor employer" means an employer who has trans-
14 ferred the ownership of a business or a part of a business to another;

15 (5) "relocation" of a business or part of a business means
16 removal of all or substantially all operations of the business, a
17 separate facility or branch, or a distinct division or department of a
18 business to a location at least 60 miles away from the original loca-
19 tion;

20 (6) "substantial change in a business activity" means the
21 relocation, termination, or transfer of ownership in a business or a
22 part of a business;

23 (7) "successor employer" means an employer to whom the
24 ownership of a business or a part of a business has been transferred;

25 (8) "termination" of a business or part of a business means
26 that all or substantially all operations of the business, a separate
27 facility or branch, or a distinct division or department of a business
28 cease and that the business or part of the business is permanently
29 closed;

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(9) "transfer of ownership" of a business or part of a business includes a transfer of ownership in a business, a separate facility or branch, or a distinct division or department of a business, including sale of stock, a sale of assets, a foreclosure or other form of repossession by creditors, a gift, a devise, or any other means of transfer of ownership.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 542
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: "An Act relating to employer obligations...." BRU: Labor Standards & Safety
Sponsor: House Labor & Commerce Components: Wage & Hour
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

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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						
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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: Tom Stuart, Director Phone: 264-2452
Division: Labor Standards & Safety Date: 3/25/88

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