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## SB 93 SUMMARY

SB93 is a Governor's bill that expands Workers compensation to members of the Alaska State Guard, also known as the Alaska State Defense Force. The State Defense Force trains one weekend a month with the National Guard for the purpose of supplementing the National Guard in the event of emergencies, and providing an organizational structure to replace the National Guard in the event that the Guard is called to federal service in wartime.

Members of the State Defense Force are volunteers, and currently have no remedy for recovery of lost wages or medical expenses if they are injured while doing their monthly training. This bill would include them in the state worker's compensation coverage to provide for this coverage.

The bill also protects the state by limiting the benefit paid for any damages to the workers compensation remedy, instead of leaving the door open for a tort claim against the state. This is one of the basic reasons for having workers compensation laws.

Since the training of the Alaska State Defense Force members takes place in an office setting, the rates to provide coverage for them are the same as office workers, or very low. The total fiscal impact of this bill is \$2,400.

The bill before the Committee is a Senate Finance Committee Substitute. The Senate Finance CS removed a provision in the original bill which would have provided additional "safety net" coverage of state workers compensation for members of the Alaska National Guard. The fiscal impact of this section was projected to grow to \$250,000 over the next five years. This section was removed with the department's concurrence due to the fiscal impact, and the department will be reevaluating this need during the interim. This bill passed the House last year as HB 529, and died on the Senate floor on the last day of session.

Prepared by: Jeff Morrison, DMVA 465-4600

**FISCAL NOTE**

**REQUEST:**

Revision Date: March 24, 1989  
Title: An Act relating to workers comp benefits for members of the org militia  
Sponsor: Rules Committee (Governor)  
Requestor: Senate Finance

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

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		2.4	3.1	4.0	5.3	6.8
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>2.4</b>	<b>3.1</b>	<b>4.0</b>	<b>5.3</b>	<b>6.8</b>

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

GENERAL FUND		2.4	3.1	4.0	5.3	6.8
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

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

Prepared by: Jeff Morrison Phone: 465-4600  
Division: Administrative & Support Services, DMVA Date: 3/24/89  
Approved by Commissioner: MG John Schaeffer Date: 3/24/89  
Agency: Department of Military & Veterans Affairs

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 worker's compensation benefits for members of the state's organized militia, and providing for an effective date."

This act expands workers compensation coverage to members of the Alaska State Militia (State Defense Force). 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.

FY91 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 \$2,400, to project the likely cost of this legislation for the years following FY90.

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

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An Act relating to workers' compensation benefits for member of ASM BRU: Division of Risk Management  
 Sponsor: Rules Committee Components: \_\_\_\_\_  
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	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	0	0	0	0	0
TOTAL	0	0	0	0	0	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)

The fiscal impact is difficult to project given that it will only affect future claims of a small number of employees. The Division of Risk Management would increase cost of insurance allocations to the Department of Military and Veterans Affairs by \$2.4 in FY 90. However, since this additional exposure represents only a very small portion of total State exposures, it is unlikely that total cost of risk to the State would be immediately affected.

Prepared By: Don Hitchcock, Director *Don Hitchcock* Phone: 465- 2180  
 Division: Risk Management Date: 4/7/89  
 Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 4/10/89  
 Agency: Department of Administration

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

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STATE OF ALAS 1  
1989 LEGISLATIVE SESSION

BILL VERSIG CSSB 93 (Fin)  
PUBLISH DATE: 4/7/89

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FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Labor  
 Title: "An Act relating to workers' compensation benefits for state's militia..." BRU: Workers' Compensation  
 Sponsor: Rules Committee Components: \_\_\_\_\_  
 Requestor: Senate Finance Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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 Jacquelyn McClintock Phone: 465-2790  
 Division: Workers' Compensation Date: 3/24/89

Approved by Commissioner: Jim Sampson Date: 3/24/89  
 Agency: Department of Labor

Distribution (by preparer) :  
 Legislative Finance  
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