

SB 349

(11)

Date Referred: March 4, 1992

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 3/9/92

The FINANCE Committee considered:

SB 349 am

SENATE BILL NO. 349 am

UNEMPLOYMENT COMPENSATION

"An Act relating to the implementation of special federal programs for unemployment compensation; and providing for an effective date."

RECOMMENDATIONS: [] the same title
be replaced with _____ [] a new title

[] have attached amendments(s)

[x] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note _____

[x] zero fiscal note(s) DOL 1/13/92

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Mike Savane	✓	Pamela V. Barne		✓	
Mike Kopar	✓	Bob Mung		X	
Marie Borth	X	RO.00 & 3E.00		✓	
Jay Brown	✓				
George Nick	X				
Ronald C. Larson	X				
J. Ulmer	X				
Eileen Maclean	✓				

Mike Savane E. Maclean

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO : SB 349 am

Revision Date: _____
 Title: "An Act relating to the implementation of special ... unemployment compensation"
 Sponsor: Senate Rules Committee
 Requestor: House Judiciary

Department Affected: Labor
 BRU: Employment Security
 Component: Unemployment Insurance
 COMPONENT SERIAL NO. 329

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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 FUND SOURCE:						
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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						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)
 (see attached)

Prepared by: Judy Knight, Director Phone: 465-2712
 Division: Employment Security Division Date: 3/4/92
 Approved by Commissioner: C. W. Mahlen
 Agency: Department of Labor Date: 3/4/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Extended Unemployment Insurance benefits are paid 50% from the Unemployment Insurance Trust Fund and 50% from federal funds. Emergency Unemployment Compensation benefits are 100% federal funds. Thus an estimated savings of \$11,186,000 will be realized by the Unemployment Insurance Trust Fund as the result of the emergency regulation triggering off extended benefits. Claimants will receive in excess of \$5,000,000 in additional benefits from the Emergency Unemployment Compensation program.

Projections for Emergency Unemployment compensation are:

	Number as of 2-29-92	Number Projected Thru Program Completion	TOTALS
Number of Claimants	9,047	13,100	22,147
Dollars Paid	\$10,186,391	\$17,778,750	\$27,965,141

SENATE BILL NO. 349 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Amended: 2/5/92
Introduced: 1/13/92
Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the implementation of special federal programs for unemployment
2 compensation; and providing for an effective date."

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

4 * Section 1. AS 23.20.080 is amended by adding a new subsection to read:

5 (b) Notwithstanding AS 23.20.330 - 23.20.409, after notifying the legislature and
6 other interested parties of its intent, the department may implement an unemployment
7 compensation program not otherwise provided for in this chapter in accordance with this
8 subsection. The program may be implemented only if

9 (1) the program is authorized by the United States Secretary of Labor;

10 (2) the governor approves the implementation in writing;

11 (3) the commissioner of labor determines that the program will result in
12 the receipt of additional federal money to carry out the purposes of this chapter and will
13 produce a net monetary gain to the state and its people; and

14 (4) the implementation will not require spending money from the general

- 1 fund other than money received from the federal government for the program.
- 2 * Sec. 2. Section 1 of this Act is retroactive to December 1, 1991.
- 3 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
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FAX: (907) 465-2784

March 3, 1992

The Honorable Mike Navarre
Co-Chair, House Finance Committee
Alaska State Legislature
Alaska House of Representatives
P.O. Box V
Juneau, AK 99811

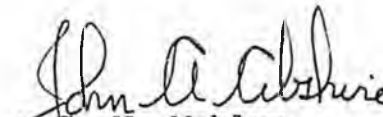
Dear Representative Navarre:

Senate Bill No. 349, "An Act relating to the implementation of special federal programs for unemployment compensation; and providing for an effective date," has been referred to the House Finance Committee. The bill clarifies the authority of the Department of Labor to take appropriate action to implement special unemployment compensation programs.

In December 1991, emergency regulations were adopted to take advantage of the additional benefits and funding provided by the Emergency Unemployment Compensation Act which Congress passed in November 1991. Because these regulations expire in early April, we are concerned that without the passage of Senate Bill No. 349, benefit payments to unemployed Alaskans will be significantly delayed and/or potential benefits diminished. For this reason, I am urging the House Finance Committee to schedule this bill for hearing expeditiously. The House Judiciary Committee passed out a committee substitute on Monday, March 2, 1991.

I appreciate your interest in this legislation. My staff and I look forward to working with you to address the needs of the many unemployed Alaskans.

Sincerely,


C. W. Mahlen
Commissioner

CWM:jt

EMERGENCY UNEMPLOYMENT COMPENSATION

As of February 29, 1992

	Number To Date	Number Projected Thru Program Completion	TOTALS
Number of Claimants	9,047	13,100	22,147
Dollars Paid	\$10,186,391	\$17,778,750	\$27,965,141
Savings to UI Trust Fund			\$11,186,056

Department of Labor
2/29/92

FINDING OF EMERGENCY

The Department of Labor, Division of Employment Security finds that an emergency exists and that the attached regulation is necessary for the immediate preservation of the public peace, health, safety, or general welfare. The facts constituting the emergency are as follows:

The Department of Labor has determined that the State of Alaska, under AS 23.20.408, has triggered into an Extended Benefit "on" period, having the first week payable the week beginning December 8, 1991. However, this extended benefit period coincides with an emergency unemployment compensation period under the Emergency Compensation Act of 1991. Section 101 (e) of the Emergency Unemployment Compensation Act of 1991 (P.L. 102-164) authorizes the Governor of a State to trigger off an extended unemployment compensation period in order to provide payment of Emergency Unemployment Compensation to individuals who have exhausted their rights to regular compensation under the law.

Emergency Unemployment Compensation is funded entirely from federal funds whereas the Extended Benefits program is 50% funded by Alaska employers through the State UI Trust Fund and 50% from federal funds. Additionally, claimants eligible for Emergency Unemployment Compensation will qualify for more benefits than under the Extended Benefits program. It is necessary for the general welfare of the public to provide payment of Emergency Unemployment Compensation in lieu of Extended Benefits. AS 23.20.005 requires that AS 23.20 be liberally construed to accomplish its purposes. The accumulation of reserves in the State UI Trust Fund for the payment of benefits is specifically listed as a specific purpose of the chapter.

Additionally, AS 23.20.080 requires the Department's cooperation with the Secretary of Labor through the adoption of regulations and other methods and standards that are necessary to obtain all advantages available for the state and its citizens under 26 U.S.C. 3303 and 3304 (Internal Revenue Code). Paying benefits under the Extended Benefits program will burden Alaskan employers and deplete Alaska's UI Trust Fund. The benefits paid under the Emergency Unemployment Compensation program will be fully provided by the Federal government. Preserving UI Trust Funds will result in lower tax rates for employers under Alaska Law. This emergency regulation is adopted under the requirements of AS 23.20.080 in order to obtain an advantage for the citizens of Alaska through the employer tax rating which is controlled by 26 U.S.C. 3303.

The provisions of AS 23.20.353 (State Supplemental Benefits) will remain in effect since those claimants found ineligible for Extended Benefits would also be found ineligible for Emergency Unemployment Compensation. This Alaska provision is not affected by the federal legislation.

ADOPTION ORDER

Under authority of AS 23.20.045, the regulation is therefore adopted as an emergency regulation to take effect immediately upon filing by the lieutenant governor as provided in AS 44.62.180(3).

This action is not expected to require an increased appropriation.

DATE: 12/9/91
Juneau, Alaska

John A. Abshire
Name

FILING CERTIFICATION

I, John B. Coghill, Lieutenant Governor for the State of Alaska, certify that on December 10th, 1991, at 2:40 pm., I filed the attached regulations according to the provisions of AS 44.62.

Sheldon Stambaugh
Lieutenant Governor
for John B. Coghill

Effective _____
Register _____

NOTICE OF ADOPTION OF EMERGENCY REGULATIONS
OF THE ALASKA DEPARTMENT OF LABOR

As required by AS 44.62.250, notice is given that, under the authority of AS 23.20.005, 23.20.045, and 23.20.080, the Department of Labor adopted on December 9, 1991, as an emergency regulation, 8 AAC 85.045, relating to Emergency Unemployment Compensation Trigger. The new regulation permits the state to trigger off an extended unemployment compensation period as defined in AS 23.20.408 so that payments of Emergency Unemployment Compensation may be provided to individuals who have exhausted their rights to regular unemployment benefits.

This regulation takes effect December 10, 1991.

This action is not expected to require an increased appropriation.

Notice is also given that any person interested may present written statements and arguments relevant to the proposed action by writing to the Director, Employment Security Division, P.O. Box 25509, Juneau, Alaska 99802, to be received no later than January 16, 1992.

Copies of the emergency regulation may be obtained by telephoning or writing to:

Employment Security Division
Department of Labor
P.O. Box 25509
Juneau, AK 99802
ATTN: Jane Waid
Telephone: (907) 465-4531

12/10/91

DATE



John Abshire, Acting Commissioner
Department of Labor

Chapter

85. Employment Security
(8 AAC 85.010 - 8 AAC 85.500)

CHAPTER 85.
EMPLOYMENT SECURITY

8 AAC 85.045. EMERGENCY UNEMPLOYMENT COMPENSATION TRIGGER. (a) The department may at the direction of the Governor, in compliance with Section 101 (e) of the Emergency Unemployment Compensation Act of 1991 (Public Law 102-164), and in order to enable the citizens of the State to obtain advantages available under 26 U.S.C. 3303 (Internal Revenue Code), trigger off an extended unemployment compensation period as defined in AS 23.20.408 so that payments of Emergency Unemployment Compensation may be provided to individuals who have exhausted their rights to regular unemployment benefits.

(b) The provisions of (a) do not affect the payment of Supplemental State Benefits as defined in AS 23.20.353, as long as the conditions of an "on" indicator, as described in AS 23.20.408(f) are present in the state.

(c) When Emergency Unemployment Compensation is no longer available, the department, at the direction of the Governor, may trigger "on" an Extended Benefits period, if the criteria of AS 23.20.408 are otherwise met.

Authority: 23.23.005
23.20.045
23.20.080