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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 13, 1992

349

*The Honorable Richard I. Eliason  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811*

*Dear President Eliason:*

*Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will clarify the Department of Labor's authority to implement special federal unemployment compensation programs.*

*The bill adds a new subsection to AS 23.20.080 to clarify the Department of Labor's authority to implement additional unemployment compensation programs upon a determination by the Commissioner of Labor that the program will be beneficial to the state and its citizens. This will allow the department to act promptly to obtain benefits for the state as they are made available through changes in the federal unemployment compensation program.*

*AS 23.20.005 allows a liberal construction of the Alaska Employment Security Act (AS 23.20), and AS 23.20.080 currently promotes federal-state cooperation, directing the department to adopt regulations to obtain all advantages available under 26 U.S.C. 3303 and 3304 (Internal Revenue Code) and the Wagner-Peyser Act (29 U.S.C. 49). The Emergency Compensation Act of 1991 (P.L. 102-164) was signed into law by the president on November 15, 1991. It made 100 percent federal funding available to the states for an emergency unemployment compensation program. However, the state was just about to "trigger on" to an extended unemployment benefits period (under AS 23.20.408) under which only 50 percent federal funding would be made available to the state. Under the new federal law, a state entering an extended benefit period was required to "trigger off" extended benefits in order to proceed with payment of the new emergency unemployment compensation.*

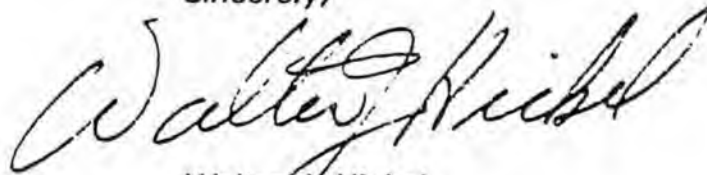
The Honorable Richard I. Eliason  
January 13, 1992  
Page 2

The department found it necessary to adopt an emergency regulation, effective December 10, 1991, to "trigger off" the extended benefit period and thus qualify for the emergency unemployment compensation money. Paying benefits under the extended benefits program would have placed an additional cost on Alaskan employers and burdened Alaska's unemployment trust fund account (AS 23.20.130; AS 23.20.135). Preserving the trust fund account could result in lower tax rates for employers under Alaska law. Additionally, some claimants eligible for the federal emergency unemployment compensation program would qualify for more benefits under that program than they would under the state's extended benefits program. It is estimated that Alaska will be able to save from \$3.5 - \$7.5 million by "triggering off" the extended benefit period to receive the federal emergency compensation money. Although the Department of Labor considers that existing AS 23.20.005 and 23.20.080 provide authority for the emergency action, explicit authority for the department to act under these, and similar, circumstances is desirable.

Section 2 of the bill provides that the authorization in sec. 1 is retroactive to December 1, 1991, and sec. 3 provides an immediate effective date. These sections provide clarification for the Department of Labor's emergency regulation.

The explicit authority provided by this bill will more clearly authorize the department to maintain the "triggered off" status. The emergency regulation, 8 AAC 85.045, will expire on April 7, 1992. For this reason, I urge your prompt consideration and passage of this bill.

Sincerely,



Walter J. Hickel  
Governor

UNEMPLOYMENT INSURANCE  
AT-A-GLANCE

STATE ELIGIBILITY REQUIREMENTS

\$1000 in the base period with at least \$100 outside the highest quarter of wages.

Must have worked in at least two quarters.

Able and available for work each week claimed.

FEDERAL REQUIREMENTS FOR EXTENDED AND EMERGENCY UNEMPLOYMENT COMPENSATION

Must have earned 40 times the regular weekly benefit amount.

Must have not been disqualified for separating from an employer.

Have a more proscribed work search each week.

If living out of state, only two weeks are payable if that state is not paying extended benefits.

BENEFITS FOR ALL PROGRAMS

A claimant will qualify for a minimum of \$44 per week to the maximum of \$212 per week.

Dependent's allowance for children under 18 of \$24 per dependent up to 3 dependents.

REGULAR BENEFITS

The claimant may be eligible for a minimum of 16 weeks to a maximum of 26 weeks during the benefit year.

FUNDING SOURCE

UI Trust Fund  
or  
Direct billed to  
reimbursible employers  
(Gov't and non-profits)

EXTENDED BENEFITS

A claimant will be eligible for additional weeks equal to one-half the regular entitlement, or an additional 8-13 weeks.

1/2 UI Trust Fund and  
1/2 Federal Funding  
or  
100% Direct billed to  
reimbursible employers  
(Gov't and non-profits)

EMERGENCY UNEMPLOYMENT COMPENSATION (EUC)

A claimant qualifies for 16, 18, or 20 weeks, dependent on the regular entitlement, less any EB paid.

100% Federal Funding

Initially a claimant must have exhausted regular or extended benefits, or had the benefit year end after 3/1/91 to be eligible.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL Bill version: SB 349

(S) Publish Date: 1/13/92

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to the implementation  
 of special ... unemployment compensation"  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Labor  
 BRU: Employment Services  
 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)

Prepared by: Judy Knight, Director Phone: 465-2712  
 Division: Employment Security Division Date: 12/31/91  
 Approved by Commissioner: John A. Abshire, Acting Commissioner  
 Agency: Department of Labor Date: 12/31/91

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

# Alaska State Legislature

Senate District L

Al Adams



Official Business

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

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OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245

TO: All Senators

FROM: Senator Al Adams

RE: Amendment to Senate Bill 349

DATE: February 7, 1992

Attached is an amendment to Senate Bill 349 that I believe satisfies all concerned with this bill.

February 6, 1992

Drue -

Re: SB 349

Attached is the amendment Adams had drafted. The department has two concerns:

1. The notwithstanding clause is completely gone. They support Cotten's amendment which would restrict the notwithstanding to AS 23.20.330-409. These are the unemployment benefit sections.

2. (b)(4) in the Adams amendment would tie the department's hands if Congress and the president acted while the legislature was in session. It would require the passage of authorizing legislation. Additionally the 115th day window only allows a 5 day bill passage provision for the end of session.

Judy Knight was going to speak with Cotten and Adam's offices.

A handwritten signature in dark ink, appearing to be 'T. Rod' or similar, located in the lower right quadrant of the page.

# Alaska State Legislature

Senate District L  
Al Adams

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

---

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245



Official Business

TO: Whom It May Concern

FROM: Senator Al Adams *APA*

RE: Senate Bill 349

DATE: February 6, 1992

Attached is proposed language for Senate Bill 349 that clarifies what the Department of Labor can do in regards to unemployment compensation programs in the absence of legislative oversight.

This language was suggested by our legislative legal department as a way to avoid the unconstitutional problems in the original language and yet preserve the ability of the department to act upon these programs when necessary.

A memorandum regarding the various legal problems in the original version is forthcoming from the legal department and will be sent upon receipt.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR ADAMS

TO: SB 349

Page 1, lines 5 through 11:

Delete all material and insert:

"(b) After notifying the legislature and other interested parties of its intent, the department may implement an unemployment compensation program not otherwise provided for in this chapter in accordance with this subsection. The program may be implemented only if

- (1) the program is authorized by the United States Secretary of Labor;
- (2) the governor approves the implementation in writing;
- (3) the commissioner of labor determines that the program will result in the receipt of additional federal money to carry out the purposes of this chapter and will produce a net monetary gain to the state and its people; and
- (4) the state receives the notification from the federal government that the program is available when the legislature is not in regular session or after the 115th day of a regular session."

DRAFT

AMENDMENTS SB 349 BY PEARCE

2nd reading  
+ REVISOR  
cont

2nd AS - TS -

Pg. 1, Ln. 5

"Notwithstanding any other provision of this chapter, the department, at the direction of the governor, may take appropriate action to expedite and provide for the implementation of an unemployment compensation program not otherwise provided for in this chapter,"

COTTEN

Pg. 1, Ln. 11 following "subsection." add

"The department may act under this subsection only if the program will be implemented without additional appropriation from the general fund."

ADAMS

3711 J.W.K.T

## FLOOR COMMENTS FOR SENATE BILL 349

SENATE BILL 349 ADDS A NEW SUBSECTION TO AS 23.20.080 TO CLARIFY THE DEPARTMENT OF LABOR'S AUTHORITY TO IMPLEMENT ADDITIONAL UNEMPLOYMENT COMPENSATION PROGRAMS UPON A DETERMINATION BY THE COMMISSIONER OF LABOR THAT THE PROGRAM WILL BE BENEFICIAL TO THE STATE AND ITS CITIZENS. THIS WILL ALLOW THE DEPARTMENT TO ACT PROMPTLY TO OBTAIN BENEFITS FOR THE STATE AS THEY ARE MADE AVAILABLE THROUGH CHANGES IN FEDERAL UNEMPLOYMENT COMPENSATION PROGRAMS.

THE DEPARTMENT FOUND IT NECESSARY TO ADOPT AN EMERGENCY REGULATION, EFFECTIVE DECEMBER 10, 1991, TO "TRIGGER OFF" EMERGENCY UNEMPLOYMENT COMPENSATION MONEY. PAYING BENEFITS UNDER THE EXTENDED BENEFITS PROGRAM WOULD HAVE PLACED AN ADDITIONAL COST ON ALASKAN EMPLOYERS AND BURDENED ALASKA'S UNEMPLOYMENT TRUST FUND ACCOUNT (AS 23.20.130; AS 23.20.135). PRESERVING THE TRUST FUND ACCOUNT COULD RESULT IN LOWER TAX RATES FOR EMPLOYERS UNDER ALASKA LAW. IT IS ESTIMATED THAT ALASKAN EMPLOYERS WILL BE

ABLE TO SAVE FROM \$3.5 - \$7.5 MILLION BY "TRIGGERING OFF"  
THE EXTENDED BENEFIT PERIOD TO RECEIVE THE FEDERAL  
EMERGENCY COMPENSATION MONEY.

ADDITIONALLY, SOME CLAIMANTS ELIGIBLE FOR THE FEDERAL  
EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM  
QUALIFY FOR MORE BENEFITS UNDER THAT PROGRAM THAN  
THEY WOULD UNDER THE STATE'S EXTENDED BENEFITS  
PROGRAM.

*ADD*  
IN THE FIRST NINE WEEKS OF THE PROGRAM 7,138 INDIVIDUALS  
HAVE RECEIVED EUC BENEFITS TOTALLING MORE THAN  
\$5,188,000.

*ADD*  
THIS WEEK CONGRESS IS HOLDING HEARINGS ON LEGISLATION  
PROVIDING FOR ADDITIONAL WEEKS OF EMERGENCY  
UNEMPLOYMENT COMPENSATION OR REVISING THE PROGRAM  
TO ADDRESS THE U.S. ECONOMY.

# Alaska State Legislature

3111 C Street, Suite 150  
Anchorage, Alaska 99503  
(907) 561-2038  
FAX: (907) 561-4194

*During Session:*  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4993  
FAX: (907) 463-5352

**Senator Drue Pearce**  
District G

TO: ALL SENATORS

FROM: Senator Drue Pearce



DATE: February 5, 1992

RE: Senate Bill 349 - "An Act relating to the implementation of special federal programs for unemployment compensation; and providing for an effective date.:"

This legislation allows the Department of Labor to implement emergency unemployment compensation programs immediately after they are authorized by the United States Secretary of Labor if they are of benefit to the people of the state.

The Department's authority is unclear in current statute and could cause a delay in the implementation of emergency benefits and similar programs. Senate Bill 349 removes any doubt that the Department is authorized to provide such emergency assistance to the people of the state without undue regulatory delay.

The Department had to adopt emergency regulations in order to take full advantage of the current federal unemployment compensation extended benefit program. 7,138 individuals in Alaska have benefitted as a result of the program. Congress is considering another extension program at this time. Passage of this legislation would allow such an extension to be implemented without delay.

The fiscal note on this legislation is zero. I urge you to this legislation.

# STATE OF ALASKA

## DEPARTMENT OF LABOR

### OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 21149  
JUNEAU, ALASKA 99802-1149  
PHONE: (907) 465-2700

FAX: (907) 465-2784

January 10, 1992

JAN 10 1992

The Honorable Drue Pearce, Chair  
Labor and Commerce Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

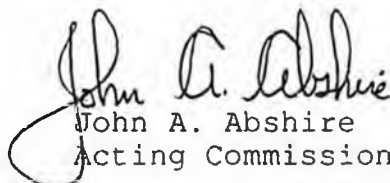
Dear Senator Pearce:

On Monday, January 13, 1992, the Governor is introducing a bill relating to the implementation of special federal programs for unemployment compensation. At this time the operation of the Emergency Unemployment Compensation Program, which Congress passed in November, 1991 is affected.

Due to the effective date of our emergency regulations and the effective dates included in this bill, I urge you to schedule a hearing as soon as possible.

Thank you for your prompt consideration.

Sincerely,

  
John A. Abshire  
Acting Commissioner

JAA:kh

Enclosures

DRAFT TRANSMITTAL LETTER

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will clarify the Department of Labor's authority to implement special federal unemployment compensation programs.

The bill adds a new subsection to AS 23.20.080 to clarify the Department of Labor's authority to implement additional unemployment compensation programs upon a determination by the commissioner of labor that the program will be beneficial to the state and its citizens. This will allow the department to act promptly to obtain benefits for the state as they are made available through changes in the federal unemployment compensation program.

AS 23.20.005 allows a liberal construction of the Alaska Employment Security Act (AS 23.20), and AS 23.20.080 currently promotes federal-state cooperation, directing the department to adopt regulations to obtain all advantages available under 26 U.S.C. 3303 and 3304 (Internal Revenue Code) and the Wagner-Peyser Act (29 U.S.C. 49). The Emergency Compensation Act of 1991 (P.L. 102-164) was signed into law by the president on November 15, 1991. It made 100 percent federal funding available to the states for an emergency unemployment compensation program. However, the state was just about to "trigger on" to an extended unemployment benefits period (under AS 23.20.408) under which only 50 percent federal

funding would be made available to the state. Under the new federal law, a state entering an extended benefit period was required to "trigger off" extended benefits in order to proceed with payment of the new emergency unemployment compensation.

The department found it necessary to adopt an emergency regulation, effective December 10, 1991, to "trigger off" the extended benefit period and thus qualify for the emergency unemployment compensation money. Paying benefits under the extended benefits program would have placed an additional cost on Alaskan employers and burdened Alaska's unemployment trust fund account (AS 23.20.130; AS 23.20.135). Preserving the trust fund account could result in lower tax rates for employers under Alaska law. Additionally, some claimants eligible for the federal emergency unemployment compensation program would qualify for more benefits under that program than they would under the state's extended benefits program. It is estimated that Alaska will be able to save from \$3.5 - \$7.5 million by "triggering off" the extended benefit period to receive the federal emergency compensation money. Although the Department of Labor considers that existing AS 23.20.005 and 23.20.080 provide authority for the emergency action, explicit authority for the department to act under these, and similar, circumstances is desirable.

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effective date. These sections provide clarification for the Department of Labor's emergency regulation.

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Sincerely,

Walter J. Hickel  
Governor

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO : SB 349

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the implementation of special ... unemployment compensation"  
Sponsor: Rules Committee  
Requestor: Governor

Department Affected: Labor  
BRU: Employment Services  
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)

Prepared by: Judy Knight, Director Phone : 465-2712  
Division: Employment Security Division Date : 12/31/91  
Approved by Commissioner: John A. Abshire, Acting Commissioner  
Agency: Department of Labor Date: 12/31/91

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

SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 1/13/92

FURTHER:

Date of 5-Day Notice: 1/23/92  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

L&C Committee considered SENATE BILL NO. 349

Implementation of special federal programs for unemployment compensation; efd.

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

attaches amendment(s)

same title  
 new title  
 technical title change  
(HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

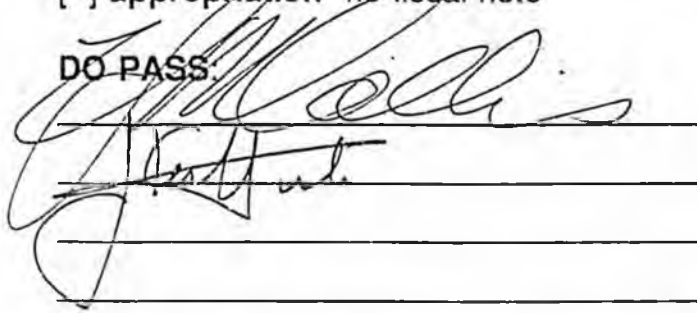
**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

DO PASS:



**PREVIOUS FISCAL NOTES:** Dept/Date

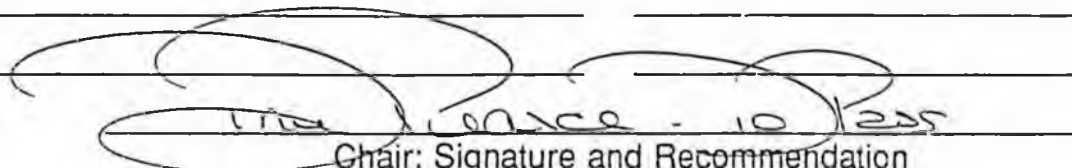
Governor's bill with fiscal notes:

zero fiscal notes LABOR 12-31-91

fiscal notes \_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Chair: Signature and Recommendation

# Alaska State Legislature

Senate District L  
Al Adams

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

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OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245



Official Business

TO: All Senators

FROM: Senator Al Adams *APA*

RE: Amendments to Senate Bill 349

DATE: February 5, 1992

Attached are three amendments to Senate Bill 349 for proposal on the Senate floor today. My concerns stem from the broad authority granted in this bill to the Department of Labor.

The first amendment is due to uncertainty who "interested parties" might be in regards to the department's notification requirement. The proposed amendment guarantees legislative notification.

The second amendment would require the department to notify the legislature and interested parties prior to action being taken under this subsection.

The third amendment states that use of this provision will be limited to programs that involve only federal funds. Unemployment programs exist that involve state funds. I question the desirability and constitutionality of allowing the Department of Labor to pass provisions that could affect, directly or indirectly, our state treasury.

Senate Bill 349, " An Act relating to the implementation of special federal programs for unemployment compensation; and providing for an effective date."

Amendment Number   /  

By Senator Adams

Page 1, line 11, after the word "notify" insert "the legislature and other"

2

Senate Bill 349, " An Act relating to the implementation of special federal programs for unemployment compensation; and providing for an effective date."

Amendment Number   2  

By Senator Adams

Page 1, line 11, delete "if action is"

Page 1, line 11, insert "prior to action being"

Senate Bill 349, " An Act relating to the implementation of special federal programs for unemployment compensation; and providing for an effective date."

Amendment Number 3

*Federal Trust Fund*

By Senator Adams

Page 1, line 11, add a new sentence to read "The department may act under this subsection only if the program will be funded entirely with federal funds."

*without additional*

*State general funds.*

