

HB

7

HFIN

FILE

HOUSE COMMITTEE REPC 1

(11)

Date Referred to Committee: March 9, 2005

FURTHER REFERRALS:

Date of Committee Action: 4/22/05

The FINANCE Committee considered:

HB 7

HOUSE BILL NO. 7

UNEMPLOYMENT COMPENSATION BENEFITS

"An Act relating to the calculation and payment of unemployment compensation benefits; and providing for an effective date."

Recommends it be replaced with HCS or CS for HB 7 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DEG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

| <u>NEW</u> FISCAL NOTES | | | | |
|-----------------------------------|------|--------|--------|------|
| *Assigned by Chief Clerk's Office | | | | |
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
| DOA | | ✓ | | |
| Labor | | | | ✓ |
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| <u>PREVIOUS</u> FISCAL NOTES | | | | |
|------------------------------|-----|--------|--------|------|
| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
| DOA | #2 | ✓ | | |
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| Signing with recommendations | Printed Last Name | DP | DNP | NR | AM |
|------------------------------|-------------------|----|-----|----|----|
| | Hawker | ★ | | | |
| | Nolan | X | | | |
| | CROFT | ✓ | | | |
| | STURTZ | ✓ | | | |
| | Soule | ✓ | | | |
| | Kelly | ✓ | | | |
| | | | | | |
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| | | | | | |
| Chair: | | X | | | |

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 7(L&C)
(H) Publish Date: 3/9/05

Revision Date/Time (Note if correction): _____ Dept. Affected: All
Title An Act relating to the calculation and RDU Various
payment of unemployment compensation Component Various
Sponsor Crawford, Guttenberg, Gara
Requester _____ Component No. Various

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Personal Services | 225.0 | 470.0 | 525.0 | 575.0 | 625.0 | 675.0 |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 225.0 | 470.0 | 525.0 | 575.0 | 625.0 | 675.0 |

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| CAPITAL EXPENDITURES | | | | | | |
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| CHANGE IN REVENUES () | | | | | | |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate)* | 225.0 | 470.0 | 525.0 | 575.0 | 625.0 | 675.0 |
| TOTAL | 225.0 | 470.0 | 525.0 | 575.0 | 625.0 | 675.0 |

*The fund source is shown as "other" because it encompasses all funding sources that pay for payroll.

Estimate of any current year (FY2005) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation has a fiscal impact on the employer charge paid by all state agencies using the working reserves for unemployment insurance. The fiscal note calculations are based on a 3-year average of actual usage reimbursed to the unemployment program (\$3,815,035 in FY 2002 - FY 2004). Fiscal note assumes that 33% of the State's former employees would be eligible for new maximum benefit amount. It excludes the impact of the benefit increase on the University of Alaska.

Fiscal note is prepared as information only, not as support for appropriation. Working reserve rates are calculated annually in August for the next fiscal year's budget preparation. This benefit increase would not affect the FY 2006 rates which have already been factored into the FY 2006 budget, but it would increase the amount the state as an employer reimburses the unemployment program beginning January 1, 2006 (half of FY 2006) and raise budgeted rates beginning in FY 2007.

Prepared by: Kim Garner Phone 465-3435
Division: Division of Finance Date/Time 2/17/05 2:06 PM
Approved by: Michael Tibbles, Deputy Commissioner Date 2/17/2005
Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 7 (L&C)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Statewide
Title An Act relating to the calculation and RDU Statewide
payment of unemployment compensation Component Statewide
Sponsor Crawford, Gultenberg, Gara
Requester _____ Component No. Statewide

Expenditures/Revenues (Thousands of Dollars)

Note. Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Personal Services | 225.0 | 450.0 | 450.0 | 450.0 | 450.0 | 450.0 |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 225.0 | 450.0 | 450.0 | 450.0 | 450.0 | 450.0 |

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| CAPITAL EXPENDITURES | | | | | | |
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| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate)* | 225.0 | 450.0 | 450.0 | 450.0 | 450.0 | 450.0 |
| TOTAL | 225.0 | 450.0 | 450.0 | 450.0 | 450.0 | 450.0 |

*The fund source is shown as "other" because it encompasses all funding sources that pay for payroll.

Estimate of any current year (FY2005) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation has a fiscal impact on the employer charge paid by all state agencies using the working reserves for unemployment insurance. The fiscal note calculations are based on a 3-year average of actual usage reimbursed to the unemployment program (\$3,815,035 in FY 2002 - FY 2004). Fiscal note assumes that 33% of the State's former employees would be eligible for new maximum benefit amount. It excludes the impact of the benefit increase on the University of Alaska.

Fiscal note is prepared as information only, not as support for appropriation. Working reserve rates are calculated annually in August for the next fiscal year's budget preparation. This benefit increase would not affect the FY 2006 rates which have already been factored into the FY 2006 budget, but it would increase the amount the state as an employer reimburses the unemployment program beginning January 1, 2006 (half of FY 2006) and raise budgeted rates beginning in FY 2007.

Prepared by: Kim Garner, Director Phone 465-3435
Division Division of Finance Date/Time 3/10/05 3:40 PM
Approved by: Mike Tibbles, Deputy Commissioner Date 3/10/2005
Agency Department of Administration

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB007CS-DOLWD-UI-03-08-05
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: Unemployment Compensation Benefits RDU: Employment Security
Component: Unemployment Insurance
Sponsor: Representatives Crawford, Guttenberg
Requester: House L&C Component Number: 2276

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 |

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|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

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|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2005) cost: None
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation increases the maximum unemployment insurance compensation weekly benefit amount (WBA) from \$248.00 to \$336.00 in calendar year 2006.

Costs associated with implementing changes to the WBA will be absorbed through routine resources. There is no fiscal impact to the department as a result of this legislation.

Prepared by: Thomas W. Nelson, Director Phone: 465-5933
Division: Employment Security Division Date/Time: 3/8/05 1:00 PM
Approved by: Greg O'Claray, Commissioner Date: 3/8/2005
Agency: Department of Labor and Workforce Development

4/22/05

Failed
4-3

Amendment #

TO: CS HB 7 (L&C)

offered by Rep.

page 6, line 24

Section. 2. Insert the following:

Sec 2. AS 23.20.379 Voluntary quit, discharge for misconduct, and refusal of work. (a) An insured worker is disqualified for waiting-week credit or benefits for the first week in which the insured worker is unemployed and for the next 11 weeks of unemployment following that week if the insured worker

(1) left the insured worker's last suitable work voluntarily without good cause ; or

(2) was discharged for misconduct connected with the insured worker's last work

(b) An insured worker is disqualified for waiting-week credit of benefits for a week and the next 11 weeks of unemployment following that week if, for that week, the insured worker fails without good cause.

Renumber and replace Section 2 the effective date clause accordingly

Sec. 3

4/22/05

Amendment

2

OFFERED IN HOUSE FINANCE
TO: HB 7

BY REPRESENTATIVE KELLY

Page 6, Lines 5-22:

Delete all material.

Adopted

Page 6, line 23:

Delete: 37,750

Insert: ~~33,000~~

33,250

Delete: 336

Insert: 300

Alaska State Legislature
House of Representatives



Representative Harry Crawford -- District 21
Representative David Guttenberg -- District 8

SPONSOR STATEMENT FOR HB 7

House Bill 7 would increase the maximum weekly benefit available through unemployment insurance from \$248 to \$336. Future unemployment benefit amounts would be indexed to Alaska's average weekly wage; adjustments would be automatic and synchronized with the state's economy.

Alaska's economy includes many seasonal industries and current benefits fall short in helping families cover living expenses during periods of unemployment. Alaska's maximum weekly unemployment insurance benefit of \$248, which would only be available to individuals with an annual income exceeding \$38,000, is the fourth lowest in the nation. Increasing the maximum weekly benefit is not only long overdue, it is essential in alleviating skill shortages by ensuring Alaskan workers and their families survive periods of unemployment.

The current maximum weekly benefit amount of \$248 is only 35% of Alaska's average weekly wage, the third lowest state in the country. Other western states provide a much higher percentage of average weekly earnings in their maximum weekly benefit amount: Washington, 67%; Hawaii, 66%; Oregon, 63%; and Idaho, 59%. Using Alaska's average weekly earnings as the basis for calculating future unemployment insurance benefits will not only provide greater flexibility, it will also make certain the benefits accurately reflect the state's economy. The maximum weekly benefit amount would be indexed to the average weekly wage in the state for the preceding fiscal year, and benefits would not exceed 50% of the average weekly wage.

Retaining a well-trained Alaskan workforce is essential for a strong economy. Providing an overdue increase in the weekly benefit amount is necessary to keep Alaska's workers in Alaska. Linking the method for future benefit calculations to average weekly earnings will ensure any changes are in concert with Alaska's economy.

We urge your support of HB 7.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 9, 2005

SUBJECT: Sectional summary HB 7, (Work Order No. 24-LS0016A)

TO: Representative Harry Crawford
Attn: Heather Beaty

FROM: Barbara R. Craver *BRC*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. This section amends the table which sets the weekly benefit amount for unemployment compensation benefits by adding base period wages up to \$37,750.

Section 2. This section, regarding the number of weeks for which a person can receive unemployment benefits, is made applicable to persons eligible under subsection (h) of the same section, which is added by section 3 of this bill.

Section 3. New subsections are added to AS 23.20.350 (amount of benefits.)

Subsection (h) provides a mechanism to increase the ceiling for unemployment benefits based on an annual calculation of the average weekly wage.

Subsection (i) provides for the public process for establishing new weekly benefits.

Subsection (j) requires the commissioner of labor and workforce development to notify the governor if the average weekly wage decreases as described.

Subsection (k) sets how the average weekly wage is determined for the year.

Section 4. Allows the department to get started on regulations before the act takes effect.

Section 5. Makes section 4 effective as soon as the bill is passed.

Representative Harry Crawford

February 9, 2005

Page 2

Section 6. Provides an effective date of January 1, 2006.

If I may be of further assistance, please advise.

BRC:med

05-089.med

Alaska Department of Labor and Workforce Development Responses to House
Labor and Commerce Committee Hearing Regarding
House Bill 7-Unemployment Insurance Benefits-
February 23, 2005 Hearing

Q: What is the mission of the Unemployment Insurance (UI) Program?

A: As authorized in AS 23.20.005 and AS 23.20.010, Alaska's Unemployment Insurance Program is intended to lighten the burden on unemployed individuals and to maintain purchasing power as a factor in stabilizing the economy of the state during periods of high unemployment. Alaska's Unemployment Insurance Program is part of a nationwide employment security program and provides for meeting the requirements of Title III of the Social Security Act and the requirements of 26 U.S.C. 3303 and 3304 (Federal Unemployment Tax Act, Internal Revenue Code).

Q: What was the time span between when the weekly benefit amount was \$212.00 and when it was raised to \$248.00?

A: The maximum weekly benefit amount was \$212.00 beginning October 1, 1990 until it was raised on January 1, 1997 to \$248.

Q: What about inflation during this time period?

A: The cost of living in Alaska increased 61.4% between 1984 and 2004, during the same time period Alaska's maximum weekly benefit amount increased by 32%.

See Tables 1, 2 and 3 for detailed history

Q: What is the percentage of UI claimants that collect the maximum weekly benefit amount?

A: 31% received the maximum weekly benefit amount in calendar year (CY) 2004.

Q: Is the duration of weeks claimed relative to the weekly benefit amount paid to an individual?

A: The average number of weeks paid during CY 2004 to individuals receiving the maximum weekly benefit amount of \$248 was 11.81.

The average number of weeks paid to individuals receiving the middle weekly benefit amount of \$190 was 12.43. The average number of weeks paid to individuals receiving a relatively low weekly benefit amount of \$94 was 12.49.

Q: What is the amount of regular UI benefits payments by industry?

A: See Table 4.

Q: What is the average weekly wage compared to the average weekly benefit amount?

A: Alaska Figures:

In CY 2003 the average weekly wage was \$706.49, while the average weekly benefit amount paid to unemployed individuals was \$193.04. These figures reflect an average wage replacement of 27.3%.

A: National Figures:

In CY 2003 the average weekly wage was \$716.44, while the average weekly benefit amount paid to unemployed individuals was \$261.67. These figures reflect an average of wage replacement of 36.5%.

For a comparison of all states average weekly benefits as a percentage of average weekly earnings in CY 2003; see Table 5

The percentage of wage replacement in Alaska drops as the weekly benefit amount increases.

An individual earning \$6,999.00 per year, with an average weekly wage of \$134.60, is eligible for a UI benefit of \$90.00 per week, resulting in a 67% wage replacement.

An individual earning \$19,499.00 per year, with an average weekly wage of \$374.88, is eligible for a UI benefit of \$190.00 per week, resulting in a 51% wage replacement.

An individual earning \$26,699.00 per year, with an average weekly wage of \$514.41, is eligible for a UI benefit of \$248.00 per week, resulting in a 49% wage replacement.

An individual earning \$37,749.00 per year, with an average weekly wage of \$725.95, is eligible for a UI benefit of \$248.00 per week, resulting in a 35% wage replacement.

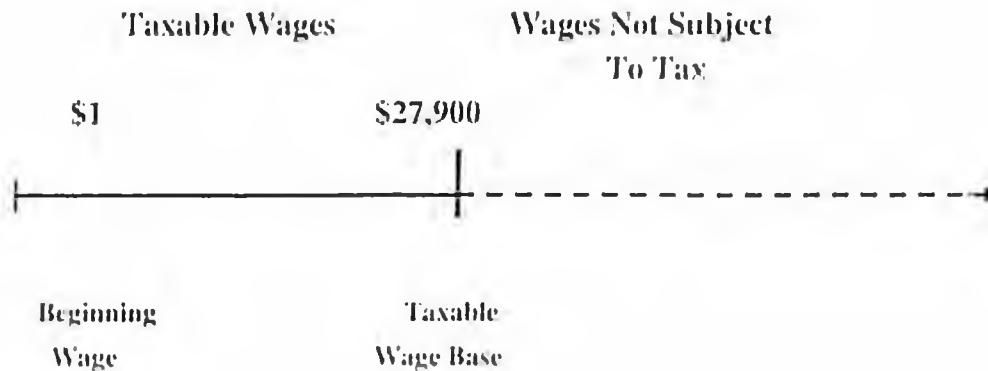
An individual earning \$47,000.00 per year, with an average weekly wage of \$903.85, is eligible for a UI benefit of \$248 per week, resulting in a 28% wage replacement.

Q: What is the cost to employers if the maximum weekly benefit amount is raised to \$336?

A: The estimated maximum increased cost to employers with an average tax rate would be \$64 per employee, per year.

See Table 6 for detailed tax increase estimates.

The amount of each worker's wage subject to UI taxation is called the taxable wage base. The taxable wage base is defined as 75 percent of the statewide average annual earnings of workers covered by the UI program. The Alaska taxable wage base for 2005 is \$27,900.



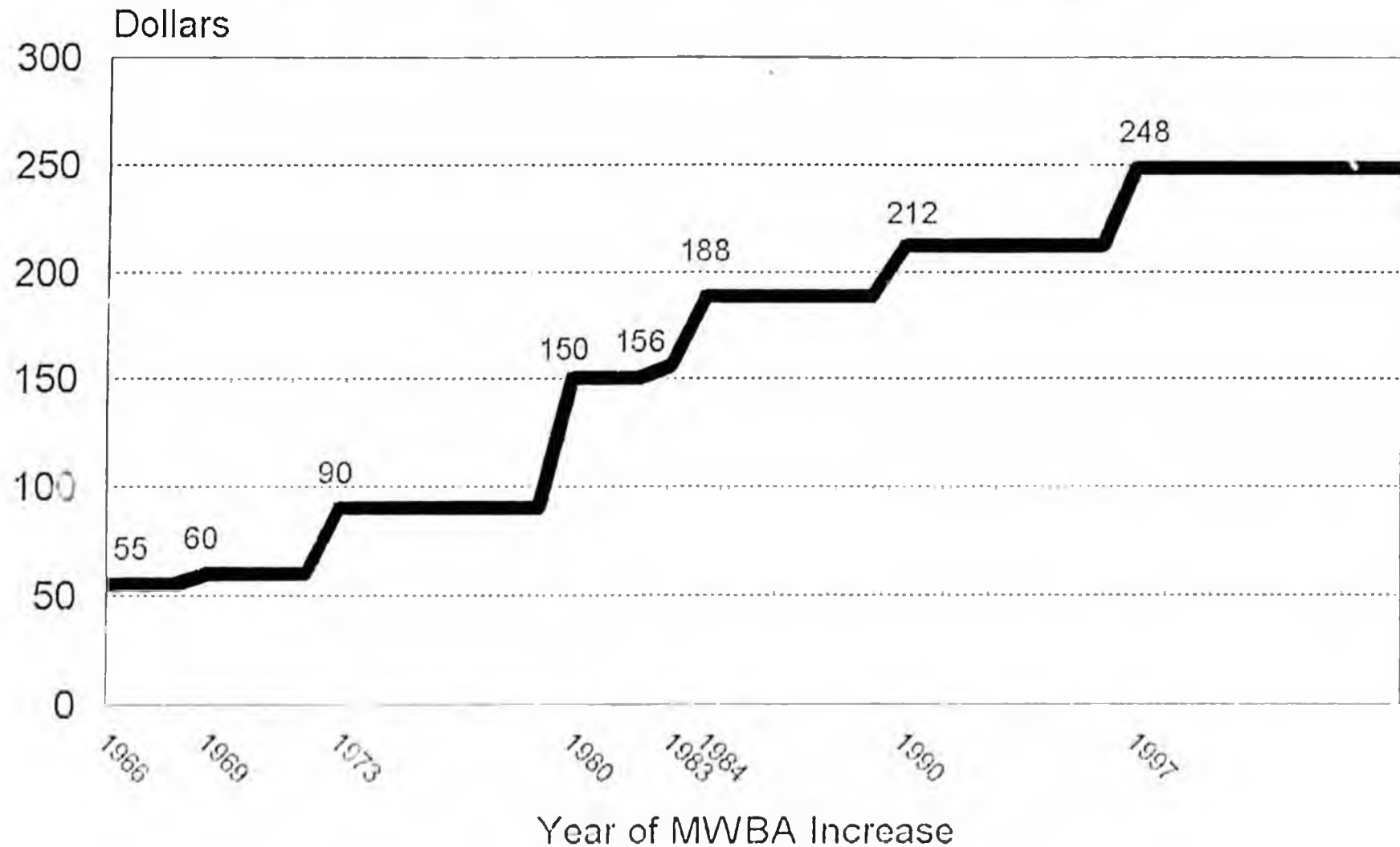
- The highest tax (excluding the penalty rate) on an employee's salary of \$25,000 per year would be \$930.
- The average tax for the same salary would be \$582.50 per year.
- An employer paying the lowest tax rate would pay \$250 per year.

Q: What is the history of tax rates over the past 20 years?

A: See Table 7

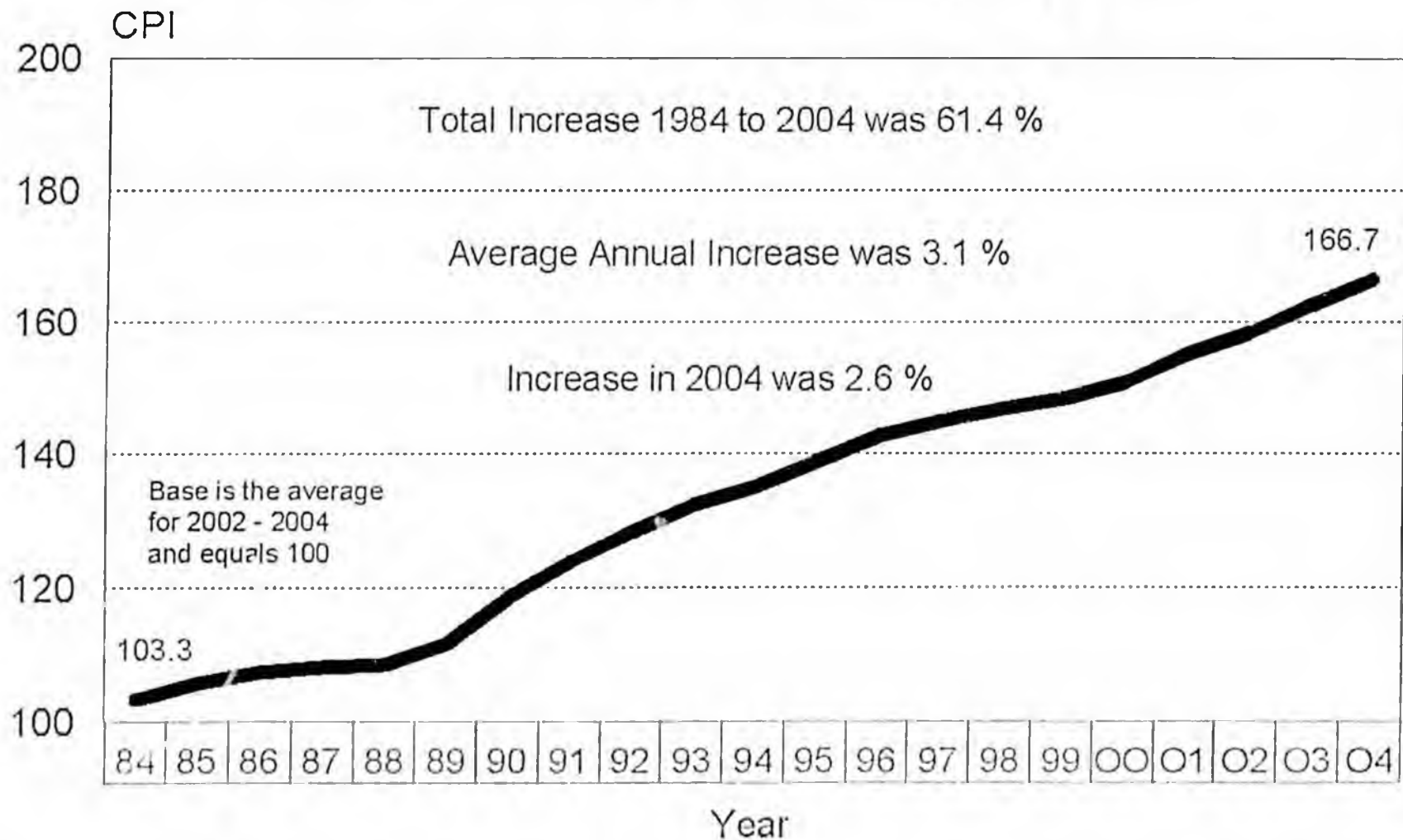
Table 1

U.I. Maximum Weekly Benefit Amount History from 1966 to 2005



Source: Alaska Department of Labor & Workforce Development Feb. 28, 2005

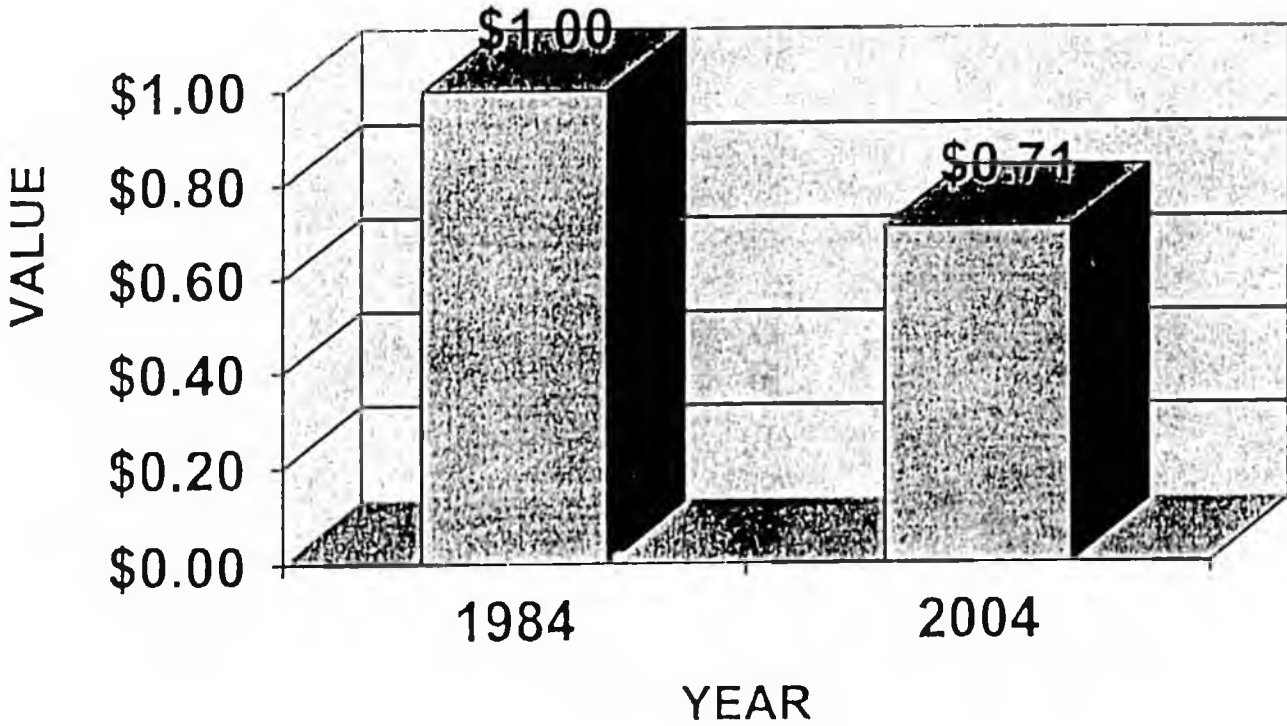
Table 2 Growth of the Anchorage CPI-U Alaska's Cost of Living Index



Prepared by: Alaska Department of Labor & Workforce Development
Source: US Department of Labor, Bureau of Labor Statistics

Rev. Feb. 28, 2005

Table 3 - The Purchasing Power of One Unemployment Insurance Dollar



Source: Alaska Dept. of Labor and Workforce Development

Feb. 28, 2005

Table 4
UI Regular Benefit Payments (Taxable and Reimbursable)
by Industry - Intrastate & Interstate Total, 2004

| Industry | Benefits Paid |
|----------------------------------|----------------------|
| Agri, Forestry, Fish & Hunt | \$1,724,135 |
| Mining | 7,440,978 |
| Utilities | 714,617 |
| Construction | 22,351,487 |
| Manufacturing | 13,999,656 |
| Wholesale Trade | 2,246,594 |
| Retail Trade | 12,219,039 |
| Transportation & Warehouse | 8,839,046 |
| Information | 1,842,206 |
| Fiance & Insurance | 2,968,727 |
| Real Estate, Rentals & Leasing | 2,689,402 |
| Prof & Tech Services | 3,578,003 |
| Mgmt of Companies | 77,402 |
| Admin & Waste Services | 5,369,975 |
| Educational Services | 3,735,049 |
| Health Care & Social Assistance | 9,532,509 |
| Arts, Entertainment & Recreation | 1,190,154 |
| Accommodations & Food Services | 9,515,780 |
| Other Services, except PA | 4,622,915 |
| Public Administration | 11,851,103 |
| Unclassified | 1,451,926 |
| Totals (incl. unclass.) | \$127,960,703 |

Source: Alaska Department of Labor and Workforce Development

Feb. 28, 2005

Table 5
Average Weekly Benefits (Regular UI) as a Percentage of
Average Weekly Earnings (Covered Employment), 2003

| State | (\$) Benefit Amount | Rank | (\$) Weekly Earnings | Rank | AWBA as % of Earnings | Rank |
|-------------------|---------------------------|------|----------------------------|------|-----------------------------|------|
| Alabama | 175.84 | 49 | 607.10 | 33 | 29.0 | 48 |
| ALASKA | 193.04 | 48 | 706.49 | 16 | 27.3 | 49 |
| Arizona | 173.26 | 51 | 667.35 | 23 | 26.0 | 50 |
| Arkansas | 228.90 | 36 | 548.78 | 46 | 41.7 | 12 |
| California | 246.37 | 28 | 814.85 | 6 | 30.2 | 45 |
| Colorado | 307.68 | 7 | 741.42 | 12 | 41.5 | 13 |
| Connecticut | 286.19 | 10 | 928.40 | 2 | 30.8 | 44 |
| Delaware | 235.46 | 32 | 785.99 | 7 | 30.0 | 46 |
| Dist. of Columbia | 258.43 | 21 | 1071.88 | 1 | 24.1 | 51 |
| Florida | 225.02 | 37 | 637.34 | 30 | 35.3 | 36 |
| Georgia | 243.43 | 29 | 695.47 | 19 | 35.0 | 38 |
| Hawaii | 312.21 | 5 | 627.95 | 31 | 49.7 | 1 |
| Idaho | 231.77 | 33 | 543.32 | 47 | 42.7 | 8 |
| Illinois | 280.94 | 11 | 776.02 | 8 | 36.2 | 34 |
| Indiana | 263.44 | 16 | 637.63 | 29 | 41.3 | 15 |
| Iowa | 260.12 | 18 | 586.42 | 37 | 44.4 | 5 |
| Kansas | 275.99 | 13 | 598.77 | 35 | 46.1 | 2 |
| Kentucky | 249.62 | 27 | 606.94 | 34 | 41.1 | 17 |
| Louisiana | 194.93 | 47 | 584.39 | 39 | 33.4 | 40 |
| Maine | 231.13 | 34 | 581.31 | 40 | 39.8 | 22 |
| Maryland | 252.14 | 24 | 754.51 | 9 | 33.4 | 39 |
| Massachusetts | 356.58 | 1 | 887.76 | 5 | 40.2 | 19 |
| Michigan | 290.52 | 9 | 753.56 | 10 | 38.6 | 26 |
| Minnesota | 322.15 | 4 | 739.36 | 13 | 43.6 | 7 |
| Mississippi | 173.43 | 50 | 520.98 | 49 | 33.3 | 41 |
| Missouri | 205.62 | 44 | 643.67 | 25 | 31.9 | 43 |
| Montana | 201.91 | 46 | 503.49 | 51 | 40.1 | 20 |
| Nebraska | 216.16 | 40 | 578.45 | 41 | 37.4 | 31 |
| Nevada | 236.29 | 31 | 674.56 | 21 | 35.0 | 37 |
| New Hampshire | 258.60 | 19 | 713.18 | 15 | 36.3 | 33 |
| New Jersey | 333.67 | 2 | 887.83 | 4 | 37.6 | 29 |
| New Mexico | 210.63 | 41 | 563.53 | 43 | 37.4 | 30 |
| New York | 271.55 | 14 | 907.12 | 3 | 29.9 | 47 |
| North Carolina | 236.33 | 22 | 640.33 | 26 | 40.3 | 18 |
| North Dakota | 222.30 | 38 | 523.41 | 48 | 42.5 | 9 |
| Ohio | 252.04 | 25 | 670.38 | 22 | 37.6 | 28 |
| Oklahoma | 229.45 | 35 | 557.31 | 44 | 41.2 | 16 |
| Oregon | 258.45 | 20 | 655.97 | 24 | 39.4 | 23 |
| Pennsylvania | 291.84 | 8 | 705.67 | 17 | 41.4 | 14 |
| Rhode Island | 308.78 | 6 | 690.70 | 20 | 44.7 | 4 |
| South Carolina | 210.05 | 43 | 585.68 | 38 | 35.9 | 35 |
| South Dakota | 201.96 | 45 | 512.86 | 50 | 39.4 | 24 |
| Tennessee | 210.24 | 42 | 638.02 | 28 | 33.0 | 42 |
| Texas | 260.80 | 17 | 705.25 | 18 | 37.0 | 32 |
| Utah | 269.38 | 15 | 587.28 | 36 | 45.9 | 3 |
| Vermont | 255.08 | 23 | 610.57 | 32 | 41.8 | 11 |
| Virginia | 276.09 | 12 | 721.69 | 14 | 38.3 | 27 |
| Washington | 324.40 | 3 | 743.01 | 11 | 43.7 | 6 |
| West Virginia | 219.87 | 39 | 549.32 | 45 | 40.0 | 21 |
| Wisconsin | 251.69 | 26 | 640.05 | 27 | 39.3 | 25 |
| Wyoming | 238.07 | 30 | 565.93 | 42 | 42.1 | 10 |
| United States | 261.67 | | 710.44 | | 36.5 | |

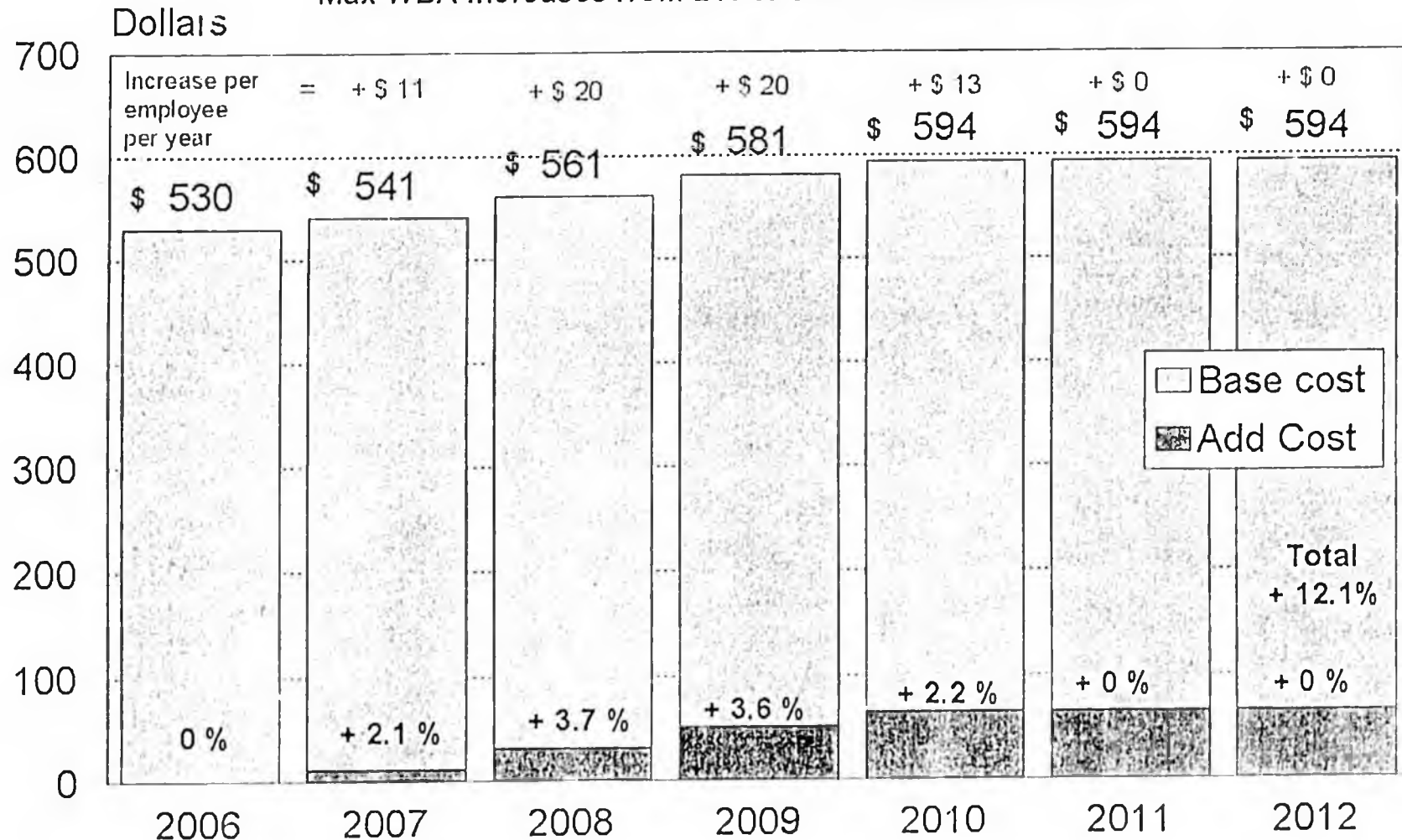
Note: U.S. Data include Puerto Rico and the Virgin Islands.

Sources: Alaska Department of Labor and Workforce Development

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Table 6
Estimated Max Cost per Worker for Average Employer
(4 years to reach cost of the proposal)

Max WBA Increases from 248 to 336 effective Jan 01 2006

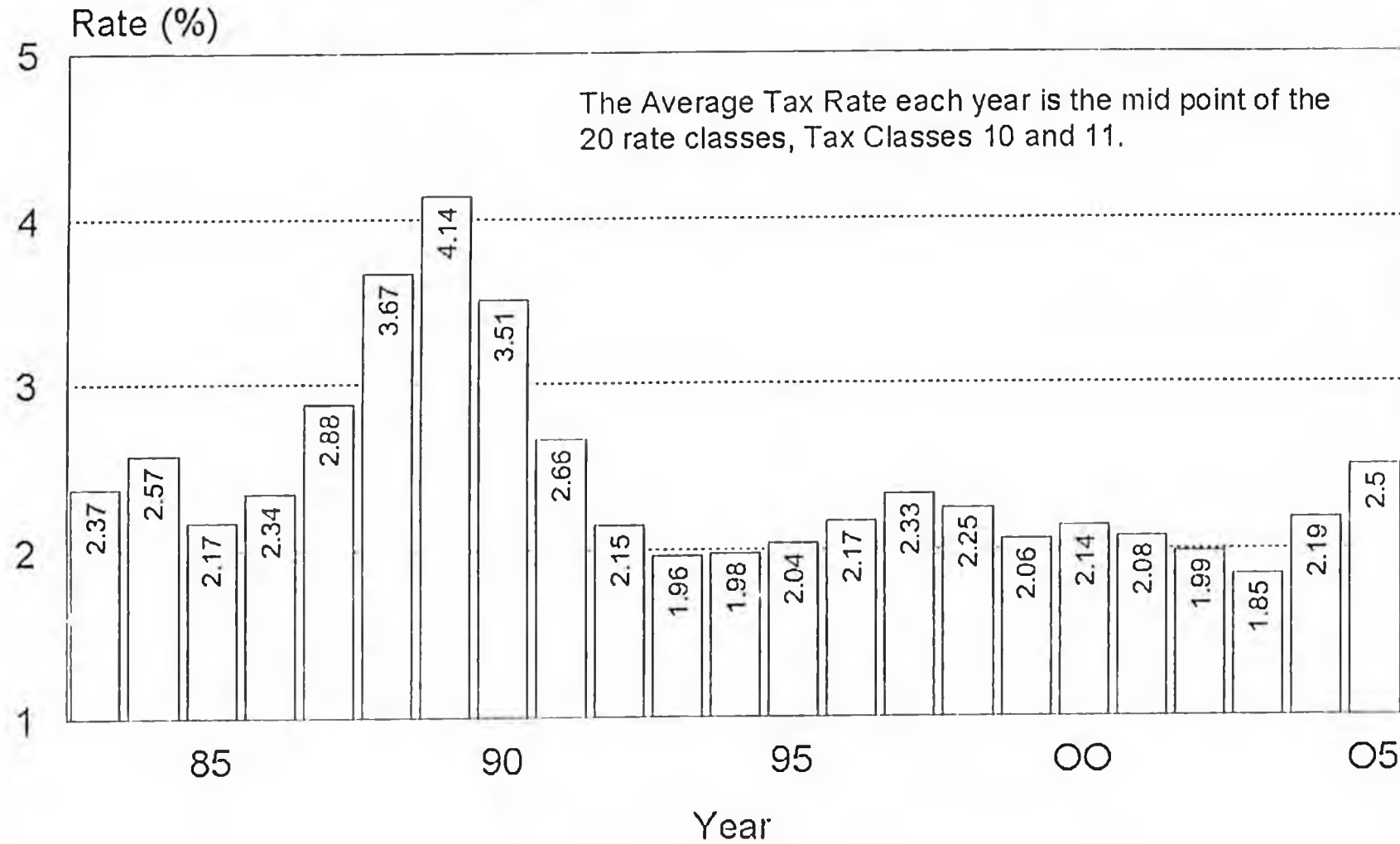


Note: Average Employer = Tax Classes 10 & 11

Source: Alaska Department of Labor & Workforce Development

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Table 7 Alaska UI Average Tax Rates from 1983 to the Present



Source: Alaska Department of Labor & Workforce Development Feb. 28, 2005