

**HB**

**214**

<TARGET><BILL>HB 214</BILL><SUBJECT>HB  
214</SUBJECT><COMM>HJUD29</COMM></TARGET>

# ALASKA STATE LEGISLATURE

## REPRESENTATIVE KURT OLSON

- Chair: Labor and Commerce
- Vice Chair: Rules
- Member: Resources, Legislative Budget & Audit

Session: January - April  
State Capitol, Room 24  
Juneau, AK 99801-1182  
Phone: 907-465-2693  
Fax: 907-465-3835



Interim: May - December  
145 Main Street Loop, Ste. 221  
Kenai, AK 99611  
Phone: 907-283-2690  
Fax: 907-283-2763

Official Business

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### Sponsor Statement

#### HB 214

*"An act repealing the Workers' Compensation Appeals Commission."*

Since 2005 the Workers' Compensation Appeals Commission has been operating as an effort to streamline the appeals process. The Commission was tasked with hearing appeals of decisions of the Alaska Workers' Compensation Board to expedite the process and not clog up the Superior Court system, which heard about 30 to 40 appeals annually. In calendar year 2014, the Commission closed 30 cases out of 52 for a 58% closure rate of cases that appeared on the 2014 docket. The average time period from the date of filing to the date of closure for those 30 cases was about five and a half months. This closure rate and average time for closure is not demonstrably better than the process was before the establishment of the Commission.

The Commission is comprised of five members. One member, the chair, must be an attorney experienced in Alaska workers compensation law. The other members are equally divided between representatives of employers and employees. All three member panels of the five member commission hear and decide appeals, with the chair being part of each panel. The statute provides that unless reversed by the Supreme Court, the decisions of the Appeals Commission have the force of legal precedent. From 2005 to 2013, 50% of the Commission's decisions have been reversed by the Supreme Court. In 2014, seven Commission decisions or orders were appealed to the Supreme Court; all are currently awaiting ruling. In 2014, the Supreme Court decided six appeals of the Commission's decisions. Five out of six of those decisions were either reversed or partially reversed. The high reversal rate underscores the ineffectiveness of the Commission.

Alaska's workers deserve a timely, accurate process and the WCAC is simply not well equipped to adjudicate appeals claims. We have tried for the past decade to make the WCAC work for the better of Alaskans but it has proven it is not doing the job it was intended for.

I support the Alaska Department of Labor and Workforce Development's decision to bring this issue to my attention and agree with their need for the repeal of the Worker's Compensation Appeals Commission. Thank you for supporting this legislation.

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### CS HB 214 ver P Sectional Analysis

*"An act repealing the Workers' Compensation Appeals Commission."*

Please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill; the bill itself is the best statement of its contents.

**Section 1.** Amends AS 23.30.005 by adding new subsection to read: The board, in its administrative capacity, shall make available the decisions and orders of the board and the former Workers' Compensation Appeals Commission. Decisions and orders of the former Workers' Compensation Appeals Commission are final and conclusive unless appealed to the Alaska Supreme Court and shall stand instead of the order of the board from which review was taken. Unless reversed by the Alaska Supreme Court, decisions of the former Workers' Compensation Appeals Commission have the force of legal precedent.

**Section 2.** AS 23.30.107(b) removes language referencing the Commission.

**Section 3.** AS.23.30.108(d) removes language referencing the Commission.

**Section 4.** AS 23.30.108 (e) removes language referencing the Commission.

**Section 5.** AS 23.30 is amended by adding a new section with the original wording of the Review of board order of the Alaska's Workers' Compensation Act AS. 23.30.126 from 2004 prior to the WCAC being established.

**Section 6.** AS 23.30.155(f) removes statutory reference to the powers and duties of the Commission and adds a reference to the board in AS 23.30.126

**Section 7.** AS 39.50.200(b)(31) is amended to remove language defining the Workers' Compensation Appeals Commission.

**Section 8.** Repeal Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure.

**Section 9.** Repeals statutes referencing the creation, appointment of members, jurisdiction, powers and duties of the commission, powers and duties of the chair of the commission, administrative review, appeals to the commissions, commission proceedings, appointment of the members through OAH, appointment of the chair.

**Section 10.** Changes the Alaska Rules of Appellate Procedure by providing that appeals from the Alaska Workers' Compensation Board can be brought in the superior court.

**Section 11.** The Workers' Comp Appeals Commission continues to function as they presently are until December 1, 2016.

**Section 12.** Transitional Provisions – for appeals not completed before December 2<sup>nd</sup> shall be automatically transferred to the superior court. Appeals seeking review of Workers' Comp Board decisions that haven't been filed before May 31, 2016 must be filed in the superior court before June 1, 2016. Before June 1, 2016 a party may file for review by the workers' comp appeals commission, after June 1, 2016 a party files for review in the superior court. Before November 1, 2016 a party may request reconsideration of a Workers' Compensation Appeals Commission decision. After November 1, 2016 a party may file an appeal with the Alaska Supreme Court. Appeals shall be transferred to the superior court in the judicial district where original claim was filed. Directions on how the WCAC shall prepare files in accordance with the Alaska Rules of Appellate Procedure and transfer to the superior court.

**Section 13.** Terms out commissioners on December 31, 2016.

**Section 14.** Conditional effect: this Act takes effect only if secs. 8 and 10 of this Act receive a 2/3 majority vote of each house required by art. IV, sec. 15, Constitution of the State of Alaska.

**Section 15.** Effective date of June 1, 2016.

29-LS0854P  
Wallace  
3/21/16

**CS FOR HOUSE BILL NO. 214( )**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-NINTH LEGISLATURE - SECOND SESSION

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVE OLSON**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act repealing the Workers' Compensation Appeals Commission; relating to**  
2 **decisions and orders of the Alaska Workers' Compensation Board; relating to superior**  
3 **court jurisdiction over appeals from Alaska Workers' Compensation Board decisions**  
4 **and orders; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate**  
5 **Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 508, 601(b), 602, and 603,**  
6 **Alaska Rules of Appellate Procedure; and providing for an effective date."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 **\* Section 1.** AS 23.30.005 is amended by adding a new subsection to read:

9 (n) The board, in its administrative capacity, shall make available, upon  
10 request, the decisions and orders of the former Workers' Compensation Appeals  
11 Commission. Decisions and orders of the former Workers' Compensation Appeals  
12 Commission are final and conclusive unless appealed to the Alaska Supreme Court  
13 and shall stand instead of the order of the board from which review was taken. Unless

1 reversed by the Alaska Supreme Court, decisions of the former Workers'  
2 Compensation Appeals Commission have the force of legal precedent.

3 \* **Sec. 2.** AS 23.30.107(b) is amended to read:

4 (b) Medical or rehabilitation records, and the employee's name, address, social  
5 security number, electronic mail address, and telephone number contained on any  
6 record, in an employee's file maintained by the division or held by the board [OR THE  
7 COMMISSION] are not public records subject to public inspection and copying under  
8 AS 40.25.100 - 40.25.295. This subsection does not prohibit

9 (1) the reemployment benefits administrator, the division, the board,  
10 [THE COMMISSION,] or the department from releasing medical or rehabilitation  
11 records in an employee's file, without the employee's consent, to a physician providing  
12 medical services under AS 23.30.095(k) or 23.30.110(g), a party to a claim filed by  
13 the employee, or a governmental agency; or

14 (2) the quoting or discussing of medical or rehabilitation records  
15 contained in an employee's file during a hearing on a claim for compensation or in a  
16 decision or order of the board [OR COMMISSION].

17 \* **Sec. 3.** AS 23.30.108(d) is amended to read:

18 (d) If the employee files a petition seeking a protective order to recover  
19 medical and rehabilitation information that has been provided but is not related to the  
20 employee's injury, and the board or the board's designee grants the protective order,  
21 the board or the board's designee granting the protective order shall direct the division,  
22 the board, [THE COMMISSION,] and the parties to return to the employee, as soon as  
23 practicable following the issuance of the protective order, all medical and  
24 rehabilitation information, including copies, in their possession that is unrelated to the  
25 employee's injury under the protective order.

26 \* **Sec. 4.** AS 23.30.108(e) is amended to read:

27 (e) If the board or the board's designee limits the medical or rehabilitation  
28 information that may be used by the parties to a claim, either by an order on the record  
29 or by issuing a written order, the division, the board, [THE COMMISSION,] and a  
30 party to the claim may request and an employee shall provide or authorize the  
31 production of medical or rehabilitation information only to the extent of the limitations

1 of the order. If information has been produced that is outside of the limits designated  
2 in the order, the board or the board's designee shall direct the party in possession of  
3 the information to return the information to the employee as soon as practicable  
4 following the issuance of the order.

5 \* **Sec. 5.** AS 23.30 is amended by adding a new section to read:

6 **Sec. 23.30.126. Review of board order.** (a) A decision or order of the board  
7 becomes effective when filed in the office of the board under AS 23.30.110, and a  
8 decision or order of the board becomes final on the 31st day after it is filed. After a  
9 decision or order becomes final, a party may seek review by filing a notice of appeal  
10 with the superior court under AS 44.62.560 under the rules of appellate procedure.

11 (b) If not in accordance with law, a compensation order may be suspended or  
12 set aside, in whole or in part, through injunction proceedings in the superior court  
13 brought by a party in interest against the board and all other parties to the proceedings  
14 before the board. The payment of the amounts required by an award may not be stayed  
15 pending final decision in the proceeding unless upon application for an interlocutory  
16 injunction the court on hearing, after not less than three days' notice to the parties in  
17 interest and the board, allows the stay of payment, in whole or in part, where  
18 irreparable damage would otherwise ensue to the employer. The order of the court  
19 allowing a stay shall contain a specific finding, based upon evidence submitted to the  
20 court and identified by reference to it, that irreparable damage would result to the  
21 employer, and specify the nature of the damage.

22 (c) If an employer fails to comply with a compensation order making an award  
23 that has become final, a beneficiary of the award or the board may apply for the  
24 enforcement of the order to the superior court. If the court determines that the order  
25 was made and served in accordance with law, and that the employer or the officers or  
26 agents of the employer have failed to comply with it, the court shall enforce obedience  
27 to the order by writ of injunction or by other proper process to enjoin upon the  
28 employer and the officers and agents of the employer compliance with the order.

29 (d) Proceedings for suspending, setting aside, or enforcing a compensation  
30 order, whether rejecting a claim or making an award, may not be instituted except as  
31 provided in this section and AS 23.30.170.

1 (e) Subject to an employer's or employee's burden of proof, a finding of fact  
2 made by the board as a part of a compensation order is conclusive unless the court  
3 specifically finds that a reasonable person could not have reached the conclusion made  
4 by the board.

5 (f) The director may intervene in an appeal under AS 44.62.560 or petition for  
6 review. If a party is not represented by counsel and a compensation order concerns an  
7 unsettled question of law, the director may file an appeal or petition for review to  
8 obtain a ruling.

9 (g) A court may not make an award of costs and attorney fees against an  
10 injured worker unless the court finds that the worker's position on judicial review was  
11 frivolous or unreasonable or the judicial review was sought in bad faith.

12 \* **Sec. 6.** AS 23.30.155(f) is amended to read:

13 (f) If compensation payable under the terms of an award is not paid within 14  
14 days after it becomes due, there shall be added to that unpaid compensation an amount  
15 equal to 25 percent of the unpaid installment. The additional amount shall be paid at  
16 the same time as, but in addition to, the compensation, unless review of the  
17 compensation order making the award as provided under AS 23.30.126  
18 [AS 23.30.008] and an interlocutory injunction staying payments is allowed by the  
19 court. The additional amount shall be paid directly to the recipient to whom the unpaid  
20 compensation was to be paid.

21 \* **Sec. 7.** AS 39.50.200(b)(31) is amended to read:

22 (31) Workers' Compensation Board (AS 23.30.005) [AND  
23 WORKERS' COMPENSATION APPEALS COMMISSION (AS 23.30.007)];

24 \* **Sec. 8.** Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, are repealed.

25 \* **Sec. 9.** AS 23.30.007, 23.30.008, 23.30.009, 23.30.125, 23.30.127, 23.30.128, 23.30.129,  
26 23.30.395(10); AS 39.25.110(40); AS 44.64.020(a)(12), and 44.64.020(a)(13) are repealed.

27 \* **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to  
28 read:

29 INDIRECT COURT RULE AMENDMENTS. The provisions of AS 23.30.126, added  
30 by sec. 5 of this Act, and the repeal of AS 23.30.007, 23.30.008, 23.30.125, 23.30.127,  
31 23.30.128, and 23.30.129 in sec. 9 of this Act have the effect of changing Rules 202(a),

1 204(a) - (c), 210(e), 508, 601(b), 602, and 603, Alaska Rules of Appellate Procedure, by  
2 repealing the Alaska Workers' Compensation Commission and providing that appeals from  
3 the Alaska Workers' Compensation Board be brought in the superior court, and by limiting  
4 costs and attorney fees that may be awarded against an injured worker.

5 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 APPLICABILITY. Before December 2, 2016, AS 23.30.007 - 23.30.009,  
8 23.30.107(b), 23.30.108(d) and (e), 23.30.125, 23.30.127, 23.30.128, 23.30.129, 23.30.155(f),  
9 23.30.395(10), AS 39.25.110(40), AS 39.50.200(b)(31), and AS 44.64.020(a)(12) and (13), as  
10 they existed on the day before the effective date of this Act, continue to apply to appeals,  
11 petitions for review, and other proceedings pending before the Workers' Compensation  
12 Appeals Commission. Appeals, petitions for review, and other proceedings under this section  
13 shall be continued in the Workers' Compensation Appeals Commission until December 1,  
14 2016. AS 23.30.126, added by sec. 5 of this Act, and AS 23.30.155(f), as amended by sec. 6  
15 of this Act, do not apply to appeals, petitions for review, or other proceedings under this  
16 section. AS 23.30.129, as it read on the day before the effective date of this Act, applies to  
17 appeals to the Alaska Supreme Court from final decisions of the Workers' Compensation  
18 Appeals Commission issued on or before December 1, 2016.

19 \* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to  
20 read:

21 TRANSITIONAL PROVISIONS. (a) Appeals, petitions for review, and other  
22 proceedings pending before the Workers' Compensation Appeals Commission before June 1,  
23 2016, and not completed in the Workers' Compensation Appeals Commission before  
24 December 2, 2016, shall be transferred to the superior court in the judicial district where the  
25 original claim was filed, under AS 22.10.020 and Rules 604(b) and 609, Alaska Rules of  
26 Appellate Procedure.

27 (b) Appeals, petitions for review, and other proceedings that seek review of Alaska  
28 Workers' Compensation Board decisions and that have not been filed and are not pending  
29 before the Workers' Compensation Appeals Commission on or before May 31, 2016, must be  
30 filed in the superior court on or after June 1, 2016, within 30 days after the date that the board  
31 decision becomes final.

1 (c) On or after November 1, 2016, a party seeking review of a Workers'  
2 Compensation Appeals Commission decision may file an appeal or petition for review with  
3 the supreme court under AS 23.30.129, as that section read on the day before the effective  
4 date of this Act.

5 (d) On December 2, 2016, the Workers' Compensation Appeals Commission shall  
6 transfer the files of all appeals, petitions for review, and other proceedings that were pending  
7 before June 1, 2016, and that were not completed before December 2, 2016, to the superior  
8 court, which will assume jurisdiction of the action. The Workers' Compensation Appeals  
9 Commission shall provide notice to all parties of record 30 days before it transfers a pending  
10 case, advising the parties of the transfer of jurisdiction and the effective date of the transfer.  
11 The Workers' Compensation Appeals Commission shall prepare each file in accordance with  
12 the Alaska Rules of Appellate Procedure and mail or hand deliver the record in the pending  
13 case to the superior court in the judicial district where the original claim was filed. If the  
14 superior court determines that the record does not comply with the Alaska Rules of Appellate  
15 Procedure, the court may return the record to the Workers' Compensation Appeals  
16 Commission and direct the Workers' Compensation Appeals Commission to conform the  
17 record as may be necessary.

18 \* **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to  
19 read:

20 TRANSITION: TERMS OF COMMISSIONERS. Notwithstanding AS 23.30.007(e),  
21 the terms of individuals appointed to the Workers' Compensation Appeals Commission expire  
22 December 31, 2016.

23 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
24 read:

25 CONDITIONAL EFFECT. This Act takes effect only if secs. 8 and 10 of this Act  
26 receive the two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of  
27 the State of Alaska.

28 \* **Sec. 15.** This Act takes effect June 1, 2016.

# ALASKA STATE LEGISLATURE

## REPRESENTATIVE KURT OLSON

- Chair: Labor and Commerce
- Vice Chair: Rules
- Member: Resources, Legislative Budget & Audit

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### HB214 Version W to CS for HB214 Version P Summary of Changes

*"Repeal Workers' Compensation Appeals Commission."*

#### **Title**

*Page 1, Line 5*  
After 508, remove "(g)". Repeals all of Rule 508.

#### **Section 1. AS 23.30.005**

*Page 1, Lines 1-2*  
Remove "maintain, index", "make available for public inspection", and "the board". This change was made my request of the department because it was felt like this could be handled not in Statute.

#### **Section 5 AS 23.30 Review of Board Order**

*Page 3, Line 6*  
Everything from Version W was removed and language was inserted from the Alaska Workers' Compensation Act AS 30.30.125 "Review of Compensation Order" as of 2004 prior to the establishment of the WCAC. This change was made my request of the court system, to keep it clean and return to the original procedure.

#### **Section 10 Indirect Court Rule Amendments**

*Page 5, Line 1*  
Remove (g) after 508. Repeals all of Rule 508.

*Page 5, Lines 3-4*

Insert "and by limiting costs and attorney fees that may be awarded against an injured worker."

#### **Section 11 of Version W - Removed**

A two-thirds vote will be required because there are court rule changes.

#### **Section 11 Applicability (was Section 12 of Version W)**

*No Changes*

## **Section 12 Transitional Provisions**

*Page 5, Line 24-26*

Remove "and placed within the jurisdiction of the superior court on December 2, 2016" and insert "in the judicial district where the original claim was filed". Insert Rule 604(b).

*Page 5, Line 30-31*

Insert "within 30 days after the date that the board decision becomes final."

Remove paragraph (c) and the first sentence of paragraph (d) (page 6, lines 7-9) of Version W.

*Page 6, Line 2*

Paragraph (d) from Version W becomes paragraph (c) in Version P. Remove "only" after "decision may".

*Page 6, Line 5-17*

Insert new language from court system on how the files should be transferred from the WCAC to the superior court.

## **Section 13 Transition: Terms of Commissioners**

*Page 6, Line 22*

Remove "February 2, 2017", insert "December 31, 2016".

## **Section 14**

*Page 6, Lines 25-27*

Insert "CONDITIONAL EFFECT. This act takes effect only if secs 8 and 10 of this Act receive the two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State of Alaska."

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	CSHB 214(L&C)
Fiscal Note Number:	1
(H) Publish Date:	3/31/2016

Identifier: HB214-DOA-DRM-03-11-16  
 Title: REPEAL WORKERS' COMP APPEALS  
 COMMISSION  
 Sponsor: OLSON  
 Requester: House Labor and Commerce

Department: Department of Administration  
 Appropriation: Risk Management  
 Allocation: Risk Management  
 OMB Component Number: 71

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2017 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.
----------------------------------

Prepared By:	Scott Jordan, Director	Phone:	(907)465-5723
Division:	Risk Management	Date:	03/11/2016 11:00 PM
Approved By:	Sheldon Fisher, Commissioner	Date:	03/11/16
Agency:	Administration		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

## Analysis

Risk Management (RM) would not be financially impacted by this proposed legislation.

The intent of this bill is to repeal the Workers' Compensation Appeals Commission and turn jurisdiction of the Alaska Workers Compensation Board appeals back over to the superior courts. RM averages only about one appeal a year, and has historically experienced both superior court and appeals commission appeals and experienced no cost difference.

The state does pay a self-insurance service fee annually (FY2016 was \$653.2) to the Department of Labor and Workforce Development per AS 23.05.067 which the partially funds the Appeals Commission. This bill does not address a reduction in fees as it relates to the reduction of the Appeals Commission.

RM submits a zero fiscal note.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	CSHB 214(L&C)
Fiscal Note Number:	2
(H) Publish Date:	3/31/2016

Identifier: HB214CS(L&C)-ACS-TRC-03-17-16  
 Title: REPEAL WORKERS' COMP APPEALS  
 COMMISSION  
 Sponsor: OLSON  
 Requester: House Labor & Commerce

Department: Judiciary  
 Appropriation: Alaska Court System  
 Allocation: Trial Courts  
 OMB Component Number: 768

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial version.
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Prepared By:	Nancy Meade, General Counsel	Phone:	(907)463-4736
Division:	Alaska Court System	Date:	03/17/2016 10:00 AM
Approved By:	Nancy Meade for Christine Johnson, Administrative Director	Date:	03/17/16
Agency:	Alaska Court System		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

## Analysis

The CS for HB 214 would eliminate the Alaska Workers' Compensation Appeals Commission currently housed within the Department of Labor, and transfer jurisdiction over appeals pending in that Commission and all future appeals from the decisions of the Workers' Compensation Board to the superior court.

Based on case data provided by the Commission, an average of 33 appeals per year were handled by the Commission over the last ten years. The court system therefore anticipates that, under this bill, the superior court would be handling an additional 33 administrative appeals from the Board each year, on average. These additional cases would be presided over by a superior court judge; we anticipate that the impact of these new cases would be spread across jurisdictions and could be handled by our superior court judges without additional resources.

The court system does not anticipate that this bill would change the caseload of the Supreme Court, which already currently handles appeals from the Commission. Its jurisdiction would not be altered under this bill; the appeals would simply come from the superior court instead of from the Commission.

The court system anticipates that it will be able to absorb the increased caseload into its operations without a fiscal impact, and therefore submits this zero fiscal note.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	CSHB 214(L&C)
Fiscal Note Number:	3
(H) Publish Date:	3/31/2016

Identifier: HB214-DOLWD-WCAC-03-08-16  
 Title: REPEAL WORKERS' COMP APPEALS  
 COMMISSION  
 Sponsor: OLSON  
 Requester: House Labor and Commerce

Department: Department of Labor and Workforce Development  
 Appropriation: Workers' Compensation  
 Allocation: Workers' Compensation Appeals Commission  
 OMB Component Number: 2816

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services	(122.1)	293.0	(293.0)	(293.0)	(293.0)	(293.0)	(293.0)	(293.0)
Travel	(7.8)	18.7	(18.7)	(18.7)	(18.7)	(18.7)	(18.7)	(18.7)
Services	(51.2)	122.9	(122.9)	(122.9)	(122.9)	(122.9)	(122.9)	(122.9)
Commodities	(2.1)	5.0	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>(183.2)</b>	<b>439.6</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>

**Fund Source (Operating Only)**

1157 Wrkrs Safe	(183.2)	439.6	(439.6)	(439.6)	(439.6)	(439.6)	(439.6)	(439.6)
<b>Total</b>	<b>(183.2)</b>	<b>439.6</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>	<b>(439.6)</b>

**Positions**

Full-time		2.0	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Part-time								
Temporary								

<b>Change in Revenues</b>								
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.
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Division:	Workers' Compensation	Date:	03/08/2016 03:00 PM
Approved By:	Heidi Drygas, Commissioner	Date:	03/11/16
Agency:	Department of Labor and Workforce Development		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION**Analysis**

This legislation would require new appeals cases currently heard by the Workers' Compensation Appeals Commission (WCAC) to be filed with the Alaska Superior Court beginning on June 1, 2016, but would retain the WCAC's jurisdiction over pending matters until December 1, 2016. The WCAC would be dissolved, effective February 2, 2017.

This legislation would eliminate the department's staffing and other operating costs currently required to support the WCAC. Assuming that the WCAC would cease incurring operating expenses after February 2, 2017, the FY2017 cost savings was calculated by budgeting for seven months instead of 12. The WCAC positions would terminate after the necessary seven months of support during FY2017 and be deleted in FY2018.

ALASKA WORKERS' COMPENSATION APPEALS COMMISSION

Number of Cases Filed and Published Decisions

<b>Calendar Year</b>	<b>Number of Cases Filed</b>	<b>Number of Published Decisions**</b>
2005*	9	0
2006	42	22
2007	49	42
2008	38	30
2009	33	31
2010	34	18
2011	21	13
2012	29	16
2013	26	17
2014	30	15
2015	31	15
<b>TOTALS</b>	<b>342</b>	<b>219</b>
<b>ANNUAL AVERAGES***</b>	<b>33</b>	<b>22</b>

\*The Commission was created by legislation that went into effect on November 7, 2005.

\*\*This number does not include non-published orders on motions for stay, motions to waive fees and costs, motions for extensions of time, orders to comply, and other procedural issues.

\*\*\*These averages do not include CY 2005.

ALASKA WORKERS' COMPENSATION APPEALS COMMISSION

Number of Decisions Appealed to the Alaska Supreme Court

<b>Calendar Year</b>	<b>Number of Orders and Decisions Appealed to Alaska Supreme Court**</b>
2005*	0
2006	6
2007	17
2008	14
2009	4
2010	9
2011	13
2012	14
2013	12
2014	12
2015	10
<b>TOTALS</b>	<b>111</b>
<b>ANNUAL AVERAGES***</b>	<b>11</b>

\*The Commission was created by legislation that went into effect on November 7, 2005.

\*\*This average does not include CY 2005.