

HB

126

<TARGET><BILL>HB 126</BILL><SUBJECT>HB
126</SUBJECT><COMM>HL&C30</COMM></TARGET>



ALASKA STATE LEGISLATURE

House Military & Veterans' Affairs Committee

REP. CHRIS TUCK

Chairman
State Capitol, Room 204
Juneau, AK 99801

Rep. Gabrielle LeDoux, Vice-Chair
Rep. Justin Parish
Rep. Ivy Spohnholz

Rep. Dan Saddler
Rep. Lora Reinbold
Rep. George Rauscher

MEMORANDUM

February 28, 2017

TO: Representative Sam Kito III
Chair, Labor & Commerce Committee

FROM: Rep. Chris Tuck
House Majority Leader

A handwritten signature in blue ink, appearing to be "C. Tuck", enclosed in a blue oval.

SUBJ: Hearing Request for House Bill 126

I respectfully request a hearing for House Bill 126: Organized Militia: Workers Compensation.

House Bill 126 would expand workers' compensation coverage to the organized militia while they are participating training exercises. Currently, Alaska statutes already provides workers' compensation coverage during active state service, but not during training. By expending this protection, we could potentially provide a fiscally significant coverage and save the state money in the future.

Included in the bill packet:

- House Bill 126 ver J
- Sponsor Statement
- Fiscal Notes
 - Dept. of Labor
 - Military & Veterans Affairs
 - Dept. of Administration, Risk Management
- Letter from Department of Military & Veteran Affairs, Adjutant General Laurie Hummel

If you have any questions please feel free to contact me or my staff Kendra Kloster at 465-3579.

Thank you for your consideration.



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House Bill 126

“An Act relating to workers’ compensation benefits for members of the organized militia.”

The Alaska State Legislature and Department of Military and Veterans’ Affairs have been working together to modernize the 1955 Alaska Military Code by providing statutory changes that will better serve our Alaska organized militia.

House Bill 126 would expand workers’ compensation coverage to the organized militia while they are participating training exercises. Currently, Alaska statutes already provides workers’ compensation coverage during active state service, but not during training. By expending this protection, we could potentially provide a fiscally significant coverage and save the state money in the future.

This issue came to light during an incident when a member of the Alaska State Defense Force suffered an injury during a training exercise that led to his inability to work. Since workers’ compensation was not available, this injury ultimately cost the state twice the amount of the entire annual budget of the Alaska State Defense Force. The Risk Management Division of the Alaska Department of Administration estimates there would be little to no additional cost to cover the Alaska State Defense Force members under existing state workers’ compensation policies.

As we face tight fiscal times, it is important that we are taking steps to ensure cost savings where we can and pass responsible legislation that will protect Alaskans.



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MEMORANDUM

February 28, 2017

TO: Representative Sam Kito III
Chair, Labor & Commerce Committee

FROM: Rep. Chris Tuck
House Majority Leader

SUBJ: Memo of Changes

The Military and Veterans Affairs Committee adopted one conforming amendment to section 1 to include members of the organized militia will be covered under workers compensation who suffers injury, disability and death. Under version D, we mistakenly left out "death" which is covered under title 26. Our intention was to make title 26 and title 23 conform and cover for all three circumstances under workers compensation.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 126(MLV)
Fiscal Note Number:	1
(H) Publish Date:	2/24/2017

Identifier: HB126-DOA-DRM-02-16-17
 Title: ORGANIZED MILITIA: WORKERS
 COMPENSATION
 Sponsor: MILITARY & VETERANS' AFFAIRS
 Requester: House Military & Veterans Affairs

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)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimated CAPITAL (FY2018) 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)465-5724
Division: Risk Management	Date: 02/16/2017 09:00 AM
Approved By: Sheldon Fisher, Commissioner	Date: 02/16/17
Agency: Administration	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION**Analysis**

This bill is intended to cover the organized militia under Department of Military and Veterans' Affairs during their training missions. Currently they are only covered when called out by the Governor for active state service.

The organized militia has approximately 76 members and DMVA anticipates 2 days a month for training as well as 4 days a year for exercises. This limited exposure should add very little, if any, additional risk to the division's workers' compensation self-insured program; therefore, Risk Management submits a zero fiscal note.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 126(MLV)
Fiscal Note Number:	2
(H) Publish Date:	2/24/2017

Identifier: HB126-DOLWD-WC-02-17-17
 Title: ORGANIZED MILITIA: WORKERS
 COMPENSATION
 Sponsor: MILITARY & VETERANS' AFFAIRS
 Requester: (H) MVA

Department: Department of Labor and Workforce Development
 Appropriation: Workers' Compensation
 Allocation: Workers' Compensation
 OMB Component Number: 344

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimated CAPITAL (FY2018) 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: Marie Marx, Director
 Division: Workers' Compensation
 Approved By: Heidi Drygas, Commissioner
 Agency: Department of Labor and Workforce Development

Phone: (907)465-6060
 Date: 02/17/2017 12:00 PM
 Date: 02/17/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This legislation adds a new section to the Alaska Workers' Compensation Act providing workers' compensation coverage to a member of the organized militia.

There is no action required by the department resulting from this legislation; therefore, there is no fiscal impact to the department anticipated.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 126(MLV)
Fiscal Note Number:	3
(H) Publish Date:	2/24/2017

Identifier: HB126-MVA-COM-2-16-17
 Title: ORGANIZED MILITIA: WORKERS
 COMPENSATION
 Sponsor: MILITARY & VETERANS' AFFAIRS
 Requester: (H) MVA

Department: Department of Military and Veterans' Affairs
 Appropriation: Military and Veterans' Affairs
 Allocation: Office of the Commissioner
 OMB Component Number: 414

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimated CAPITAL (FY2018) 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? N/A

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Brian P. Duffy	Phone:	(907)428-7210
Division:	Administrative Services	Date:	02/16/2017 04:00 PM
Approved By:	Laurel J. Hummel	Date:	02/16/17
Agency:	Office of the Commissioner		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

Passage of HB126 would neither increase required administrative actions and documentation following an injury to a member of Alaska's organized militia, nor would it have material effect on the Alaska Department of Military and Veterans' Affairs or the products and services we deliver; therefore, we are submitting a zero fiscal note.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Military and Veterans Affairs

Office of the Commissioner

P.O. Box 5800
JBER, AK 99505-0800
Main: 907.428.6003
Fax: 907.428.601

The Honorable Chris Tuck
Alaska State House of Representatives
State Capitol Room 204
Juneau AK, 99801

February 28, 2017

Dear Representative Tuck:

Thank you for introducing House Bill 126, which aims to correct a long-standing deficit in laws governing Alaska's organized militia.

Presently, all Members of the organized militia, including the Alaska National Guard (AKNG) and the Alaska State Defense Force (ASDF), are rightly afforded workers' compensation protection when ordered into active state service. Appropriately, AKNG Members are covered by the federal government during training exercises and also when traveling to or from such exercises. ASDF Members do not enjoy similar coverage when training or traveling to and from training, i.e., preparing themselves for the eventuality of being called into active state service. HB 126 would extend this protection to the ASDF, which would benefit not only the volunteer Members, but the State of Alaska as well.

The practical value to Alaska and Alaskans is readily apparent, but the potential financial benefit to the state is not merely conjectural. In a past incident, an ASDF Soldier injured in a training exercise had little recourse to recover expenses incurred due to the injury. In light of pending litigation, the state settled. If the ASDF volunteer had been covered by workers' compensation, the state would have incurred substantially less expense.

I'm sure you will hear separately from the Division of Risk Management within the Alaska Department of Administration to confirm our understanding that ASDF forces could be added to the state's existing workers' compensation policy for no additional cost. We can protect ASDF Soldiers and the State of Alaska for nothing more than a simple change in statute.

ASDF Soldiers are dedicated volunteers, contributing valuable skills to the benefit of their fellow Alaskans out of their own personal commitments to public service. The least we can do for them is to provide them with no-additional-cost workers' compensation coverage for the times when they are making themselves ready to perform in active state service.

Our department is happy to support this bill. We stand ready to assist you in securing its passage.

Sincerely,

A handwritten signature in cursive script, appearing to read "Laurie Hummel".

Laurie Hummel

The Adjutant General, Alaska National Guard

Commissioner, Alaska Department of Military and Veterans' Affairs