

FISCAL YEAR 2012

Employment Security Division  
**Resource Book**



*Alaska Department of Labor  
and Workforce Development*

Available online at [labor.alaska.gov/esd](http://labor.alaska.gov/esd)



This resource book covers fiscal year 2012, which ended June 30, 2012.

This report provides an overview of programs administered by the Employment Security Division and statistics and other information related to those programs.

## **A Note from the Director**

This report summarizes information about the many programs administered by the Employment Security Division and provides fiscal year 2012 and historical data related to the programs. I hope you find the information useful and informative.

The data contained in this report is the culmination of each employee's commitment to excellence in carrying out the functions of the division and his or her dedication to serving Alaskans. Their commitment and passion for getting Alaskans jobs and assisting them during temporary unemployment, as well as serving adults needing a high school diploma, is second to none. Every day, I witness actions of employees that reflect their commitment to excellence and the division's core values below:

- Integrity
- Teamwork
- Respect
- Customer Service
- Communication
- Excellence
- Training
- Creativity

The level of customer service provided by division staff is outstanding and something Alaskans can be proud of. Staff assist thousands of Alaskans each year in its 21 job centers across the state to gain employment and obtain skills needed for employment through training programs. Staff not only assist individuals, but also engage with Alaska employers to assist them with job recruitments and placements.

Unemployment Insurance (UI) staff process tens of thousands of unemployment insurance claims and assist Alaskans with questions about their unemployment insurance benefit claims. Staff ensure that benefits are paid timely to those who are temporarily unemployed while seeking employment. UI staff also collect unemployment insurance tax contributions which are deposited into the UI Trust Fund for payment of benefits. A portion of the tax contributions are statutorily designated for training programs to support workforce development in Alaska.

The successes of fiscal year 2012 are due to the hard work and dedication of the staff of the Employment Security Division. Staff are committed to providing the best customer service possible to Alaskans and employers. We welcome suggestions on how we can improve our service delivery.

Paul E. Dick  
Director  
Employment Security Division

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## **Fiscal Year 2012 in Retrospect**

Fiscal year 2012 was another record year for processing unemployment insurance (UI) claims. Claims increased from 162,439 in fiscal year 2011 to 190,076 in fiscal year 2012. The record volume of claims correlated to national statistics on high unemployment. The total amount of benefits (state and federal programs) disbursed to claimants in fiscal year 2012 was \$305.3 million.

Fiscal year 2012 was a challenging year for UI staff because of changes to the federal Emergency Unemployment Compensation (EUC) program. The most recent change, the sixth change to EUC since it was first enacted in 2008, added another layer of complexities to the program's four tier structure of benefits. Extensive computer programming was required to implement the changes. The total amount of EUC benefits paid in fiscal year 2012 was \$117.4 million.

Despite the record number of claims processed and complexities of implementing changes to the EUC program, the Alaska UI program remained one of the top states in the nation to issue timely first payment of UI benefits. Alaska was seventh in the nation for timely first payments.

Phase II of the Virtual Contact Center (VCC) was implemented this past year. The integration provides the ability to reword eligibility questions and broadcast messages to claimants regarding current activities relevant to unemployed job seekers. Additional features to system software will be implemented within the next year to include further integration of the current telephonic benefits system and screen population capability.

UI staff collaborated with the division's Employment and Training Services (E&TS) staff to successfully implement reemployment initiative requirements mandated in the most recent federal EUC legislation. Under this legislation, claimants are required to take more aggressive steps toward seeking employment and attend workshops and an in-person review of their work search log and online resumé.

In concert with federal initiatives to employ veterans, E&TS staff sharpened their focus on veteran employment in fiscal year 2012. Anchorage job center staff played a major role in coordinating the November 2011 annual Veterans Job Fair which tied into the U.S. Department of Labor's "Hiring our Heroes" national initiative. Over 135 employers and 2,000 job seekers participated in the event, doubling the number of employers and job seekers from the prior year. E&TS staff participated in the first ever Southeast Alaska "Stand Down". This event provided veterans information about employment services available through job centers as well as access to community services.

The E&TS staff continued to strengthen long-term employment among Alaska's workforce and economic stability for the state by providing vital employment and training resources and connections between employers and job seekers. Job centers hosted more than 27 job and career fairs and 365 recruitment events across the state. Apprenticeship Specialists in job centers worked with employers to develop a record 30 new registered apprenticeship programs in Alaska.

The Adult Basic Education (ABE) program continued to serve adults who need a high school diploma, have math and reading skills below the twelfth grade level, or need to study English as their second language. Through the ABE program, 1,580 General Educational Development (GED) diplomas were awarded in fiscal year 2012, which represented 16.5% of all high school diplomas awarded in that year.

## Overview

### Employment Security Division

The Employment Security Division (ESD) provides services to connect employers with a skilled workforce, keep workers in Alaska and sustain communities through the delivery of unemployment insurance.

### Programs Administered by the Employment Security Division

- Adult Basic Education
- Alaska Career Ready
- Alaska Youth First
- Benefit Payment Control
- Disability Employment Initiative
- Emergency Unemployment Compensation
- Employment Service
  - Employer Service
- Extended Benefits
- Fidelity Bonding
- Foreign Labor Certification
- Foster Youth
- General Educational Development
- Interstate Benefits Program
- Job Training
  - Workforce Investment Act
  - State Training and Employment Program
  - National Emergency Grant/On-the-Job Training
  - Pipeline Worker Training
- Mature Alaskans Seeking Skills Training
- Quality Control Program Benefit Accuracy Measurement
- Rapid Response
- Reemployment Services/Reemployment Eligibility and Assessment
- Trade Adjustment Assistance
- Unemployment Insurance Appeals
- Unemployment Insurance Claim Centers
- Unemployment Insurance Tax
- Veterans' Employment and Training Services
- Work Opportunity Tax Credit
- Work Services

## Key Contacts

**Paul Dick, Director**

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Grants and Program Support**

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**James Harvey, Assistant Director  
Job Center Operations**

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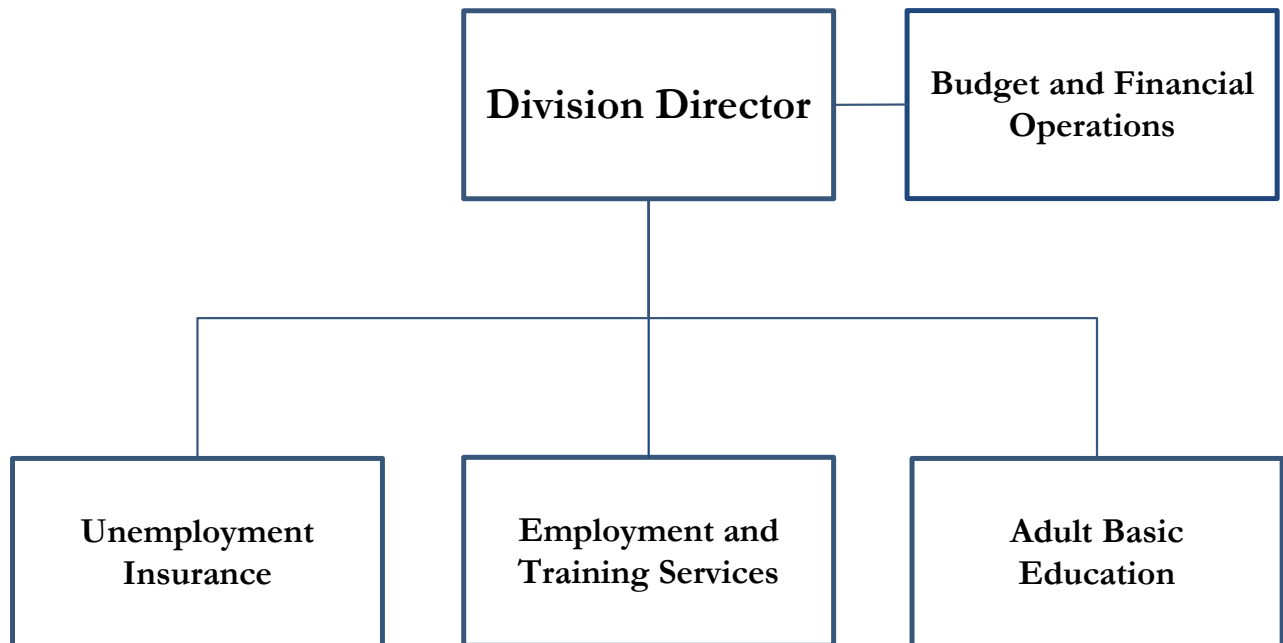
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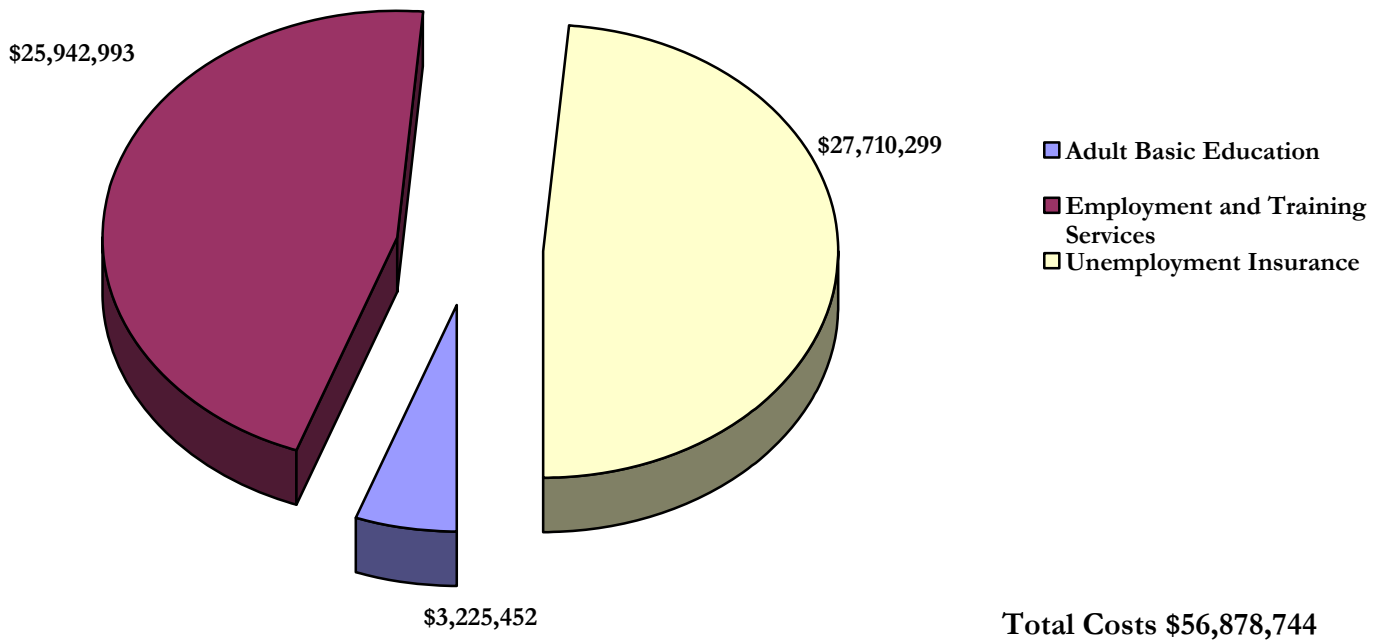
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## Employment Security Division Program Organization



## Employment Security Division Component Costs



## Overview

### **Budget and Financial Operations Unit**

The Budget and Financial Operations Unit is directed by an Administrative Operations Manager with a staff of eight supporting the Employment and Training Services, Unemployment Insurance, and Adult Basic Education components in the Employment Security Division. Staff prepare the division's annual operating budget, provide financial management, develop and maintain internal controls to ensure compliance to state and federal policies, act in an oversight capacity for personnel documents and serve as liaisons to other state agencies.

### **Programs Administered by the Budget and Financial Operations Unit**

- Budgetary Activities
- Office of Management and Budget Performance Missions and Measures
- Policies and Procedures
- Unemployment Insurance Trust Fund Accounting
- Procurement
- Financial Management
- Personnel Activities



## *Adult Basic Education*

## **Overview**

### **Adult Basic Education**

The Adult Basic Education (ABE) program serves adults who need a high school diploma, have math and reading skills below the twelfth grade level, or need to study English as a second language. The ABE program helps adults prepare for transition into the labor market or higher academic or vocational training. The desired outcome of all ABE program activities is that adult learners reach a higher level of self-sufficiency as an individual, community member, and employee.

### **Programs Administered by Adult Basic Education**

- Adult Basic Education
- General Educational Development Testing Services

## Retrospect

The Adult Basic Education (ABE) program continued to serve adults who need a high school diploma, have math and reading skills below the twelfth grade level, or need to study English as their second language.

Following are highlights of major accomplishments of the ABE program during fiscal year 2012:

- The ABE program admitted 6,223 students seeking educational assistance.
- Of those students, 2,918 (47%) studied in the programs for 12 or more hours.
- Of the 2,918 full-time students:
  - 1,871 (64%) tested as having reading and/or math skills at the 8<sup>th</sup> grade level or below.
  - 277 (10%) tested as having reading and/or math skills at the 9<sup>th</sup> to 12<sup>th</sup> grade level.
  - 770 (26%) tested on the Basic English Skills Test (BEST) and studied English as a Second Language.
- Of the 2,918 full-time students, 1,298 were post-tested and 50% of them showed educational gain.
- ABE awarded 1,580 General Educational Development (GED) diplomas. The Alaska Department of Education and Early Development reports that in school year 2011-2012, 7,987 high school diplomas were awarded. The 1,580 GED diplomas represent 16.5% of all diplomas awarded in that year.
- ABE staff began preparing for changes that GED Testing Service, the private company which owns the GED test, is making. Beginning in 2014, the tests will be given only on computers at sites designated by GED Testing Service.

## Organization Overview

Adult Basic Education (ABE) provides adult learners with instruction in the basic skills of reading, writing, mathematics, English as a Second Language (ESL), or General Educational Development (GED) preparation. The intent is to prepare adults for transition into the labor market or higher academic or vocational training.

GED testing is provided through official GED Testing Centers.

### Adult Basic Skills Instruction

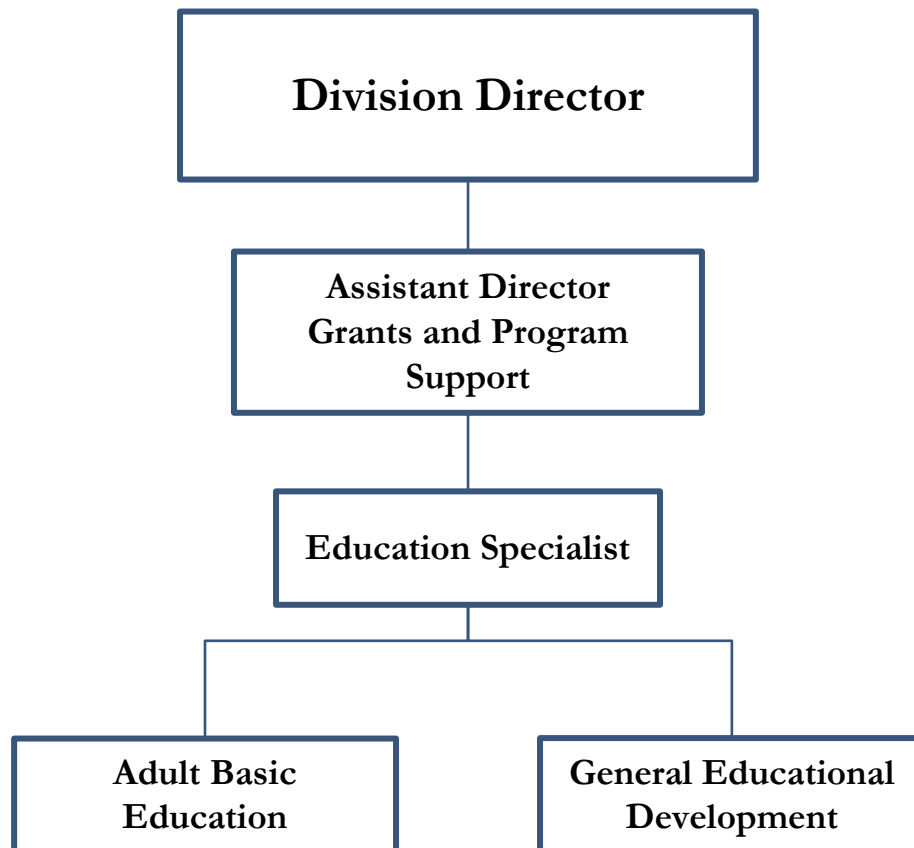
Regional grantees provide adult learners with instruction in reading, writing, mathematics, GED preparation, and English as a Second Language. Workplace literacy is taught and includes an emphasis on the basic skills necessary for employment. Focused math courses are available for learners wishing to enter apprenticeship programs. Instruction in English literacy and civics is offered for learners preparing for citizenship testing.

### General Educational Development

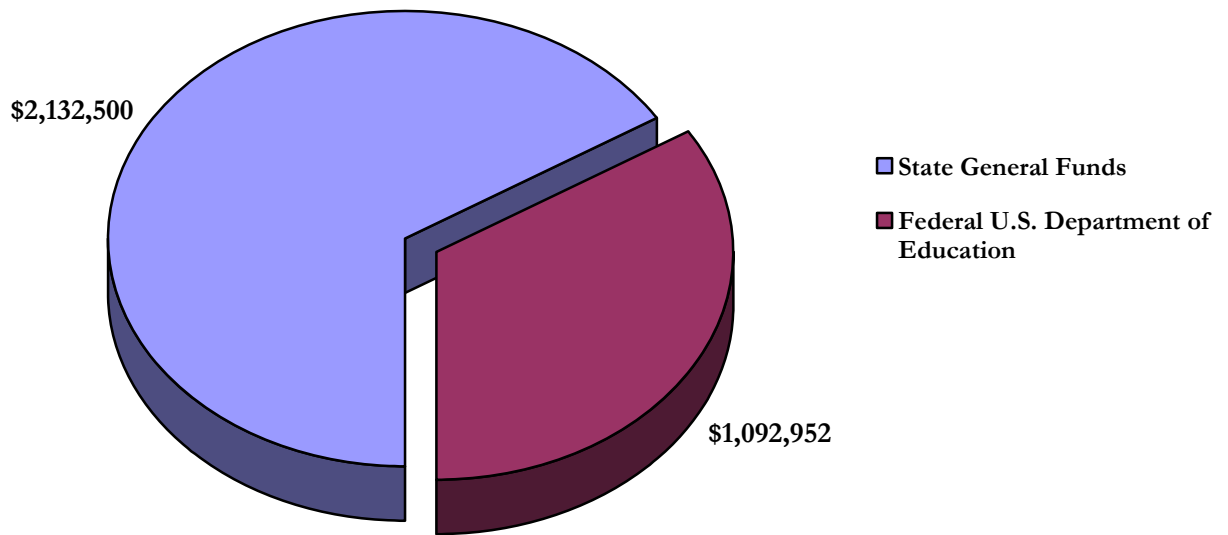
GED tests are taken by adults who have not graduated from high school and who wish to demonstrate a level of educational achievement sufficient to earn a high school credential. The tests measure achievement in subjects associated with a high school program of study: language arts-reading, language arts-writing, mathematics, science, and social studies. The tests are administered regularly at 18 official GED Testing Centers in Alaska, and at addendum sites associated with these testing centers.



## Adult Basic Education Functional Organization



## Adult Basic Education Component Costs



Total Costs \$3,225,452

## Adult Basic Education

### Description

The Adult Basic Education (ABE) program provides adult learners with:

- Instruction in the basic skills of reading, writing, and mathematics
- English as a Second Language (ESL)
- General Educational Development (GED) test preparation in order to prepare adults for transition into the labor market or higher academic or vocational training

ABE funds 13 regional ABE programs, four Volunteer Literacy programs, and one statewide English Literacy and Civics Education program. Collectively, these programs provide the following ABE services and activities:

- Instruction in the skills of reading, writing, and mathematics
- Workplace literacy instruction to prepare for employment
- Focused instruction in math skills to enter an apprenticeship program
- Instruction and practice testing in preparation to take GED tests
- Instruction of English literacy skills in preparation for citizenship testing

### ABE Grantees

<b>Regional ABE Programs</b>	<b>Grantee</b>
Aleutian-Pribilof	Nine Star Enterprises, Inc.
Anchorage	Nine Star Enterprises, Inc.
Barrow	Ilisagvik College
Bethel	University of Alaska Fairbanks (UAF) Kuskokwim Campus
Bristol Bay	UAF Bristol Bay Campus
Fairbanks	Adult Learning Program of Alaska
Kenai Peninsula	University of Alaska Anchorage (UAA) Kenai Peninsula College
Kodiak	UAA Kodiak College
Kotzebue	Northwest Arctic Borough School District
Nome	Kawerak, Inc.
Prince William Sound	UAA Prince William Sound
Southeast Alaska	Southeast Regional Resource Center
Statewide	Alaska Department of Corrections
<b>Volunteer Literacy Programs</b>	
Anchorage	Alaska Literacy Project
Fairbanks	Literacy Council of Alaska
Juneau	Southeast Regional Resource Center
Mat-Su	Human Resources Company, Inc.
<b>English Literacy/Civics Program</b>	
Statewide	Nine Star Enterprises, Inc.

Continued on next page

**Costs**

State General Funds	\$2,132,500
Federal U.S. Department of Education	<u>1,092,952</u>
<b>Total</b>	<b><u>\$3,225,452</u></b>

Staffing (full-time equivalent) 3.0

**FY 2012 Statistics**

ABE full-time students 2,918  
 GED diplomas awarded 1,580

<b>GED Testing Center</b>	<b>Graduates</b>
Anchorage	306
Alaska Military Youth	170
Aleutian/Pribilof	2
Barrow	18
Bethel	70
Bristol Bay	23
Department of Corrections	229
Fairbanks	180
Homer	26
Joint Base Elmendorf-Richardson (JBER)	22
Kodiak	16
Kotzebue	15
Mat-Su	201
Nome	36
Prince William Sound	12
Seward	13
Soldotna	106
Southeast	125
Out-of-state Alaskans	10
<b>Total</b>	<b>1,580</b>

*Employment and  
Training Services*

## Overview

### Employment and Training Services

Employment and Training Services (E&TS) promotes long-term employment to Alaska's workforce and economic stability to the state by providing employment and training services to employers and job seekers and facilitating connections between the two.

### Programs Administered by Employment and Training Services

- Alaska Career Ready
- Alaska Youth First
- Disability Employment Initiative
- Employment Service
  - Employer Service
- Fidelity Bonding
- Foreign Labor Certification
- Foster Youth
- Job Training
  - Workforce Investment Act
  - State Training and Employment Program
  - National Emergency Grant/On-the-Job Training
  - Pipeline Worker Training
- Mature Alaskans Seeking Skills Training
- Rapid Response
- Reemployment Services/Reemployment Eligibility and Assessment
- Trade Adjustment Assistance
- Veterans' Employment and Training Services
- Work Opportunity Tax Credit
- Work Services

## Retrospect

As in previous years, fiscal year 2012 was busy and challenging for Employment and Training Services (E&TS) or the component. The E&TS continues to strengthen long-term employment among Alaska's workforce and economic stability for the state by providing employment and training services to employers and job seekers and facilitating connections between the two.

Following are highlights of major accomplishments of E&TS during fiscal year 2012:

- Job centers hosted more than 27 job and career fairs across the state. Also, job centers hosted more than 365 recruitment events.
- The job centers annual Veterans Job Fair was elevated to a new level of excellence by tying into the US DOL's "Hiring our Heroes" national event. Over 135 employers and 2,000 job seekers participated in the event, doubling the number of employers and job seekers from the prior year.
- E&TS participated in the first ever Southeast Alaska "Stand Down". This event is designed to give veterans access to health care and information. In addition, the Veteran Affairs brought two semi-trucks of military surplus gear including cold weather and personal hygiene items.
- Individuals testing for the Alaska Career Ready program resulted in 3,452 WorkKeys assessments through job centers and 1,010 job seekers earning a National Career Readiness Certificate.
- Apprenticeship Specialists in job centers helped develop 30 new registered apprenticeship programs in Alaska.
- E&TS continues to streamline the Alaska Labor Exchange system (ALEXsys). This included enhancements such as identifying green occupations, the background wizard for ease in resume writing, and the workshop auto scheduler.
- The Disability Employment Initiative program is continuing opportunities for unemployed and Social Security recipients. The Fairbanks job center opened as an Employment Network site on April 10, 2012. The two Anchorage Job Centers will open as sites in fiscal year 2013.
- A Reemployment Services (RES) model of service delivery was established. The model consists of a RES orientation and career tracks that are accessible by all job seekers online via ALEXsys or from workshops in the job centers.
- Implemented an ALEXsys help desk virtual call center pilot project. The project will help alleviate job center staff time answering routine ALEXsys questions. There will be one full-time call center staff person located in Juneau and backup staff in the Employment and Training Technical Unit.
- The Mature Alaskans Seeking Skills Training (MASST) program exceeded the federal requirement of 25% of participants placed into unsubsidized employment. In fact, a majority (54.6%) of program participants were able to achieve unsubsidized employment. Of those placed into unsubsidized employment 68.1% were still employed in those jobs six months later.
- The Health Resources and Services Administration (HRSA) planning grant was completed on September 20, 2011. The grant award funded completion of the health care workforce development planning effort that began August 2009 to address the critical needs of health industry workers.

## Organization Overview

Employment and Training Services (E&TS) is composed of two units that provide administrative, programmatic, and service delivery functions as follows:

### Grants and Program Support

The Grants and Program Support unit is led by an Assistant Director and a team composed of an Education Specialist, Employment and Training Technical Unit Manager, and three Program Coordinators. The unit administers the following programs:

- Mature Alaskans Seeking Skills Training (MASST)
- Alaska Career Ready
- Disability Employment Initiative
- Fidelity Bonding
- Foreign Labor Certification
- Trade Adjustment Assistance
- Veterans' Employment and Training Services
- Work Opportunity Tax Credit programs

The unit also provides guidance and technical support for:

- Wagner-Peyser employment services
- Workforce Investment Act job training activities
- Work Services
- Proposed federal and state legislation, regulations, policies, and procedures impacting E&TS programs
- The Alaska Labor Exchange system (ALEXsys)
- Negotiating annual reimbursable services agreements for job training and Alaska Youth First programs
- Seeking new grant opportunities, preparing applications, and administering the implementation of new grants when they are awarded

### Job Center Operations

Working primarily under the One-Stop concept of the Workforce Investment Act (WIA), this unit of E&TS is composed of field staff stationed in 21 job centers throughout the state. Staff deliver one or more of the employment and training programs to Alaska job seekers and assist employers with meeting their needs for qualified personnel.

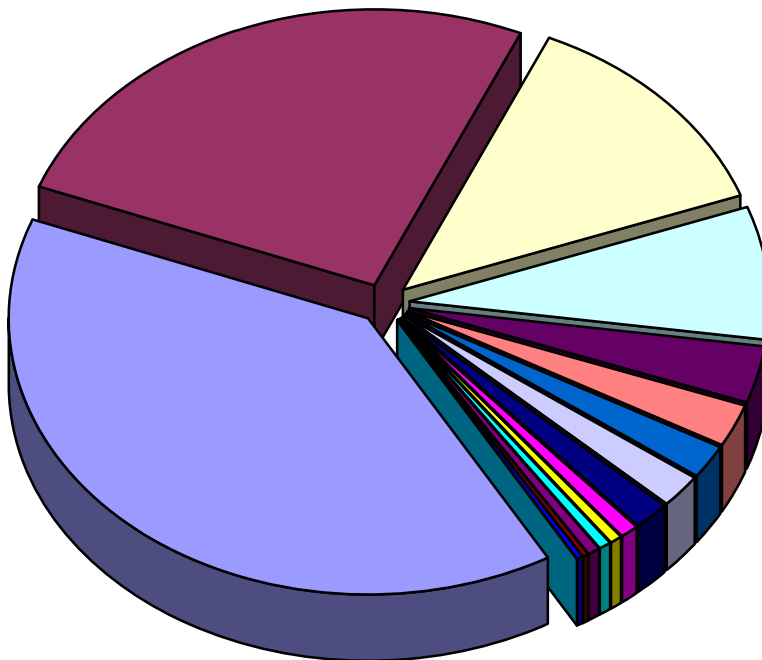
The major programs delivered through the job centers cover the core, intensive and training categories defined in the Workforce Investment Act and include Employment Services, Veteran Services, Job Training Services, Youth First, Mature Alaskans Seeking Skills Training (MASST), and Work Services. Additional E&TS programs may be accessed through referral or direct delivery as appropriate based upon need and eligibility. Job center staff ensures that Alaskans are connected with other partner agencies that provide assistance in various ways to help Alaskans meet their employment goals.



# Employment and Training Services Functional Organization



## Employment and Training Services Component Costs



- Employment Service - \$10,167,622
- Job Training - \$6,687,264
- Work Services - \$3,317,230
- MASST - \$2,050,305
- DEI - \$867,935
- Alaska Youth First - \$627,801
- MA & TRA - \$517,177
- VETS - \$496,484
- Other - \$394,583
- TAA - \$265,866
- Rapid Response - \$144,062
- Alaska Career Ready - \$134,755
- RES/REA - \$98,693
- WOTC - \$74,294
- FLC - \$52,298
- Foster Youth - \$44,664
- Fidelity Bonding - \$1,960

**Total Costs \$25,942,993**

**DEI:** Disability Employment Initiative  
**FLC:** Foreign Labor Certification  
**MA & TRA:** Management Administration and Trade Readjustment Assistance  
**MASST:** Mature Alaskans Seeking Skills Training  
**Other:** Not otherwise listed in this book such as General Funds, HRSA Planning Grant, MIS Help Desk Support and ARRA ALEXsys Green Project.  
**RES/REA:** Reemployment Services/Reemployment Eligibility and Assessment  
**TAA:** Trade Adjustment Assistance  
**VETS:** Veterans' Employment and Training Services  
**WOTC:** Work Opportunity Tax Credit

## Alaska Career Ready

### Description

The Alaska Career Ready (ACR) program allows adult job seekers and students to evaluate their readiness for work, college, and occupation training, and to improve basic skills valued by employers and educators. ACR is a partnership between the Alaska Department of Labor and Workforce Development and the Alaska Department of Education and Early Development.

ACR is composed of Career Ready 101/KeyTrain, WorkKeys®, the National Career Readiness Certificate, and Job Profiling. WorkKeys assessments and Career Ready 101 courseware are available to job seekers and employers at no cost to help assess skills critical to job success.

Profiling of occupations or curricula is available to employers to more closely match with skills assessments.

### Costs

Federal Wagner-Peyser	\$134,755
Staffing (full-time equivalent)	1.0

### FY 2012 Statistics

Career Ready 101/KeyTrain registrants	3,860
WorkKeys assessments	3,452
National Career Readiness Certificates	1,010
Employer profiles	8

## Alaska Youth First

### Description

The Alaska Youth First (AYF) program prepares Alaska's youth for entry into state designated priority occupations and industries such as health care, energy, and construction. Career guides in job centers establish working relationships with partner agencies and employers to promote career planning and development for youth. Career guides work to provide assistance and support to youth training academies around the state which prepare youth for the workforce, provide certification which enhances job opportunities, and often result in youth gaining apprenticeships, employment, or experience applicable towards their career pursuit. Career guides assist youth with increasing their employability skills by delivering training on workplace etiquette and communications, appropriate work behaviors, current labor market outlook, job searching, interviewing, and resume writing. A major component of the program is outreach to partner agencies to target the at-risk youth population (such as the Office of Children's Services, Alaska Military Youth Academy, juvenile detention centers, and homeless shelters).

### Costs

State General Funds\* \$627,801

\*Funds are secured through a Reimbursable Services Agreement with the DOLWD, Division of Business Partnerships.

Staffing (full-time equivalent) 6.25

### FY 2012 Statistics

Youth Served	9,654
Participated in Job Clubs (includes in-school and summer sessions)	365
Earned high-demand occupational certifications	183
Job Club/Construction Academy participants	68
Attained certifications in the construction industry	98
Attended healthcare academy courses	863
Attained certifications in the healthcare industry	85

## Disability Employment Initiative

### Description

The Disability Employment Initiative (DEI) is a three-year federal grant funded program that improves education, training, employment opportunities, and outcomes for individuals who are unemployed, underemployed and/or receiving Social Security disability benefits.

Social Security's Ticket-to-Work program supports career development for people with disabilities who want to work. The program offers beneficiaries with disabilities improved access to meaningful employment with the help of specialized coordinators. The Ticket program and Work Incentives allow beneficiaries to keep their benefits while exploring employment, receiving vocational rehabilitation, or gaining work experience.

The Juneau Job Center was identified as the pilot Employment Network (EN) site during FY11. The Fairbanks Job Center opened as an EN site on April 10, 2012. The two Anchorage Job Centers are scheduled to open as EN sites on October 30, 2012.

Continued planning in FY12 include:

- Train 45 Employment Security Division (ESD) staff for Disability Resource Coordinator I's, and 10 ESD staff for Disability Resource Coordinator II's
- Train an ESD staff person as a Community Work Incentive Coordinator
- Continued meetings with the Division of Vocational Rehabilitation (DVR) to solidify the "Partnership Plus" partnership

Partner agencies include the ESD, Alaska Workforce Investment Board (AWIB), Governor's Council on Disabilities & Special Education, and DVR.

### Costs

Federal DEI grant	\$867,935
Staffing (full-time equivalent)	9

### FY 2012 Statistics

Payments received from the Social Security Administration	\$1,672
Beneficiaries with ticket-to-work assigned to ESD	5
Number of beneficiary ticket-to-work holders currently employed	3

## Employment Service

### Description

The One-Stop delivery system collaborates with partners to create a seamless system of service delivery that will enhance access to the programs' services and improve long-term employment outcomes for individuals receiving assistance.

The Employment Service program is the foundation of the One-Stop delivery system in Alaska that provides universal access to labor exchange, employment services, and training services. The goal of universal access is the provision of services to workers, job seekers, and employers under one roof from easy-to-find locations. The delivery points for employment services are within the 21 job centers located throughout the state and on the internet at [www.jobs.alaska.gov](http://www.jobs.alaska.gov).

As part of the One-Stop service delivery system, the Employment Service provides a variety of employment-related labor exchange services, including job search assistance, job referral and placement assistance for job seekers, re-employment services to unemployment insurance claimants, and recruitment services to employers with job openings. Services are delivered in one of three modes including self-service, facilitated self-help services, and staff-assisted service delivery. Depending on the needs of the labor market, services may be available such as job seeker assessment of skill levels, abilities and aptitudes, career guidance when appropriate, job search workshops and referral to intensive and training services.

Services offered to employers, in addition to referral of job seekers to available job openings, include:

- Assistance in development of job order requirements
- Matching job seeker experience with job requirements, skills and other attributes
- Assisting employers with special recruitment needs
- Arranging for job fairs
- Helping employers analyze hard-to-fill job orders
- Helping employers deal with layoffs
- Establishing USDOL recognized apprenticeship programs

### Costs

Federal Wagner-Peyser*	\$6,755,255
UI Modernization	2,829,528
Training and Building	<u>582,839</u>
Total	<u>\$10,167,622</u>

\*Net of Alaska Career Ready and Fidelity Bonding

Staffing (full-time equivalent) 66.5

### FY 2012 Statistics

Online labor exchange visits (ALEXsys)	1,745,094
Job center visits	255,256
Job openings	52,903

See the Employment Services Activity (Appendix A) for detailed information

## Fidelity Bonding

### Description

The Fidelity Bonding program is an employer-hire incentive program that provides insurance protection. It enables at-risk job applicants, such as felons, to get and keep a job. Bonding provides an opportunity for employers to hire at-risk applicants without putting themselves at financial risk.

The Department of Labor and Workforce Development secures bonds from the Travelers Property Casualty Insurance company as needed. Bonds are issued to employers that agree to hire at-risk applicants.

### Costs

Federal Wagner-Peyser

\$1,960

### FY 2012 Statistics

Bond Category	Employers
\$5,000	17
\$10,000	0
\$15,000	1
\$20,000	0
\$25,000	0
<b>Total</b>	<b>18</b>

## Foreign Labor Certification

### Description

The Foreign Labor Certification (FLC) program ensures that the admission of foreign workers into the United States will not adversely affect the job opportunities, wages, or working conditions of United States workers.

FLC allows employers to apply for permission to hire foreign nationals to work in Alaska, in positions that cannot otherwise be filled by U.S. workers. The Employment Security Division facilitates a portion of the application process for two visa categories:

- H-2A (Temporary Agricultural)
- H-2B (Temporary Non-Agricultural)

### Costs

Federal USDOL grant	\$52,298
Staffing (full-time equivalent)	.75

### FY 2012 Statistics

Type of Foreign Labor Certification application	Applications submitted for Foreign Labor Certification*	Total Positions
H-2B Seafood industry	47	356
H-2B Non-seafood industry	11	109
H-2A Temporary agricultural	1	22

\*An application for certification can be for 1 or more positions.



## Foster Youth

### Description

The Foster Youth program assists youth transitioning out of foster care with career awareness and resources that lead to career opportunities. Career awareness resources include work experience, on-the-job training, registered apprenticeship, and career fairs.

Foster Youth receive services which include:

- Career Guidance
- Assessment
- Employability Skills
- Job Search Assistance

### Costs

State General Funding\* \$44,664

\*Funds are secured through a Reimbursable Services Agreement with the Department of Health and Social Services, Office of Children's Services.

Staffing (full-time equivalent) .5

### FY 2012 Statistics

Foster youth who received services	16
Outreach events provided to promote availability of career guides and services available	28

## Job Training

### Description

Career Support and Training Services (CSTS) case managers, located in job centers, work with participants and employment service partners to develop individual training accounts, resulting in sustainable employment. CSTS uses various funds to cover training costs. Necessary supportive service expenses may also be funded. To make use of all available funding, the trainee may be concurrently enrolled in other programs for which the trainee qualifies. Post-training job placement and follow up assistance is also provided.

Job training programs funded through:

- Workforce Investment Act (WIA)
- State Training Employment Program (STEP)
- National Emergency Grant/On-the-Job Training (NEG/OJT)
- Pipeline Worker Training (PWT)

These programs support vocational training, on-the-job training, and apprenticeship-related instruction to help Alaskans qualify and obtain high-demand jobs that lead to economic self-sufficiency. Training services are available to youth, adults, and dislocated workers through Alaska job centers and selected training providers and partners across the state.

Funding assistance for training services is primarily available through WIA and STEP.

### Costs

Federal Workforce Investment Act

Base Grant

\$4,483,044

National Emergency Grant/On-the-Job Training\*

80,954

#### **Total WIA**

**\$4,563,998**

State General Funds, State Training Employment Program (STEP)

1,908,978

State General Funds, Pipeline Worker Training\*

209,641

State General Funds, Film Training

4,647

#### **Total**

**\$6,687,264**

Funds are secured through Reimbursable Services Agreements with the DOLWD, Division of Business Partnerships.

\*Funding ended in fiscal year 2012

Continued on next page

## FY 2012 Statistics

Programs	Participants	Exits	Staffing FTE*
WIA Adult	574	234	22.0
WIA Dislocated Worker	310	151	12.0
WIA Youth	96	54	1.0
STEP	693	397	6.25
WIA NEG/OJT	13	6	2.0
PWT	73	72	0.55
<b>Total</b>	<b>1,759</b>	<b>914</b>	<b>43.80</b>

\*Full-time equivalent

### Mining Training – Kensington and Greens Creek (Juneau)

In fiscal year 2012, of the 10 participants who received training seven were hired, two are in the interview process and one is not employed in the industry or in the interview process. Trainees are from Southeast communities including Craig, Gustavus, Haines, Hoonah, Juneau, Kake, Ketchikan, Klawock, Petersburg, Sitka, and Wrangell.

### Registered Apprenticeship

Apprenticeship specialists developed 30 new registered apprenticeship programs.

Able Seaman	1	Office Machine Servicer	1
Automobile Mechanic	1	Office Manager/Administrative Service	1
Automobile Technician	1	Parts Technician	2
Building Energy Retrofit Technician	1	Plumber	5
Carpenter	1	Residential Carpenter	2
Construction Craft Laborer	1	Roofer	1
Construction Equipment Mechanic	1	Service Technician	1
Electrician	2	Shellfish Hatchery Worker	1
Electronic Systems Technician	1	Small Engine Mechanic	1
HVAC Technician	1	Telecommunication Technician	1
Medical Assistant	2	Veterinary Technician	1
		<b>Total</b>	<b>30</b>

## Mature Alaskans Seeking Skills Training

### Description

Department of Labor's Community Service Employment Program for Older Americans, also known as the Senior Community Service Employment Program (SCSEP) is known in Alaska as Mature Alaskans Seeking Skills Training (MASST), is authorized by Title V of the Older Americans Act. The program is operated through Alaska's 21 one-stop job centers and its sub-recipients' organizations. The program serves the neediest unemployed older Americans who are low-income, not work ready with barriers to employment. MASST representatives work with host agencies to develop community service employment assignments that provide participants with on-the-job training and skills development that participants need to pursue local employment opportunities.

MASST strategies include identifying competencies that workers must have to do their jobs effectively, helping workers build specific skills, and assessing their work to ensure that they have the capacity to perform duties or tasks competently. Many of the participants' former work skills are transferable; however, most participants need computer training to be able to apply for work and transition into today's workforce. The types of employment that MASST participants are training in and accepting are: office and administrative support, food preparation and service, retail, sales, custodial, transportation, community and social services, and healthcare.

### Costs

Federal USDOL, Senior Community Service Employment Program	\$1,715,696
State Matching funds	
State Training Employment Program (STEP)	283,709
General Funds (GF)	<u>50,900</u>
<b>Total</b>	<b><u>\$2,050,305</u></b>

Staffing (full-time equivalent)	3.0
---------------------------------	-----

### FY 2012 Statistics

Quarterly average earnings made	\$8,880
Older workers assisted	281
Employment retention	68.1%
Participants exited into unsubsidized jobs	54.6%

## Rapid Response (Layoff Services)

### Description

Rapid Response layoff services provide proactive customized strategies, support, and assistance to businesses, communities, families, and laid-off workers to minimize the impact of job loss and business closure. Rapid Response works with employers to identify resources that can help avert a potential layoff. If layoffs are imminent, Rapid Response helps transition existing workers into new employment prior to a layoff occurring.

Rapid Response services include providing:

- Information on filing for unemployment insurance
- Employment services such as resumé writing, interviewing techniques, labor market information, and job searching tips and resources
- Information on job training opportunities
- Employment counseling
- Information and access to federal, state, and local programs and funds
- Access to employment, training, and other job search and support services
- Connections to support services such as financial management, health insurance, housing, and childcare
- Trade Adjustment assistance as applicable

### Costs

Federal USDOL Workforce Investment Act\* \$144,062  
(Dislocated Worker sub-allocation)

\*Funds are secured through a Reimbursable Services Agreement with the DOLWD, Division of Business Partnerships.

Staffing (full-time equivalent) 2.0

### FY 2012 Statistics

Businesses engaged 54

Workers affected 1,202

Top ten Rapid Response events	Location	Workers Affected
Chil's	Anchorage/Wasilla/Fairbanks	157
Hostess/Wonder	Wasilla	94
Alaskan and Proud Supermarket	Juneau	85
Federal Aviation Administration	Statewide	80
Lowe's	Kenai	79
Anchorage School District	Anchorage	60
Maniilaq Association	Nome/Kotzebue	54
Air Force	Statewide	50
Marathon Oil	Kenai	50
PenAir	Anchorage/Dillingham/Bristol Bay villages	50
<b>Total</b>		<b>1,202</b>

## Reemployment Services (RES)/Reemployment Eligibility and Assessment (REA)

### Description

Federal legislation enacted in February 2012 led to significant changes to the employment security system and to unemployment insurance claimants. The legislation, called the Middle Class Tax Relief and Job Creation Act of 2012, extended the deadline for federally-funded Emergency Unemployment Compensation (EUC) through December 2012 and set forth new requirements for State Workforce Agencies and EUC claimants. Since March 23, 2012, claimants filing for EUC have been required to document weekly work searches for continued unemployment insurance benefits eligibility. Claimants are also required to participate in reemployment services at an Alaska job center.

Required reemployment services:

- Receive labor market information
- An orientation of the online and in-person reemployment services available to them
- A work skills assessment
- An in-person review by Employment Security staff of the claimant's work search log and resume

All 21 job centers ensure that claimants can schedule themselves for an EUC-required workshop via ALEXsys for in-person review of their work search logs and resumés. Reports from statewide job center staff are encouraging as the requirement resulted in increased claimant awareness and usage of Alaska job center employment and training resources

### Costs

Federal EUC RES/REA grant \$98,693

Staffing (full-time equivalent) 1  
(Job center staff are funded under RES/REA when facilitating EUC workshops)

### FY 2012 Statistics

Selected participants for RES/REA	3,822
Claimants that completed RES/REA	810
Number of workshops	1,226

## Trade Adjustment Assistance

### Description

The Trade Adjustment Assistance (TAA) program assists workers who were laid off because of foreign competition or outsourcing return to employment. Workers who are eligible for TAA benefits in Alaska primarily worked in petroleum, timber, or fishing industries.

TAA benefits include:

- Employment services
- Career development
- Case management
- Relocation assistance
- Trade readjustment assistance
- Occupational training

### Costs

Federal Case Management and Training	\$214,125
Federal Administrative	<u>51,741</u>
<b>Total</b>	<b><u>\$265,866</u></b>

Staffing (full-time equivalent)	1.0
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### FY 2012 Statistics

Six-month average earnings rate, first full quarter after exit from the program	\$19,009
Employment retention rate, first full quarter after exit from the program	100%
Entered employment rate	63%
Active participants	48
Individuals in training	28

## Veterans' Employment and Training Services

### Description

The Employment Security Division provides priority of service to veterans and promotes veteran hire to employers throughout Alaska. Priority of service means that veterans and eligible spouses are given priority over all other job seekers to secure employment and training services at Alaska job centers.

Veterans' staff consist of Local Veterans' Employment Representatives (LVER) and Disabled Veterans' Outreach Program (DVOP) specialists. LVER staff provide employer outreach and job development services to veterans. DVOP staff provide case management to veterans with employment and training needs.

Outreach activities include:

- Identifying veterans in need of employment assistance
- Providing in-service training, job preparation and orientation
- Providing intensive counseling, referrals, and follow-up services
- Developing job placements
- Compiling and disseminating outreach information
- Annual Veterans' job fair

The Veterans Retraining Assistance Program (VRAP) is targeted at unemployed veterans between the ages of 35-60. Eligible veterans can receive up to 12 months of training assistance from the Veterans Administration that leads to an Associate's degree, non-college degree or a certificate in a high-demand field.

Veterans Representatives relinquished facilitation of Transition Assistance Program (TAP) workshops to a contractor, as will be done in most states effective January 1, 2013. Veterans Representatives continue to present information about job center employment services at the workshops assisting service members and their spouses transition to civilian life.

In 2012, the Alaska Legislature enacted legislation (Senate Bill 23) that provides a state corporate income tax credit for an employer hiring a veteran. If an employer employs a veteran, a credit of up to \$3,000 may be available.

Federal tax credits are available for employers. See the Work Opportunity Tax Credit section of this report on page 36.

### Costs

Federal USDOL grants

DVOP	\$311,507
LVER	168,055
TAP	<u>16,922</u>
<b>Total</b>	<b><u>\$496,484</u></b>

Staffing (full-time equivalent)

5.0

Continued on next page



**FY 2012 Statistics**

Veterans Registered in ALEXsys	16,027
Received job search support/planning assistance	6,175
Received re-employment services	1,417
Received resumé assistance	960
Attended first Southeast AK “Stand Down”	800*

\*Approximate

## Work Opportunity Tax Credit

### Description

The Work Opportunity Tax Credit (WOTC) program provides employers with a federal tax credit as an incentive to hire at-risk job seekers who experience difficulty finding employment and have a high unemployment rate.

On November 21, 2011, President Obama signed into law the Vow to Hire Heroes (Act) of 2011. The Act amends and expands the definition of WOTC's veteran target group by:

- Extending veterans receiving Supplemental Nutrition Assistance Program benefits
- Extending the current target group for veterans with a service-connected disability
- Extending the current target group for veterans with a service-connected disability unemployed for at least 6 months
- Establishing two new target groups for unemployed veterans
- Qualified "tax-exempt" organizations can now participate by hiring qualified veterans and now are eligible to claim the WOTC

The changes and new provisions apply to individuals who began to work for an employer from November 22, 2011 through December 31, 2012.

In 2012, the Alaska Legislature enacted legislation that provides a state tax credit for an employer hiring a veteran. For more information on this credit see page 34.

### Costs

Federal USDOL grant	\$74,294
Staffing (full-time equivalent)	.5

### FY 2012 Statistics

Certifications issued to employers	1,275
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## Work Services

### Description

The Work Services program provides specialized case management and job counseling services to Alaska Temporary Assistance Program (ATAP) recipients and food stamp clients to obtain employment and end reliance on benefits.

Specialized services include:

- Case management
- Employability assessment and testing
- Job search assistance, job development, job referral, and job placement
- Work experience activities
- Supportive services

### Costs

Federal Temporary Assistance for Needy Families (TANF)	
Block grant allocation*	\$3,162,915
Food Stamps	141,142
STEP Match	<u>13,173</u>
Total	<u>\$3,317,230</u>

\*Funds are secured through a Reimbursable Services Agreement with the Alaska Department of Health and Social Services, Division of Public Assistance.

Staffing (full-time equivalent) 31.0

### FY 2012 Statistics

Individuals assisted under case management	1,679
Individuals assisted under job development	171

## Appendix A

### Employment Services Activity

	Job Center Visits	Veterans Visits to the Job Center	Active ALEXsys Registrations	Job Openings	Job Orders
Anchorage					
Midtown <sup>1</sup>	57,867	3,313	29,440	17,321	12,881
Muldoon	35,571	2,311	16,508	4,544	3,667
<b>Anchorage Total</b>	<b>93,438</b>	<b>5,624</b>	<b>45,948</b>	<b>21,865</b>	<b>16,548</b>
Fairbanks	28,796	2,907	19,059	6,184	3,583
Mat-Su (Wasilla)	27,990	2,555	20,636	2,176	1,327
Kenai	20,534	914	9,991	3,990	2,257
Eagle River	15,682	924	4,711	244	153
Juneau	10,100	681	8,671	3,184	2,463
Bethel	9,854	303	4,547	1,749	1,305
Kodiak	9,325	349	4,660	1,778	717
Homer	7,786	311	3,337	1,092	855
Ketchikan	7,397	425	5,582	1,575	1,159
Nome	4,085	148	1,978	815	727
Seward	3,849	159	1,764	1,089	571
Valdez	3,632	140	1,430	1,156	735
Kotzebue	3,205	72	1,285	661	577
Sitka	2,784	175	2,044	606	483
Dillingham	2,379	127	1,470	2,491	656
Barrow	1,587	65	1,078	1,713	1,604
Tok	1,574	64	768	158	85
Glennallen	1,259	84	819	377	217
<b>Statewide Totals</b>	<b>255,256</b>	<b>16,027</b>	<b>139,778</b>	<b>52,903</b>	<b>36,022</b>
<b>Number of online visits to ALEXsys</b>		<b>1,745,094</b>			
<b>Average visits per day</b>		<b>4,768</b>			

Source: Alaska Department of Labor and Workforce Development, Employment Security, ALEXsys  
Prepared 9/20/12

<sup>1</sup> Data for Youth Job Center included

## Appendix B

### Alaska Job Centers

**Anchorage Midtown**

3301 Eagle Street  
Kim Harness, Manager

**Anchorage Muldoon**

1251 Muldoon Road  
Terry Weight, Manager

**Anchorage Youth**

2650 E. Northern Lights Blvd., Relocatable #3  
Terry Weight, Manager

**Barrow**

1078 Kiogak Street  
Cindy Shults, Manager

**Bethel**

460 Ridgecrest Drive, Suite 112  
Barbara Cowboy, Manager

**Bristol Bay (Dillingham)**

503 Wood River Road  
Pat Owens, Manager

**Eagle River**

11723 Old Glenn Hwy, Space B-4  
Terry Weight, Manager

**Fairbanks**

675 Seventh Avenue, Station D  
Willie Young, Manager

**Glennallen**

Mile 186.5 Glenn Highway  
Theresa Absher, Manager

**Homer**

3670 Lake Street, Suite 300  
Lisa Croft, Manager

**Juneau**

10002 Glacier Hwy, Suite 100  
Michael Hutcherson, Manager

**Ketchikan**

2030 Sea Level Drive, Suite 220  
Noni Tostenrude, Manager

**Kodiak**

309 Center Street  
Alma Canete-Hall, Manager

**Kotzebue**

333 Shore Avenue  
Darla Brown, Manager

**Mat-Su (Wasilla)**

877 Commercial Drive  
Tamika Ledbetter, Manager

**Nome**

214 Front Street, Suite 130  
Vickie Erickson, Manager

**Peninsula (Kenai)**

11312 Kenai Spur Hwy, Suite 2  
Diana Spann, Manager

**Seward**

809 2<sup>nd</sup> Avenue  
Norman Casagrande, Manager

**Sitka**

304 Lake Street, Room 101  
David Reid, Manager

**Tok**

State Office Building  
Peg Kozlowski, Manager

**Valdez**

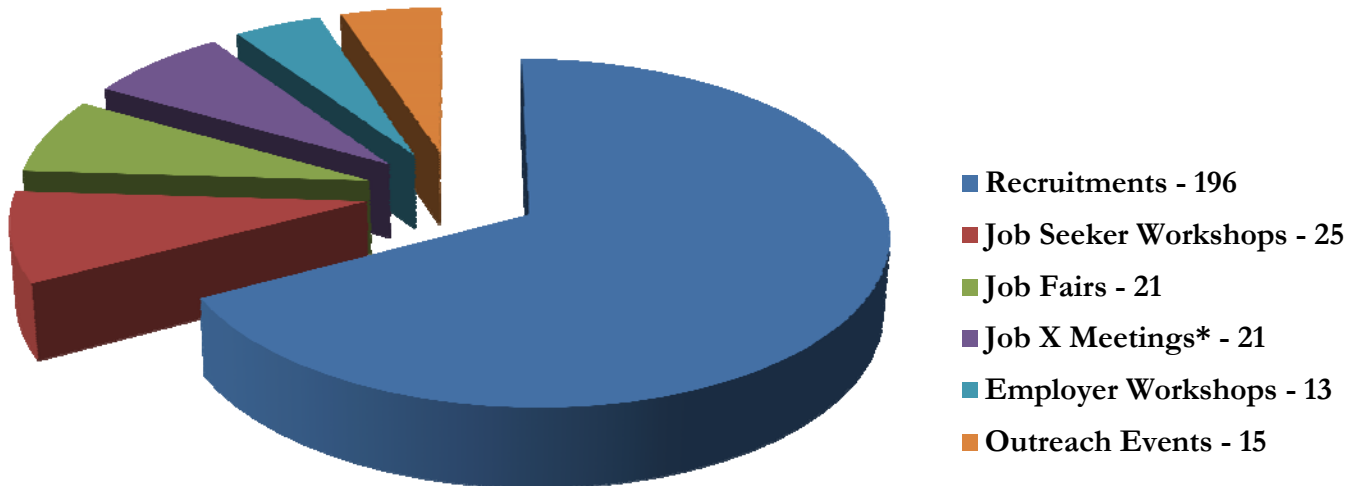
State Office Building  
Twila Beck, Manager

## Appendix C

### One-Stop Operator Report Alaska Job Center Network

<b>Career Support and Training Participants</b>		
<b>Workforce Investment Act</b>	<b>Adult</b>	<b>Dislocated Worker</b>
Program Participants	574	310
In the First Quarter after Exit, Percentage of Program Exiters who:		
Entered Employment	83.9%	78.2%
Received a Credential and Entered Employment	66.0%	56.7%
Retained Employment for Another Six Months	74.8%	84.2%
Six-month Average Earnings of those who Retained Employment	\$17,734	\$21,636
<b>Labor Exchange Program</b>		
Job seeker Visits to the Job Center Resource Room		222,256
Active Registered Participants		136,752
Job Openings Received from Employers		52,903
Participants who Retained Employment at Six Months		77%
Participants who Entered Employment		50%
Veterans and Transitional Service Member Participants		16,027
Youth Participants		2,969
<b>State Training and Employment Program</b>		
Participants		693
<b>Pipeline Training</b>		
Participants		73

Source: Alaska Job Center Performance Data, DOLWD

**Appendix D****Anchorage Business Connection Events**

\*Job X is a partnership of state and federal agencies and non-profits to advance employment opportunities for job seekers in Anchorage.

## *Unemployment Insurance*



## Overview

### Unemployment Insurance

The Alaska unemployment insurance (UI) program provides compensation for insured workers who are unemployed through no fault of their own and are actively seeking reemployment. Federal contingency funding for administration of the program consists of administrative funds returned to states through a system largely dependent on workload.

To pay benefits, the UI program assesses and collects employer and employee taxes. These taxes are deposited into the UI Trust Fund. The program provides a convenient and efficient means for clients to apply for UI benefits as partial income replacement during periods of unemployment and protects the UI Trust Fund by preventing and recovering UI benefit overpayments.

### Types of UI Benefits

**Regular UI** – State weekly benefits paid to individuals who have worked in covered employment, earned enough wage credits to qualify and have met weekly eligibility. The weekly benefit amount is based on four calendar quarters. Duration of benefits can range from 16-26 weeks, depending on how wages are disbursed throughout the quarters.

**Emergency Unemployment Compensation (EUC)** – EUC is a 100% federally funded program that provides additional benefits to individuals who have exhausted regular state benefits. The EUC program was enacted June 2008 and has been modified eleven times since. The most recent modification was enacted in January 2013 through the American Taxpayer Relief Act which extended EUC benefits through 2013.

**The following tiers of EUC are currently in effect through December 2013:**

EUC Tier	March-May 2012	June-August 2012	September 2012-December 2013
I	20 weeks all states	20 weeks all states	14 weeks all states
II	14 weeks all states	14 weeks in 6% TUR or higher states	14 weeks in 6% TUR or higher states
III	13 weeks in 6% TUR or higher states	13 weeks in 7% TUR or higher states	9 weeks in 7% TUR or higher states
IV*	6 weeks in 8.5% TUR or higher	6 weeks in 9% TUR or higher states	10 weeks in 9% TUR or higher states

\* Alaska has not been on Tier IV since May 2012

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**State Extended Benefits (EB)** – A state and federal shared program that pays additional benefits when individuals have exhausted all their regular UI and EUC benefits. Alaska triggers on to these additional benefits during periods of high unemployment. The trigger is based on the Insured Unemployment Rate (TUR) reaching 6% or higher. Once triggered, the state is federally mandated to pay at least 13 weeks of benefits. Alaska triggered off EB May 12, 2012; however, historically EB triggers on in the winter when the seasonally adjusted unemployment rate is higher. EB pays up to 13 weeks of benefits (50% of regular UI duration).

**High Unemployment Period (HUP)** – HUP increases EB benefit payments by 80% (up to 7 additional weeks) based on the Total Unemployment Rate (TUR) reaching 8% or higher. HUP benefits were not in place in FY12.

See Appendix H for information on benefit amounts paid during FY12.

## Retrospect

Alaska experienced a record number of claims filed last year. As a result, total disbursement of UI benefits (state and federal programs) was in excess of \$305 million. While the workload generated from paying unemployment insurance claims on multiple state and federal extensions has been difficult to administer, the Alaska UI program remains one of the top states in the nation to issue timely first payments of UI benefits. High workload is expected through calendar year 2012 and into 2013.

The following statistics represent payment of UI benefits for FY12:

- Unemployment insurance benefits in excess of \$305 million were paid to 56,155 insured workers.
- The average weekly benefit amount paid was \$242.
- 97% of biweekly claims were filed telephonically or online.
- A total of 319,146 calls were answered in the three claim centers.

Phase II of the Virtual Contact Center (VCC) was implemented this past year. The integration provides UI the ability to reword eligibility questions and broadcast messages to claimants regarding current activities relevant to unemployed job seekers. Additional features to system software will begin within the next year to include further integration of the current telephonic benefits system and screen population capability. Screen population will provide staff with basic information on the claimant before a connection or interaction begins. Software upgrades to VCC 4.0 will be completed early spring 2013, improving the ability to manage the virtual environment. The department is the lead agency in adopting this new technology, which is currently being shared with the Permanent Fund Dividend and Retirement and Benefits divisions.

Benefit Payment Control (BPC) collected \$3.74 million in overpaid benefits, \$1.5 million in fraudulent benefit overpayments, and \$308,314 in fraud penalties.

## Organization Overview

The unemployment insurance (UI) program consists of eight units:

- Technical
- Support
- Data Processing Liaison
- UI Tax
- Quality Control
- Claim Centers
- Benefit Payment Control
- Appeals

Offices are located in Juneau, Anchorage, Fairbanks, Kenai, and Wasilla

### Technical

The Technical Unit provides support to the UI program in areas of federal and state compliance, planning, analysis, training, service delivery, corrective action and evaluation of program improvements. The unit supports the development and implementation of claim center staff training as well as developing and updating all UI program resource materials. Staffing is 16 permanent positions.

### Support

The Support Unit provides support service functions to ensure prompt and proper payment of UI benefits and works with the claim centers to pay special claims using federal and out-of-state wages. The unit also maintains UI wage records and other confidential claim documents and ensures prompt and accurate review of wage and benefit eligibility issues, billing of participating employers, as well as billing and reimbursement of participating states. Staffing is 10 permanent positions.

### Data Processing Liaison (DPL)

DPL supports computer systems that are critical to UI business services. The unit performs analysis and testing of computer processes. DPL works directly with the department's Data Processing unit and other units in the UI program to implement computer changes and updates to ensure department standards in design and functionality. Staffing is 10 permanent positions.

### UI Tax

UI Tax collects UI taxes and provides assistance and information to employers concerning the UI program. Taxes finance the UI Trust Fund from which benefits are paid to Alaska workers during periods of unemployment. Staffing is 35 permanent positions.

### Quality Control

Quality Control measures the accuracy of UI claims and identifies opportunities for improvements in the UI program. Audits based on weekly random selection of claims are conducted to determine whether benefits were properly paid or denied. Statistics from these audits are entered into a USDOL database and used to measure how states are administering their UI programs. Staffing is 9 permanent positions.

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**UI Claim Centers**

UI Claim Centers obtain eligibility information by telephone and internet to establish new and continuing benefit claims. Staff investigates issues and conduct fact-finding to make a formal determination on eligibility for benefits. Issues that arise may include separation from last work, deductible income received and ability to accept full-time work while collecting benefits. Claim centers are located in Anchorage, Juneau and Fairbanks. Staffing is 122 permanent and 26 non-permanent positions.

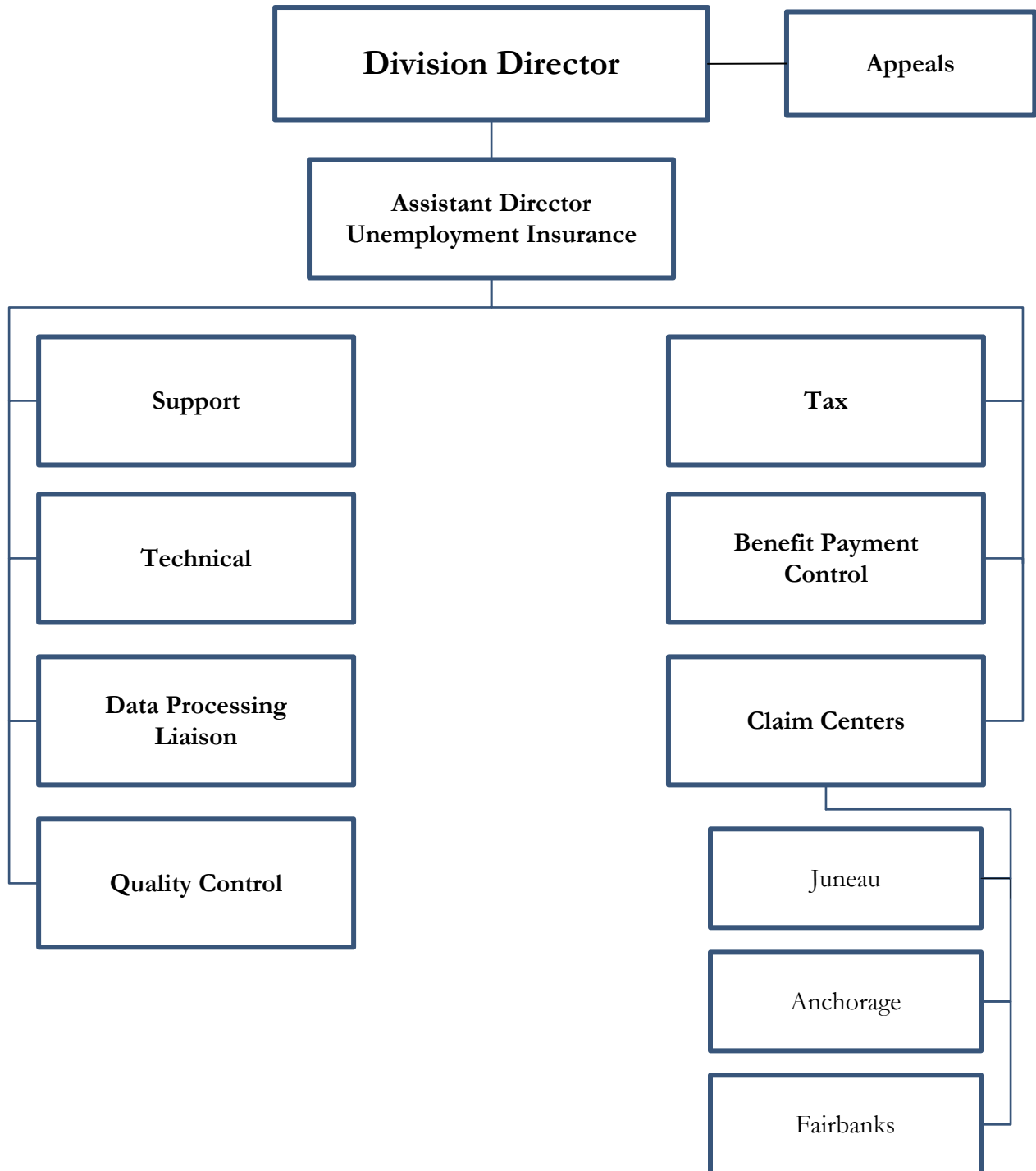
**Benefit Payment Control (BPC)**

BPC protects the Unemployment Insurance Trust Fund by preventing, discouraging, detecting, investigating, and recovering unemployment insurance benefit overpayments. BPC consists of two sections: Fraud Investigations and Audit and Recovery. Staffing is 17 permanent positions.

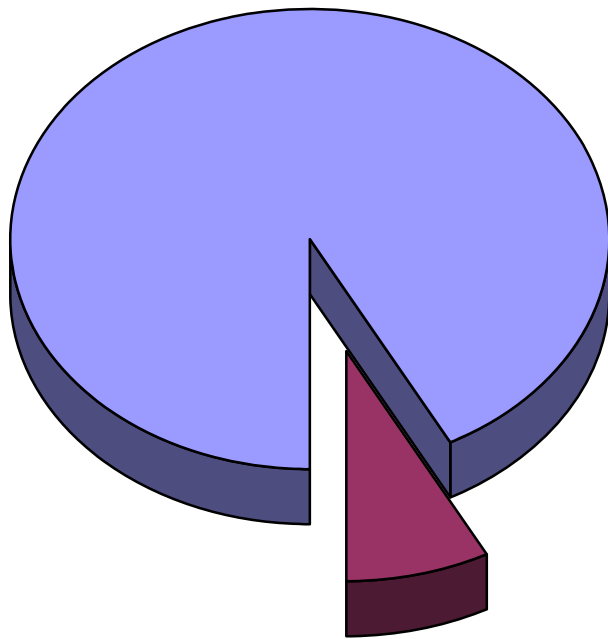
**Appeals**

Appeals provides due process hearings and issues decisions in contested UI benefit and tax cases as mandated in AS 23.20.410-470. The Appeal Tribunal conducts hearings on any decision issued by the agency based solely on the record of a fair and impartial hearing. Any determination issued that affects a claimant's right to benefits or an employer's tax case may be appealed. Any decision issued by the tribunal at the lower authority level may be appealed to the Department for review, at the higher authority level. Staffing is 6 permanent and 4 non-permanent positions.

# Unemployment Insurance Functional Organization



### Unemployment Insurance Component Costs



- Program Administration - \$25,549,194
- Emergency Unemployment Compensation - \$2,161,105

**Total Costs \$27,710,299**

## Appeals

### Description

The unemployment insurance Appeals Unit provides due process hearings and decisions in contested unemployment insurance benefit and tax cases as mandated in AS 23.20.410-470, so that timely payment of benefits is made to qualifying claimants and the UI fund is protected.

The program provides a two-level system for deciding contested unemployment insurance cases. The first level offers a tribunal or 'de novo' hearing in which parties present testimony and evidence. The second level affords a commissioner review in which a senior hearing officer examines the tribunal level record and prepares a proposed decision for the commissioner. Most appeals are conducted telephonically, however in-person hearings are granted at a party's request if both parties are located in either Juneau or Anchorage, where the two appeals offices are located.

In FY12, the tribunal received a federal award in recognition of performance excellence in appeals decisions for timeliness and quality. Continuing to meet the federal standards may pose a challenge for fiscal year 2013 because of stringent eligibility requirements for Emergency Unemployment Compensation which will cause an increased workload.

Staffing

6 permanent, 4 non-permanent

### FY 2012 Statistics

The Appeals Unit issued 2,266 lower authority decisions and 80 higher authority decisions.

Lower authority appeal decisions were issued within 30 days in over 60% of appeals filed; decisions were issued within 45 days in over 80% of appeals filed.



## Benefit Payment Control

### Description

Benefit Payment Control (BPC) is a federally mandated program to protect the integrity of the UI Trust Fund by preventing, detecting, and recovering overpaid UI benefits.

The program consists of two units: Fraud Investigations and Audit and Recovery.

The Investigations Unit detect fraud of the UI program found in unreported wages and work, job termination, job refusal, inability or unavailability to work, false claims for dependent allowance, check forgeries and identity theft. Based on findings, benefit overpayments and fraud penalties are established. Investigators may also prepare fraud cases for criminal prosecution.

Audit and Recovery oversees quarterly wage audit and cross-matches to identify claimants failing to report work and wages or job separations. This unit also performs collection activities, including garnishment of Permanent Fund Dividends.

Audit and Recovery runs cross-matches on weekly UI claims against the National Directory of New Hires (NDNH) to detect newly hired workers who continue to file for UI and not report earnings, after they have been hired to work. Prevention and detection of UI fraud is part of the BPC mission. This cross-match has proven to be extremely successful in detecting the claimants that have returned to work and continue to file.

Working closely with USDOL, Alaska created a UI Integrity Task Force to identify the main causes of overpayments and create viable solutions to improve mispayment rates. The fiscal year 2012 mispayment rate is 13.24%. The following were identified as the primary reasons for mispayment of benefits:

- Job service registration issues - Incorrect deferrals from registration (wrong return to work dates, incorrect resident zip codes, registration code not updated at end of availability waiver or ongoing availability issue and incorrect union deferrals).
- Benefit year earnings - Claimants not reporting or incorrectly reporting weekly earnings.
- Job separation errors - Claimant's incorrectly reporting separation dates, reason for separation and a lack of timely information returned by employers.

The primary reason for overpayments remains incorrect job registrations (51% of errors). Specific causes include a claimant's return to work date passing undetected and lack of updating the registration coding as claimant circumstances change. The UI program is evaluating methods to automate tasks to alert staff that a claimant's job registration requires updating. The automation would utilize the return to work date and waiver expiration dates in conjunction with the continued claims to notify staff to review a claimant's registration.

Staffing

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Continued on next page

## FY 2012 Statistics

<b>Assessments</b>	
Non-fraud overpayments	\$ 6,238,734
Fraud overpayments	5,756,885
Fraud penalties	2,878,442
<b>Total</b>	<b>\$14,874,061</b>
<b>Collections</b>	
Non-fraud overpayments	\$3,701,313
Fraud overpayments	1,539,132
Fraud Penalties	308,314
<b>Total</b>	<b>\$5,548,759</b>

## Claim Centers

### Description

There are UI claim centers in Anchorage, Juneau and Fairbanks. The claim centers obtain claim and eligibility information by telephone and the Internet. Callers use a self-directing, toll-free telephone number to contact a claim center or file online through MyAlaska. Unemployed workers can use the internet to establish a new claim, reopen an existing claim, and file for biweekly benefits.

### Staffing

Anchorage – 58 permanent, 12 non-permanent  
 Juneau – 57 permanent, 12 non-permanent  
 Fairbanks – 7 permanent, 2 non-permanent

## FY 2012 Statistics

<b>Total UI benefits paid</b>	<b>\$308,037,133</b>
<b>Total initial claims processed</b>	<b>190,076</b>
<b>Claims processed by staff</b>	<b>126,626</b>
New claim	60,070
EB/SSB	6,450
EUC	14,373
Additional claim	34,677
Reopened claim*	11,056
<b>Claims processed on internet</b>	<b>63,450</b>
New claim	24,499
EB/SSB	1,346
EUC	2,829
Additional claim	19,249
Reopened claim*	15,527
<b>Calls received in UI claim centers</b>	<b>319,146</b>
Average calls per day statewide	1,197
Average response time	17 minutes
<b>Alaskans who received UI benefits</b>	<b>56,155</b>
<b>Average weekly amount</b>	<b>\$242</b>
<b>Total number of weeks filed</b>	<b>1,507,964</b>
Phone	919,079
Internet	544,858
Paper	44,027
<b>Total determinations written and issued</b>	<b>110,879</b>
To UI filers (includes federal employees)	66,672
To Extended Benefit and EUC filers*	16,977
Monetary eligibility*	27,230

\*Workload not counted on Federal ETA reports

## Quality Control Program Benefit Accuracy Measurement

### Description

The UI Benefit Accuracy Measurement (BAM) system is a federally required diagnostic tool to measure the accuracy of UI claims and identify opportunities for improvements in the UI program.

The UI Quality Control (QC) Unit is composed of seven QC Auditors, one Tax Performance System Auditor and one supervisor. Each week, UI claims are randomly selected and auditors are systematically assigned cases. Investigations normally include contacting claimants and employers, examining records both within and outside the agency and making a determination of whether benefits were properly paid or denied.

Alaska's rate of mispayment errors was 13.24% of the total amount paid in benefits. The most frequent errors were due to inaccurate job registration and misreported work and earnings while filing for benefits. Last year, the Alaska Unemployment Insurance (UI) program created a UI Integrity Task Force to identify the main causes of overpayments and create viable solutions to improve our state's mispayment rates. Working closely with the USDOL, Alaska has implemented various program improvements as part of its ongoing efforts to decrease overpayment rates.

Staffing

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### FY 2012 Statistics

For the last five years, Alaska's BAM measurement has exceeded all USDOL performance standards for the quality and timeliness of UI audits.

## UI Tax

### Description

UI Tax collects statutory contributions from employers and employees to finance the Unemployment Insurance Trust Fund from which UI benefits are paid. Alaska's UI program is based on an insurance model. The "loss" insured against is the loss of wages experienced by the unemployed worker. Consequently, the program must collect sufficient premiums.

Alaska uses a "payroll decline" method to establish individual employer UI tax rates. This system has proven effective and has advantages over direct "charge back" systems some other states use. Alaska's trust fund has remained solvent, while several other states have depleted their trust funds because their financing systems did not respond to the changing economy.

Employer and employee taxes are submitted each quarter and deposited in the Alaska account of the Federal UI Trust Fund. Taxes in the UI Trust Fund are only used to pay UI benefits.

Portions of employee tax contributions to the UI Trust Fund are set aside to provide job related training services under the State Training and Employment Program (STEP) and Alaska Vocational and Technical Education Program (AVTEP). These funds finance and award grants to business entities that provide employment assistance and training opportunities to Alaskans. State law specifies the entities and allocation of these funds. For fiscal year 2012, employee tax was .66% of the first \$35,800 in wages earned. Of the total collected, law requires an amount equal to .1% for STEP and .15% for AVTEP.

Staffing

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### FY 2012 Statistics

Deposited in the UI Trust Account	\$172,998,456
Employer Contributions	\$126,597,501
Employee Contributions	\$46,400,955
Transferred to ATVEP	\$10,611,613
Transferred to STEP	\$7,074,398
Contribution reports processed	73,116
Employers registered in Alaska 70% of these employers have fewer than 10 employees	18,220
Employer audits	209
Amended	149
Misclassified workers discovered	426
Additional contributions collected	\$16,700

See Appendix I for more data on contribution rates

## Appendix A

### Historical Average Combined UI Contribution Rates

Year	Employer	Employee	Combined
1983	2.37%	0.50%	2.87%
1984	2.57%	0.60%	3.17%
1985	2.17%	0.50%	2.67%
1986	2.34%	0.50%	2.84%
1987	2.88%	0.60%	3.48%
1988	3.67%	0.70%	4.37%
1989	4.14%	0.70%	4.84%
1990	3.51%	0.60%	4.11%
1991	2.66%	0.50%	3.16%
1992	2.15%	0.50%	2.65%
1993	1.96%	0.50%	2.46%
1994	1.98%	0.50%	2.48%
1995	2.04%	0.50%	2.54%
1996	2.17%	0.50%	2.67%
1997	2.33%	0.58%	2.91%
1998	2.25%	0.56%	2.81%
1999	2.06%	0.54%	2.60%
2000	2.14%	0.54%	2.68%
2001	2.08%	0.52%	2.60%
2002	1.99%	0.50%	2.49%
2003	1.85%	0.50%	2.35%
2004	2.19%	0.50%	2.69%
2005	2.50%	0.50%	3.00%
2006	2.43%	0.51%	2.94%
2007	1.94%	0.50%	2.44%
2008	1.50%	0.50%	2.00%
2009	1.15%	0.50%	1.65%
2010	1.31%	0.50%	1.81%
2011	1.87%	0.58%	2.45%
2012	2.38%	0.66%	3.04%
2013	2.64%	0.68%	3.32%

Record Highest



Record Lowest



## Appendix B

### Historical Average Combined UI Contribution Rates

Year	Employer Rate			Employee	Combined
	Base	Solvency	Combined		
1983	2.37%	0.00%	2.37%	0.50%	2.87%
1984	2.57%	0.00%	2.57%	0.60%	3.17%
1985	2.37%	-0.20%	2.17%	0.50%	2.67%
1986	2.34%	0.00%	2.34%	0.50%	2.84%
1987	2.58%	0.30%	2.88%	0.60%	3.48%
1988	3.07%	0.60%	3.67%	0.70%	4.37%
1989	3.24%	0.90%	4.14%	0.70%	4.84%
1990	2.91%	0.60%	3.51%	0.60%	4.11%
1991	2.36%	0.30%	2.66%	0.50%	3.16%
1992	2.15%	0.00%	2.15%	0.50%	2.65%
1993	2.26%	-0.30%	1.96%	0.50%	2.46%
1994	2.38%	-0.40%	1.98%	0.50%	2.48%
1995	2.44%	-0.40%	2.04%	0.50%	2.54%
1996	2.37%	-0.20%	2.17%	0.50%	2.67%
1997	2.33%	0.00%	2.33%	0.58%	2.91%
1998	2.25%	0.00%	2.25%	0.56%	2.81%
1999	2.16%	-0.10%	2.06%	0.54%	2.60%
2000	2.14%	0.00%	2.14%	0.54%	2.68%
2001	2.08%	0.00%	2.08%	0.52%	2.60%
2002	1.99%	0.00%	1.99%	0.50%	2.49%
2003	1.85%	0.00%	1.85%	0.50%	2.35%
2004	1.89%	0.30%	2.19%	0.50%	2.69%
2005	2.00%	0.50%	2.50%	0.50%	3.00%
2006	2.03%	0.40%	2.43%	0.51%	2.94%
2007	1.84%	0.10%	1.94%	0.50%	2.44%
2008	1.60%	-0.10%	1.50%	0.50%	2.00%
2009	1.35%	-0.20%	1.15%	0.50%	1.65%
2010	1.31%	0.00%	1.31%	0.50%	1.81%
2011	1.57%	0.30%	1.87%	0.58%	2.45%
2012	1.78%	0.60%	2.38%	0.66%	3.04%
2013	1.84%	0.80%	2.64%	0.68%	3.32%

## Appendix C

### Historical Average Combined Contribution Rates With Maximum Wage Base

Year	Maximum Wage Base	Employer	Employee	Combined
1983	\$20,200	2.37%	0.50%	2.87%
1984	\$21,400	2.57%	0.60%	3.17%
1985	\$21,800	2.17%	0.50%	2.67%
1986	\$21,600	2.34%	0.50%	2.84%
1987	\$21,500	2.88%	0.60%	3.48%
1988	\$21,100	3.67%	0.70%	4.37%
1989	\$20,900	4.14%	0.70%	4.84%
1990	\$21,300	3.51%	0.60%	4.11%
1991	\$22,400	2.66%	0.50%	3.16%
1992	\$22,600	2.15%	0.50%	2.65%
1993	\$23,200	1.96%	0.50%	2.46%
1994	\$23,800	1.98%	0.50%	2.48%
1995	\$23,900	2.04%	0.50%	2.54%
1996	\$24,400	2.17%	0.50%	2.67%
1997	\$24,200	2.33%	0.58%	2.91%
1998	\$24,100	2.25%	0.56%	2.81%
1999	\$24,500	2.06%	0.54%	2.60%
2000	\$24,800	2.14%	0.54%	2.68%
2001	\$25,500	2.08%	0.52%	2.60%
2002	\$26,000	1.99%	0.50%	2.49%
2003	\$26,700	1.85%	0.50%	2.35%
2004	\$27,100	2.19%	0.50%	2.69%
2005	\$27,900	2.50%	0.50%	3.00%
2006	\$28,700	2.43%	0.51%	2.94%
2007	\$30,100	1.94%	0.50%	2.44%
2008	\$31,300	1.50%	0.50%	2.00%
2009	\$32,700	1.15%	0.50%	1.65%
2010	\$34,100	1.31%	0.50%	1.81%
2011	\$34,600	1.87%	0.58%	2.45%
2012	\$35,800	2.38%	0.66%	3.04%
2013	\$36,900	2.64%	0.68%	3.32%



## Appendix D

### Historical Average Combined Contribution Rates Rate Increase (Decrease) over Prior Year

Year	Employer	Employee	Combined	Increase (Decrease)
1983	2.37%	0.50%	2.87%	-0.87%
1984	2.57%	0.60%	3.17%	0.30%
1985	2.17%	0.50%	2.67%	-0.50%
1986	2.34%	0.50%	2.84%	0.17%
1987	2.88%	0.60%	3.48%	0.64%
1988	3.67%	0.70%	4.37%	0.89%
1989	4.14%	0.70%	4.84%	0.47%
1990	3.51%	0.60%	4.11%	-0.73%
1991	2.66%	0.50%	3.16%	-0.95%
1992	2.15%	0.50%	2.65%	-0.51%
1993	1.96%	0.50%	2.46%	-0.19%
1994	1.98%	0.50%	2.48%	0.02%
1995	2.04%	0.50%	2.54%	0.06%
1996	2.17%	0.50%	2.67%	0.13%
1997	2.33%	0.58%	2.91%	0.24%
1998	2.25%	0.56%	2.81%	-0.10%
1999	2.06%	0.54%	2.60%	-0.21%
2000	2.14%	0.54%	2.68%	0.08%
2001	2.08%	0.52%	2.60%	-0.08%
2002	1.99%	0.50%	2.49%	-0.11%
2003	1.85%	0.50%	2.35%	-0.14%
2004	2.19%	0.50%	2.69%	0.34%
2005	2.50%	0.50%	3.00%	0.31%
2006	2.43%	0.51%	2.94%	-0.06%
2007	1.94%	0.50%	2.44%	-0.50%
2008	1.50%	0.50%	2.00%	-0.44%
2009	1.15%	0.50%	1.65%	-0.35%
2010	1.31%	0.50%	1.81%	0.16%
2011	1.87%	0.58%	2.45%	0.64%
2012	2.38%	0.66%	3.04%	0.59%
2013	2.64%	0.68%	3.32%	0.28%

## Appendix E

### Cost of Contribution Rates on Maximum Wage Base at Class 10 With Maximum Wage Base

Year	Maximum Wage Base	Rate Class 10		
		Employer	Employee	Combined
1983	\$20,200	\$479	\$101	\$580
1984	\$21,400	\$550	\$128	\$678
1985	\$21,800	\$473	\$109	\$582
1986	\$21,600	\$505	\$108	\$613
1987	\$21,500	\$619	\$129	\$748
1988	\$21,100	\$774	\$148	\$922
1989	\$20,900	\$865	\$146	\$1,011
1990	\$21,300	\$748	\$128	\$876
1991	\$22,400	\$596	\$112	\$708
1992	\$22,600	\$486	\$113	\$599
1993	\$23,200	\$455	\$116	\$571
1994	\$23,800	\$471	\$119	\$590
1995	\$23,900	\$488	\$120	\$608
1996	\$24,400	\$529	\$122	\$651
1997	\$24,200	\$564	\$140	\$704
1998	\$24,100	\$542	\$135	\$677
1999	\$24,500	\$505	\$132	\$637
2000	\$24,800	\$531	\$134	\$665
2001	\$25,500	\$530	\$133	\$663
2002	\$26,000	\$517	\$130	\$647
2003	\$26,700	\$494	\$134	\$628
2004	\$27,100	\$593	\$136	\$729
2005	\$27,900	\$698	\$140	\$838
2006	\$28,700	\$697	\$146	\$843
2007	\$30,100	\$584	\$151	\$735
2008	\$31,300	\$470	\$157	\$627
2009	\$32,700	\$376	\$164	\$540
2010	\$34,100	\$447	\$171	\$618
2011	\$34,600	\$647	\$201	\$848
2012	\$35,800	\$852	\$236	\$1,088
2013	\$36,900	\$974	\$251	\$1,225

## Appendix F

**Cost of Contribution Rates on Maximum Wage Base at Rate Class 10  
Increase (Decrease) over Prior Year**

Year	Maximum Wage	Rate Class 10			Increase
	Base	Employer	Employee	Combined	
1983	\$20,200	\$479	\$101	\$580	\$34
1984	\$21,400	\$550	\$128	\$678	\$98
1985	\$21,800	\$473	\$109	\$582	-\$96
1986	\$21,600	\$505	\$108	\$613	\$31
1987	\$21,500	\$619	\$129	\$748	\$135
1988	\$21,100	\$774	\$148	\$922	\$174
1989	\$20,900	\$865	\$146	\$1,011	\$89
1990	\$21,300	\$748	\$128	\$876	-\$135
1991	\$22,400	\$596	\$112	\$708	-\$168
1992	\$22,600	\$486	\$113	\$599	-\$109
1993	\$23,200	\$455	\$116	\$571	-\$28
1994	\$23,800	\$471	\$119	\$590	\$19
1995	\$23,900	\$488	\$120	\$608	\$18
1996	\$24,400	\$529	\$122	\$651	\$43
1997	\$24,200	\$564	\$140	\$704	\$53
1998	\$24,100	\$542	\$135	\$677	-\$27
1999	\$24,500	\$505	\$132	\$637	-\$40
2000	\$24,800	\$531	\$134	\$665	\$28
2001	\$25,500	\$530	\$133	\$663	-\$2
2002	\$26,000	\$517	\$130	\$647	-\$16
2003	\$26,700	\$494	\$134	\$628	-\$19
2004	\$27,100	\$593	\$136	\$729	\$101
2005	\$27,900	\$698	\$140	\$838	\$109
2006	\$28,700	\$697	\$146	\$843	\$5
2007	\$30,100	\$584	\$151	\$735	-\$108
2008	\$31,300	\$470	\$157	\$627	-\$108
2009	\$32,700	\$376	\$164	\$540	-\$87
2010	\$34,100	\$447	\$171	\$618	\$78
2011	\$34,600	\$647	\$201	\$848	\$230
2012	\$35,800	\$852	\$236	\$1,088	\$240
2013	\$36,900	\$974	\$251	\$1,225	\$137

## Appendix G

### Summary of Major Changes in the Employment Security Act

#### Part 1: Coverage Provisions of the Alaska Employment Security Act

- April 2, 1937** Alaska Employment Security Law enacted. Employers with eight or more employees in 20 weeks of the year are liable for taxes. The following types of employment are excluded from coverage: agriculture; domestic service; officers and crews on vessels; service performed by a parent, spouse, or child under 21; government; nonprofit organizations; and those covered under a federal unemployment program. Employers not subject to the law may elect coverage with permission of the commission. Ch. 4, ESLA 1937
- July 1, 1945** Coverage extended to employers of one or more persons at any time. Ch.7, SLA 1945
- Mar. 20, 1947** List of excluded services extended. Additional exclusions include newsboys and students. Any employment liable for a tax under the Federal Unemployment Tax Act (FUTA) will be automatically covered under the state U.I. law. Ch. 48, SLA 1947
- Mar. 17, 1959** Employees in finance, insurance, and real estate paid on a commission basis are excluded from coverage. Ch. 46, SLA 1959
- April 17, 1961** Faculty of nonprofit universities excluded. Ch. 108, SLA 1961
- Jan. 1, 1972** Coverage made mandatory for employees of nonprofit organizations, state hospitals, and institutes of higher education employing four or more in 20 weeks of the year. These employers are allowed to elect coverage on a reimbursable basis. Reimbursable financing also made available, by election, to any political subdivision. Ch. 94, SLA 1971
- Jan. 1, 1972** Fishermen covered. Ch. 94, SLA 1971
- April 1, 1977** Fishermen earning wages on a share basis excluded from coverage. Ch. 122, SLA 1977
- Jan. 1, 1978** Coverage made mandatory for most employees of state and local governments. Coverage also extended to certain domestic and agricultural workers. Ch. 122, SLA 1977
- July 1, 1984** Executive officers of nongovernmental corporations are excluded. Ch. 106, SLA 1984
- Sept. 27, 1995** Certain direct sellers of consumer products are excluded. Ch. 97, SLA 1995
- May 28, 2009** Reimbursable financing available to federally recognized tribes. Ch. 27, SLA 2009

**Part 2: Financing Provisions of the Alaska Employment Security Act**

- April 2, 1937** All wages paid to employees covered under the law are assessed a uniform tax of 1.8 percent. Ch. 4, ESLA 1937
- Jan. 1, 1938** Uniform tax increased to 2.7 percent of total covered wages. Ch. 4, ESLA 1937
- Mar. 26, 1941** Taxable wages limited to first \$3,000 of wages paid to an employee. Ch. 40, SLA 1941
- June 30, 1947** Credits against the tax are available to qualified employers if there is a fund surplus. The credit is based on the individual employer's annual payroll decline. Ch. 74, SLA 1947
- Jan. 1, 1955** Tax base increased to first \$3,600 of wages. An employee tax of 0.5 percent is also assessed. Employer tax credit is eliminated. Ch. 5, ESLA 1955
- April 4, 1957** Tax base increased to first \$4,200 of wages. Ch. 169, SLA 1957
- Mar. 30, 1960** Uniform employer tax increased to 2.9 percent. Uniform employee tax increased to 0.6 percent. Tax base increased to \$7,200. Ch. 60, SLA 1960
- Oct. 1, 1960** Individual employer and employee tax rates made variable depending on quarterly payroll declines of employer. Employer tax rates range from 1.5 percent to 4.0 percent with an average tax rate of 2.9 percent. Employee tax rates range from 0.3 percent to 0.9 percent averaging 0.65 percent. Ch. 60, SLA 1960
- Jan. 1, 1974** Employee tax made uniform and employer tax left variable. The tax base is \$10,000. There are 10 alternative tax rate schedules with the appropriate schedule determined by the "reserve multiple," which measures the ability of the fund to meet potential benefit payments. Ch. 43, SLA 1973
- Jan. 1, 1981** Tax base will be 60 percent of the average annual wage for calendar years 1981 and 1982 and will be 75 percent of the average annual wage for future years. Ten alternative tax rate schedules are replaced with 20 "experience factors." An employer's yearly rate calculation will be 82 percent of the benefit cost rate times the experience factor. A solvency tax will be added across the board if the "reserve ratio" of the fund is under 3.2 percent. Employee tax will be a uniform 18 percent of the benefit cost rate. Ch. 9, SLA 1980
- Oct. 1, 1984** The amount of interest earned on the trust fund balance will be deducted from the amount of benefits in the calculation of average benefit cost rate. Ch. 106, SLA 1984
- Jan. 1, 1985** A new rate class, Class 21, is established and assigned an experience rating of 1.65 and a minimum employer tax rate of 5.4 percent. Solvency adjustments changed to provide a surcharge if the trust fund reserve rate falls below 3.0 percent and a credit if the reserve rate equals or exceeds 3.3 percent. Ch. 106, SLA 1984

- Sept. 13, 1987** Interest on funds borrowed from the federal government to cover shortfalls in the trust fund may be paid out of employee contributions. Ch. 82, SLA 1987
- July 1, 1989** Training programs pilot project to be funded by transfer of 0.1 percent of taxable wages from amount contributed by employees. Ch. 95, SLA 1989
- June 30, 1993** Training programs pilot project extended until 1996. Ch.17, SLA 1993
- July 1, 1996** State Training Employment program (STEP) extended until June 30, 2002. Ch.116, SLA 1996
- Jan. 1, 1997** Employer's yearly rate calculation will be 80 percent of the benefit cost rate times the experience factor. (No change in the solvency tax provision). Employee tax will be a uniform 20 percent of the benefit cost rate. Ch.116, SLA 1996
- July 1, 2000** Alaska Technical and Vocational Education Program (ATVEP) created. Program to be funded by transfer of 0.1 percent of taxable wages from amount contributed by employees. Ch. 132, SLA 2000
- July 1, 2002** STEP extended until June 30, 2003. Ch.86, SLA 2002
- July 1, 2003** STEP extended until June 30, 2004. Ch.49, SLA 2003
- July 1, 2004** STEP extended until June 30, 2008. Ch.89, SLA 2004
- July 1, 2008** STEP extended until June 30, 2010. Ch.46, SLA 2008
- July 1, 2008** ATVEP expanded. Program to be funded by transfer of 0.15 percent (from 0.10) of taxable wages from amount contributed by employees. Ch. 47, SLA 2008
- Jan. 1, 2009** For 2009, the employer's yearly rate calculation will be 76 percent of the benefit cost rate times the experience factor (no change in the solvency tax provision). The 2009 employee tax will be a uniform 24 percent of the benefit cost rate. For 2010 and future years, the employer's yearly rate calculation will be 73 percent of the benefit cost rate times the experience factor, and the employee tax will be a uniform 27 percent of the benefit cost rate. Ch.45, SLA 2008
- June 24, 2009** STEP made permanent. Ch 36, SLA 2009

### **Part 3: Benefit Provisions of the Alaska Employment Security Act**

- April 2, 1937** Benefits first made payable Jan. 1, 1939. Minimum payment is \$5; maximum is \$15. Weekly benefit amount (WBA) set at 50 percent of full-time weekly wage. Total benefit payments not to exceed 16 times the WBA. Ch. 4, ELSA 1937

- Jan. 17, 1939** Minimum payment is \$5; maximum is \$16. WBA set at one-twentieth of high quarter wages. Total benefit payments not to exceed either 16 times the WBA or a third of base year earnings. Ch. 1, SLA 1939
- Oct. 1, 1946** Minimum payment is \$8; maximum is \$25. Maximum reduced to \$20 if the fund balance is less than \$2 million on Jan. 1. Total benefit payments not to exceed either 25 times the WBA or a third of base year earnings. Ch. 32, ESLA 1946
- July 1, 1949** WBA is increased by 20 percent for each dependent of the claimant, up to three. Ch. 25, SLA 1949
- July 1, 1951** Minimum payment is \$8; maximum is \$30. Ch. 11, SLA 1951
- July 1, 1953** Minimum payment is \$8; maximum is \$35. WBA now based on total wages in base year. Total benefit payments limited to 26 times the WBA for most claimants. Ch. 99, SLA 1953
- July 3, 1955** Minimum payment is \$10; maximum is \$45. Maximum limited to \$25 for claimants residing outside the territory. WBA is increased by \$5 for each dependent of the claimant, up to five. Claimants with dependents residing outside the territory are disqualified for the dependent allowance. Ch. 5, ESLA 1955
- Mar. 30, 1960** Maximum WBA for interstate claimants reduced to \$20. Ch. 60, SLA 1960
- July 1, 1966** Minimum payment is \$10; maximum is \$55. Total benefit payments limited to 28 times the WBA for most claimants. Ch. 112, SLA 1966
- July 1, 1969** Minimum payment is \$18; maximum is \$60. Ch. 106, SLA 1969
- Jan. 29, 1971** Depending on the level of national and state unemployment rates, benefit payments may be extended. Extended benefit payments not to exceed one-half of total benefits available under the regular program. Ch. 106, SLA 1971
- Jan. 1, 1972** Discrimination against nonresident claimants ends. Ch. 106, SLA 1971
- July 1, 1973** Minimum payment is \$18; maximum is \$90. Dependent allowance set at \$10 per dependent, up to three. Ch. 43, SLA 1973
- Oct. 1, 1980** Minimum payment is \$34; maximum payment is \$150 for basic WBA. Dependent allowance set at \$24 per dependent, up to three. Dependent allowance increases if an additional dependent is acquired by birth or adoption. Potential duration of benefits (16 to 26 weeks) is determined by the ratio of total base period wages to high quarter wages. Ch. 9, SLA 1980
- Oct. 31, 1981** Weekly benefits are reduced dollar for dollar upon receipt of periodic payments based on wages used to establish a benefit year. Ch. 114, SLA 198

<b>Sept. 26, 1982</b>	Child support obligations may be deducted from weekly benefit checks. Ch. 115, SLA 1982 53
<b>Jan. 1, 1983</b>	Minimum payment is \$34; maximum payment is \$156 for basic WBA. Ch. 115, SLA 1982
<b>Oct. 1, 1984</b>	Minimum payment is \$38; maximum payment is \$188 for basic WBA. Ch. 106, SLA 1984
<b>Oct. 1, 1990</b>	Minimum payment is \$44; maximum payment is \$212 for basic WBA. Ch. 167, SLA 1990
<b>Jan. 1, 1997</b>	Minimum payment is \$44; maximum payment is \$248 for basic WBA. Ch. 116, SLA 1996
<b>Jan. 1, 2009</b>	Minimum payment is \$56; maximum payment is \$370 for basic WBA. Ch. 45, SLA 2008

#### **Part 4: Qualifying Provisions of the Alaska Employment Security Act**

<b>April 2, 1937</b>	To qualify for benefits, a claimant must have: 1) been unemployed in two of the last 13 weeks preceding claim; 2) have wages in the first three of the last four calendar quarters totaling more than 16 times the WBA; and 3) be ready and able to work. The claimant is disqualified for five additional weeks upon quitting the last employment without good cause. Ch. 4, ESLA 1937
<b>Jan. 17, 1939</b>	Total wages in base year must equal or exceed 25 times the WBA. Ch. 1, SLA 1939
<b>Mar. 26, 1941</b>	Claimant must have been unemployed for two weeks in the benefit year including the week in which the claim was filed. Ch. 40, SLA 1941
<b>July 1, 1945</b>	Women are disqualified during the last two months of pregnancy and the month following pregnancy. Ch. 50, SLA 1945
<b>Oct. 1, 1946</b>	Minimum required wages in base year set at \$150. Ch. 32, SLA 1946
<b>June 30, 1947</b>	Waiting period reduced to one week. Ch. 74, SLA 1947
<b>July 1, 1953</b>	Minimum wage requirement set at \$300. Seasonal workers are disqualified for benefits for unemployment not occurring during their regular working season. Ch. 99, SLA 1953
<b>July 3, 1955</b>	Minimum wage requirement set at \$450 or 1.25 times high quarter wages. Women are disqualified until they subsequently earn \$120 if they leave work: 1) to get married; 2) to live with their husband; or 3) due to pregnancy. Any week of unemployment due to a labor dispute is disqualified. A claimant found guilty of fraud is disqualified for 26 weeks. Ch. 5, ESLA 1955



- April 4, 1957** Minimum wage requirement set at \$500 or 1.25 times high quarter wages. Ch. 169, SLA 1957
- April 7, 1962** Claimants are not disqualified while attending a training course to improve their skills. Ch. 63, SLA 1962
- July 1, 1969** Minimum wage requirement set at \$750 Jan. 1, 1972 Women no longer disqualified during pregnancy. Ch. 106, SLA 1971
- Oct. 1, 1980** Minimum wage requirement set at \$1,000 with at least 10 percent earned outside the quarter of highest wages. If a claimant earns more than 90 percent of the base period wages in one quarter, base period wages used for determining benefits will be reduced to 10 times the wages paid in the base period outside the high quarter. The six-week disqualification for voluntary quit and misconduct includes a reduction of potential benefits by three times the basic WBA. The six-week disqualification is lifted if the claimant returns to work and earns eight times the WBA. Ch. 9, SLA 1980
- Oct. 31, 1981** A waiting week must be served for each new benefit year. Extended benefit claimants must actively seek work and may not refuse an offer of “suitable” work. Claimants filing for extended benefits from a state not triggered onto extended benefits are eligible for no more than two weeks of benefits. Ch. 114, SLA 1981 54
- June 26, 1982** The national “on” and “off” trigger indicators for extended benefits are repealed in conformity with federal law. Ch. 115, SLA 1982
- Sept. 26, 1982** In conformity with federal law, the state “on” indicator for extended benefits is increased to 6 percent insured unemployment rate. In conformity with federal law, a claimant is not eligible for extended benefits unless total base period wages equal or exceed 40 times the weekly benefit entitlement including dependent benefits. Supplemental state benefits are provided for claimants otherwise eligible for extended benefits except for the new 40 times the WBA requirement. All other conditions of extended benefits apply to supplemental state benefits. Ch. 115, SLA 182
- June 16, 1984** State interim benefits provided for noncertified teachers of indigenous languages and school employees in other than an instructional, research or principal capacity. Ch. 106, SLA 1984
- July 2, 1989** An insured worker is ineligible for benefits for one year if discharged for commission of a felony or theft in connection with work. Ch. 100, SLA 1989
- Nov. 15, 1991** An agreement with the U.S. Department of Labor allows the temporary payment of benefits under the Emergency Unemployment Act of 1991 (PL 102-162) in place of extended benefits.

**July 1, 1993**

The implementation of the Emergency Unemployment Compensation (EUC) program, 26 U.S.C. 3304. Eligibility for supplemental state benefits (SSB) remains in effect during a period in which extended benefits (EB) are triggered “off,” but during which EUC benefits are payable. The eligibility for extended benefits set Oct. 3, 1993 requires the claimant meet the existing 40 times WBA requirement, or have a total of 1.5 times the base period high quarter wage.

The total amount of extended benefits payable is the lowest of: (1) 80 percent of total regular benefits, (2) 20 times the WBA or (3) 46 times the WBA minus total regular benefits paid.

In addition to the existing extended benefits triggers, extended benefits are “on” if the state three month total unemployment rate (TUR) is 6.5 percent, and is 110 percent of the same three-month period in either of the prior two years. Extended benefits are “off” if there is no “on” indicator, or if the state is eligible for the EUC program. Ch. 28, SLA 1993

**Jan. 1, 2009**

Minimum wage requirement set (from \$1,000) to \$2,500, with at least 10% (\$250) in a second quarter. Ch. 45, SLA 2008.

**Jan. 1, 2010**

Alternative Base Period (last four completed quarters) created for those who fail to qualify for a benefit with the standard base period. Ch. 27 SLA 2009

**Appendix H**

**Unemployment Insurance Trust Fund  
Income and Benefits Paid  
Fiscal Year Ended June 30, 2012**

**Income****UI Tax Contributions**

Employer Contributions	\$ 126,597,501	
Employee Contributions	46,400,955	
Total UI Tax Contributions		\$172,998,456
Statutory Transfers from Employee Contributions		
Alaska Technical and Vocational Education Program	(10,611,613)	
State Training and Employment Program	(7,074,398)	
Total Statutory Transfers		(17,686,011)
<b>Net Contributions to UI Trust Fund</b>		<b>155,312,445</b>

**Reimbursements**

Federal Government		
Emergency Unemployment Compensation	117,355,198	
Federal Government Employees	5,059,475	
Extended Benefits	3,240,850	
Military Employees	2,537,891	
Total Federal Government		128,193,414
State of Alaska		6,984,583
Local Alaska Governments		5,010,035
Other States - Interstate Claims		2,154,229
Non-Profit Organizations		2,100,269
<b>Total Reimbursements</b>		<b>144,442,530</b>

**Other**

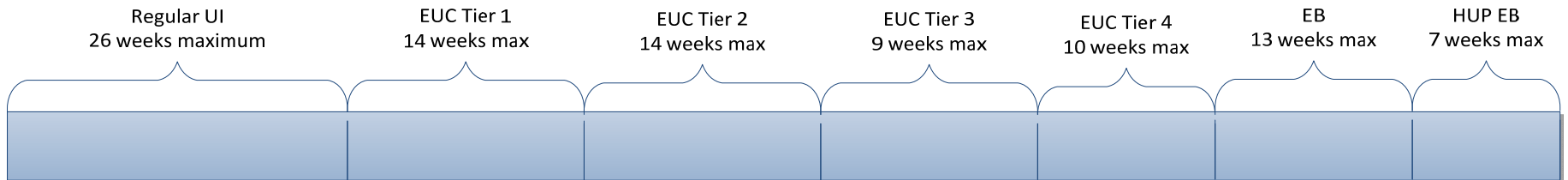
Collections of Overpayments		5,242,840
Fraud Penalty Collections		308,314
<b>Total Other</b>		<b>5,551,154</b>

**Total Income****\$305,306,129****Benefits Paid**

State Regular		\$146,231,893
Federal Government		
Emergency Unemployment Compensation	117,355,198	
Federal Government Employees	5,059,475	
Extended Benefits (Federal Share)	3,240,850	
Military Employees	2,537,891	
Total Federal Government		128,193,414
Interstate Claims (Alaska workers claiming from outside Alaska)		15,799,960
State of Alaska Government Employees		9,699,153
Interstate Claims (out of state workers claiming from Alaska)		2,154,364
Local Alaska Government Employees		1,375,336
Non-Profit Organization Employees		1,770,572
Extended Benefits (State Share)		103,697
Supplemental State Benefits		10,293
<b>Total Benefits Paid</b>		<b>\$305,338,682</b>

# Appendix I

## Unemployment Insurance Benefits in Alaska



Currently available in Alaska: Total of 63 weeks or up to \$27,846 (includes max WBA and max DA), maximum.

### Regular Benefits 26 weeks maximum

Weekly Benefit Amount (WBA) is \$56-\$370, based on a scale of wages from \$2,500-\$42,000  
Duration is 16-26 weeks, depending how the wages are spread in the base period  
Dependents Allowance (DA) \$24 each for up to 3  
[AS 23.20.350.](#)

### EUC Tier 1 14 weeks maximum

Originally up to 13 weeks, or 50% of regular benefits, P.L. 110-252 on 6-8-08  
Increased to 80% or up to 20 weeks by HR 4853 on 12-17-10. Reduced to 14 weeks Beginning 9-2-2012, [P.L. 112-96 on 2/22/12](#)  
Extended until 1/1/14; HR 8 on 1/2/2013

### EUC Tier 2 14 weeks maximum

Originally up to 13 weeks and based IUR of 4% or TUR of 6% P.L. 110-449 on 11-21-08  
Increased to up to 14 weeks HR 4853 on 12-17-10  
After 6/1/12 states must have TUR of at least 6% P.L. 112-96 on 2/22/12  
Extended until 1/1/14; HR 8 on 1/2/2013

### EB - Extended Benefits 13 weeks maximum

50% of regular benefits  
WBA & DA do not change for any extensions  
Based on IUR or TUR triggers  
Most recent EB period was 1/22/2012-5/12/2012  
[AS 23.20.406-408](#)  
EB usually 50% Trust Fund & 50% federally financed  
[100% federal funds provided in P.L. 111-5 on 2-17-09](#)  
[extended until 1/1/2014 with HR 8 amended 1/2/13.](#)  
(state, local, tribal govt. exempt from federal financing)

### EUC Tier 3 9 weeks maximum

Up to 13 weeks based on IUR or TUR triggers  
HR 4853 on 12-17-10  
After 6/1/12, states must have TUR of at least 7%  
Reduces to 9 weeks Sept-Dec with TUR of 7% with P.L. 112-96 on 2/22/12.  
Extended until 1/1/2014 with HR8 on 1/2/2013

### EUC Tier 4 10 weeks maximum

Up to 6 weeks based on IUR or TUR triggers;  
[HR 4853 on 12-17-10](#)  
AK unemployment rate fell below the trigger on 01-22-2012 and triggered off 05-12-2012  
Mar-May 2012 requires TUR of 8.5% or higher  
June-Aug 2012 requires TUR of 9% or higher  
Sept-Dec 2012 increases to 10 weeks w/TUR 9% or higher;  
[P.L. 112-96 on 2/22/12](#)  
Extended until 1/1/2014; HR 8 on 1/2/2013

### HUP - High Unemployment Period 7 weeks maximum

*With HUP and EB combined maximum potential is 20 weeks or 80% of regular benefits.*  
*Based on TUR trigger*  
*The most recent HUP period was 2/13/11- 05/14/11*  
[AS 23.20.406-408](#)

### IUR Definition

Insured Unemployment Rate - An administrative measure issued weekly giving the average of the last 13 weeks of claims filed as a percent of statewide covered employment. One measure of the severity of unemployment.

### TUR Definition

Total Unemployment Rate - The official rate of unemployment issued monthly for all states and the nation as a whole. Includes persons unemployed and seeking work, not just those currently filing. Does not include discouraged workers.

## Appendix J

### 2012 UI Contribution Rate Calculations

	SFY 2008	SFY 2009	SFY 2010	SFY 2011	
(1) Benefit Costs (Benefits - Reimb. - Interest)		\$125,260,341	\$182,296,709	\$166,054,496	
(2) Total Wages (taxable employers)	\$10,163,092,935	\$10,609,183,230	\$10,625,425,285	\$11,160,623,142	
(3) Taxable Wages				\$6,894,791,842	
(4) Benefit Costs for 3 previous SFYs					\$473,611,546
(5) Total Wages, First 3 of Last 4 SFYs					\$31,397,701,450
(6) 3-Yr Benefit Costs/Total Wages (4)/(5)					0.015084
(7) Taxable/Total Wages, Last SFY (3)/(2)					0.617778
<b>(8) Average Benefit Cost Rate (ABCR) (6)/(7)</b>					<b>0.024417</b>
(9) U.I. Trust Fund Reserve Balance on 9/30					\$234,551,319
(10) Total Wages Paid, Last SFY					\$11,160,623,142
(11) UI Trust Fund Reserve Rate (9)/(10)					0.021016
<b>(12) Trust Fund Solvency Adjustment (TFSA)</b>					<b>0.006</b>
<b>(13) Average Employer Tax Rate: (0.73 x ABCR) + TFSA = (0.73 x #8) + #12</b>					<b>2.38%</b>
<b>(14) Average Employee Tax Rate: (0.27 x ABCR) = (0.27 x #8)</b>					<b>0.66%</b>

### 2013 UI Contribution Rate Calculations

	SFY 2009	SFY 2010	SFY 2011	SFY 2012	
(1) Benefit Costs (Benefits - Reimb. - Interest)		\$182,296,709	\$166,054,496	\$154,611,839	
(2) Total Wages (taxable employers)	\$10,609,183,230	\$10,625,425,285	\$11,160,623,142	\$11,814,799,175	
(3) Taxable Wages				\$7,266,431,581	
(4) Benefit Costs for 3 previous SFYs					\$502,963,044
(5) Total Wages, First 3 of Last 4 SFYs					\$32,395,231,657
(6) 3-Yr Benefit Costs/Total Wages (4)/(5)					0.015526
(7) Taxable/Total Wages, Last SFY (3)/(2)					0.615028
<b>(8) Average Benefit Cost Rate (ABCR) (6)/(7)</b>					<b>0.025244</b>
(9) U.I. Trust Fund Reserve Balance on 9/30					\$264,045,095
(10) Total Wages Paid, Last SFY					\$11,814,799,175
(11) UI Trust Fund Reserve Rate (9)/(10)					0.022349
<b>(12) Trust Fund Solvency Adjustment (TFSA)</b>					<b>0.008</b>
<b>(13) Average Employer Tax Rate: (0.73 x ABCR) + TFSA = (0.73 x #8) + #12</b>					<b>2.64%</b>
<b>(14) Average Employee Tax Rate: (0.27 x ABCR) = (0.27 x #8)</b>					<b>0.68%</b>