



April 5, 2024

Senate Finance Committee

Re: Senate Bill 60, Repeal Workers' Comp Appeals Commission

Dear Co-Chairs Olson, Hoffman, Stedman, and members of the Senate Finance Committee,

The Alaska Chamber (the Chamber) writes in opposition of Senate Bill 60, an Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Workers' Compensation Appeals Commission; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 601(b), 602(c) and (h), and 603(a), Alaska Rules of Appellate Procedure; and providing for an effective date.

The Alaska Chamber was founded in 1953 and is Alaska's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

Shifting the responsibilities of the Workers' Compensation Appeals Commission to the Superior Court would be a mistake. Both employers and employees rely on the Workers' Compensation Appeals Commission to resolve complex disagreements between them. In 2022, the commission closed 16 out of 22 cases with an average processing time of 170 days. The Alaska Superior Court continues to work through a case backlog, which these appeals would only add to.

Unlike Superior Court judges, commission members are experts solely in workers' compensation claims, ensuring subject-matter expertise. Transitioning to the Superior Court would introduce delays due to the judges' unfamiliarity with workers' compensation laws, potentially withholding benefits from employees or extending costs for employers. This transition would raise expenses and deter appeals.

SB60, while seeming to save the State money, would only be shifting burdens and costs on to employees and employers through delayed appeals and increasing worker's compensation rates. The system in place works, as evidenced by the fact that in the lifetime of appeals adjudicated by the commission, less than 16% were overturned by the Supreme Court.

In closing, the Chamber opposes SB60, and we encourage the retention of the Workers' Compensation Appeals Commission.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi  
President and CEO