



**Testimony for Senate Labor and Commerce Committee
September 8, 2011**

1. Does your company have a policy regarding the hiring of Alaskan workers?

Yes

If so describe the policy and how it is implemented?

The LRS policy requires the priority consideration of Alaska residents provided:

- a. they are the most qualified candidate with regards to skill and experience
- b. present the proper attitude, ethics, communication and leadership skills during the interview process

How do you define an Alaskan for the purpose of this policy?

Alaskans are defined as those who present a physical residence in Alaska as their primary residence. Validation of residence is not based on the PFD application.

2. What percentage of your workforce is currently Alaskans?

LRS has 68% Alaska Hire with 92 residents and 44 non-residents with payroll in Alaska at \$9.2 million and payroll outside of Alaska at \$5 million. Non Resident demographics are as follows:

AZ – 3 CA -1 CO -1 IA-1 ID – 5 MN – 2 ND-1 NV – 1 OR -1 TN – 1 TX – 1 UT – 1 VA – 1

WA – 18 WY – 6

14 nonresidents were hired as Alaskan residents and moved out of Alaska after years of employment with LRS.

How do you track this number?

LRS Payroll System

Do you have a target figure?

100%

Have these numbers varied over your company's history with the industry in Alaska?

Yes, from 81% to current level of 68% over the past 10 years.

3. Recent data from the Alaska Department of Labor and Workforce Development show that just over half of the new hires in industry are from out of state.

In the past 12 months LRS has hired 24 people to fill the attrition of 22 employees who departed the company during the same period. Of the new hires 13 are Alaskan and 11 are nonresident.

What efforts do you make to find Alaskans to fill job openings in your company?

Newspaper Advertising, Craigslist, Trade Journals, Word of Mouth

Planning to use the DOL and WF Development Site Alex sys

How successful have these been?

60% estimated effectiveness

If they have not been as successful as you believe they could be, what specific policy changes would you recommend the state consider that would make it easier for you to hire more Alaskans?

- A) Improve the Department of Labor and Workforce Development Alaska Job Center Network website. Simplify by reducing questions of job seekers / Add oil and gas as an industry cluster in the ALEX sys / work with job seekers to improve search functions / advertise the resource. Legislators sign in and try it for yourselves
- B) Tax credits are used to induce exploration so consider providing tax incentive to employers who hire under qualified Alaskans and spend money to fully qualify them for the positions.

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