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1 IN THE HOUSE

2 HOUSE BILL NO. 316

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to employment preference for residents
7 of depressed areas."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that abnormally
10 low employment in specific depressed areas is a significant factor contribu-
11 ting to numerous social ills and that the abnormally low employment of resi-
12 dents of those areas tends to create a self-reinforcing cycle of poverty and
13 dependence. The legislature further finds that the major causes of jobless-
14 ness in these areas are an inability to secure employment because of a lack
15 of education and job training or geographical remoteness from job opportuni-
16 ties. Those who need the jobs most tend to be under-educated, untrained or
17 living in areas remote from job opportunities. Although some unemployed
18 persons who are highly educated and skilled may receive jobs if employment
19 preference is given to residents of depressed areas, the major assistance
20 will go to persons who need help most. The legislature further finds that a
21 requirement of a employment preference to all residents of depressed areas is
22 reasonable and is the least burdensome method of alleviating the economic and
23 social problems of the depressed areas.

24 * Sec. 2. AS 36 is amended by adding a new chapter to read:

25 CHAPTER 30. DEPRESSED AREA EMPLOYMENT PREFERENCE.

26 Sec. 36.30.010. EMPLOYMENT PREFERENCE. (a) If 10 or more persons
27 are employed in the performance of a contract let by the state, a poli-
28 tical subdivision of the state, or a regional school board for construc-
29 tion, repair, preliminary surveys, engineering studies, consulting, main-

1 tenance work or any other retention of services necessary to complete a
2 project, at least 25 per cent of the employees shall be residents of
3 depressed areas who are qualified under AS 36.30.055 if they are avail-
4 able and qualified for the work.

5 (b) The provisions of this chapter apply to all employment which
6 is the result of a loan, oil or gas lease, easement, lease, right-of-way
7 permit or unitization agreement to which the state is a party which is
8 executed or renegotiated after the effective date of this Act if the
9 activity which generates the employment takes place in the state and is
10 performed by a person subject to this chapter, his contractor or sub-
11 contractor.

12 Sec. 36.30.020. CHAPTER INCORPORATED IN CONTRACTS. The state
13 officer responsible for the execution of any document within the re-
14 quirements of this chapter shall (1) require that the document include a
15 provision requiring the other party to comply with the provisions of
16 this chapter; and (2) include in any collective bargaining agreement
17 concerning work on a project subject to this chapter terms requiring
18 compliance with those provisions.

19 Sec. 36.30.025. JOB TRAINING REQUIREMENT. Except as otherwise
20 provided by regulations adopted under this section, employers shall
21 establish an on-the-job training program for any project employing 50 or
22 more persons. The Department of Labor shall adopt regulations estab-
23 lishing on-the-job training requirements and may adopt regulations
24 establishing different requirements for different classes of employees
25 and exempt specific classes of employers if the commissioner determines
26 the objectives of this chapter would be better met by classifications
27 and exemptions.

28 Sec. 36.30.030. RECRUITMENT. The Department of Labor shall estab-
29 lish a program designed to acquaint the residents of depressed areas in

1 the state with the employment preferences established by this chapter
2 and with specific employment opportunities on projects subject to this
3 chapter. The program must include periodic personal visits to each
4 depressed area by personnel of the department, a system whereby specific
5 employment opportunities will be posted or published in each area, and a
6 system of direct contacts between the department and an individual or
7 organization within each area in order that questions of the residents
8 concerning this program may be answered promptly and necessary informa-
9 tion be disseminated in a timely manner.

10 Sec. 36.30.035. HIRING WITHIN AREA. The department shall by
11 regulation establish procedures by which the actual hiring of residents
12 of depressed areas in the state occurs in the area in which the person
13 entitled to employment preference under this chapter resides.

14 Sec. 36.30.040. EMPLOYMENT PRIORITY. Among persons qualified for
15 employment preference under this chapter priority shall be given to the
16 extent feasible, to persons who have completed a job-training program
17 approved by the department or who enroll in an on-the-job training
18 program established under AS 36.30.025.

19 Sec. 36.30.045. LIMITATION OF PREFERENCE. If the commissioner
20 determines for a specific project that the employment preference granted
21 in this chapter would result in over 50 per cent of the jobs in a par-
22 ticular skill classification being subject to the employment preference,
23 he may limit the extent of the employment preference for that project so
24 that 50 per cent of the jobs in the skill classification are not subject
25 to the employment preference. If he determines for a specific project
26 that sufficient persons eligible for the employment preference are not
27 available and qualified, he may issue an exception lowering the per-
28 centage requirement for that project.

29 Sec. 36.30.050. DETERMINATION OF DEPRESSED AREA. The department

1 shall examine relevant data for each census district in the state and
2 certify as eligible those districts which qualify as depressed areas
3 under this chapter. A city or village located in the state outside a
4 census district which has been certified as eligible or any city or
5 county located outside the state may petition the department for certi-
6 fication of it or of the labor area in which it is located as a quali-
7 fied area. The petitioner shall submit evidence of qualification under
8 AS 36.30.060 as required by the department by regulation. The depart-
9 ment shall examine petitions as submitted and determine eligibility of
10 the petitioner or labor area. If the department determines the peti-
11 tioner or labor area is eligible, it shall issue a certificate of eli-
12 gibility. If it determines the petitioner is not eligible, it shall
13 notify the petitioner in writing setting out the findings of fact
14 supporting that determination. In its determinations the department may
15 use census data or other data that it considers reliable.

16 Sec. 36.30.055. PERSONS QUALIFIED. A person is qualified for
17 employment preference under this chapter if he is a resident of an area
18 certified by the department as a depressed area and is either unemployed
19 or marginally employed. A person is marginally employed if his wage and
20 salary or self-employment earnings for the week preceding application
21 was less than 30 times the state minimum hourly wage or over the pre-
22 vious month was less than 129 times the state minimum hourly wage.

23 Sec. 36.30.060. AREAS QUALIFIED. An area is qualified by the
24 department as a depressed area under this chapter if it is a borough,
25 city, village or labor area in which the ratio of persons employed in
26 nonagricultural wage and salary employment and in agricultural employ-
27 ment is less than 50 per cent of the population of the area between 18
28 and 64 years of age. An employed person who resides in the area is
29 employed for purposes of this chapter regardless of the location of the

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place of employment.

Sec. 36.30.065. DEFINITIONS. In this chapter

(1) "agricultural employment" means all employment in the Standard Industrial Classification of agricultural production as published by the United States Department of Labor;

(2) "commissioner" means the commissioner of the Department of Labor;

(3) "department" means the Department of Labor;

(4) "labor area" means a geographic area consisting of a central community and surrounding territory in which there is a concentration of economic activity or labor demand and in which workers can generally change jobs without changing their residence, designated by the department or by the United States Department of Labor.