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Referred: Rules

1 IN THE HOUSE

BY THE LABOR AND  
MANAGEMENT COMMITTEE

2 CS FOR 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 and depressed states."

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,

1 maintenance work or any other retention of services necessary to com-  
2 plete a project if persons who are qualified under AS 36.30.050 are  
3 available and qualified for the work and the project is

4 (1) within a depressed area qualified under AS 36.30.055(a),  
5 residents of the depressed area shall be given employment preference  
6 until at least 50 per cent of the employees are residents of the de-  
7 pressed area;

8 (2) within a depressed area qualified under AS 36.30.055(a)  
9 and within a depressed state qualified under AS 36.30.055(b), residents  
10 of depressed states shall be given employment preference until an addi-  
11 tional 50 per cent of the employees are residents of depressed states;

12 (3) outside a depressed area qualified under AS 36.30.055(a)  
13 but within a depressed state qualified under AS 36.30.055(b), residents  
14 of depressed states shall be given employment preference until 100 per  
15 cent of the employees are residents of the depressed state.

16 (b) The provisions of this chapter apply to all employment within  
17 a depressed area which is the result of a loan, oil or gas lease, ease-  
18 ment, lease, right-of-way permit or unitization agreement to which the  
19 state is a party which is executed or renegotiated after the effective  
20 date of this Act if any part of the activity which generates the employ-  
21 ment takes place in one or more depressed areas and is performed by a  
22 person subject to this chapter, his contractor or subcontractor.

23 Sec. 36.30.020. CHAPTER INCORPORATED IN CONTRACTS. The state  
24 officer responsible for the execution of any document within the re-  
25 quirements of this chapter shall require that the document include a  
26 provision requiring the other party to (1) comply with the provisions of  
27 this chapter; and (2) include in any collective bargaining agreement  
28 concerning work on a project subject to this chapter terms requiring  
29 compliance with those provisions.

1           Sec. 36.30.025. JOB TRAINING REQUIREMENT. Except as otherwise  
2 provided by regulations adopted under this section, employers shall  
3 establish an on-the-job training program for any project employing 50 or  
4 more persons. The Department of Labor shall adopt regulations estab-  
5 lishing on-the-job training requirements and may adopt regulations  
6 establishing different requirements for different classes of employees  
7 and exempt specific classes of employers if the commissioner determines  
8 the objectives of this chapter would be better met by classifications  
9 and exemptions.

10           Sec. 36.30.030. RECRUITMENT. The Department of Labor shall estab-  
11 lish a program designed to acquaint the residents of depressed areas in  
12 the state with the employment preferences established by this chapter  
13 and with specific employment opportunities on projects subject to this  
14 chapter. The program must include a system whereby specific employment  
15 opportunities will be posted or published in each area, and a system of  
16 direct contacts between the department and an individual or organization  
17 within each area in order that questions of the residents concerning  
18 this program may be answered promptly and necessary information be  
19 disseminated in a timely manner.

20           Sec. 36.30.035. HIRING WITHIN AREA. An employer subject to this  
21 chapter shall implement hiring procedures which assure that the actual  
22 hiring of residents of depressed areas in the state occurs in the area  
23 in which the person entitled to employment preference under this chapter  
24 resides. The procedures must be approved by the department.

25           Sec. 36.30.040. LIMITATION OF PREFERENCE. If the commissioner  
26 determines for a specific project that the employment preference granted  
27 in this chapter would result in over 50 per cent of the jobs in a par-  
28 ticular skill classification being subject to the employment preference,  
29 he may limit the extent of the employment preference for that project so

1 that 50 per cent of the jobs in the skill classification are not subject  
2 to the employment preference. If he determines for a specific project  
3 that sufficient persons eligible for the employment preference are not  
4 available and qualified, he may issue an exception lowering the per-  
5 centage requirement for that project.

6 Sec. 36.30.045. DETERMINATION OF DEPRESSED AREA. The department  
7 shall examine relevant data for each census district in the state and  
8 certify as eligible those districts which qualify as depressed areas  
9 under this chapter. A city or village located in the state outside a  
10 census district which has been certified as eligible may petition the  
11 department for certification of it or of the labor area in which it is  
12 located as a qualified depressed area. The petitioner shall submit  
13 evidence of qualification under AS 36.30.060 as required by the depart-  
14 ment by regulation. The department shall examine petitions as submitted  
15 and determine eligibility of the petitioner or labor area. If the  
16 department determines the petitioner or labor area is eligible, it shall  
17 issue a certificate of eligibility. If it determines the petitioner is  
18 not eligible, it shall notify the petitioner in writing setting out the  
19 findings of fact supporting that determination. In its determinations  
20 the department may use census data or other data that it considers  
21 reliable.

22 Sec. 36.30.050. PERSONS QUALIFIED. A person is qualified for  
23 employment preference under this chapter if he is a resident of an area  
24 certified by the department as a depressed area and is either unemployed  
25 or marginally employed. A person is marginally employed if his wage and  
26 salary or self-employment earnings for the week preceding application  
27 was less than 30 times the state minimum hourly wage or over the pre-  
28 vious month was less than 129 times the state minimum hourly wage.

29 Sec. 36.30.055. AREAS QUALIFIED. (a) An area is qualified by the

1 department as a depressed area under this chapter if it is a borough,  
2 city, village or labor area in which the ratio of persons employed in  
3 nonagricultural wage and salary employment and in agricultural employ-  
4 ment is less than 50 per cent of the population of the area between 18  
5 and 64 years of age or in which the unemployment rate is nine per cent  
6 or more. An employed person who resides in the area is employed for  
7 purposes of this chapter regardless of the location of the place of  
8 employment.

9 (b) A state is qualified as a depressed area under this chapter if  
10 it is a state in which the average insured unemployment rate is in  
11 excess of 7.5 per cent.

12 Sec. 36.30.060. DEFINITIONS. In this chapter

13 (1) "agricultural employment" means all employment in the  
14 Standard Industrial Classification of agricultural production as pub-  
15 lished by the United States Department of Labor;

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

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

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