

H B

508

May 15, 1981

HOUSE JOURNAL  
SUPPLEMENT

No. 43

HB  
509

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill No. 509 (Page 1 of 3)  
 Title "An Act relating to analysis of employment and unemployment in the state...."  
 Requested by Rogers, Gardiner, Jenkins, Buchholz, Duncan, Fuller, Zharoff and Grussendorf Date 5/3/81

II. FISCAL DETAIL  
 Agency Affected Labor  
 Program Category Affected Employment Stabilization  
 BRU, Program, or Subprogram(s) Affected Administrative Services IMI  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		219.8	228.0	246.2	265.9	287.2
200 TRAVEL		13.2	13.0	14.0	15.1	16.3
300 CONTRACTUAL		190.9	203.1	219.3	236.4	255.7
400 COMMODITIES		6.5	6.5	7.0	7.6	8.2
500 EQUIPMENT		12.4	13.4	14.5	15.7	17.0
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC						
TOTAL	-0-	442.8	464.0	501.0	541.1	584.4

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	442.8	464.0	501.0	541.1	584.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	-0-	6.5	6.0	6.0	6.0	6.0
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
- Assumes an effective date of July 1, 1981.
  - Personal Services based on current salary schedule, with allowance of vacancy factor in FY '82.
  - Travel, Contractual Services, Commodities and Equipment are based on cost per position with the exception of Data Processing cost of \$120,000 which is based on an estimate for a Time Sharing operation.
  - Assumes an annual inflation factor of 8% for all line items.
  - To meet the requirements of this legislation, funding for the following information components is requested:

REGIONAL ECONOMIC FORECAST BY INDUSTRY \$230,998 (FY '82)

The large geographic size of Alaska makes it probable that some regions could have severe shortages of workers while other areas lack economic activity. For the past three years the Research and Analysis Section has developed and improved the employment data base for

IV. DATE May 9, 1981 PREPARED BY Nico Bus, Finance Officer  
 AGENCY Labor  
 PHONE 465-2720

Original: Legislative Finance

Fiscal Note for House Bill No. 509 (Page 2 of 3)  
Analysis continued

six regions of the state. This permitted more accurate sub-state regional estimates of employment by industry, labor force and unemployment. Both published and nondisclosable (due to confidentiality restrictions of Alaska's Unemployment Insurance Law) data are contained in this data base.

This component would provide staff to analyze and forecast employment, labor force, and unemployment information for the six regions of the State. With computer assistance, staff would determine the trend and level of economic activity by industry and enable the operation of an industry/occupation matrix to provide occupational forecasts by industry for the six regions.

Purchases: Labor Economist III, 2 Labor Economists II's, Clerical & Data Processing Services

EXPANDED OCCUPATIONAL EMPLOYMENT STATISTICS \$91,809 (FY '82)

For much of the past decade Research and Analysis has estimated and projected employment (staffing levels) by occupation. Occupational data from an employer survey is merged with the employment forecast by industry to prepare forecasts of occupational employment.

This component would provide staff to provide occupational forecasts by industry for the six regions of Alaska. Industrial detail used would be expanded to provide for more accurate estimates. For example, more detail in the mining industry, would isolate coal and hard rock mining from oil and gas extraction. This would permit more accurate forecasts of the occupations involved if those sub-industries grew at different rates.

Purchases: 1 Labor Economist II, Data Processing and Clerical Services

ANALYSIS OF UI AND ES DATA BASES \$41,637 (FY '82)

In the first year of the legislation only, the agency proposes a small increment to analyze the best to utilize the Unemployment Insurance (UI) and Employment Service (ES) data bases for dynamic indicators of unemployment and employee turnover. Potentially, these two data bases could give insight into the mobility and labor force attachment of Alaska's population. Both cross sectional (one point in time) and longitudinal (between different time periods) analysis is feasible. However, some of this analysis has only been done in a few states and the uniqueness of each state's unemployment insurance data base makes it appropriate to limit the study to determining feasible methodologies in the first year.

Purchases: 0.5 Labor Economist III, Clerical and Data Processing Support

MIGRATION STUDY \$78,312 (FY '82)

Any analysis of Alaska's labor force supply would be inadequate without considering the impact of migration (both immigration and outmigration). Migration flows are triggered both by push (lack of available opportunities in the area from which migration emanates) and pull (more lucrative opportunities in the area which receives the migration) factors. Interstate analysis of the factors which correlate with migration would be necessary (for example, construction employment in other western states). Modeling the migration component would give insight into the appropriate timing of large capital projects.

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Purchases: 1 Labor Economist II and Clerical and Data Processing Support

These components are interrelated with each other and with other information systems within our Research and Analysis unit. Integration of this complete information system would provide an excellent framework for Alaska's policymakers to determine both the needs of their constituents and the impact of proposed solutions. The output from these components would be prepared annually to meet the continuing information needs of legislative and other governmental officials at local and state levels and for Alaska's businesses and industries both existing and those starting again or expanding in Alaska.

REQUEST  
 Bill/Resolution No. HB 508  
 Title An Act relating to requirements for fiscal notes and employment notes in the legislative process. Date 4/16/81  
 Requested by Gardiner, Rogers and others

II. FISCAL DETAIL

Agency Affected Office of the Governor, Division of Budget and Management  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Budget and Management  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		150	40	43	47	51
400 COMMODITIES		5	5	6	6	7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		155	45	49	53	58

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		155	45	49	53	58
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Initial estimates of direct and indirect employment impacts for common types of capital projects will be developed under a contractual arrangement.
2. Costs of estimating impacts for unique projects (extremely large, of a one-time nature) are not included in Fiscal Detail. These projects could be most effectively analyzed by specialized studies.
3. Contractual expenses for fiscal years beyond the initial development year are for a system which would monitor actual experience for the purpose of refining and updating the standardized estimates. The amount included an 8% inflation factor.
4. Additional workload on the Division will be absorbed by existing positions.

IV. DATE 4/30/81 PREPARED BY David Tonkovich  
 AGENCY Budget and Management  
 PHONE 465-4242  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Date: January 15, 1982

Requested by Governor

II. FISCAL DETAIL

Agency Affected: Department of Transportation and Public Facilities

Program Category Affected: Transportation

BRU, Program or Subprograms Affected: Interior Region Transportation

	FY 82	FY 83	FY 84	FY 85
Total Expenditure	\$2,000.0	\$1,000.0	-0-	-0-
GENERAL FUND	2,000.0	1,000.0	-0-	-0-
<del>FEDERAL FUND</del>	-0-	-0-	-0-	-0-

OTHER FUNDS

III. EMPLOYMENT DETAIL

A. Hours/Full-time Equivalent	FY 82	FY 83	FY 84	FY 85
On-site Employee Hours	22,990 hrs	10,450 hrs		
Full year equivalent jobs @ 1800 hrs/yr	12.8 FTE	5.8 FTE		
Off-site Employee Hours	12,024 hrs	5,464 hrs		
Full year equivalent jobs @ 1800 hrs/yr	6.7 FTE	3.0 FTE		

B. On-site Employment: salaries, full-year equivalent employment

Category	Avg. Annual Salary	FY 82	FY 83	FY 84	FY 85
All Occupations	\$33,400	12.8	5.8		
Administrative/Supervisory	52,470	.76	.34		
Crafts*	35,138	5.26	2.38		
Laborers, helpers	25,872	4.35	1.97		
Truck Drivers, Other	37,012	2.43	1.10		

\*Crafts include these occupations: Bricklayers, Carpenters, Electricians, Iron Workers, Equipment Operators, Painters, Plasters and Lathers, Plumbers and Pipefitters, Cement finishers

## JOBS PLANNING LEGISLATION: WHY?

Alaska's cyclical economy is well-known. Booms in construction and natural resource development have increased the state's employment, income, and population; all three have typically declined during the subsequent busts.

The latest rollercoaster ride - the oil pipeline boom - brought a lot of money to Alaska, but left an employment picture in some ways worse. From 1970 to 1980, population increased 33 percent, employment increased 99 percent, unemployment increased 178 percent, and the unemployment rate increased 35 percent (from 7.1 percent of the labor force, to 9.6 percent). For the year 1978 - the year after pipeline construction was completed - more than 22 percent of all state income tax returns were filed by part-year and non-residents. And in 1981 almost 10 percent of the year-round population is on food stamps.

Despite the slump of the past few years, Alaska is on an economic uptick, and appears likely to see another explosive boom in the mid-1980's. Looming large on the drawing board are many major projects such as large dams, petrochemical development, the gasline, the new capital, Beluga coal, Prudhoe Bay expansion, Beaufort Sea exploration and development, the Knik Arm crossing, bottomfish ports, and large-scale agricultural development. Not all of these projects will be built, but the activity generated by even half could produce a shock to the economy at least equal to that produced by construction of the oil pipeline. The concentration of projects will likely cause a "construction squeeze," resulting in more inflation and labor importation.

Heavy government involvement in the economy is another Alaska tradition, and much of the upcoming construction squeeze will be provided by state-financed projects. David Reaume, formerly chief economist with the Department of Commerce and Economic Development, estimates that the State's annual revenues - currently in the six billion dollar range - are roughly equal to the total personal income received by its citizens. Dams, roads, bridges, buildings - public facilities and infrastructure all around the state are slated to be major priorities for the use of the oil money.

Many of these capital improvements will be supported - at least in part - as public works projects, as methods of creating jobs for Alaskans. If they are all built at once, the State will instead be creating many jobs for people who are Californians and Texans today.

House Bills 508 and 509 aim to provide legislators with the information needed to plan the timing of State-sponsored projects so as to maximize the opportunities for employment of Alaskans.

HB 508 requires bills appropriating funds for capital improvements to include an "employment note." Similar to the fiscal note traditionally used in the legislative process to determine the cost of

an individual bill, the employment note would estimate the number of jobs to be created, and provide a breakdown by region and by category of employment.

The analysis for a bill's employment note would be conducted by the agency affected with the cooperation of the Division of Budget and Management. This is similar to the process by which fiscal notes are prepared.

Originally, the analysis will be limited to those capital improvements contained in the Governor's budget and those studied by the legislature over the interim. This limitation is desirable because the Governor's budget is assembled in a process consuming most of a year, thus allowing the administration a long lead-time in preparing its first batch of employment notes. Eventually, it may be possible to attach employment notes to bills which appear later in the legislative process, such as bills introduced by legislators during a session for action that same session. To start with, HB 508 requires employment notes on each capital project in the Governor's budget and a summary presentation of the budget's employment impact. It also provides for periodic evaluation of the accuracy of the employment estimates.

HB 509, a companion bill to HB 508, establishes a sophisticated computer modeling system of the State's employment and unemployment by region. Called the "Alaska Jobs Information Bank," the system would provide regular descriptions of Alaska's unemployed in each region, including their skills. It would also contain data on levels of employment expected from various public - and private - sector developments.



# Alaska State Legislature

## House of Representatives

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

MEMORANDUM

TO: Rep. Brian Rogers  
John Hartle, A.A.

FROM: Cliff Groh, A.A. *CJG*  
to Rep. Terry Gardiner

DATE: 21/May/1981

RE: Jobs planning legislation

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HB 509 is a clean bill. It's been referred to the Senate Finance Committee.

HB 508 has been referred to the Senate State Affairs and Finance Committees, where it could be improved by some specific amendments. They are as follows:

1. Limitation of scope back to capital improvements and state loan bills proposed by the governor.

Two amendments were passed on the floor expanding the application of the employment note process. These appear to pose both practical and technical problems.

(a) The floor amendment, which requires employment notes for legislators' bills as well as the governor's, will create a problem because legislators offer bills up to the minute before the session adjourns. Let's start by just looking at the employment impact of the governor's bills, because the executive branch has the time to do this properly.

(b) In addition, this amendment has the effect of including in the employment note process bills for operating expenditures, as well as bills for capital improvement projects and state loan programs. Giving Budget and Management three kinds of bills for which to prepare employment notes will overburden the agency; let's wait to see how they handle the other two. Besides, capital improvements and loan programs are the logical places to start, because they are more often looked to by the legislature as job-creating devices.

(c) The other amendment to HB 508 approved on the floor expanded the application of the employment note process to include bills which relate to "new or expanded state function or programs." The floor

debate indicated this amendment was aimed at measuring private-sector job creation through government-required regulation or "paperwork." It's difficult to see how this would be done (surveys of employers?). Moreover, this provision is objectionable for the same reasons the changes outlined in 1(a) and (b) are: it would add excessive work to the agency before it has a chance to start on the process.

To make these suggested changes to the House bill, on Page 1, lines 11-16 - strike all material and insert:

"Sec. 24.30.032. EMPLOYMENT NOTES. (a) A bill requiring the appropriation of state money for a capital improvement project or a state loan program which is presented by the governor to the legislature for introduction under AS 24.30.060 (B) shall include an employment note containing the following information about the effect of the bill on employment:"

Also, on Page 2, line 9 - strike the words "new or expanded state function or programs," and on Page 2, lines 11-12 - strike the words "new or expanded state function or programs" (The amendment discussed in (c) also inserted the "new and expanded state function or programs onto Page 1, but it was eliminated - apparently inadvertently - by the amendment inserting the language including legislator's bills.)

2. Estimating the employment impact of loans.

The concern was raised on the floor that it would be impossible to estimate the employment impact of a state loan program without knowing the recipients of the loans. To allay this concern, on Page 1, after line 25 - insert new paragraph (b) and renumber accordingly:

"(b) A bill presented by the governor which requires the appropriation of money for a state loan program shall include an employment note estimating employment by the category of purpose of loan most often made by the program."

3. Evaluating the performance of employment note preparers.

On Page 2, line 18 - add new sentence after the word "procedures.":

"After the first year employment note procedures are utilized, in each succeeding year the report shall contain comparison of the employment estimates with the employment actually experienced."

4. Clarifying the types of employment estimated.

To answer question about the types of employment which would be estimated by this process, on Page 1, line 23 - after the word "employment;" insert the words "both public and private;"

In addition, it should be noted that Budget and Management may be able to estimate both "direct and "indirect" employment, although the House bill only requires the agency to estimate "direct" employment. Note the accompanying sample employment note, which estimates for a

highway construction bill both the number of "on-site" jobs and "off-site" jobs. This covers the first-round effects of the "multiplier," but not the second-round, or "income-induced" employment. (On a construction job, the surveyor has got an on-site or direct job, the surveying equipment salesman has got an off-site or indirect job, and the bartender supported by the surveyor and salesman has got an income-induced job.)

P.S. Note that the note does not specify ~~the~~ <sup>the region</sup> whether they are in Alaska or Outside.



SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET

DATE:

LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
Bob Jones	U.S. Forest Service	P.O. Box 1678 Juneau, AK 99802 586-7510	HB 348 & HB 18
Dave Tonkovich	Budget & Mgmt	465-4242	HB 508
Geo. W. Rogers		1790 Evergreen, Juneau	HB 508, 509
Jimmy Gardner	Legislature	FV. ISIS	Tree Point, Alaska 00001
Gloria Houston Way	EMS / DHSS	Pouch H-06C 465-3027	HB 348 avalanche Warning System
Rep. Randy Phillips			HJR 46



SENATE STATE AFFAIRS COMMITTEE -- HEARING SIGN-IN SHEET

DATE:

LOCATION:

AGENDA:

NAME	AFFILIATION/POSITION	ADDRESS/PHONE	TESTIFYING ON:
<i>Bob James</i>	<i>U.S Forest Service</i>	<i>P.O. Box 1628 Juneau, AK 99807 586-7510</i>	<i>HB 348 &amp; HB 18</i>
<i>Dave TenKovich</i>	<i>Budget &amp; Mgmt</i>	<i>465-4242</i>	<i>HB 508</i>
<i>Geo. W. Rogers</i>		<i>1790 EVERGREEN, JUNEAU</i>	<i>HB 508, 509</i>
<i>Jerry Gaudier</i>	<i>Legislature</i>	<i>FV ISIS</i>	<i>Tree Point, Alaska 00001</i>
<i>Gloria Houston Way</i>	<i>EMS / DHSS</i>	<i>Pouch H-06C 465-3027</i>	<i>HB 348 avalanche Warning System</i>
<i>Rep. Randy Phillips</i>			<i>HJR 46</i>

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

MAY 25 ----- MAY 26

TUESDAY May 26

NO MEETING

THURSDAY May 28  
1:30 p.m.

CSHB 508 (Fin) am---Hearing  
Relating to requirements for fiscal notes and  
employment notes in the legislative process;  
and providing for an effective date.

EJR 46---Hearing  
Relating to the reduction of the cost-of-living  
allowance paid to federal employees in Alaska.

HB 348 (efd failed)---Hearing  
A special appropriation to the Dept. of Public  
Safety for the Alaska avalanche warning system.

HEARINGS WILL BE CONDUCTED IN THE BEHRENS BUILDING, FIRST  
FLOOR, STATE AFFAIRS COMMITTEE ROOM. IF YOU HAVE ANY QUESTIONS  
PLEASE CONTACT SENATOR FISCHER'S OFFICE (465-4954). THANK YOU.

Fiscal Notes  
& Employee  
Notes

HOUSE BILL NO. 508, (see pages 742;887). Reported back to the House on May 15 by Finance recommending it be replaced with a SUBSTITUTE (Finance) and reporting it back with individual recommendations: Cotten, Freeman, Buchholdt, Malone and Rogers recommend do pass. Moss recommend do not pass unless amended. Adams, Carney and Haugen have no recommendation. To Rules.

SUBSTITUTE (FINANCE) provides a bill requiring the appropriation of state money for a capital improvement project or a state loan program (added) presented by the Governor to the legislature shall include an employment note containing information about the effect of the bill on employment. Also adds subsections which provide for a breakdown of employment which would be created, by region of the state. New subsection (b) states: "Bills presented by the governor which require the appropriation of less than \$1,000,000 for capital improvement projects or state loan programs may be aggregated under a single employment note, which shall contain the information required by (a) of this section." New subsection (f) states: "By January 20 of each year the Office of the Governor, division of budget and management, shall submit a report to the governor for transmittal to the legislature on the preparation of employment notes, including recommendations for improvement in employment note procedures." Adds language relating to state loan programs to section relating to supplemental budget revisions or budget amendments by the Governor which relate to capital improvement projects (subsection (e)). Remainder of the bill the same.

Fiscal Notes  
& Employment  
Notes

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (FIN) (AMENDED), (see pages 742;887;944;960). On May 19 the Finance SUBSTITUTE was adopted. The bill was returned to second reading twice and Am. No. 1 (Halford) and Am. No. 3 (Fanning) were adopted. Am. No. 3 inserts the language of the original HB 508 in Sec. 1 of the bill relating to employment notes: "Before a bill requiring the appropriation of state money, including a bill appropriating money to a state loan program, is reported from the committee of first referral, there shall be attached to the bill an employment note containing the following information

about the effect of the bill on employment." Am. No. 1 would amend subsection (e) of new section relating to employment notes to read: "The requirements of this section apply to supplemental budget revisions or budget amendments by the governor which relate to capital improvement projects, new or expanded state functions or programs, or state loan programs, and to reports made by the governor covering proposed capital improvements projects, new or expanded state functions or programs, or state loan programs if the reports are to be considered by the legislature during the interim between legislative session." (Underlined material added by amendment.)

The bill then passed, 28-11-1. Nays: Abood, Anderson, Barnes, Bylsma, Cuddy, Haugen, Hayes, Martin, Metcalfe, Montgomery, O'Connell. Not voting: Beirne. Reps. Randolph and Halford changed their votes from "nay" to "yea." The effective date was adopted.

Fiscal Notes  
& Employment  
Notes

HOUSE BILL NO. 508, by Reps. Gardiner, Rogers, Meekins, Buchholdt, Duncan, Fuller and Zharoff. Adds new section to AS 24.30 which requires "Employment Notes" on bills requiring the appropriation of state money. Must be attached to the bill before it reported from the committee of first referral. Note shall contain information such as the number of jobs which would be created and in what areas, a description of the type of employment opportunities which would be created, salary levels, duration of employment, job skills required, number of jobs which would be filled by Alaskans, & job training needed to maximize employment of Alaskans. If bill has no employment impact, a statement to that effect must be attached. Note to be prepared by the department or departments affected. Governor's bills must have the note attached before the bill is introduced. Any amendment or substitute bill proposed by a committee that changes employment impact shall be explained in a revised note attached to the bill.

Bill also amends AS 37.07.020(a) to require the Governor's budget to be accompanied by a summary of the fiscal notes and employment notes for all bills proposed by the governor. Provides Act effective on July 1, 1981.

Introduced April 16 and referred to State Affairs and Finance.

Fiscal Notes  
& Employment  
Notes

HOUSE BILL NO. 508, (see page 742). Reported back to the House on May 8 by State Affairs with the committee recommending it be replaced with SUBSTITUTE(SA) and that it do pass. Abood recommended do not pass. Cuddy had no recommendation. To Finance.

SUBSTITUTE(SA) would only require preparation of Employment Notes on bills submitted by the Governor for capital projects. Deletes requirement that Note include the median salary, the duration of employment, job skills required, the number of jobs which could be filled by residents at the time the bill takes effect, and job training needed to maximize employment for Alaska residents. The Employment Note shall be prepared by the affected department(s) "in cooperation with the Office of the Governor, division of budget and management." Adds section which states that requirements apply to supplemental budget revisions or budget amendments by the Governor which relate to capital improvement projects, and to interim reports made by

Fiscal Notes & Employee Notes COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 508 (Finance)(Amended), (see pages 742;887;944;1006). Received in the Senate on May 20 and referred to State Affairs, then to Finance.

Federal  
Employees  
(reduction of  
COLA)

HOUSE JOINT RESOLUTION NO. 46, by Rep. Phillips. Requests the President of the United States to further amend Executive Order No. 10,000, as amended, to enable the continuation of the 25% cost-of-living-allowance for federal employees in Anchorage. Provides that copies of resolution be sent to Ronald Reagan and to the members of the Alaska delegation in Congress.

Introduced April 14 and referred to State Affairs.

Federal  
Employees  
(reduction  
of COLA)

HOUSE JOINT RESOLUTION NO. 46, (see page 743). Reported back to the House on May 11 by State Affairs recommending it do pass with an amendment. The State Affairs amendment requests the President to amend Executive Order No. 10,000 to enable the continuation of the 25 percent cost-of-living allowance for federal employees in "Alaska" (was "Anchorage"). To Rules.

Federal  
Employees  
(reduction in

HOUSE JOINT RESOLUTION NO. 46, (see pages 743, 946). On May 15 the resolution was before the House but was held until the May 18 calendar.

Federal  
Employees  
(reduction in  
C.O.L.A.)

HOUSE JOINT RESOLUTION NO. 46, (see pages 743;946;953;1008). Received in the Senate on May 20 and referred to State Affairs.

Federal  
Employees  
(reduction in  
COLA)

HOUSE JOINT RESOLUTION NO. 46, (see pages 743;946;953;961). On May 19 the resolution passed, 36-3-1. Nays: Cuddy, Hurlbert, Martin. Not voting: Beirne. (Note: The State Affairs amendment was not offered.)

Appropriation HOUSE BILL NO. 348 (E.D. FAILED), (see page 520). Reported back to  
(special) the House on May 18 by Finance with the committee members having  
(Avalanche individual recommendations. Freeman (Vice-Chmn.), Moss and Rogers  
Warning recommended do pass. Adams, Haugen, Montgomery and Malone had no  
System) recommendation. Carney recommended do not pass. To Rules.

Passed the House on May 22, 25-12-3. Nays: Abood, Barnes, Beirne, Bettisworth, Bylsma, Carney, Cuddy, Fanning, Halford, Haugen, Hayes, Montgomery. Not voting: Grussendorf, Phillips, Randolph. The effective date failed, 26-11-3 (Carney switched his vote).

HOUSE BILL NO. 348, by Rep. Miller. Makes a special appropriation in the amount of \$446,000 from the general fund to the Dept. of Public Safety for the Alaska avalanche warning system. Provides unexpended and unobligated portion of the appropriation lapses into the general fund 6/30/82. Provides Act takes effect immediately.

Introduced March 17 and referred to Finance.

CS HB 508

1. Page 1, lines 11-16: strike all material and insert:

"Sec. 24.30.032. EMPLOYMENT NOTES. (a) A bill requiring the appropriation of state money for a capital improvement project which is presented by the governor to the legislature for introduction under AS 24.30.060 (b) shall include an employment note containing the following information about the effect of the bill on employment:"

2. Page 2, lines 9-10 and Page 2, line 12: delete "or state loan programs,"
3. Page 2, line 9 and Page 2, lines 11-12: strike the words "new or expanded state function or programs,"

(Debate indicated this language — added in a floor amendment — was intended to measure the employment impact on the private sector of government actions. This concern could be handled by directing the Regulatory Reform staff in the Governor's office to investigate this question.)

4. Page 2, after line 13: insert new paragraph (f), and renumber accordingly:

? "(f) The Office of the Governor shall consider the effect of new or expanded state programs or functions on employment in the private sector."

5. Page 1, line 23: after "employment;" insert "both public and private;"

6. Page 2, line 18: add after "procedures.":

"After the first year employment note procedures are utilized, in each succeeding year the report shall contain <sup>sample</sup> comparisons of the employment estimates with the employment actually experienced."

*clean up the bill - make it more acceptable*

Date: January 15, 1982

Requested by Governor

## II. FISCAL DETAIL

Agency Affected: Department of Transportation and Public FacilitiesProgram Category Affected: TransportationBRU, Program or Subprograms Affected: Interior Region Transportation

	FY 82	FY 83	FY 84	FY 85
Total Expenditure	\$2,000.0	\$1,000.0	-0-	-0-
GENERAL FUND	2,000.0	1,000.0	-0-	-0-
<del>FEDERAL FUND</del> OTHER FUNDS	-0-	-0-	-0-	-0-

## III. EMPLOYMENT DETAIL

A. <u>Hours/Full-time Equivalent</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
On-site Employee Hours	22,990 hrs	10,450 hrs		
Full year equivalent jobs @ 1800 hrs/yr	12.8 FTE	5.8 FTE		
Off-site Employee Hours	12,024 hrs	5,464 hrs		
Full year equivalent jobs @ 1800 hrs/yr	6.7 FTE	3.0 FTE		

B. On-site Employment: salaries, full-year equivalent employment

<u>Category</u>	<u>Avg. Annual Salary</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
All Occupations	\$33,400	12.8	5.8		
Administrative/Supervisory	52,470	.76	.34		
Crafts*	35,138	5.26	2.38		
Laborers, helpers	25,872	4.35	1.97		
Truck Drivers, Other	37,012	2.43	1.10		

\*Crafts include these occupations: Bricklayers, Carpenters, Electricians, Iron Workers, Equipment Operators, Painters, Plasters and Lathers, Plumbers and Pipefitters, Cement finishers

Sample employment  
note prepared by  
Budget and Management  
(HB508)

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 29, 1981

SUBJECT: Proposed SCS for CSHB 508

TO: Senate State Affairs Committee  
Attn: Nancy Groszek, A.A.

FROM: *LHA* Linn H. Asper  
Legislative Counsel

I have drafted the proposed State Affairs Committee Substitute for CSHB 508 in accordance with your request of May 28th, with one exception. I have not included the language which you requested as a new subsection (f) on page 2 of the bill. It seems that this language refers to employment effects not covered by the concept of the employment note. If it is intended to refer only to bills which will have employment notes, then I think the information will be included in the employment note under the requirements of AS 24.30.032(a)(1) - (3). Please advise if this is not satisfactory. *OK JJ*

LHA:ljb

Enclosure

REQUEST

Bill/Resolution No. HB 508

Title An Act relating to requirements for fiscal notes and employment notes in the legislative process.

Date 4/16/81

Requested by Gardiner, Rogers and others

HB 508

II. FISCAL DETAIL

Agency Affected Office of the Governor, Division of Budget and Management

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Budget and Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		150	40	43	47	51
400 COMMODITIES		5	5	6	6	7
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>155</b>	<b>45</b>	<b>49</b>	<b>53</b>	<b>58</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		155	45	49	53	58
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section IID)

1. Initial estimates of direct and indirect employment impacts for common types of capital projects will be developed under a contractual arrangement.
2. Costs of estimating impacts for unique projects (extremely large, of a one-time nature) are not included in Fiscal Detail. These projects could be most effectively analyzed by specialized studies.
3. Contractual expenses for fiscal years beyond the initial development year are for a system which would monitor actual experience for the purpose of refining and updating the standardized estimates. The amount included an 8% inflation factor.
4. Additional workload on the Division will be absorbed by existing positions.

IV. DATE 4/30/81

PREPARED BY David Tonkovich  
 AGENCY Budget and Management  
 PHONE 465-4242

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

5-28-81  
Terry Gardiner

Capital programs  
Defer loan programs  
til later, after  
experience

Original sponsors: Gardiner, Rogers,  
Meekins, et al

Offered: 5/15/81  
Referred: Rules

Dave Tombovich  
Geo Rogers

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 508 (Finance) am  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to requirements for fiscal notes and  
employment notes in the legislative process; and  
providing for an effective date."

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

\* Section 1. AS 24.30 is amended by adding a new section to read:

Sec. 24.30.032. EMPLOYMENT NOTES ON BILLS. (a) Before a bill  
requiring the appropriation of state money, including a bill appropriat-  
ing money to a state loan program, is reported from the committee of  
first referral, there shall be attached to the bill an employment note  
containing the following information about the effect of the bill on  
employment:

(1) →

- (1) the number of jobs which would be created, including
  - (A) construction jobs;
  - (B) non-construction contract jobs;
  - (C) operating jobs, both temporary and permanent; and
  - (D) other direct employment;
- (2) a description of the employment which would be created  
by categories, including salary levels for each category;
- (3) a breakdown of employment <sup>both public & private,</sup> which would be created, by  
region of the state.

(b) Bills presented by the governor which require the appropria-  
tion of less than \$1,000,000 for capital improvement projects or state  
loan programs may be aggregated under a single employment note, which  
shall contain the information required by (a) of this section.

1 (c) If a bill described in (a) of this section has no effect on  
2 employment, a statement to that effect shall be attached.

3 (d) The employment note or statement required by this section  
4 shall be prepared by the department or departments affected by the bill  
5 in cooperation with the Office of the Governor, division of budget and  
6 management.

7 (e) The requirements of this section apply to supplemental budget  
8 revisions or budget amendments by the governor which relate to capital  
9 improvement projects, <sup>(3)</sup> [new or expanded state functions or programs] <sup>?</sup> [or  
10 state loan programs, <sup>(2)</sup>] and to reports made by the governor covering  
11 proposed capital improvement projects, <sup>(3)</sup> [new or expanded state functions  
12 or programs, <sup>(2)</sup>] [or state loan programs] if the reports are to be considered  
13 by the legislature during the interim between legislative sessions.

14 (f) By January 20 of each year the Office of the Governor, divi-  
15 sion of budget and management, shall submit a report to the governor  
16 for transmittal to the legislature on the preparation of employment  
17 notes, including recommendations for improvement in employment note  
18 procedures. *After the first year ... (6)*

19 \* Sec. 2. AS 37.07.020(a) is amended to read:

20 (a) The governor shall prepare and submit to the legislature  
21 before the fourth legislative day a budget for the succeeding fiscal  
22 year which shall cover all estimated receipts, including all grants,  
23 loans, and money received from the federal government, and all proposed  
24 expenditures of the state government. The budget shall be accompanied  
25 by a general appropriation bill to authorize the proposed expenditures,  
26 and a bill or bills covering recommendations in the budget for new or  
27 additional revenues. The budget shall also be accompanied by a sum-  
28 mary, categorized by region of the state, of the fiscal notes and employ-  
29 ment notes required for bills proposed by the governor as of the date

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of the budget submission.

\* Sec. 3. This Act takes effect July 1, 1981.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT

## JOBS PLANNING LEGISLATION INTRODUCED

Representative Brian Rogers and Representative Terry Gardiner were joined by four other House Democrats today to introduce bills designed to measure the number of private sector jobs created by legislative appropriations and state loans.

Called the "Alaska Jobs Planning Bill," the proposed legislation would provide for a sophisticated computer model of the State's predicted employment and unemployment in both the private and public sectors. It would also require all bills considered by the legislature to include an "employment note." Similar to the fiscal note traditionally used in the legislative process to determine the costs of individual bills, the employment note would estimate not only the number of jobs, but their salary levels, their duration, and the percentage likely to be held by current Alaskans.

Besides Rogers and Gardiner, the six sponsors of the two bills are Rep. Jim Duncan of Juneau, Rep. Jack Fuller of Nome, and Rep. Russ Meekins and Rep. Thelma Buchholdt, both of Anchorage. Rogers is from Fairbanks and Gardiner is from Ketchikan.

To demonstrate how the employment note would work, the sponsors released a preliminary analysis of the employment impact of some bills ~~it has~~ made priorities this session. Legislation backed by the Democrats could provide 9,955 job-years over the next four years. This means 2,489 people could work full-time for four years.

The legislation analyzed covered four major industries: hydroelectric power development, energy conservation, agriculture, and tourism. The analysis revealed significant differences in the numbers of jobs created by State spending.

A State appropriation of \$701,000 in hydroelectric power development (dam building) generates one four-year-long job, while one four-year-long job in energy conservation is created by a State appropriation of \$221,000. A State appropriation of \$282,000 creates one job in agriculture, while one four-year-long job in tourism is generated by a State appropriation of \$18,000.

The caucus pointed out that besides the numbers of jobs created, other important questions concerned the identity of those holding the job (Alaskans or Outsiders), and the duration and type of the job. Jobs in dam-building and energy conservation for example, are temporary construction employment, while jobs in renewable industries like agriculture and tourism tend to be permanent.

The estimates are rough, and are based on conservative interpretations of calculations made by experts and studies in the various industries. They include both direct and indirect employment.

"Some people will question the accuracy of these employment projections," said Rep. Gardiner. "The questions point up the necessity

of passing the 'Alaska Jobs Planning" legislation. We need better jobs impact planning and data to gauge the effect of State legislation."

"This bill is aimed at preventing state-fed boom-and-bust cycles," said Rep. Rogers. "This State has seen unemployment go up at the same time employment increased, because Outsiders were coming up to take jobs which could have gone to Alaskans. With all the big construction projects coming up, we'd like to avoid such problems."

In adding her support to the bills, Rep. Buchholdt said, "This job planning would improve the chances of minority groups to work on job skills training and upgrading for these jobs."

These estimates cover seven new dams and feasibility studies for 36 others.

	<u>Full-time Equivalent Jobs</u>
FY 1982	
Construction Direct	450
Feasibility Studies Direct	106
Construction & Feasibility Studies Indirect	268
	<u>824</u>
FY 1983	
Construction Direct	445
Feasibility studies Direct	106
Construction & Feasibility Studies Indirect	265
Operation & Maintenance Direct	7
Indirect	7
	<u>830</u>
FY 1984	
Construction Direct	283
Indirect	142
Operation & Maintenance Direct	14
Indirect	14
	<u>453</u>
FY 1985	
Construction Direct	181
Indirect	91
Operation & Maintenance Direct	28
Indirect	28
	<u>328</u>

This includes the urban energy audit program and the Village Energy Reconnaissance and Conservation Program (VERC). It does not include the loans provided under the urban energy audit program.

	<u>Full-time Equivalent Jobs</u>
FY 1982	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	159
Indirect	48
	<u>363</u>
FY 1983	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	466
Indirect	140
	<u>762</u>
FY 1984	
Urban energy audits	
Direct	78
Indirect	78
VERC	
Direct	466
Indirect	140
	<u>762</u>
FY 1985	
Urban energy audits	
Direct	23
Indirect	23
VERC	
Direct	466
Indirect	140
	<u>652</u>

# AGRICULTURE JOB ESTIMATES

## Full-time Equivalent Jobs

### Delta II

On-farm	50
Off-farm	50
	100

### Pt. McKenzie

On-farm	100
Off-farm	100
	200

### Small-scale

Rural on-farm	15
Rural off-farm	2
Urban on-farm	5
Urban off-farm	2
	24

All the above are permanent jobs. In addition, construction of the grain export terminal will create 85 one-time seasonal jobs.

## TOURISM JOB ESTIMATES

All figures are for full-time equivalent jobs beyond current figures of 9,252 direct and 1,850 indirect jobs.

	<u>Low</u> (20,000 growth per year in pleasure visitors)	<u>Medium</u> (40,000 growth per year in pleasure visitors)	<u>High</u> (60,000 growth per year in pleasure visitors)
<b>FY 1982</b>			
Direct	300	600	1200
Indirect	60	120	240
<b>FY 1983</b>			
Direct	600	1200	2400
Indirect	120	240	480
<b>FY 1984</b>			
Direct	900	1800	3600
Indirect	180	360	720
<b>FY 1985</b>			
Direct	1200	2400	4800
Indirect	240	480	960

## ASSUMPTIONS AND EXPLANATIONS ON JOB ESTIMATES

Due to the limited data base available, these estimates should be regarded as tentative and approximate. Each is based on conservative interpretations of the estimates of at least two experts, including administrators in the field. These calculations were also compared to (1) national estimates of job impacts of specific industries, and (2) where available, Alaska data. All estimates are for in-state jobs.

### Specific assumptions:

1. Hydro figures are for two of the five parts of SB 26: (a) specific new hydro projects, and (b) feasibility studies. The seven specific new hydro projects named in SB 26 are: Bradley Lake, Chester Lake, Port Lions, Snettisham II (Crater Lake), Swan Lake, Terror Lake, and Tye Lake. Green Lake and Solomon Gulch are not included because they are already under construction; hence the State will pay for the projects, but will not start them. These two portions account for \$277.7 million of the \$512.5 million appropriated in SB 26. It also includes another \$140 million needed to complete Bradley Lake and Snettisham II, which is not appropriated in the bill, plus an additional \$9 million to operate and maintain completed dams. The jobs estimates do not include the three other parts of SB 26: the Anchorage-Fairbanks inter-tie; the money for unspecified hydro projects; and the contribution to the power production cost assistance fund.
2. Hydro figures assume:
  - a. 3.5 construction job-years are created directly by each \$1 million spent on dam construction;
  - b. 6.1 year-round job-years are created directly by each \$1 million spent for feasibility studies;

- c. 6.1 seasonal job-years are created directly by each \$1 million spent for feasibility studies;
  - d. 0.5 indirect job-year is created by each direct construction job-year or year-round job-year created (i.e., the multiplier is 1.5)
  - e. 0 indirect jobs are created by the creation of each 1.0 seasonal job-year (i.e., the multiplier is 1.0)
  - f. 7 direct permanent jobs in operation and maintenance are created by the completion of each hydro project;
  - g. 1.0 indirect permanent job is created by the creation of 1 operation and maintenance job (i.e., the multiplier is 2.0);
  - h. the power projects and feasibility studies are completed under the current schedule and cost estimates of the Alaska Power Authority;
  - i. the cost of operation and maintenance for each power project will average \$1 million per year; and
  - j. 1 seasonal job equals 0.25 full-time job.
3. Agriculture figures cover four projects: the Delta expansion (Delta II); the grain export terminal; Pt. McKenzie; and small-scale agriculture. Funds for Delta II and the grain export terminal are scheduled to be appropriated this legislative session. Pt. McKenzie was approved during last year's legislative session, but will be developed this year. Figures for small-scale agriculture cover only those jobs which would be created by the legislation under consideration during the 1981 session.

4. Agriculture figures assume:

- a. Delta II will create 40 permanent year-round on-farm jobs, and 40 permanent seasonal on-farm jobs;
- b. 1.0 off-farm job is created by each permanent year-round on-farm job at Delta II, (i.e., the multiplier is 2.0)
- c. Pt. McKenzie will create 100 permanent year-round on-farm jobs;
- d. 1.0 permanent year-round off-farm job will be created by each permanent year-round on-farm job at Pt. McKenzie (i.e., the multiplier is 2.0)
- e. 85 one-time seasonal jobs will be created directly by the construction of the grain export terminal;
- f. 0 indirect jobs will be created by the construction of the grain export terminal (i.e., the multiplier is 1.0)
- g. 15 rural permanent year-round jobs are created directly by FY 82's small-scale agriculture;
- h. 0.1 indirect permanent year-round jobs are created by one direct rural permanent job in small-scale agriculture (i.e., the multiplier is 1.1)
- i. 5 urban permanent jobs are created by fy 82's small-scale agriculture program; and
- j. 0.3 indirect permanent year-round jobs are created by each urban permanent direct job in small-scale agriculture (i.e., the multiplier is 1.3), and
- k. 1 seasonal job equals 0.25 full-time job.

5. Energy conservation figures assume:

- a. 31,000 audits a year will be completed in the urban areas in FY 1982-84, and 9,000 audits will be completed in FY 1985;

- b. 400 urban energy audits a year are equivalent to one full-time job;
  - c. The VERC program weatherizes every home in rural Alaska by the end of FY 85;
  - d. 1.0 indirect jobs are created by each direct job in urban energy audits (i.e., the multiplier is 2.0).
  - e. 0.3 indirect jobs are created by each direct job in VERC (i.e., the multiplier is 1.3).
6. Tourism figures assume:
- a. 1.5 direct employees are created by the addition of every 100 tourists;
  - b. 0.2 indirect employees are created by each direct employee (i.e., the multiplier is 1.2), and
  - c. The low estimate is based on 20,000/year growth in pleasure visitors over the next five years; the medium estimate is based on 40,000/year growth over the next five years; and the high estimate is based on 60,000/year growth over the next five years (this last is less than the projection of the Alaska Visitors Association). . .
7. The cost-per-job estimate for agriculture is based on these levels of State spending for Delta II, Pt. McKenzie, small-scale agriculture, and the grain export facility:
- |       |                       |
|-------|-----------------------|
| FY 82 | \$44.2 million        |
| FY 83 | \$24.0 million        |
| FY 84 | \$27.0 million        |
| FY 85 | \$ 2.0 million        |
|       | <u>\$97.2 million</u> |
8. The cost-per-job estimate for tourism is based on the low range of visitors, and these levels of additional State spending for external tourism promotion and advertising:

FY 82	\$ 2.5 million
FY 83	\$ 3.5 million
FY 84	\$ 4.5 million
FY 85	\$ 5.5 million
	<u>\$16.0 million</u>

9. The cost-per-job estimate for energy conservation is based on these levels of State spending on the urban energy audit program and the Village Energy Reconnaissance and Conservation (VERC) program:

FY 82		
Urban	\$ 12 million	
VERC	\$ 15 million	
FY 83		
Urban	\$ 12 million	
VERC	\$ 28.6 million	
FY 84		
Urban	\$ 12 million	
VERC	\$ 28.6 million	
FY 85		
Urban	\$ 3.5 million	
VERC	\$ 28.6 million	
	<u>\$140.3 million</u>	

10. The composite estimates for FY 82- FY 85 are:

<u>Industry</u>	<u>Job-years</u>	<u>Years</u>	<u>4 Year-long Jobs</u>
			(divided by)
Hydro	2435	4	= 609
Energy conser.	2539	4	= 635
Agriculture	1381	4	= 345
Tourism	<u>3600</u>	<u>4</u>	= <u>900</u>
	9955	4	= 2489

<u>Industry</u>	<u>State spending</u>	<u>4 year-long full-time jobs</u>	<u>State Spending per 4-year-long job</u>
			(divided by)
Hydro	\$426.7 million	609	= \$ 701,000
Energy Conser.	140.3 million	635	= \$ 221,000
Agriculture	97.2 million	345	= \$ 282,000
Tourism	16.0 million	900	= <u>\$ 18,000</u>
			\$1,222,000

Average State spending per 4-year-long job for these four industries=

$$\frac{\$1,222,000}{4} = \$305,500$$

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AS A UNIT IN THE ORIGINAL DOCUMENT.**