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# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P.O. BOX 1149  
JUNEAU, ALASKA 99802  
PHONE: (907) 465-2700

March 11, 1986

Mr. Michael Thill  
Labor and Commerce Committee  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Dear Michael:

This is in response to your request for information on Senate Bill No. 367 and its companion bill, House Bill No. 466.

Senate Bill 367 would establish three new types of resident employment preferences on public construction projects to replace the current resident employment preference in AS 36.10.010 which has been found to be unconstitutional by the Alaska Supreme Court.

As the State agency charged with the administration and enforcement of resident hire preferences, the Department of Labor strongly supports the creation of these new employment preferences. The Department believes that because the new preference categories are much more narrowly focused than existing law, they stand a much better chance of being factually and legally supported in the event of a challenge. The preferences are specifically tailored to benefit only those unemployed and disadvantaged Alaskans who are most in need of employment.

Under this bill, the Department of Labor will have substantial research and enforcement responsibilities. In order to provide the necessary factual foundation to support each of the new employment preferences, the Department will have a continuing obligation to research and compile economic and statistical data on various aspects of employment and unemployment in Alaska. Because many of the criteria which would trigger application of the preferences cannot be substantiated with currently available information, the department's research staff will be required to go well beyond the bounds of its recent study on nonresidents working in Alaska.

Enclosed is a listing of the amendments which would be required to Senate Bill No. 367 to align it with the amendments that have so far been made or offered to House Bill No. 466. Of course, not all of these amendments were initiated by the Department of Labor. Nonetheless, we do support them and would recommend that they be incorporated into Senate Bill No. 367.

Mr. Michael Thill

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March 11, 1986

House Bill No. 466 is continuing to be refined so other amendments to it will no doubt follow.

Thank you for your interest.

Sincerely,



Eileen Plate  
Special Assistant

EP:kmc  
07001

Enclosure



Official Business

# Alaska State Legislature

## Senate

### Committee on Labor & Commerce

Pouch V  
State Capitol  
Juneau, Alaska 99811

CSSB 367: Sectional Analysis

Section 1) Purpose Section

Section 2) Legislative finding that the ratio of employees on a payroll who were refused or did not apply for a PFD to those who received a PFD is a reasonable indicator of the nonresidents/residents employed on a public works project.

When determining the nonresident/resident ratios on a public works project, the commissioner may consider on site surveys, interviews, questionnaires, examination of employees vehicle registrations, and payroll information.

The following are reasonable indicators of resident/nonresident ratios:

- 1) the ratio of applicants for UI benefits who list out of state residences/in state residences;
- 2) the ratio of UI covered employees who did not apply for or were denied PFD's/eligible employees for PFD's;

Further Legislative Findings:

- 1) the number of residents unable to find work is considerably higher than unemployment rates based on nationally accepted measures;
- 2) rural residents work search efforts do not meet the federal definitions of unemployment because of a continuing lack of opportunities in the rural areas of the state.

Section 3) An employer subject to the hiring requirements of this chapter may request assistance from DOL in locating qualified employees. After a request for assistance, DOL shall refer qualified applicants to the employer. Employer shall cooperate with the Department.

If DOL is unable to refer a sufficient number of qualified residents, the commissioner may approve the hiring of residents ineligible for the hiring preference and non residents to fill the work force needs.

Section 4) Commissioner of DOL shall adopt regs to encourage and require the hiring of residents to the maximum extent permitted by law.

Section 5) Adds new sections to 36.10

36.10.130: The AG and the Commissioner of DOL shall report every 2 years to the Legislature and the Governor on the status of employment in the state, the effect of nonresident employment on employment of residents, and methods to increase resident hire. Report to be submitted by Jan 31 of the first session of a legislature.

36.10.140: Eligibility for Preference:

A resident is eligible if he registers with DOL, and:

- 1) is receiving UI benefits or has exhausted them;
- 2) is not working and has registered to find work;
- 3) underemployed or marginally employed;
- 4) has completed an OJT program, approved by DOL; and is unemployed or marginally employed in relation to the skills acquired;

Requires employer, subject to this chapter, to certify with DOL that resident employees are eligible for the preference.

36.10.150: Determination of Underemployed Areas:

After the Commissioner of DOL determines that an economic region of the state, or the whole state, is an "underemployed area", for the next 2 years qualified local residents shall be granted work preference on projects within the local area.

Commissioner determines that an economic region is an underemployed area if:

- 1) Rate of unemployment exceeds the national rate of unemployment;
- 2) substantial number of residents desire work that would be done on a public works project;
- 3) lack of work has contributed to social and economic problems in the area;
- 4) employment of nonresidents results in unemployment of residents;

36.10.160: Economically Distressed Area Preference

After a determination by the Commissioner of DOL that an area is economically distressed, for the next 2 years qualified residents shall be given preference for at least 50% of work on a project which is located within the area. This preference applies to worker hours on a craft by craft basis.

Commissioner to determine economically distressed area:

- 1) unemployment in the area exceeds the national average by 5% points;
- 2) lack of employment results in social and economic problems;
- 3) nonresident employment results in unemployment for residents;

36.10.170 Economically Disadvantaged Minority Preference

After commissioner determines that minority residents of an economic region are economically disadvantaged, for the next 2 years they shall be given a preference for at least 25% of the work on each project within the area. Preference applies to worker hours on a craft by craft basis.

Commissioner to determine whether minority residents of an area are economically disadvantaged as follows:

- 1) civilian minority population of the area exceeds the average civilian minority population of the state;
- 2) either the % of unemployment of civilian minority residents of the area is 2 times the % of unemployment of nonminority residents, or the civilian minority population has suffered past economic discrimination;
- 3) economic disadvantage of minority residents has contributed to social and economic problems in the area.
- 4) employment of nonresidents results in the unemployment of civilian minority residents of the area;

Defines minority as a Black, Hispanic, Asian or Pacific Islander, American Indian, or Alaska Native, as those terms are defined by the EEO Commission.

36.10.180: Projects Subject to Preference

- 1) contracts let by a municipality
- 2) construction project funded wholly or partly with state money
- 3) public works project under a grant to a municipality;
- 4) public works project under a grant to a named recipient;
- 5) public works project under a grant to an unincorporated community;

If the Governor declares an economic disaster then the preference under that chapter supercedes the preference for contracts awarded by the state.

Commissioner shall define the boundaries of an economic region or area where the preference applies;

36.10.190: Penalties

Person who makes a false sworn statement for eligibility certification is subject to criminal prosecution for perjury. (Class B Felony)

Person who makes an unsworn falsification is subject to perjury (Class A misdemeanor);

In addition to criminal penalties, a person who is guilty of falsifying statements of certification, whose conviction is not reversed, shall forfeit future rights for employment preference under this chapter.

36.10.900: Effect of Judicial Decisions

If a provision of this chapter is held invalid, the remainder of this chapter shall not be affected by that holding. The remainder shall be enforced to the greatest extent possible under the Alaska and US Constitutions.

36.10.990: Definition "qualified"

- Section 6) Adds definitions of "craft" and "resident"
- Section 7) DOL to require compliance with this chapter for a municipal grant for a public works project;
- Section 8) DOL to require compliance with this chapter on grants to named recipients;
- Section 9) DOL to require compliance with this chapter for public works projects funded by grants to unincorporated communities;
- Section 10) Provisions of this act do not apply to a contract entered into before the effective date of this act, unless the contracts require compliance with resident hire provisions that take effect during the term of the contract.
- Section 11) repealer
- Section 12) repealer
- Section 13) Effective date for the repealer in section 12 conditioned upon actions of the court and its consideration of appeal on the Robison vs Francis decision.
- Section 14) Sections 1-11 have an immediate effective date;

CHAIRMAN'S INFORMATION: CSSB 367(L&C)

1) BILL TITLE: "An act relating to Alaskan resident employment preference; and providing for an effective date."

a) Introduced: Faiks, Josephson, Sturgulewski, and V Fischer.

b) Co-sponsors:

2) INTENT: This measure establishes a resident hire preference for public works projects and details the eligibility criteria. The CS contains extensive Purpose and Findings sections and creates a series of "preference" situations. These include:

1) Eligibility for preference

2) Determination of "Underemployed Areas".

3) "Preference for Residents of Economically Distressed Areas".

4) "Preference for Economically Disadvantaged Minorities"

The CS details what projects will be subject to preference, and what the penalties shall be for false certification. The bill requires the Department of Labor to assist employers in locating qualified resident workers, and it contains an "escape" mechanism for those employers who are unable to fill their work force needs with residents.

CS incorporates amendments proposed by the Dept of Labor to put the bill in accord with the House version;

FISCAL NOTE: 2 from the Department of Labor \$331.9 + \$161.3 for a total of \$493.2

3) ADDITIONAL REFERRALS: Judiciary, Rules

N.B. NEEDS A FINANCE REFERRAL

4) PUBLIC HEARINGS:

- a) Sponsor:
- b) Public Witnesses:

5) BILL ACTION:

- a) Hold in committee?
- b) Assign to sub committee for further review?
- c) Move from committee?
- d) Close public hearings?

6) COMMITTEE ACTION?

- a) amendments?
- b) CS adoption? Need to adopt L&C CS

Original sponsors: Faiks, Josephson,  
Sturgulewski and V.Fischer

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IN THE SENATE

BY THE LABOR AND  
COMMERCE COMMITTEE

CS FOR SENATE BILL NO. 367 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to Alaskan resident employment preference; and providing for an effective date."

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

\* Section 1. PURPOSE. The legislature recognizes that the state has a significant unemployment problem. This Act is intended to better fulfill the state's duty of loyalty to its citizens, reduce unemployment among residents of the state, remedy social harms resulting from chronic unemployment, and assist economically and socially disadvantaged residents. If the courts find that a portion of AS 36.10 is unconstitutional, the public interest requires that the remaining portions be implemented as fully as possible.

\* Sec. 2. AS 36.10.005 is amended by adding new subsections to read:

(c) The legislature further finds that the ratio of employees on a certified payroll who did not apply for or were refused a permanent fund dividend under AS 43.23 to employees who were found eligible to receive a dividend is a reasonable but not exclusive indicator of the ratio of nonresident to resident employees on a public works project.

(d) When determining the ratio of nonresident to resident employees working on a public works project, the commissioner may consider information gathered from on-site surveys of public works projects including individual interviews, questionnaires, examination of the state of registration of vehicles owned or operated by employees, and other information acquired from inspection of certified payrolls.

1 (e) The legislature finds that the following factors are reason-  
2 able but not exclusive indicators of the ratio of nonresident to  
3 resident employees in the state:

4 (1) the ratio of applicants for unemployment insurance who  
5 list out-of-state residences to applicants who list residences in the  
6 state;

7 (2) the ratio of employees who are subject to unemployment  
8 insurance coverage and who did not apply for or were denied a perma-  
9 nent fund dividend to employees who were found eligible for a divi-  
10 dend.

11 (f) The legislature finds that

12 (1) the number of state residents who are unable to find  
13 work is considerably higher than is reflected by unemployment rates  
14 based on nationally accepted measures;

15 (2) many rural state residents who wish to work do not seek  
16 employment as frequently as necessary to meet federal definitions of  
17 unemployment because of continuing lack of employment opportunities in  
18 rural areas of the state.

19 \* Sec. 3. AS 36.10.070 is repealed and reenacted to read:

20 Sec. 36.10.070. UNAVAILABILITY OF PREFERRED WORKERS. (a) An  
21 employer subject to hiring requirements under this chapter may request  
22 the Department of Labor to assist in locating qualified, eligible  
23 employees. After receiving a request for assistance, the department  
24 shall refer qualified, eligible, available residents to the employer  
25 to fill the employer's hiring needs. The employer shall cooperate  
26 with the department.

27 (b) If the department is unable to refer a sufficient number of  
28 qualified, eligible, available residents able to perform the work, the  
29 commissioner of labor may approve the hiring of residents who are not

1 eligible for preference and nonresidents for the balance of the re-  
2 quest.

3 \* Sec. 4. AS 36.10.075 is amended by adding a new subsection to read:

4 (b) The commissioner of labor shall adopt regulations to encour-  
5 age and require the hiring of residents to the maximum extent permit-  
6 ted by law.

7 \* Sec. 5. AS 36.10 is amended by adding new sections to read:

8 Sec. 36.10.130. RESIDENT HIRE REPORT. The attorney general and  
9 the commissioner of labor shall report biennially to the legislature  
10 and the governor on the status of employment in the state, the effect  
11 of nonresident employment on the employment of residents in the state,  
12 and methods to increase resident hire. The report shall be submitted  
13 by January 31 of the first session of a legislature.

14 Sec. 36.10.140. ELIGIBILITY FOR PREFERENCE. (a) A person is  
15 eligible for an employment preference under this chapter if the person  
16 registers as required by the Department of Labor, is a resident, and

17 (1) is receiving unemployment benefits under AS 23.20 or  
18 would be eligible to receive benefits but has exhausted them;

19 (2) is not working and has registered to find work with a  
20 public or private employment agency or a local hiring hall;

21 (3) is underemployed or marginally employed as defined by  
22 the department; or

23 (4) has completed a job-training program approved by the  
24 department and is either not employed or is engaged in employment that  
25 does not use the skills acquired in the job-training program.

26 (b) An employer subject to a resident hiring requirement under  
27 this chapter shall certify that persons employed as residents under  
28 the preference are eligible for the preference.

29 Sec. 36.10.150. DETERMINATION OF UNDEREMPLOYED AREA. (a)

1 Immediately following a determination by the commissioner of labor  
2 that an economic region of the state is an underemployed area or that  
3 the state as a whole is an underemployed area, and for the next two  
4 years after the determination, qualified residents of the area who are  
5 eligible under AS 36.10.140 shall be given preference for work on each  
6 project under AS 36.10.180 that is wholly or partially sited within  
7 the area.

8 (b) The commissioner shall determine that an economic region of  
9 the state or the state as a whole is an underemployed area if the  
10 commissioner finds that

11 (1) the rate of unemployment within the area is substan-  
12 tially higher than the national rate of unemployment;

13 (2) a substantial number of residents in the area desire  
14 work in occupations that would be employed on a public works project;

15 (3) the lack of employment opportunities in the area has  
16 contributed to social or economic problems in the area; and

17 (4) employment of workers who are not residents is a pecu-  
18 liar source of the unemployment of residents of the area.

19 Sec. 36.10.160. PREFERENCE FOR RESIDENTS OF ECONOMICALLY DIS-  
20 TRESSED AREAS. (a) Immediately following a determination by the  
21 commissioner that an economic region of the state is an economically  
22 distressed area, and for the next two years after the determination,  
23 qualified residents of the area who are eligible under AS 36.10.140  
24 shall be given preference for at least 50 percent of employment on  
25 each project under AS 36.10.180 that is wholly or partially sited  
26 within the economically distressed area. The preference applies to  
27 worker hours on a craft-by-craft basis.

28 (b) The commissioner shall determine that an area is an econom-  
29 ically distressed area if the commissioner finds that

1 (1) the unemployment rate in the area exceeds the national  
2 rate of unemployment by at least five percentage points;

3 (2) the lack of employment opportunities in the area has  
4 contributed to social or economic problems in the area; and

5 (3) employment of workers who are not residents is a pecu-  
6 liar source of unemployment of residents of the area.

7 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-  
8 ITY RESIDENTS. (a) Immediately following a determination by the  
9 commissioner that the minority residents of an economic region are  
10 economically disadvantaged, and for the next two years after the  
11 determination, qualified minority residents of the area who are eligi-  
12 ble under AS 36.10.140 shall be given preference for at least 25  
13 percent of emp. ment on each project under AS 36.10.180 that is  
14 wholly or partially sited within the area. The preference applies to  
15 worker hours on a craft-by-craft basis.

16 (b) The commissioner shall determine that minority residents of  
17 an area are economically disadvantaged if the commissioner finds that

18 (1) the civilian minority population of the area exceeds  
19 the average civilian minority population for the state; ✓

20 (2) either the percent of unemployment of civilian minority  
21 residents of the area is at least two times the percent of unemploy-  
22 ment of nonminority residents of the area or the civilian minority  
23 population of the area has suffered past economic discrimination; ✓

24 (3) the economic disadvantage of civilian minority resi-  
25 dents of the area has contributed to social or economic problems in  
26 the area; ✓

27 (4) employment of workers who are not residents is a pecu-  
28 liar source of unemployment of civilian minority residents of the  
29 area.

1 (c) In this section, a person is considered to be a member of a  
2 minority if the person is black but not of Hispanic origin, Hispanic,  
3 Asian or Pacific Islander, American Indian or Alaskan Native, as those  
4 terms are defined by the Equal Employment Opportunity Commission.

5 Sec. 36.10.180. PROJECTS SUBJECT TO PREFERENCE. (a) The pref-  
6 erences established in AS 36.10.150 - 36.10.170 apply to

7 (1) the performance of contracts let by a municipality for  
8 construction, repair, preliminary surveys, engineering studies, con-  
9 sulting, maintenance work, or any other retention of services neces-  
10 sary to complete a given project;

11 (2) a construction project that is partly or wholly funded  
12 by state money if the state or an agency of the state, a department,  
13 office, agency, state board, commission, regional school board with  
14 respect to an educational facility under AS 14.11.020, public corpo-  
15 ration, or other organizational unit of or created under the execu-  
16 tive, legislative or judicial branch of state government, including  
17 the University of Alaska and the Alaska Railroad Corporation, is a  
18 signatory to the construction contract;

19 (3) work performed on a public works project under a grant  
20 to a municipality under AS 37.05.315;

21 (4) work performed on a public works project under a grant  
22 to a named recipient under AS 37.05.316; and

23 (5) work performed on a public works project under a grant  
24 to an unincorporated community under AS 37.05.317.

25 (b) If the governor has declared an area to be an area impacted  
26 by an economic disaster under AS 44.33.285, then the preference for  
27 residents of the area established under AS 44.33.285 - 44.33.310  
28 supercedes the preference under AS 36.10.150 and 36.10.160 for con-  
29 tracts awarded by the state.

1 (c) The commissioner shall define the boundaries of an economic  
2 region or an area within which a preference applies.

3 Sec. 36.10.190. PENALTIES. (a) A person who makes a false  
4 sworn statement in connection with a certification of eligibility for  
5 an employment preference under this chapter is subject to criminal  
6 prosecution for perjury as provided in AS 11.56.200.

7 (b) A person who makes an unsworn falsification, with the intent  
8 to mislead a public servant in the performance of a duty, in connec-  
9 tion with a certification of eligibility for an employment preference  
10 under this chapter, is subject to criminal prosecution as provided in  
11 AS 11.56.210.

12 (c) In addition to criminal penalties imposed by state law, if a  
13 person is convicted of a crime in connection with a false statement  
14 made in a certification required under AS 36.10.140, and the convic-  
15 tion is not reversed, that person shall forfeit all future rights to  
16 eligibility for an employment preference under this chapter.

17 Sec. 36.10.900. EFFECT OF JUDICIAL DECISIONS. If a provision of  
18 this chapter, or the application of a provision to a person or circum-  
19 stance, is held invalid, the remainder of this chapter and the appli-  
20 cation to other persons or circumstances shall not be affected by the  
21 holding. The remainder shall be enforced to the greatest extent  
22 constitutionally permissible under the constitutions of the United  
23 States and the State of Alaska.

24 Sec. 36.10.990. DEFINITION. In this chapter "qualified" means  
25 possesses the requisite education, training, skills, or experience to  
26 perform the work.

27 \* Sec. 6. AS 36.95.010 is amended by adding new paragraphs to read:

28 (9) "craft" means a recognized construction trade;

29 (10) "resident" means a person who establishes residency

1 under AS 01.10.055.

2 \* Sec. 7. AS 37.05.315 is amended by adding a new subsection to read:

3 (e) The Department of Labor shall require a municipality awarded  
4 a grant for a public works project under (a) of this section to comply  
5 with the hiring preferences under AS 36.10.150 - 36.10.170 for employ-  
6 ment generated by the grant.

7 \* Sec. 8. AS 37.05.316 is amended by adding a new subsection to read:

8 (b) The Department of Labor shall require a recipient awarded a  
9 grant for a public works project under (a) of this section to comply  
10 with the hiring preferences under AS 36.10.150 - 36.10.170 for employ-  
11 ment generated by the grant.

12 \* Sec. 9. AS 37.05.317 is amended by adding a new subsection to read:

13 (b) The Department of Labor shall require the qualified incor-  
14 porated entity awarded a grant or agents or contractors with whom the  
15 Department of Community and Regional Affairs contracts under (a) of  
16 this section to comply with the requirements of AS 36.10.150 - 36.10.-  
17 170 for employment generated by the grant or contract if the grant or  
18 contract is for a public works project.

19 \* Sec. 10. The provisions of this Act do not apply to a contract en-  
20 tered into before the effective date of this Act unless the contract in-  
21 cludes a provision requiring compliance with laws regarding the hiring of  
22 Alaska residents that take effect during the term of the contract.

23 \* Sec. 11. AS 36.95.010(4) and (5) are repealed.

24 \* Sec. 12. AS 36.10.010 is repealed.

25 \* Sec. 13. Section 12 of this Act takes effect April 17, 1986, or im-  
26 mediately, in accordance with AS 01.10.070(c), whichever is later, if the  
27 final decision of the Alaska Supreme Court in Robison v. Francis, File No.  
28 S-493, Opinion No. 3011, January 17, 1986, is not submitted for review to  
29 the United States Supreme Court. If the decision is submitted for review

1 but the United States Supreme Court declines to accept review, then sec. 12  
2 of this Act takes effect on the date of the order of the United States  
3 Supreme Court declining to accept review. If the United States Supreme  
4 Court accepts review, then sec. 12 of this Act takes effect on the date of  
5 a final decision of the United States Supreme Court affirming the decision  
6 of the Alaska Supreme Court.

7 \* Sec. 14. Sections 1 - 11 of this Act take effect immediately in  
8 accordance with AS 01.10.070(c).  
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STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date : 3/17/86

**REQUEST**

Bill/Resolution No. : CSSB 367 (L&C)  
 Title : "An Act relative to Alaskan  
 resident employment preference..."  
 Sponsor : Faiks, Josephson, et. al.  
 Requestor : Labor and Commerce  
 Date of Request : 3/14/86

**FISCAL DETAIL**

Agency Affected : Labor  
 E.I.U. : Administrative Services  
 Components : Special Services

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		108.5	108.5	108.5	108.5	108.5
TRAVEL						
CONTRACTUAL		219.2	225.5	246.2	242.5	251.2
SUPPLIES		1.2	1.2	1.3	1.3	1.4
EQUIPMENT		4.0	.8	.9	.9	1.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	331.9	336.0	356.9	353.2	362.1

CAPITAL						
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		331.0	336.0	356.9	353.2	362.1
FEDERAL FUNDS						
OTHER						
TOTAL	0	331.9	336.0	356.9	353.2	362.1

**POSITIONS :**

FULL-TIME	0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Judy G. Knight, Director Phone : 465-2720  
 Division : Administrative Services Date : 3/17/86  
 Approved by Commissioner : Jim Robison for Date : 3/17/86  
 Agency : Labor

Distribution (by Agency preparing fiscal note) :  
 Legislative Finance

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 367 (L&C)

This legislation requires a biennial report that designates eligible areas. Determination that "employment of workers who are not residents is a peculiar source of the unemployment of residents of the area" will require this department to collect extensive occupational information by resident status. Two statistical clerks and one Labor Economist II would complete the report. Request for New Position forms are attached which explain position duties and costs.

The contractual services costs are detailed as follows:

<u>Description</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
Key Entry	\$ 40.0	\$ 60.0	\$ 62.0	\$ 64.0	\$ 66.0
DP operations	120.0	135.0	150.0	153.0	156.0
DP applications	30.0	4.5	4.7	4.9	5.1
Printing	4.5	2.0	4.5	2.1	5.0
Phone (Toll service)	12.0	12.5	13.0	6.0	6.2
Equipment lease	8.0	8.3	8.7	9.0	9.4
Equipment maintenance	.8	.8	.9	.9	.9
Training, shipping, & misc.	2.9	2.4	2.4	2.6	2.6
	<u>\$218.2</u>	<u>\$225.5</u>	<u>\$246.2</u>	<u>\$242.5</u>	<u>\$251.2</u>

The following assumptions were made in preparing this fiscal note:

1. An annual report designating underemployment areas would be completed by January 31 of the first session of each legislature year beginning in 1987.
2. On-going collection of occupational titles would be required from employers, and extensive computer matching would be necessary to determine residency status.
3. Beginning in 1988, occupational displacement information would be highlighted requiring continuation of both the existing occupational information budget levels, and the additional information on occupational titles.

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 367

4. The collection of occupational titles from firms will be phased in over a three year period. Industries identified as having the highest dollar payments to nonresidents in 1984 would be targeted first:

First Year - construction, oil and gas mining, and food processing;

Second Year - all first year industries plus business services, local government, miscellaneous services, eating and drinking places, air transportation, and state government; and

Third Year - all industries.

5. In addition to the occupational information, reporting of the residency status by industry and area would be necessary.
6. All minority demographic and economic information, except that required from contractors on state funded construction projects, will be derived from the decennial census. No costs are included for this in this fiscal note.
7. Work would begin on the first report July 1, 1986.

Position Title <b>Labor Economist II</b>		RP Number	
Time Status <b>PFT</b>	Staff Months <b>12.0</b>		
Type of Expenditure	Amount		
1	2		
Salary	33,660		
Benefits	10,779		
Premium Pay			
Other			
Total Personal Services	44,439		
Travel	0		
Contractual	1,000		
Commodities	500		
Equipment	2,000		
Other			
Total Cost	47,939		
Project Code	Funding Source		
	Federal Receipts 1002		
	G. F. Match 1003		
	General Funds 1004	47,939	
	I-A Receipts 1005		
	Program Receipts 1028		
	CIP Receipts 1061		
	Other		

For P&M Use Only  
Key Number

No. of Positions	Agency/Step	Reg. Unit	Gov.	Approp.	Unapp.
Location Juneau	16A	Election District	Leg.		

**Justification**

This position will have primary responsibility for the analysis of data and preparation of the annual resident hire report. Specifically the duties would include:

1. Coordinate the collection and monitor the validity of relevant resident hire related statistics from other agencies including the Department of Revenue and the Division of Labor Standards and Safety.
2. Coordinate the updating and crossmatching of resident hire related data files on the mainframe computer with the analyst programmer.
3. Analyze microcomputer resident hire data bases to generate resident hire related tables and reports. The reports will include data relating to occupational displacement of nonresidents by census area and other related economic statistics associated with issue of resident hire.
4. Supervise the Statistical Clerk that will prepare the basic resident hire data tables for the report.
5. Prepare the annual resident hire report.

Contractual services costs include phone, training, and other miscellaneous items.

**Request for  
New Position**

Agency BRU Labor Administrative Services  
 Component Special Services

Page 1 of 2  
Received Date

**FY 87**

Position Title Statistical Clerk		Range/Step 8B	High Unit 66U	Gov. L&K	Approv.	Dis-App
Time Status PFT		Election District				
Staff Months 12.0		IRP Number				

**No. of Positions**  
2

**Location**  
Juneau

**Justification**  
One position will support a labor economist to prepare an annual report on the effect of nonresident employment on Alaskans. Secondly this position would assist on the quality control of occupational titles which would be submitted by employers each quarter. Specifically the duties would be:  
 1. Update tables of economic information by resident status.  
 2. Load information into spreadsheets to show occupational displacement of residents by nonresidents.  
 3. Assist in the quality control of the occupational displacement of results by nonresident workers.

The other position will work on the quality control of occupational titles which would be submitted by employers each quarter. Specifically the duties would be:  
 1. Review detailed edit listings.  
 2. Update edit data files.  
 3. Call employers for clarification when necessary.  
 4. Correct occupational titles.  
 5. Prepare computer summaries of results.

Contractual costs for these positions include phone, training, and other miscellaneous items.

Type of Expenditure	Amount
1	3
2	
Salary	47,160
Benefits	16,914
Premium Pay	
Other	
Total Personal Services	64,074
Travel	0
Contractual	2,700
Commodities	700
Equipment	2,000
Other	
Total Cost	69,474

Receipt Code	Funding Source	Amount
	Federal Receipts	1002
	G. F. Match	1003
	General Funds	1004
	I-A Receipts	1005
	Program Receipts	1028
	CIP Receipts	1061
	Other	
		69,474

Not P&M Use Only  
Key Number

Request For New Position	Agency BRU	Labor
	Component Administrative Services	
		Special Services

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CSSB 367 (LCC)  
 Title : "An Act relating to Alaskan  
 resident employment preference."  
 Sponsor : Faiks, Josephson, et. al.  
 Requestor : Labor and Commerce  
 Date of Request : 3/14/86

**FISCAL DETAIL**

Agency Affected : Labor  
 BRU : Labor Standards & Safety  
 Components : Wage & Hour

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		114.8	101.7	105.8	110.0	114.4
SUPPLIES						
EQUIPMENT		46.5	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	161.3	101.7	105.8	110.0	114.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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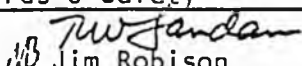
**FUNDING : (Thousands of Dollars)**

GENERAL FUND	0	161.3	101.7	105.8	110.0	114.4
FEDERAL FUNDS						
OTHER						
TOTAL	0	161.3	101.7	105.8	110.0	114.4

**POSITIONS :**

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by :  Bob Bacolas, Director Phone : 465-4870  
 Division : Labor Standards & Safety Date : 3/14/86  
 Approved by Commissioner :  Jim Robison Date : 3/14/86  
 Agency : Labor

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS for SB 367 (L&C)

Currently the Division of Labor Standards and Safety (LS&S) receives weekly certified payroll documents for all public construction projects as required in AS 36. Under this bill the department will use the public construction certified payroll forms as source documents to determine the legal domicile of persons employed on public construction projects. In certain cases the department will also be scrutinizing the ethnic makeup of the employees to determine the utilization of minorities.

These certified payroll documents are now collected and summarized manually by the Division of Labor Standards and Safety. This fiscal note will fund the automation of the certified payroll documents. This will allow a more timely determination of residency status of persons employed on public construction projects. This automation will also assist in providing a list of employees with incomplete or questionable data. The existing investigative staff will then resolve the questionable items through personal contact with employees and employers.

Reports will be developed for the Research and Analysis Section to allow them to do crossmatch reviews with other data sources (e.g. Permanent Fund Dividend).

Specific costs are as follows:

## Contractual Services

Professional fees for data entry	80.0
DP Applications/programming development (one time only \$17.0)	20.0
DP Support (misc. chargeback)	3.0
DP Telecommunications	.8
Communications (phone and postage)	5.0
Equipment repair and maintenance	5.0
Other miscellaneous	1.0
	<u>114.8</u>

## Equipment (one time only)

4 workstations	21.6
3 printers	5.4
3 modems	15.0
75 Mega byte disk pack	1.5
Telecommunication software	3.0
	<u>46.5</u>

Total 161.3

A contract for data entry services will be required for entry of all payroll records into the new automated system.

Equipment upgrades and improved telecommunication links between Juneau, Fairbanks and Anchorage will allow online review and audit of certified payroll data in each location. The equipment will be a one time purchase. Other cost are projected to future years at 4% inflation.

AS11.56.200 DOCUMENT

CHAPTER = 11.56

SECTION = 11.56.200

TITLE = 11

HEADINGS TITLE 11.

Criminal Law.

CHAPTER 56.

Offenses Against Public Administration.

ARTICLE 2.

Perjury and Related Offenses.

CITATION Sec. 11.56.200.

CATCH LINE

PERJURY.

TEXT

(a) A person commits the crime of perjury if the person makes a false sworn statement which the person does not believe to be true.

(b) In a prosecution under this section, it is not a defense that

(1) the statement was inadmissible under the rules of evidence; or

(2) the oath or affirmation was taken or administered in an irregular manner.

(c) Perjury is a class B felony.

HISTORY (Sec. 6 ch 166 SLA 1978)

R0601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS11.56.210 DOCUMENT

CHAPTER = 11.56

SECTION = 11.56.210

TITLE = 11

HEADINGS TITLE 11.

Criminal Law.

CHAPTER 56.

Offenses Against Public Administration.

ARTICLE 2.

Perjury and Related Offenses.

CITATION Sec. 11.56.210.

CATCH LINE

UNSWORN FALSIFICATION.

TEXT

(a) A person commits the crime of unsworn falsification if, with the intent to mislead a public servant in the performance of a duty, the person submits a false written or recorded statement

which the person does not believe to be true  
(1) in an application for a benefit; or  
(2) on a form bearing notice, authorized by law, that  
false statements made in it are punishable.  
(b) Unsworn falsification is a class A misdemeanor.

HISTORY (Sec. 6 ch 166 SLA 1978)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS35.10.070 DOCUMENT

CHAPTER = 35.10

SECTION = 35.10.070

TITLE = 35

HEADINGS TITLE 35.

Public Buildings, Works, and Improvements.

CHAPTER 10.

Public Works.

ARTICLE 1.

Public Works Planning and Construction.

CITATION Sec. 35.10.070.

CATCH LINE

RESEARCH ON PUBLIC WORKS.

TEXT The department may gather, investigate and compile information concerning the use, construction and maintenance of public works, the practices and methods of efficient organization, financing and such other information, data and statistics of the state and the extent of natural resources of building materials in the state. The department shall disseminate this information, together with recommendations it considers advisable.

HISTORY (Sec. 6 art III title III ch 152 SLA 1957)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS36.10.005 DOCUMENT

CHAPTER = 36.10

SECTION = 36.10.005

TITLE = 36

HEADINGS TITLE 36.

Public Contracts.

CHAPTER 10.

Employment Preference.

CITATION Sec. 36.10.005.

CATCH LINE

LEGISLATIVE FINDINGS.

TEXT (a) The legislature finds that  
(1) because of its unique climate and its distance from the contiguous states, the state has historically suffered from unique social, seasonal, geographic, and economic conditions that result in an unstable economy;  
(2) the unstable economy is a hardship on the residents of the state and is aggravated by the large numbers of seasonal and transient nonresident workers;

- (3) the rate of unemployment among residents of the state is one of the highest in the nation;
- (4) the state has one of the highest ratios of nonresident to resident workers in the nation;
- (5) the state has a compelling interest in reducing the level of unemployment among its residents;
- (6) the construction industry in the state accounts for a substantial percentage of the available employment;
- (7) construction workers receive a greater percentage of all unemployment benefits paid by the state than is typical of other states;
- (8) historically, the rate of unemployment in the construction industry in the state is higher than the rate of unemployment in other industries in the state;
- (9) it is appropriate for the state to consider the welfare of its residents when it funds construction activity;
- (10) it is in the public interest for the state to allocate public funds for capital projects in order to reduce unemployment among its resident construction workers;
- (11) the influx of nonresident construction workers contributes to or causes the high unemployment rate among resident construction workers because nonresident workers compete with residents for the limited number of available construction jobs;
- (12) nonresident workers displace a substantial number of qualified, available, and unemployed Alaska workers on jobs on state funded public works projects;
- (13) the state has a special interest in seeing that the benefits of state construction spending accrue to its residents;
- (14) the natural resources of land owned by the state belong to the citizens of the state;
- (15) Alaskans have chosen to use the majority of the royalties derived from the state's natural resources to fund state government;
- (16) the vast majority of the state's revenue is derived from natural resource income rather than from other forms of taxation;
- (17) because the state has no personal income tax or sales tax, nonresident workers use services provided by the state but do not contribute fairly to the costs of those services; and
- (18) Alaskans, more than the residents of other states, suffer economically when nonresidents displace qualified residents since resident workers contribute local taxes as well as their share of the royalties from natural resources.

(b) The legislature further finds that

- (1) the state and its political subdivisions, when acting as a market participant in funding public works projects, should give Alaska residents an employment preference to promote a more stable economy;
- (2) the state and its political subdivisions have a duty of loyalty to their citizens and should fulfill this

duty by giving residents preference for employment on public works projects they fund;

(3) there is a legitimate and compelling governmental interest and that the public health and welfare will suffer if state residents are not afforded employment preference in state-funded construction-related work.

HISTORY (Sec. 1 ch 69 SLA 1985)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS36.05.010 DOCUMENT

CHAPTER = 36.05

SECTION = 36.05.010

TITLE = 36

HEADINGS TITLE 36.

Public Contracts.

CHAPTER 05.

Wages and Hours of Labor.

CITATION Sec. 36.05.010.

CATCH LINE

WAGE RATES ON PUBLIC CONSTRUCTION.

TEXT

A contractor or subcontractor who performs work on public construction in the state, as defined by AS 36.95.010(3), shall pay not less than the current prevailing rate of wages for work of a similar nature in the region in which the work is done. The current prevailing rate of wages for each pay period is that contained in the latest determination of prevailing rate of wages issued by the Department of Labor before the end of the pay period.

HISTORY (Sec. 14-2-1 ACLA 1949; am sec. 1 ch 142 SLA 1972; am sec. 1 ch 89 SLA 1976)

END OF DOCUMENT

AS36.95.010 DOCUMENT

CHAPTER = 36.95

SECTION = 36.95.010

TITLE = 36

HEADINGS TITLE 36.

Public Contracts.

CHAPTER 95.

General Provisions.

CITATION Sec. 36.95.010.

CATCH LINE

DEFINITIONS.

TEXT

In this title unless the context requires otherwise

(1) "contractor" means the contractor including subcontractors performing work necessary to facilitate public construction;

(2) "laborer, mechanic, or field surveyor" means a person who engages in work which is basically physical or unskilled in nature; or who engages in work, requiring the

use of tools or machines, which basically consists of the shaping and working of materials into some type of structure, machine or other object; or who engages in outdoor tasks related to the operation of findings and delineating contour, dimensions, position, topography, as of any part of the earth's surface, by preparation of measured plan or description of any area or other portion of country or of road or line through any area or other portion of country;

(3) "public construction" or "public works" means the on-site field surveying, erection, rehabilitation, alteration, extension or repair, including painting or redecorating of buildings, highways or other improvements to real property under contract for the state, a political subdivision of the state, or a regional school board;

(4) "qualified" means a person who, except for apprentices, is a journeyman mechanic in that person's particular trade;

(5) "resident" means a person who maintains a domicile in the state; domicile is the true and permanent home of a person from which that person has no present intention of removing and to which that person intends to return whenever away from that home;

(6) "state or a political subdivision of the state" means any state department, state agency, state university, borough, city, village, school district or other state subdivision;

(7) "wages" includes fringe benefits;

(8) "retainage" means money withheld from a contractor until completion of a contract or satisfaction of other contingency as evidenced by approval of the applicable pay estimate.

HISTORY (Sec. 16 ch 142 SLA 1972; am sec. 3 ch 89 SLA 1976; am sec. 16 ch 147 SLA 1978; am sec. 2 ch 85 SLA 1982; am sec. 92 ch 6 SLA 1984)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS37.05.315 DOCUMENT

CHAPTER = 37.05

SECTION = 37.05.315

TITLE = 37

HEADINGS TITLE 37.

Public Finance.

CHAPTER 05.

Fiscal Procedures Act.

ARTICLE 4.

General Provisions.

CITATION Sec. 37.05.315.

CATCH LINE

GRANTS TO MUNICIPALITIES.

TEXT

(a) When an amount is appropriated or allocated as a grant to a municipality, the Department of Administration shall promptly notify the municipality of the availability of the grant. When the Department of Administration receives an

agreement executed by the municipality which provides that the municipality (1) will spend the grant for the purposes specified in the appropriation or allocation; (2) will allow, on request, an audit by the state of the uses made of the grant; and (3) assures that, to the extent consistent with the purpose of the appropriation or allocation, the facilities and services provided with the grant will be available for the use of the general public, the Department of Administration shall pay the grant directly to the municipality. The agreement executed by a municipality under this section shall be on a form furnished by the Department of Administration and shall be executed within 60 days after the effective date of the appropriation or allocation.

(b) An appropriation or allocation for a grant to a municipality for construction of a public facility lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation or allocation.

(c) In accepting a grant of money for construction of a public facility, a municipality covenants with the state that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the state to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant of money for repair or improvement of an existing facility operated or

AS37.05.315 DOCUMENT

maintained by the state at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the state.

(d) Not less than 20 percent of a grant shall be paid to a municipality within 10 days of the effective date of the agreement under (a) of this section. The remainder of the grant shall be paid either in monthly installments equal to the amount of grant money the municipality expended in the previous month or in a lump sum as determined by the Department of Administration.

HISTORY (Sec. 1 ch 156 SLA 1980; am sec. 1 ch 4 SLA 1982)

R0601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS37.05.316 DOCUMENT

CHAPTER = 37.05

SECTION = 37.05.316

TITLE = 37

HEADINGS TITLE 37.

Public Finance.

CHAPTER 05.

Fiscal Procedures Act.

ARTICLE 4.

General Provisions.

CITATION Sec. 37.05.316.

CATCH LINE

GRANTS TO NAMED RECIPIENTS.

TEXT

When an amount is appropriated or allocated to a department as a grant for a named recipient which is not a municipality, the department to which the appropriation or allocation is made shall promptly notify the named recipient of the availability of the grant and request the named recipient to submit a proposal to provide the goods or services specified in the appropriation act, or both, for which the appropriation or allocation is made. At the same time, the department may issue a request for proposals from other qualified persons to provide the same goods or services, or both, in the same area. The department shall contract with the named recipient unless the Office of the Governor, with due regard for any local expertise or experience among those making proposals, determines that an award of the contract to a different party would better serve the public interest. If the contract is awarded to another party than that named by the legislature, the basis of that action shall be stated in writing at the time the grant is issued and a copy of the written statement shall be sent to the Legislative Budget and Audit Committee. A contract shall be executed within 60 days after the effective date of the appropriation or allocation. The purchase of the goods or services, or both, shall be in accordance with AS 37.05.230(1)(B).

HISTORY

(Sec. 2 ch 4 SLA 1982)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS37.05.317 DOCUMENT= 1 OF 1 PAGE = 1 OF 2

CHAPTER = 37.05

SECTION = 37.05.317

TITLE = 37

HEADINGS TITLE 37.

Public Finance.

CHAPTER 05.

Fiscal Procedures Act.

ARTICLE 4.

General Provisions.

CITATION Sec. 37.05.317.

CATCH LINE

GRANTS TO UNINCORPORATED COMMUNITIES.

TEXT

When an amount is appropriated or allocated as a grant under this section to an unincorporated community, it shall be disbursed as follows:

(1) Within 45 days after the effective date of the appropriation or allocation, the Department of Community and Regional Affairs shall notify the governing body of the unincorporated community, if any, that a grant is available.

(2) The Department of Community and Regional Affairs shall determine if there is a qualified incorporated entity in the community area that will agree to receive the grant and administer it, subject to terms generally applicable to private grantees. If there is more than one such entity, the Department of Community and Regional Affairs shall select the

most qualified and the grant shall be awarded to that incorporated entity for the purposes specified in the appropriation act. However, the Department of Community and Regional Affairs shall give preference to a nonprofit corporation organized by a community for receipt of the grant.

(3) If there is no incorporated entity qualified to receive the grant, the Department of Community and Regional Affairs shall administer the program as specified in the appropriation act directly or through agents or contractors with whom it may contract in the community area.

HISTORY (Sec. 2 ch 4 SLA 1982)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS44.33.285 DOCUMENT

CHAPTER = 44.33

SECTION = 44.33.285

TITLE = 44

HEADINGS TITLE 44.

State Government.

CHAPTER 33.

Department of Commerce and Economic Development.

ARTICLE 5.

Areas Impacted by Economic Disaster.

CITATION Sec. 44.33.285.

CATCH LINE

ACTION BY GOVERNOR.

TEXT The governor may, upon recommendation of the commissioner of commerce and economic development, designate by proclamation an area as an area impacted by an economic disaster. When an area is so designated, the legislature may appropriate money for assistance grants and the governor may recommend in the governor's budget submission that capital projects planned for the area be accelerated and that new projects be funded for the area. The proclamation may provide that waivers of capital projects requirements, as authorized in AS 44.33.300, become effective only to the extent set out in the proclamation.

HISTORY (Sec. 1 ch 277 SLA 1976; am sec. 35 ch 113 SLA 1982)

RO601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.