

SCR

21

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LAW

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

OFFICE OF THE ATTORNEY GENERAL

April 26, 1985

The Honorable Fred Zharoff
Chairman, Senate Labor and
Commerce Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: SCR 21, Relating to local
hire

Dear Senator Zharoff:

I am responding to a request from one of your staffers for our comments regarding SCR 21, "Relating to a report on maximizing local hire." The resolution would request the Attorney General and the Commissioner of Labor to prepare a report for the Legislature on a course of action that the state may take in order to maximize local hire.

Although the Department of Law certainly could participate in a report which would outline the present legal precedents and limitations on the state's ability to encourage local hire, we believe the real need at this point is for the preparation of a study which examines the problem of unemployment in Alaska and the extent to which the employment of nonresidents in various industries affects or aggravates the unemployment problem for residents. Such a study, at least with respect to construction employment in the state, is proposed in HB 295, which has now passed the House. Ideally, such a study should be expanded (with the funds necessary to accomplish that) to include a review of the unemployment problem of Alaska residents in other industries in which the Legislature might wish to consider the possibility of creating local hire requirements (e.g., fish processing and timber).

The Honorable Fred Zharoff
Chairman, Senate Labor and
Commerce Committee

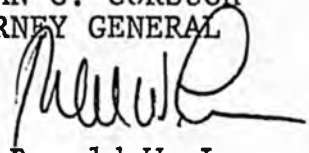
April 26, 1985
Page 2

If I can provide any further information with respect
to this matter, please do not hesitate to contact me.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By:


Ronald W. Lorensen
Deputy Attorney General

RWL:vrh

cc: Robert Landau
Deputy Commissioner
Department of Labor

Honorable Joe Josephson
Senator

Honorable Red Boucher
Representative

Introduced: 4/19/85
Referred: Labor and Commerce

1 IN THE SENATE BY JOSEPHSON AND ZHAROFF
2 SENATE CONCURRENT RESOLUTION NO. 21
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 Relating to a report on maximizing local
6 hire.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS the unemployment and underemployment of Alaskans causes seri-
9 ous social and economic problems in the state; and
10 WHEREAS the legislature is seeking ways to remedy the unemployment and
11 underemployment of Alaskans;
12 BE IT RESOLVED by the Alaska State Legislature that the attorney
13 general and the commissioner of labor are requested to report to the legis-
14 lature by the first day of the Second Session of the Fourteenth Legislature
15 on a course of action the state may take in order to maximize local hire.

Chairman's Information:

- 1) SCR 21: "Relating to a report on maximizing local hire"
 - a) Introduced: Sen Josephson, and Sen Zharoff
 - b) Co-Sponsors:
- 2) INTENT: Requests that the attorney general and the commissioner of labor report to the Legislature on the first day of the second session of the 14th Legislature on a course of action the state may take to maximize local hire.

FISCAL NOTE: We have 2 fiscal note versions for this bill. One fiscal note is predicated on the passage of HB 295 (Study of unemployment and local hire issues) and is for \$69.0. If HB 295 does not pass, then a fiscal note of \$89.0 accompanies this resolution.

NOTE:

- 3) ADDITIONAL REFERRALS: 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?

Bill No. Senate Concurrent Resolution No. 21

Title "Relating to a report on maximizing local hire.

Date April 26, 1985

Contact: Robert W. Landau
465-2700
Eileen Plate
465-2700

Senate Concurrent Resolution No. 21 requests the Attorney General and the Commissioner of Labor to report on a course of action the state may take to maximize local hire in Alaska. The scope of the proposed inquiry would broadly cover the entire labor force employed in both the public and private sectors.

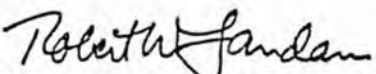
Currently, the state's local hire requirements apply only on public construction projects. However, as state revenues decline, it is essential that all industries and geographic areas of the state be examined in order to maximize the economic benefits of local hire and reduce the adverse impact of unemployment and underemployment.

Preliminary statistics prepared by the Department of Labor suggest that many industries in Alaska currently employ significant numbers of nonresidents. The Department believes it is important to conduct further research to identify those industries and areas with the highest percentages of nonresidents and to ascertain the precise impact of wages paid to both residents and nonresidents on the Alaska economy and the cost of government.

Once an adequate statistical foundation has been established, the state will be in a much better position to make policy and to evaluate the economic and legal implications of any local hire policy.

The Department of Labor supports Senate Concurrent Resolution No. 21. A fiscal note is attached.

APPROVED:


for Jim Robison, Commissioner
Department of Labor

POSITION PAPER/Department of Labor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SCR 21
 Title: "Relating to a report on
 maximizing local hire"
 Sponsor: Josephson and Zharoff
 Requestor: Senate Labor & Commerce
 Date of Request: 4/22/85

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Public
 Protection
 BRU, Program or Subprogram(s) Affected:
Commissioner's Office

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		89.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	89.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		89.0				
FEDERAL FUNDS						
OTHER						
TOTAL	0	89.0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(This analysis reflects costs if HB 295 does not pass)

Prepared By: Jim Robison

Division: Commissioner

Phone: 465-2700

Date: 4/22/85

Approved by Commissioner: Jim Robison

Agency: Labor

Date: 4/22/85

Distribution (by Agency preparing fiscal note):

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

FISCAL NOTE (two versions)
and analysis

FISCAL NOTE ANALYSIS

THE LEGISLATURE OF THE STATE OF ALASKA
FOURTEENTH LEGISLATURE

BILL/RESOLUTION NO.: SCR 21

TITLE: "Relating to a report on maximizing local hire"

AGENCY AFFECTED: Department of Labor

This resolution requests a report to the legislature on a course of action to maximize local hire.

Assumptions:

1. Further research is necessary to: a) establish an accurate benchmark of nonresident to resident employees and wages by industry and area; b) survey employees for reasons associated with high nonresident hire; and c) analyze the benchmark data and employer responses for policy implications.
2. Work would begin July 1, 1985, and be conducted with a written report to be submitted to the Alaska Legislature on January 14, 1986.
3. If House Bill 295 is funded at \$100,000 then the costs associated with this resolution would be reduced by \$20,000.
4. The Alaska Department of Labor will assign a Labor Economist III for three months, a Labor Economist II for six months, and a Statistical Technician I for six months to research and provide this information.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SCR 21
 Title: "Relating to a report on
 maximizing local hire"
 Sponsor: Josephson and Zharoff
 Requestor: Senate Labor & Commerce
 Date of Request: 4/22/85

FISCAL DETAIL

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 Program Category Affected: Public
 Protection
 BRU, Program or Subprogram(s) Affected: Commissioner's Office

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		69.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	69.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		69.0				
FEDERAL FUNDS						
OTHER						
TOTAL	0	69.0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(This analysis reflects costs if HB 295 passes)

Prepared By: Jim Robison Phone: 465-2700
 Division: Commissioner Date: 4/22/85
 Approved by Commissioner: Jim Robison Date: 4/22/85
 Agency: Labor

Distribution (by Agency preparing fiscal note):

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

FISCAL NOTE ANALYSIS

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