

HB

145

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/20/87

FURTHER REFERRALS: Judiciary
Finance

DATE: 3/5/87

The Labor & Commerce Committee has considered HB 145

"An Act relating to resident employment preferences on certain natural resource projects on state land; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Dave Donley

Al Ellis

Clyff Davidson

Steve [unclear]

John [unclear]

SIGNING OTHER RECOMMENDATIONS:

D.C. [unclear] No REC

Dave Donley
Chairman's signature

Bill No. House Bill 145

Date March 3, 1987

Title "An Act relating to resident employment preferences on certain natural resource projects on state land.

Contact: Tom Stuart
465-4870

Eileen Plate
465-2700

House Bill 145 seeks to establish resident hire preferences for employment on natural resource projects which are situated on state land in an area which has been determined to be an economically distressed or an underemployment zone.

Under this bill, the Department of Labor would be primarily responsible for

- (1) making determinations of those areas of the state which are economically distressed and those areas where underemployment exists;
- (2) determining the amount of work on a natural resource project which must be performed by eligible and qualified residents;
- (3) assisting in locating qualified and eligible workers, and verifying the eligibility of applicants when a resident preference has been determined to be in effect;
- (4) establishing and monitoring employer reporting requirements;
- (5) conducting investigations and holding hearings to determine compliance with the employment preference provisions; and
- (6) seeking monetary penalties and/or injunctive relief for noncompliance with the employment preference provisions.

Many of the provisions of this bill are tailored after the employment preference provisions in AS 36.10 which are applicable to public construction projects in the state; and the Department would, therefore, be able to implement this expansion of the employment preference provisions without additional data collection efforts.

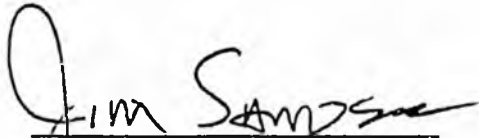
Because of the beneficial impact of resident hiring on the workforce and the economy in general, the Department strongly endorses the principle that qualified Alaska residents should be given employment preference on natural resource projects on state land. This is consistent with the view that a state is entitled to give preference to its own citizens in the development of the state's natural resources.

In addition, well over \$600 million was paid to nonresidents in both 1984 and 1985. Industries involved in natural resource projects directly, and the construction activities associated with those projects, accounted for a major portion of the earnings received by nonresident workers. The high levels of nonresident earnings were made in years when Alaska's unemployment rate averaged 10.1 percent (1984) and 9.6 percent (1985).

POSITION PAPER/Department of Labor

It is in the best interest of Alaska to remedy its high unemployment problem by working to increase the hiring of qualified residents whenever possible. The Department of Labor supports House Bill 145.

APPROVED:


Jim Sampson, Commissioner
Department of Labor

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HB 145

Publish Date: _____

REQUEST: _____

Revision Date: _____

Agency Affected: Labor

Title: "An Act relating to resident
employment preference on certain natural..."

BRU: Labor Standards and Safety

Sponsor: Donley, Boyer, et al

Components: Wage and Hour

Requestor: House Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		27.5	54.9	54.9	54.9	54.9
TRAVEL		11.5	16.0	16.5	17.0	17.5
CONTRACTUAL		3.4	7.0	7.2	7.4	7.6
SUPPLIES		.6	1.1	1.2	1.2	1.2
EQUIPMENT		3.2	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	46.2	79.0	79.8	80.5	81.2

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		46.2	79.0	79.8	80.5	81.2
FEDERAL FUNDS						
OTHER						
TOTAL	0	46.2	79.0	79.8	80.5	81.2

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(See attached)

Prepared by: Tom Stuart, Director

Phone: 465-4870

Division: Labor Standards and Safety

Date: 3/5/87

Approved by Commissioner: Jim Sampson

Date: 3/5/87

Agency: Labor

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Senate Secretary

Fiscal Note Analysis

HB 145

Under the provisions of this bill, the department would be responsible for monitoring, investigating, and enforcing resident hire on natural resource projects. The majority of the investigative/enforcement activity would not begin until after January, 1988 when the annual report on resident hire is published and the Commissioner designates those areas or regions of the state in which a hiring preference applies. The following resources would, therefore, be needed beginning in January, 1988:

	1 Wage & Hour Investigator I - 6 months (Anchorage)	1 Half-Time Clerk-Typist III 6 months (Anchorage)	Total
Personal Svcs	21.1	6.4	27.5
Travel	4.0	0	4.0
Contractual	2.3	1.1	3.4
Commodities	.4	.2	.6
Equipment	1.6	1.6	3.2
	<u>29.4</u>	<u>9.3</u>	<u>38.7</u>

The positions would work six months in FY 88 (beginning January 1, 1988) and twelve months from then on. Also, an additional \$7,500 in travel expense would be incurred by existing positions for travel to the North Slope.

Assumptions

1. The Commissioner will designate those areas or regions of the state where hiring preference applies in January of 1988.
2. Inflation on non-personal services items would be 3% per year.
3. The Prudhoe, Kuparuk and other major natural resource projects presently in operation will not be covered by this bill in the foreseeable future.

Position Title Wage and Hour Investigator I			No. of Positions 1	Range/Step 16A	Barg. Unit GGU	Gov.	Approv.	Disapp.
Time Status PFT	Staff Months 6	RP Number	Location Anchorage		Election District	Leg.		
Justification								
Type of Expenditure			Amount					
1	2	3						
Salary	16,212							
Benefits	4,864							
Premium Pay	-							
Other	-							
Total Personal Services		21,076						
Travel		4,000						
Contractual		2,300						
Commodities		350						
Equipment		1,600						
Other		-						
Total Cost		29,326						
Receipt Code			Funding Source					
			Federal Receipts 1002					
			G. F. Match 1003					
			General Funds 1004					
			I-A Receipts 1005					
			Program Receipts 1028					
			CIP Receipts 1061					
			Other					
			29,326					
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> For B&M Use Only Key Number _____ </div>								

This position would monitor new or re-negotiated oil and gas leases and other natural resources projects on state land to ensure compliance with resident hire laws. It would also hold hearings when requested.

The position would interact with the Department of Natural Resources and industry contacts to establish an effective monitoring procedure.

Travel costs are to establish monitoring procedures and for monitoring compliance with resident hire laws.

Contractual and commodity costs are average per position costs. The equipment costs are for desks, chairs, cabinets, etc., and are one-time costs.

**Request For
New Position**

Agency Labor
 BRU Labor Standards and Safety
 Component Wage and Hour

FY 87

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 Revised Date

Position Title Clerk Typist III			No. of Positions 1	Range/Step BA	Barg. Unit GGU	Gov.	Approv.	Disapp.	
Time Status PPT (Half Time)	Staff Months 6	RP Number	Location	Election District	Leg.				
Type of Expenditure			Justification						
		Amount	<p>This position would handle the clerical functions as required in the bill. The position would process and maintain records of the certificates and the reports when received from employers. Typing of regulations and distribution of informational posters would also be duties. Contractual and commodity costs are average per-employee expenses. The equipment expense would be for a desk, chair, etc., and would be a one-time item.</p>						
1	2	3							
Salary	4,893								
Benefits	1,468								
Premium Pay									
Other									
Total Personal Services		6,361							
Travel		0							
Contractual		1,100							
Commodities		200							
Equipment		1,600							
Other		-							
Total Cost		9,261							
Receipt Code	Funding Source								
	Federal Receipts	1002							
	G. F. Match	1003							
	General Funds	1004							9,261
	I-A Receipts	1005							
	Program Receipts	1028							
	CIP Receipts	1061							
	Other								
For B&M Use Only Key Number _____									

**Request For
New Position**

Agency Labor
 BRU Labor Standards & Safety
 Component Wage and Hour

Page 2 of 2
 Revised Date

FY 87

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HB 145
Publish Date: _____

REQUEST: _____

Revision Date: 3/3/87

Agency Affected: _____
BRU: Mineral Management, Petroleum Management
Forest Management

Title: Accident Employment on Natural
Resources Projects on State Land

Sponsor: Donley, Boyer, Brown, Cato, et. al. Components: _____

Requestor: House Labor & Commerce Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	0

POSITIONS:

FULL-TIME						
PAK-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 3/3/87

Approved by Commissioner: [Signature] Date: 3/3/87
Agency: Natural Resources

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary