

HB

43

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/19/87

FURTHER REFERRALS: Judiciary

DATE: TUESDAY, JAN 27, 1987

The Labor and Commerce Committee has considered HB 43

"An Act relating to return transportation for workers."

RECOMMENDS:

- replace with CS HB 43 (L+C) 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:

James K. Douley

Ellis

Cliff Davidson

Steve Kozar

SIGNING OTHER RECOMMENDATIONS:

Walt Furnace *Do not pass without clear committee report*

DO NOT PASS without amendments

Bill needs work

James K. Douley

Chairman's signature

5-0234B ✓
Cramer
1/27/87

Original sponsors: Donley and Koponen

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 43 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to return transportation for
7 workers."

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

9 * Section 1. AS 23.10.380(a) is repealed and reenacted to read:

10 (a) An employer shall furnish a person entitled to transporta-
11 tion under this section with return transportation to the place of
12 hire from which transportation was furnished or financed, to the
13 person's place of residence at the time of hire, or to a destination
14 agreed upon by the parties if

15 (1) the employment terminated within one year after the
16 person's first day of employment with the employer in the state;

17 (2) the department determines that the termination of
18 employment was for a good and sufficient cause beyond the control of
19 the person, or if the contract of employment or a renewal of the
20 contract terminates; and

21 (3) the person or the department requests return transpor-
22 tation within 45 days after the termination of employment.

23 * Sec. 2. AS 23.10.380 is amended by adding new subsections to read:

24 (c) An employer who agrees to hire a person residing outside the
25 state shall notify the person of the person's rights to transportation
26 under this section.

27 (d) A person is entitled to return transportation rights under
28 this section if

29 (1) an employer furnished, financed, agreed to furnish or

1 finance, or in any way provided transportation for the person from the
2 place of hire to a point inside or outside the state to employ the
3 person; or

4 (2) the person resided outside the state when the employer
5 agreed to employ the person for work inside the state.

6 * Sec. 3. The amendments proposed by this Act apply to persons hired on
7 or after the effective date of this Act.

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Original sponsors: Donley and Koponen

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5 agreed to employ the person for work inside the state.

6 * Sec. 3. AS 23.10 is amended by adding a new section to article 5 to
7 read:

8 Sec. 23.10.402. DEFINITION. To AS 23.10.375 - 23.10.401 "em-
9 ployer" means a person who employs at least one other person and
10 includes the state and a political subdivision of the state.

11 * Sec. 4. The amendments proposed by this Act apply to persons hired on
12 or after the effective date of this Act.

Original sponsors: Donley and Koponen

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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 43 (L&C)
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: An Act Relating to Return
Transportation for Workers
Sponsor: Donley and Koponen
Requestor: _____

Agency Affected: A11
BRU: A11

Components: A11

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

CSHB 43 deals with paying return transportation costs for workers whose employment is terminated within the first year.

Provision for financing the return transportation of new employees to their original place of residence upon termination of employment has been public policy since 1949. The significance of CSHB 43 is that the proposed definition of "employer" would, for the first time, make the law applicable to State employees.

Prepared By: Diana DeSimone *Diana DeSimone* Phone: 465-4430
Division: Personnel Date: 1/30/87

Approved by Commissioner: Garrey Peska *Garrey Peska* Date: 1/1/87
Agency: Department of Administration

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For CSHB 43

In FY 86, the State expended \$1,232,000 for moving and relocation costs. This figure includes legislative relocation costs which totaled \$219,100 in FY 86. Deducting costs for legislative moves leaves approximately \$1,000,000 for moving other State employees. The average cost of moving these employees is between \$10,000 and \$15,000. (Costs are higher because these are permanent versus temporary moves.) At an average of \$12,500 per move, this equates to about 80 moves of "regular" State employees.

We estimate that only about 10 percent of these paid moves are to entice new employees to join the State workforce, the only situation to which CSHB 43 would apply. (Paying moves of "on-board" State employees is usually associated with getting a seasoned, trained employee to change their location for the good of the service.)

In the eight situations to which CSHB 43 is applicable, it is unlikely that more than one or two of the employees would terminate within the first year. Therefore, the associated moving costs could be absorbed with existing resources.

Alaska State Legislature

House of Representatives



Labor and Commerce Committee

January 26, 1987

To: Members, House Labor and Commerce Committee

From: Representative Dave Donley, Chair **D**
House Labor and Commerce Committee

Re: HB 43 - Return transportation for workers

House Bill 43 amends AS 23.10.380 to assure that workers employed in Alaska are provided with return transportation to their point of hire as a condition of employment.

Under existing statute, first adopted in 1949, it was recognized that the welfare of the state (then the Territory) demanded that adequate provision be made for financing the return transportation of workers to their place of recruitment upon termination of employment. (AS 23.10.375)

The reason for this policy was obvious. Workers recruited from outside Alaska were often stranded here without adequate funds to care for themselves and their families on termination of employment. The State was obligated morally and legally to provide public assistance for these individuals, an expense that sorely taxed our meager resources.

In 1949, the primary problem was cannery workers. In 1987 the jobs have changed, but the problem remains the same. In spite of our current unemployment crisis, workers are still being recruited and hired from outside the State for what too often turns out to be short-term jobs.

HB 43 makes two major changes to existing law: 1) requires employers to notify employees of their right to return transportation, and 2) entitles employees to return transportation if they were recruited from outside the State, regardless of whether their transportation to the State was paid by their employer.

I have prepared a Committee Substitute for HB 43 for your consideration. The CS adds language that removes the requirement for return transportation if a worker is employed for one year or more. In addition, the CS amends AS

23.10.380(b), so that an employers obligation to provide subsistence (room and board), after termination and until return transportation is available, is clearly stated. This section applies only if the employer originally provided subsistence as part of the job.

Although HB 43 may have the effect of encouraging employers to hire locally rather than outside the State, its purpose is to protect workers and to assure that they are aware of their rights to return transportation.

Additionally, due to Alaska's geographical situation and the expense of transportation to and from the continental United States, our State has a unique interest in providing such protection for workers.

HB 43 is a reasonable way to protect workers rights and is in the best interest of the State. I urge you to consider the measure favorably and to pass it out of Committee with your hearty recommendation.