

**SB37**

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/3/91

FURTHER:

DATE TURNED INTO OFFICE: 5/15/91

The Finance Committee considered SSSB 37

"An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date."

and recommended:

replace with CS SSB 37 (FIN)  same title  
 or adopt CS \_\_\_\_\_  new title  
 attached amendment(s)  technical title change (HB only)  
 \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):  
Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_



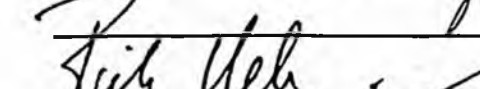
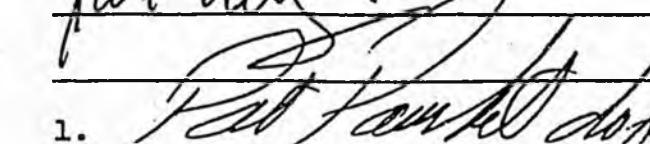
appropriation-no fiscal note

APPROVES PREVIOUS:  
Dept/Date:

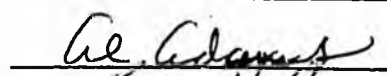
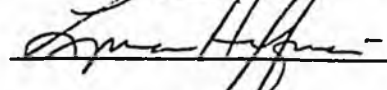
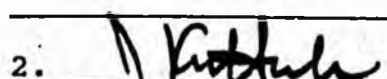
fiscal note(s) DOTPF 4-29-91  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

 - Do Not Pass  
 - Do Not Pass  
 NO Rec

1. \_\_\_\_\_ 2. \_\_\_\_\_  
Co-Chairs: Signatures and Recommendations

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL

FISCAL NOTE

Revision Date: April 29, 1991 Department Affected: DOT&PF  
 Title: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date. BRU: Statewide Engineering & Operations Standards  
 Sponsor: Menard, Rodey, Collins Component: Eng. & Oper. Standards  
 Requestor: Menard Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	3.0	0	0	0	0	0
CONTRACTUAL	15.0	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
<b>TOTAL OPERATING:</b>	<b>18.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>400.0</b>	<b>400.0</b>	<b>400.0</b>	<b>400.0</b>	<b>400.0</b>	<b>400.0</b>
<b>REVENUE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUNDS	418.0	400.0	400.0	400.0	400.0	400.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS

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

Estimate of current year impact: None.

ANALYSIS: (Attach a separate page if necessary)

Changes in C555B37 (Fix) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.  
5-15-91 date bl Comte Aide (initial)

Prepared by: Jeffery C. Ottesen, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 29, 1991

Approved by Commissioner: [Signature]

Phone: 465-3900

Frank G. Turpin

Agency: Department of Transportation and Public Facilities

Date: April 29, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

**STATE OF ALASKA  
1991 LEGISLATIVE SESSION**

BILL NUMBER: CSSSB 37 (24C)

**ANALYSIS (cont. from page 1):****Regulations**

There will be approximately \$18.0 in one-time administrative costs in FY 1992 due to the costs of implement regulations; these funds will be used for legal support, advertising, public hearings and travel to public hearings. Of this amount, \$15.0 is for contractual items (legal costs \$12.0, transcriptions \$2.0, advertising \$1.0) and \$3.0 is for travel and per diem to meetings.

**Operating Costs**

Administrative costs of establishing new contract specifications and having them reviewed by the Attorney General's office, regional staff and federal agencies will be borne by existing operating budgets.

**Opportunity Costs: Federal-Aid Capital Programs**

While not a new cost requiring an appropriation the bill has the effect of raising costs on certain federal-aid highway and aviation projects and thereby reducing buying power. This cost is essentially an opportunity cost to the program. It is estimated at \$2.0 to 3.0 million annually and will result in the delay of some projects as the schedule for highway and airport improvements will stretch out accordingly. It does appear as a cost on the fiscal note.

**Capital Costs: General Funded Capital Programs**

For the GF capital budget, we assumed that, on average, about \$4 million dollars of general funded construction would be defined as "remote" each year, and that the cost of a camp would contribute about 10% additional expense to these projects. This amount would vary with the size of the state's capital budget and the portion of the budget that is allocated to remote projects.

*Final*

**CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37 (FINANCE)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATORS MENARD, Rodey, Collins**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to food and housing for construction workers at remote construction sites  
2 on certain state highway and airport construction projects; and providing for an effective  
3 date."

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

5 \* Section 1. AS 36.90 is amended by adding a new section to read:

6       Sec. 36.90.110. FOOD AND HOUSING AT REMOTE STATE CONSTRUCTION  
7 SITES. (a) Except as provided in (b) and (c) of this section, the state shall require that a  
8 contractor provide food and housing to an employee of the contractor working on a state highway  
9 or airport construction project at a remote construction site. The contractor may not consider the  
10 cost of the food and housing in setting wages for the employee or in meeting wage requirements  
11 under AS 23.10.065 or AS 36.05.

12       (b) Before the award of a state highway or airport construction contract, the state shall  
13 estimate the length of active, on-site workdays required to complete the project, and the number  
14 of contractor employees required at peak employment periods. If the estimate indicates that the

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1 project will require fewer than 60 continuous calendar days of active on-site work or fewer than  
2 15 contractor employees at peak employment periods, the project is exempt from the requirement  
3 to provide food and housing set out in (a) of this section.

4 (c) A contractor who provides adequate transportation to employees is exempt from the  
5 requirement to provide food and housing set out in (a) of this section for those employees for  
6 whom the transportation is provided. Transportation is adequate under this subsection if it

7 (1) transports the employee from the departure point to the work site in 60  
8 minutes or less or if the employer pays wages to the employee for time spent travelling to the  
9 work site in excess of 60 minutes; return transportation shall be provided on the same basis;

10 (2) is available each workday at times reasonably close to the beginning and  
11 ending of each work shift;

12 (3) begins from and returns to a departure point that is central to either a location  
13 where commercially available food and lodging establishments exist or which is the domicile of  
14 the employee; and

15 (4) meets applicable transportation safety standards.

16 (d) Unless a state construction contract for highway or airport construction is exempt  
17 under (b) or (c) of this section, the specifications for the contract must contain a provision setting  
18 out the requirement for providing food and housing at remote construction sites and the optional  
19 provisions for transportation services. When this provision is required in a contract, the contract  
20 must designate the site and include relevant permits for the housing.

21 (e) The Department of Transportation and Public Facilities shall implement this section  
22 by regulation.

23 (f) In this section,

24 (1) "airport" means an area of land or water that is used or intended for use for  
25 the landing and take-off, movement, or parking of aircraft, and the appurtenant areas that are used  
26 or intended for use for airport buildings or other airport facilities or rights-of-way, together with  
27 airport buildings and facilities located at the location;

28 (2) "domicile" means the principal place of residence of an individual during the  
29 90 days before employment on the state construction project;

30 (3) "highway" includes a primary or secondary highway, road, street, trail, walk,  
31 bridge, tunnel, drainage structure and other similar or related structure or facility, and

1 right-of-way thereof, and further includes a ferry system, whether operated solely inside the state  
2 or to connect with a Canadian highway, and any related facility;

3 (4) "remote" means a work site that is either more than 50 road miles from or  
4 inaccessible by two-wheel drive vehicles from a location that has commercial food and lodging  
5 establishments adequate to accommodate the work force of the state construction project;

6 (5) "state construction" means the on-site field surveying, erection, rehabilitation,  
7 alteration, extension, or repair, including painting or redecorating, of buildings, highways, or  
8 other improvements to real property, under contract for the state.

9 \* Sec. 2. This Act does not apply to a contract for a state highway or airport construction project that  
10 was entered into before September 1, 1991.

11 \* Sec. 3. This Act takes effect September 1, 1991.

5/14/91 em  
AA mixed; w/d

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WORK DRAFT

WORK DRAFT

7-LS0373P  
Cramer  
5/11/91

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37 ( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS MENARD, Rodey, Collins

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to food and housing for construction workers at remote construction sites  
2 on certain <sup>high & airport</sup> state construction projects; permitting waiver of the requirement to provide food  
3 and housing or transportation and establishing an employment preference for those who  
4 waive the requirement; and providing for an effective date."

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

6 \* Section 1. FINDINGS. The legislature finds that

7 (1) the requirements that contractors provide food, housing and transportation to workers  
8 on remote state construction contracts will increase the cost of state construction projects;

9 (2) it is in the state's best interest, to the extent possible, to reduce the cost of state  
10 construction while meeting other public policy goals;

11 (3) employees at remote state construction projects should have food and housing  
12 provided for them unless they are able to obtain them for themselves;

13 (4) those employees who waive the requirement that food, housing, and transportation  
14 be provided under a state construction contract reduce the cost of state construction;

1 (5) those employees should be able to share in the advantage to the state that the waiver  
2 brings and therefore an employment preference is appropriate.

3 \* Sec. 2. AS 36.90 is amended by adding a new section to read:

4 Sec. 36.90.110. FOOD AND HOUSING AT REMOTE STATE CONSTRUCTION  
5 SITES. (a) Except as provided in (b) - (d) of this section, the state shall require that a  
6 contractor provide food and housing to an employee of the contractor working on a state  
7 construction project at a remote construction site. The contractor may not consider the cost of  
8 the food and housing in setting wages for the employee or in meeting wage requirements under  
9 AS 23.10.065 or AS 36.05 or in determining gross weekly earnings under AS 23.30.220.

10 (b) Before the award of a state construction contract, the state shall estimate the length  
11 of active, on-site workdays required to complete the project, and the number of contractor  
12 employees required at peak employment periods. If the estimate indicates that the project will  
13 require fewer than 60 continuous calendar days of active on-site work or fewer than 15 contractor  
14 employees at peak employment periods, the project is exempt from the requirement to provide  
15 food and housing set out in (a) of this section.

16 (c) A contractor who provides adequate transportation to employees is exempt from the  
17 requirement to provide food and housing set out in (a) of this section for those employees for  
18 whom the transportation is provided. Transportation is adequate under this subsection if it

19 (1) transports the employee from the departure point to the work site in 60  
20 minutes or less or if the employer pays wages to the employee for time spent travelling to the  
21 work site in excess of 60 minutes; return transportation shall be provided on the same basis;

22 (2) is available each workday at times reasonably close to the beginning and  
23 ending of each work shift;

24 (3) begins from and returns to a departure point that is central to either a location  
25 where commercially available food and lodging establishments exist or which is the domicile of  
26 the employee; and

27 (4) meets applicable transportation safety standards.

28 (d) An applicant for employment or an employee may waive the requirements of this  
29 section to provide food, housing, and transportation on a state construction project. The waiver  
30 must be in writing and signed by the applicant or employee. The waiver may not be revoked.

31 An applicant or employee who waives the requirements of this section is entitled to an

1 employment preference on the project.

2 (e) Unless a state construction contract is exempt under (b) or (c) of this section, the  
3 specifications for the contract must contain a provision setting out the requirement for providing  
4 food and housing at remote construction sites, the provisions for waiver of the requirement, and  
5 the optional provisions for transportation services. When these provisions are required in a  
6 contract, the contract must designate the site and include relevant permits for the housing.

7 (f) The Department of Transportation and Public Facilities shall implement this section  
8 by regulation.

9 (g) In this section,

10 (1) "domicile" means the principal place of residence of an individual during the  
11 90 days before employment on the state construction project;

12 (2) "remote" means a work site that is either more than 50 road miles from or  
13 inaccessible by two-wheel drive vehicles from a location that has commercial food and lodging  
14 establishments adequate to accommodate the work force of the state construction project;

15 (3) "state construction" means the on-site field surveying, erection, rehabilitation,  
16 alteration, extension, or repair, including painting or redecorating, of buildings, highways, or  
17 other improvements to real property, under contract for the state.

18 \* Sec. 3. This Act does not apply to a contract for a state construction project that was entered into  
19 before September 1, 1991.

20 \* Sec. 4. This Act takes effect September 1, 1991.

# Alaska State Legislature

Al Adams  
District L



Official Business

WHILE IN SESSION  
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State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245

3111 C Street  
Anchorage, Alaska 99503  
(907) 561-7622

TO: Senator Curt Menard, Sponsor of SB 37 and  
Senate Finance Committee members

FROM: Senator Al Adams *AAK*

RE: Proposed Committee Substitute for Senate Bill 37

DATE: May 11, 1991

The proposed Committee Substitute for Senate Bill 37 addresses the sponsor's concern for living conditions on remote public construction projects and my concern for the adverse effect of increased costs of remote projects.

These goals are accomplished in two ways. First, food and housing or transportation will have to be provided for those employees who choose these amenities under the same project specifications as in the Labor and Commerce Committee substitute. However, those employees who choose not to avail themselves of these benefits can opt out. Since opt-out employees willingly absorb the costs of food and housing, there is a need for a corresponding benefit. That benefit is contained in the section of the bill which provides an employment preference. I have been advised by our legal advisors that this preference would be constitutional. A memorandum to that effect is forthcoming. Section 1 of the bill now includes a findings section to justify the changes.

These provisions would most probably result in contractors actively seeking employees who would choose to opt-out so that contractor bid projections could be lowered and thus more competitive. The end result would be reduced project costs to the state as opposed to the opposite effect if these measures were not in the bill. There is also a potential benefit in the selection of Alaska residents over non-residents since contractors might well be able to identify opt-out employees easier among the state's existing labor pool.

To protect contractors there is specific language that the waiver be in writing. In addition, the waiver is non-revokable so that employees would

Page 2

May 11, 1991

Proposed CS for Senate Bill 37

not abuse the preference benefit to secure employment and then attempt to change their status later regarding food and housing. Regulations overseeing the mechanisms of preference would be produced by the Department of Transportation as with the other regulations called for in this legislation.

There is one further change in the committee substitute found on page 2, line 9 by the addition of "or in determining gross weekly earnings under AS 23.30.220". This is to insure that food and housing costs are not included in the spendable weekly wage determinations for computing compensation of injured workers.

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37 <sup>FIN</sup> (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/29/91  
Referred: Transportation, Finance

Sponsor(s): SENATORS MENARD, Rodey, Collins

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to food and housing for construction workers at remote construction sites  
2 on certain ~~highway and airport~~ state construction projects; and providing for an effective date."

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

4 \* Section 1. AS 36.90 is amended by adding a new section to read:

5 Sec. 36.90.110. FOOD AND HOUSING AT REMOTE STATE CONSTRUCTION  
6 SITES. (a) Except as provided in (b) and (c) of this section, the state shall require that a  
7 contractor provide food and housing to an employee of the contractor working on a state  
8 construction project at a remote construction site. The contractor may not consider the cost of  
9 the food and housing in setting wages for the employee or in meeting wage requirements under  
10 AS 23.10.065 or AS 36.05.

11 (b) Before the award of a state construction contract, the state shall estimate the length  
12 of active, on-site workdays required to complete the project, and the number of contractor  
13 employees required at peak employment periods. If the estimate indicates that the project will  
14 require fewer than 60 continuous calendar days of active on-site work or fewer than 15 contractor

1 employees at peak employment periods, the project is exempt from the requirement to provide  
2 food and housing set out in (a) of this section.

3 (c) A contractor who provides adequate transportation to employees is exempt from the  
4 requirement to provide food and housing set out in (a) of this section for those employees for  
5 whom the transportation is provided. Transportation is adequate under this subsection if it

6 (1) transports the employee from the departure point to the work site in 60  
7 minutes or less or if the employer pays wages to the employee for time spent travelling to the  
8 work site in excess of 60 minutes; return transportation shall be provided on the same basis;

9 (2) is available each workday at times reasonably close to the beginning and  
10 ending of each work shift;

11 (3) begins from and returns to a departure point that is central to either a location  
12 where commercially available food and lodging establishments exist or which is the domicile of  
13 the employee; and

14 (4) meets applicable transportation safety standards.

15 (d) Unless a state construction contract is exempt under (b) or (c) of this section, the  
16 specifications for the contract must contain a provision setting out the requirement for providing  
17 food and housing at remote construction sites and the optional provisions for transportation  
18 services. When this provision is required in a contract, the contract must designate the site and  
19 include relevant permits for the housing.

20 (e) The Department of Transportation and Public Facilities shall implement this section  
21 by regulation.

22 (f) In this section,

23 (1) "domicile" means the principal place of residence of an individual during the  
24 90 days before employment on the state construction project;

25 (2) "remote" means a work site that is either more than 50 road miles from or  
26 inaccessible by two-wheel drive vehicles from a location that has commercial food and lodging  
27 establishments adequate to accommodate the work force of the state construction project;

28 (3) "state construction" means the on-site field surveying, erection, rehabilitation,  
29 alteration, extension, or repair, including painting or redecorating, of buildings, highways, or  
30 other improvements to real property, under contract for the state.

31 \* Sec. 2. This Act does not apply to a contract for a state construction project that was entered into

1 before September 1, 1991.

2 \* Sec. 3. This Act takes effect September 1, 1991.



# Alaska State Legislature

Senator Curt Menard



While in  
Session:  
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99811  
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165 E. Parks  
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Senate  
District  
E

## SPONOR STATEMENT:

(csss)SB 37: "An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects."

The legislation before you seeks to eliminate the deplorable living conditions that workers currently endure on remote state construction projects. The unsanitary living conditions have not only resulted in sickness for workers but environmental damage as well.

The Department of Transportation and Public Facilities, organized labor, and the Associated General Contractors have worked together and the bill version before you represents significant compromises on all sides in an effort to resolve the problem.

The provisions of the bill apply to state construction projects but contains a number of limiting factors:

- . The project must be at least 60 continuous days of active on-site work and require more than 15 contractor employees at peak employment periods.
- . A contractor, as an alternative to food and housing, may provide transportation as specified.
- . "Remote" is defined as more than 50 road miles or inaccessible by two-wheel drive from adequate commercial food and lodging facilities.

An added benefit of this proposed legislation is that it serves to encourage local hire. It is in the state's best interest, as well as the contractor's to hire workers from the area where the project is being built.

It is imperative that this bill be passed this session, our Alaskan workers should not be forced to spend two more construction seasons enduring deplorable living conditions on remote state construction projects. I appreciate your support of this legislation.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811  
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FAX (907) 465-2029

Deliveries to: 240 Main Street  
Court Plaza, Room 500  
Mail Stop 3101

### MEMORANDUM

May 11, 1991

**SUBJECT:** CSSSSB 37 ( ) (Food & housing on remote state construction projects - P version dated 5/11/91)

**TO:** Senator Al Adams

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

You have asked whether the enclosed draft raises constitutional issues because of the employment preference given to those construction workers who waive the requirement that food and housing or transportation be provided. In my opinion, the waiver probably is not unconstitutional as an impermissible employment preference.

The preference applies to anyone who waives the requirement that the construction contractor provide food and housing. Those who reside close to the project will be in a better position to waive that requirement, since they are more likely to have food and housing available to them, but nothing in the bill prevents anyone from securing local housing and providing for their own meals. Nor is a contractor prohibited from offering, for free or at a price, room and board to those who waive the requirement.

The most recent Alaska case to consider regional hiring preferences is State v. Enserch Alaska Construction, Inc., 787 P.2d 624 (Alaska, 1989). In that case the court held that the opportunity to obtain employment on public construction contracts was an important right under state equal protection analysis. Therefore, state statutes that interfered with the right would be subject to close scrutiny. The law under examination in the case required a regional preference for 50 percent of the jobs in particular trades on projects located in regions found to be economically depressed. The preference created by CSSSSB 95 ( ) is not directly based on residence. It is available to anyone, resident or nonresident. Therefore, it is more likely to survive challenge under the state's equal protection clause than the statute in Enserch. However, given that the practical application will favor local residents, there is some possibility that a court would find that the law violated the rights of those not from the area of the project. However, it applies to projects in all remote areas of the state so it potentially offers benefits to a wider number of workers than the preference in Enserch.

Senator Al Adams  
May 13, 1991  
Page 2

The statutory requirement is skeletal only, and the department must implement it by regulation. How the preference is implemented may give rise to issues which are too speculative to examine in the time available for this memorandum.

If I may be of further assistance, please advise.

TC:lmb  
91-186.lmb



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SSSB 37

APPROVED:

*[Handwritten Signature]*

TITLE: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date.

DATE: April 16, 1991

This bill represents a compromise between the department and labor unions regarding a statutory provision for camps on remote construction projects. While we are not enthusiastic about this bill, neither do we oppose it. Our position is neutral.

As background, camps were at one time required thru negotiated labor agreements. With the rise of non-union contractors, the cost of camps made union contractors less competitive, and in order to ensure union contractors could secure projects this provision was eliminated by negotiations. At remote projects unsanitary living conditions occurred as employees camped wherever they could find a site, without regard for trash disposal and basic sanitary requirements. In 1990, in response to the problem, the department adopted a contractual requirement for a contractor furnished campground at remote projects. Under this arrangement, the employee must provide the tent or camper and cook his/her own meals; the contractor provides, free of charge, a full-service camp site complete with power, water and a central lavatory, shower and laundry facility.

While we believe that mandatory campgrounds are a cost effective solution, union representatives have continued to stress their preference for contractor furnished housing and meals. Aside from the policy question of whether camps or campgrounds are appropriate, the original version of the bill was unworkable for practical reasons.

The sponsor substitute has effectively addressed the impracticalities. The requirement for camps will not apply to small or short duration projects. There is also a clear point of decision before the project is let, making it clear to all bidders as to what is required contractually. Finally, a contractor may weigh the cost of a camp

*For Further Information contact Katy McHugh at 465-3900.*

5057

BILL NO: SSSB 37

TITLE: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date.

DATE: April 16, 1990

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against the cost of compensated transportation time in order to make the most economical decision.

While we are neutral toward the bill, we must point out the opportunity costs. Camps will in essence add to a contractor's overhead thus raising the cost of remote projects. As we operate with a fixed amount of federal money for airport and highway improvements, we will lose some purchasing power. On state-funded projects, remote projects will also require an incrementally larger appropriation. Estimates of these costs are found in our Fiscal Note.

Finally, we would like to offer a nominal amendment. The Association of General Contractors has requested that it be made explicit that when a camp is required, the state take steps to provide the site and secure necessary permits. It has always been our intent that we do so, because it removes the possibility of "sweetheart" deals regarding a site and prevents undue delays while the contractor seeks permits; we endorse a statutory requirement. Recommended is the following:

Section 1, paragraph (d) Unless a state construction contract is exempt under (b) or (c) of this section, the specifications for the contract must contain a provision setting out the requirement for providing food and housing at remote construction sites and the optional provisions for transportation services. When this provision is required the contract must include a designated site and relevant permits for the placement of contractor furnished housing.

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

FISCAL NOTE

No.         

B Bill Version: SSSA 37

(S) Publish Date: 4/29/91

Revision Date: 4/5/91 Department Affected: DOT&PF  
 Title: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date. BRU: Statewide Engineering & Operations Standards  
 Sponsor: Menard, Rodey, Collins Component: Eng. & Oper. Standards  
 Requestor: Menard Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	3.0	0	0	0	0	0
CONTRACTUAL	15.0	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:	18.0	0	0	0	0	0

CAPITAL	400.0	400.0	400.0	400.0	400.0	400.0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	418.0	400.0	400.0	400.0	400.0	400.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	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

Estimate of current year impact: None.

ANALYSIS: (Attach a separate page if necessary)

See Attachment.

Changes in SSSA 5837 (LYC)  
 reflect NO FISCAL CHANGE from the original  
 fiscal note. This fiscal note is appropriate.

4-26-91 JL  
 date Comte Aide (initial)

Prepared by: Jeffery C. Ottesen, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 16, 1991

Approved by Commissioner: Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 16, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

ANALYSIS--(cont. from page 1):

Regulations

There will be approximately \$18.0 in one-time administrative costs in FY 1992 due to the costs of implement regulations; these funds will be used for legal support, advertising, public hearings and travel to public hearings. Of this amount, \$15.0 is for contractual items (legal costs \$12.0, transcriptions \$2.0, advertising \$1.0) and \$3.0 is for travel and per diem to meetings.

Operating Costs

Administrative costs of establishing new contract specifications and having them reviewed by the Attorney General's office, regional staff and federal agencies will be borne by existing operating budgets.

Opportunity Costs: Federal-Aid Capital Programs

While not a new cost requiring an appropriation the bill has the effect of raising costs on certain federal-aid highway and aviation projects and thereby reducing buying power. This cost is essentially an opportunity cost to the program. It is estimated at \$2.0 to 3.0 million annually and will result in the delay of some projects as the schedule for highway and airport improvements will stretch out accordingly. It does not appear as a cost on the fiscal note.

Capital Costs: General Funded Capital Programs

For the GF capital budget, we assumed that, on average, about \$4 million dollars of general funded construction would be defined as "remote" each year, and that the cost of a camp would contribute about 10% additional expense to these projects. This amount would vary with the size of the state's capital budget and the portion of the budget that is allocated to remote projects.

**SENATE BILL 37**  
**Testimony by**  
**Don Rouleau, Business Agent**  
**for**  
**Alaska District Council of Laborers**

\* Camps were always included in the construction of the state's remote construction projects until it was discovered by a few non-union outside contractors that they could underbid Alaskan union contractors on jobs by deleting the costs of providing food and housing for their workers.

\* Unfortunately, for construction workers non-union and union alike, the union contractors demanded that the contractual provisions be removed from the construction labor agreements. The unions reluctantly agreed. The contractors were then put on an even footing with the outside non-union contractors.

\* The result has been a continual degradation of living conditions where there are no facilities within a reasonable distance to the jobsites. Union and non-union workers alike have been living in tents, visqueene lean-tos, the back seats of cars, and some have even built their own teepees. The lucky individuals who can afford a camper or motorhome have been fortunate enough to live off the ground and are staying dry.

\* Unsanitary conditions have been the normal living environment for quite a few. Those who have campers have dug shallow holes and put their sewer hoses into barrels with holes punched into them to leach out both their grey and sewer water. Sometimes they let their sewer drain onto the ground or just drive down the road and put the hose into the ditch to empty it. Those less fortunate individuals who live in their cars and tents have been using any place that's convenient to relieve themselves.

\* Imagine yourself working 12 hours a day to come home to a tent that has no facilities nearby. You've been working seven 12's for weeks and you haven't had a shower for almost as many. You then pull out the cookstove and warm up some soup and try to make a sandwich for something to eat before you fall asleep in the same clothes you woke up in that morning. You then wake up early around 4 am to make something for breakfast and something to take to the jobsite for lunch. Now imagine this in the rain, or the snow that sometimes falls in the latter part of the construction season.

\* How long would you last under those conditions?

\* If you had to work to support your family and you couldn't leave the job for fear of losing your home to the bank because you couldn't make your payments, you would have to stick it out even if it meant getting sick and living in misery.

\* One of the big problems we've found is that the average construction worker can't afford to buy a camper to stay dry and warm. That worker finds a big flaw in the system because he can't afford not to work. If he refuses the job that is offered to him that day, he doesn't know if he'll get another that season. The poorer workers are discriminated against because of their financial status.



\* Some people have claimed that this bill will work against local hire because it will be easier for outside workers to come up and be fed and housed by the contractor. The exact opposite is true - the more people a contractor hires near the actual jobsite, the less he will have to provide food and housing for.

\* Furthermore, contractors who come up from outside and successfully bid on a job tell a lot of their people to get up to Alaska early and they often drive up in their campers ready to go to work. The the leave with out spending much of their money inside Alaska.

\* The draft CS you have before you is the result of a few years of negotiations with DOTPF and the AGC. I hope you will find it in your hearts to alleviate the deplorable working conditions remote construction workers have to live with at the job site.