

LEG. FINANCE - BILLS 1985 - 1986 2248
CSSB 367 cont. - SB 370 2248

1 supercedes the preference under AS 36.10.150 and 36.10.160 for con-
2 tracts awarded by the state.

3 Sec. 36.10.900. EFFECT OF JUDICIAL DECISIONS. If a provision of
4 this chapter, or the application of a provision to a person or circum-
5 stance, is held invalid, the remainder of this chapter and the appli-
6 cation to other persons or circumstances shall not be affected by the
7 holding. The remainder shall be enforced to the greatest extent
8 constitutionally permissible under the constitutions of the United
9 States and the State of Alaska.

10 * Sec. 4. The provisions of this Act do not apply to a contract entered
11 into before the effective date of this Act.

12 * Sec. 5. AS 36.10.010 is repealed.

13 * Sec. 6. This Act takes effect February 16, 1986 or immediately, in
14 accordance with AS 01.10.070(c), whichever is later, if the final decision
15 of the Alaska Supreme Court in Robison v. Francis, File No. S-493. Opinion
16 No. 3011, January 17, 1986, is not submitted for review to the United
17 States Supreme Court. If the decision is submitted for review but the
18 United States Supreme Court declines to accept review, then this Act takes
19 effect on the date of the order of the United States Supreme Court declin-
20 ing to accept review. If the United States Supreme Court accepts review,
21 then this Act takes effect on the date of a final decision of the United
22 States Supreme Court affirming the decision of the Alaska Supreme Court.

Offered: 4/4/86
Referred: Finance

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

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 367 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

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

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

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

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

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

23 (d) When determining the ratio of nonresident to resident em-
24 ployees working on a public works project, the commissioner may con-
25 sider information gathered from on-site surveys of public works proj-
26 ects including individual interviews, questionnaires, examination of
27 the state of registration of vehicles owned or operated by employees,
28 and other information acquired from inspection of certified payrolls.

29 (e) The legislature finds that the following factors are

1 reasonable but not exclusive indicators of the ratio of nonresident to
2 resident employees in the state:

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

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

10 (f) The legislature finds that

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

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

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

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

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

1 request.

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

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

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

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

13 Sec. 36.10.140. ELIGIBILITY FOR PREFERENCE. (a) A person is
14 eligible for an employment preference under this chapter if the person
15 certifies eligibility as required by the Department of Labor, is a
16 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 fiscal years after the determination, qualified residents of the area
5 who are eligible under AS 36.10.140 shall be given preference for work
6 on each project under AS 36.10.180 that is wholly or partially sited
7 within the area.

8 (b) The commissioner of labor shall determine the amount of work
9 that must be performed under this section by eligible qualified resi-
10 dents. In making this determination, the commissioner shall consider
11 the nature of the work, the classification of workers, availability of
12 eligible residents, and the willingness of eligible residents to
13 perform the work.

14 (c) The commissioner shall determine that an economic region of
15 the state or the state as a whole is an underemployed area if the
16 commissioner finds that

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

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

21 (3) the lack of employment opportunities in the area has
22 substantially contributed to serious social or economic problems in
23 the area; and

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

26 Sec. 36.10.160. PREFERENCE FOR RESIDENTS OF ECONOMICALLY DIS-
27 TRESSED AREAS. (a) Immediately following a determination by the
28 commissioner that an economic region of the state is an economically
29 distressed area, and for the next two fiscal years after the

1 determination, qualified residents of the area who are eligible under
2 AS 36.10.140 shall be given preference for at least 50 percent of
3 employment on each project under AS 36.10.180 that is wholly or par-
4 tially sited within the economically distressed area.

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

7 (1) the per capita income of residents is less than 90
8 percent of the per capita income of the United States as a whole, or
9 the unemployment rate in the area exceeds the national rate of unem-
10 ployment by at least five percentage points;

11 (2) the lack of employment opportunities in the area has
12 substantially contributed to serious social or economic problems in
13 the area; and

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

16 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-
17 ITY RESIDENTS. (a) Immediately following a determination by the
18 commissioner that the female or minority residents of an economic
19 region are economically disadvantaged, and for the next two fiscal
20 years after the determination, qualified female or minority residents
21 of the area who are eligible under AS 36.10.140 shall be given prefer-
22 ence for at least 25 percent of employment on each project under
23 AS 36.10.180 that is wholly or partially sited within the area.

24 (b) The commissioner shall determine that the female or minority
25 residents of an area are economically disadvantaged if the commission-
26 er finds that

27 (1) the female or civilian minority population of the area
28 exceeds the average female or civilian minority population for the
29 state;

1 determination, qualified residents of the area who are eligible under
2 AS 36.10.140 shall be given preference for at least 50 percent of
3 employment on each project under AS 36.10.180 that is wholly or par-
4 tially sited within the economically distressed area.

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

7 (1) the per capita income of residents is less than 90
8 percent of the per capita income of the United States as a whole, or
9 the unemployment rate in the area exceeds the national rate of unem-
10 ployment by at least five percentage points;

11 (2) the lack of employment opportunities in the area has
12 substantially contributed to serious social or economic problems in
13 the area; and

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

16 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-
17 ITY RESIDENTS. (a) Immediately following a determination by the
18 commissioner that the female or minority residents of an economic
19 region are economically disadvantaged, and for the next two fiscal
20 years after the determination, qualified female or minority residents
21 of the area who are eligible under AS 36.10.140 shall be given prefer-
22 ence for at least 25 percent of employment on each project under
23 AS 36.10.180 that is wholly or partially sited within the area.

24 (b) The commissioner shall determine that the female or minority
25 residents of an area are economically disadvantaged if the commission-
26 er finds that

27 (1) the female or civilian minority population of the area
28 exceeds the average female or civilian minority population for the
29 state;

CORRECTION

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HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

1 determination, qualified residents of the area who are eligible under
2 AS 36.10.140 shall be given preference for at least 50 percent of
3 employment on each project under AS 36.10.180 that is wholly or par-
4 tially sited within the economically distressed area.

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

7 (1) the per capita income of residents is less than 90
8 percent of the per capita income of the United States as a whole, or
9 the unemployment rate in the area exceeds the national rate of unem-
10 ployment by at least five percentage points;

11 (2) the lack of employment opportunities in the area has
12 substantially contributed to serious social or economic problems in
13 the area; and

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

16 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-
17 ITY RESIDENTS. (a) Immediately following a determination by the
18 commissioner that the female or minority residents of an economic
19 region are economically disadvantaged, and for the next two fiscal
20 years after the determination, qualified female or minority residents
21 of the area who are eligible under AS 36.10.140 shall be given prefer-
22 ence for at least 25 percent of employment on each project under
23 AS 36.10.180 that is wholly or partially sited within the area.

24 (b) The commissioner shall determine that the female or minority
25 residents of an area are economically disadvantaged if the commission-
26 er finds that

27 (1) the female or civilian minority population of the area
28 exceeds the average female or civilian minority population for the
29 state;

1 (2) either the percent of unemployment of female or civil-
2 ian minority residents of the area is at least two times the percent
3 of unemployment of male or nonminority residents of the area or the
4 female or civilian minority population of the area has suffered past
5 economic discrimination;

6 (3) the economic disadvantage of female or civilian minor-
7 ity residents of the area has substantially contributed to serious
8 social or economic problems in the area; and

9 (4) employment of workers who are not residents is a pecu-
10 liar source of unemployment of female or civilian minority residents
11 of the area.

12 (c) In this section, a person is considered to be a member of a
13 minority if the person is a non-Hispanic black, Hispanic, Asian or
14 Pacific Islander, American Indian or Alaskan Native, as those terms
15 are defined by the Equal Employment Opportunity Commission.

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

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

22 (2) a construction project that is partly or wholly funded
23 by state money if the state or an agency of the state, a department,
24 office, agency, state board, commission, regional school board with
25 respect to an educational facility under AS 14.11.020, public corpo-
26 ration, or other organizational unit of or created under the execu-
27 tive, legislative or judicial branch of state government, including
28 the University of Alaska and the Alaska Railroad Corporation, is a
29 signatory to the construction contract;

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

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

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

7 (b) If the governor has declared an area to be an area impacted
8 by an economic disaster under AS 44.33.285, then the preference for
9 residents of the area established under AS 44.33.285 - 44.33.310
10 supercedes the preference under AS 36.10.150 and 36.10.160 for con-
11 tracts awarded by the state.

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

14 Sec. 36.10.190. REPORTING PROVISIONS. An employer obligated to
15 meet resident hire requirements under this chapter shall comply with
16 the reporting provisions that the commissioner of labor determines are
17 reasonably necessary to carry out this chapter. Except for statis-
18 tical data, all information regarding specific employees is confiden-
19 tial and may not be released by the Department of Labor.

20 Sec. 36.10.200. CRIMINAL PENALTIES. (a) A person who makes a
21 false sworn statement in connection with a certification of eligibil-
22 ity for an employment preference under this chapter is subject to
23 criminal prosecution for perjury as provided in AS 11.56.200.

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

29 (c) In addition to criminal penalties imposed by state law, if a

1 person is convicted of a crime in connection with a false statement
2 made in a certification required under AS 36.10.140, and the convic-
3 tion is not reversed, that person shall forfeit all future rights to
4 eligibility for an employment preference under this chapter.

5 Sec. 36.10.210. CIVIL PENALTIES. (a) In addition to any crimi-
6 nal penalties imposed, after a hearing the department may impose a
7 civil penalty on a person who, in connection with certification of
8 eligibility for an employment preference under this chapter,

9 (1) made a false sworn statement; or

10 (2) made an unsworn falsification with intent to mislead a
11 public servant in the performance of a duty.

12 (b) The amount of the civil penalty under (a) of this section
13 for a person who falsely certifies that the person is eligible for an
14 employment preference under this chapter is not more than \$400 for
15 each false certification. The person also forfeits all future rights
16 to eligibility for an employment preference under this chapter.

17 (c) The amount of the civil penalty under (a) of this section
18 for an employer who falsely certifies that employees are residents
19 eligible for a preference under this chapter is not more than \$2,000
20 for each of the first five false certifications. The penalty for the
21 sixth false certification made by an employer and for each false
22 certification thereafter is at least \$2,000 and not more than \$4,000.

23 Sec. 36.10.900. EFFECT OF JUDICIAL DECISIONS. If a provision of
24 this chapter, or the application of a provision to a person or circum-
25 stance, is held invalid, the remainder of this chapter and the appli-
26 cation to other persons or circumstances shall not be affected by the
27 holding. The remainder shall be enforced to the greatest extent
28 constitutionally permissible under the constitutions of the Unite
29 States and the State of Alaska.

1 Sec. 36.10.990. DEFINITIONS. In this chapter

2 (1) "available" means physically present at the place of
3 hire at the time requested by the employer;

4 (2) "qualified" means possesses the requisite education,
5 training, skills, or experience to perform the work.

6 * Sec. 6. AS 36.95.010 is amended by adding a new paragraph to read:

7 (9) "resident" means a person who establishes residency
8 under AS 01.10.055.

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

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

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

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

19 * Sec. 9. AS 37.0 .317 is amended by adding a new subsection to read:

20 (b) The Department of Labor shall require the qualified incor-
21 porated entity awarded a grant or agents or contractors with whom the
22 Department of Community and Regional Affairs contracts under (a) of
23 this section to comply with the requirements of AS 36.10.150 - 36.10.
24 170 for employment generated by the grant or contract if the grant or
25 contract is for a public works project.

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

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

2 * Sec. 12. AS 36.10.010 is repealed.

3 * Sec. 13. Section 12 of this Act takes effect April 17, 1986, or
4 immediately, in accordance with AS 01.10.070(c), whichever is later, if the
5 final decision of the Alaska Supreme Court in Robison v. Francis, File No.
6 S-493, Opinion No. 3011, January 17, 1986, is not submitted for review to
7 the United States Supreme Court. If the decision is submitted for review
8 but the United States Supreme Court declines to accept review, then sec. 12
9 of this Act takes effect on the date of the order of the United States
10 Supreme Court declining to accept review. If the United States Supreme
11 Court accepts review, then sec. 12 of this Act takes effect on the date of
12 a final decision of the United States Supreme Court affirming the decision
13 of the Alaska Supreme Court.

14 * Sec. 14. Sections 1 - 11 of this Act take effect immediately in
15 accordance with AS 01.10.070(c).

Offered: 4/10/86
Referred: Rules

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

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 367 (Finance)
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4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

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7 preference; and providing for an effective date."

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

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10 significant unemployment problem. This Act is intended to better fulfill
11 the state's duty of loyalty to its citizens, reduce unemployment among
12 residents of the state, remedy social harms resulting from chronic unem-
13 ployment, and assist economically and socially disadvantaged residents. If
14 the courts find that a portion of AS 36.10 is unconstitutional, the public
15 interest requires that the remaining portions be implemented as fully as
16 possible.

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

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25 sider information gathered from on-site surveys of public works proj-
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27 the state of registration of vehicles owned or operated by employees,
28 and other information acquired from inspection of certified payrolls.

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2 resident employees in the state:

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4 list out-of-state residences to applicants who list residences in the
5 state;

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7 insurance coverage and who did not apply for or were denied a perma-
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11 (1) the number of state residents who are unable to find
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15 employment as frequently as necessary to meet federal definitions of
16 unemployment because of continuing lack of employment opportunities in
17 rural areas of the state.

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21 the Department of Labor to assist in locating qualified, eligible
22 employees. After receiving a request for assistance, the department
23 shall refer qualified, eligible, available residents to the employer
24 to fill the employer's hiring needs. The employer shall cooperate
25 with the department.

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

1 request.

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10 nonresident employment on the employment of residents in the state,
11 and methods to increase resident hire. The report shall be submitted
12 by January 31 of each year.

13 Sec. 36.10.140. ELIGIBILITY FOR PREFERENCE. (a) A person is
14 eligible for an employment preference under this chapter if the person
15 certifies eligibility as required by the Department of Labor, is a
16 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 fiscal years after the determination, qualified residents of the area
5 who are eligible under AS 36.10.140 shall be given preference for work
6 on each project under AS 36.10.180 that is wholly or partially sited
7 within the area.

8 (b) The commissioner of labor shall determine the amount of work
9 that must be performed under this section by eligible qualified resi-
10 dents. In making this determination, the commissioner shall consider
11 the nature of the work, the classification of workers, availability of
12 eligible residents, and the willingness of eligible residents to
13 perform the work.

14 (c) The commissioner shall determine that an economic region of
15 the state or the state as a whole is an underemployed area if the
16 commissioner finds that

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

19 (2) a substantial number of residents in the area have
20 experience or training in occupations that would be employed on a
21 public works project;

22 (3) the lack of employment opportunities in the area has
23 substantially contributed to serious social or economic problems in
24 the area; and

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

27 Sec. 36.10.160. PREFERENCE FOR RESIDENTS OF ECONOMICALLY DIS-
28 TRESSED AREAS. (a) Immediately following a determination by the
29 commissioner that an economic region of the state is an economically

1 distressed area, and for the next two fiscal years after the determi-
2 nation, qualified residents of the area who are eligible under AS 36.-
3 10.140 shall be given preference for at least 50 percent of employment
4 on each project under AS 36.10.180 that is wholly or partially sited
5 within the economically distressed area.

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

8 (1) the per capita income of residents is less than 90
9 percent of the per capita income of the United States as a whole, or
10 the unemployment rate in the area exceeds the national rate of unem-
11 ployment by at least five percentage points;

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16 liar source of unemployment of residents of the area.

17 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-
18 ITY RESIDENTS. (a) Immediately following a determination by the
19 commissioner that the female or minority residents of an economic
20 region are economically disadvantaged, and for the next two fiscal
21 years after the determination, qualified female or minority residents
22 of the area who are eligible under AS 36.10.140 shall be given prefer-
23 ence for at least 25 percent of employment on each project under
24 AS 36.10.180 that is wholly or partially sited within the area.

25 (b) The commissioner shall determine that the female or minority
26 residents of an area are economically disadvantaged if the commission-
27 er finds that

28 (1) the female or civilian minority population of the area
29 exceeds the average female or civilian minority population for the

1 state;

2 (2) either the percent of unemployment of female or civil-
3 ian minority residents of the area is at least two times the percent
4 of unemployment of male or nonminority residents of the area or the
5 female or civilian minority population of the area has suffered past
6 economic discrimination;

7 (3) the economic disadvantage of female or civilian minor-
8 ity residents of the area has substantially contributed to serious
9 social or economic problems in the area; and

10 (4) employment of workers who are not residents is a pecu-
11 liar source of unemployment of female or civilian minority residents
12 of the area.

13 (c) In this section, a person is considered to be a member of a
14 minority if the person is a non-Hispanic black, Hispanic, Asian or
15 Pacific Islander, American Indian or Alaskan Native, as those terms
16 are defined by the Equal Employment Opportunity Commission.

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

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

23 (2) a construction project that is partly or wholly funded
24 by state money if the state or an agency of the state, a department,
25 office, agency, state board, commission, regional school board with
26 respect to an educational facility under AS 14.11.020, public corpo-
27 ration, or other organizational unit of or created under the execu-
28 tive, legislative or judicial branch of state government, including
29 the University of Alaska and the Alaska Railroad Corporation, is a

1 signatory to the construction contract;

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

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

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

8 (b) If the governor has declared an area to be an area impacted
9 by an economic disaster under AS 44.33.285, then the preference for
10 residents of the area established under AS 44.33.285 - 44.33.310
11 supercedes the preference under AS 36.10.150 and 36.10.160 for con-
12 tracts awarded by the state.

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

15 Sec. 36.10.190. REPORTING PROVISIONS. An employer obligated to
16 meet resident hire requirements under this chapter shall comply with
17 the reporting provisions that the commissioner of labor determines are
18 reasonably necessary to carry out this chapter. Except for statis-
19 tical data, all information regarding specific employees is confiden-
20 tial and may not be released by the Department of Labor. However,
21 confidential employee information may be shared between departments
22 for purposes of this chapter.

23 Sec. 36.10.200. CRIMINAL PENALTIES. (a) A person who makes a
24 false sworn statement in connection with a certification of eligibil-
25 ity for an employment preference under this chapter is subject to
26 criminal prosecution for perjury as provided in AS 11.56.200.

27 (b) A person who makes an unsworn falsification, with the intent
28 to mislead a public servant in the performance of a duty, in connec-
29 tion with a certification of eligibility for an employment preference

1 under this chapter, is subject to criminal prosecution as provided in
2 AS 11.56.210.

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

8 Sec. 36.10.210. CIVIL PENALTIES. (a) In addition to any crimi-
9 nal penalties imposed, after a hearing the department may impose a
10 civil penalty on a person who, in connection with certification of
11 eligibility for an employment preference under this chapter,

12 (1) made a false sworn statement; or

13 (2) made an unsworn falsification with intent to mislead a
14 public servant in the performance of a duty.

15 (b) The amount of the civil penalty under (a) of this section
16 for a person who falsely certifies that the person is eligible for an
17 employment preference under this chapter is not more than \$400 for
18 each false certification. The person also forfeits all future rights
19 to eligibility for an employment preference under this chapter.

20 (c) The amount of the civil penalty under (a) of this section
21 for an employer who falsely certifies that employees are residents
22 eligible for a preference under this chapter is not more than \$2,000
23 for each of the first five false certifications. The penalty for the
24 sixth false certification made by an employer and for each false
25 certification thereafter is at least \$2,000 and not more than \$4,000.

26 Sec. 36.10.900. EFFECT OF JUDICIAL DECISIONS. If a provision of
27 this chapter, or the application of a provision to a person or circum-
28 stance, is held invalid, the remainder of this chapter and the appli-
29 cation to other persons or circumstances shall not be affected by the

1 holding. The remainder shall be enforced to the greatest extent
2 constitutionally permissible under the constitutions of the United
3 States and the State of Alaska.

4 Sec. 36.10.990. DEFINITIONS. In this chapter

5 (1) "available" means physically present at the place of
6 hire at the time requested by the employer;

7 (2) "qualified" means possesses the requisite education,
8 training, skills, or experience to perform the work.

9 * Sec. 6. AS 36.95.010 is amended by adding a new paragraph to read:

10 (9) "resident" means a person who establishes residency
11 under AS 01.10.055.

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

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

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

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

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

23 (b) The Department of Labor shall require the qualified incor-
24 porated entity awarded a grant or agents or contractors with whom the
25 Department of Community and Regional Affairs contracts under (a) of
26 this section to comply with the requirements of AS 36.10.150 - 36.10.-
27 170 for employment generated by the grant or contract if the grant or
28 contract is for a public works project.

29 * Sec. 10. The provisions of this Act do not apply to a contract

1 entered into before the effective date of this Act unless the contract in-
2 cludes a provision requiring compliance with laws regarding the hiring of
3 Alaska residents that take effect during the term of the contract.

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

5 * Sec. 12. AS 36.10.010 is repealed.

6 * Sec. 13. Section 12 of this Act takes effect April 17, 1986, or
7 immediately, in accordance with AS 01.10.070(c), whichever is later, if the
8 final decision of the Alaska Supreme Court in Robison v. Francis, File No.
9 S-493, Opinion No. 3011, January 17, 1986, is not submitted for review to
10 the United States Supreme Court. If the decision is submitted for review
11 but the United States Supreme Court declines to accept review, then sec. 12
12 of this Act takes effect on the date of the order of the United States
13 Supreme Court declining to accept review. If the United States Supreme
14 Court accepts review, then sec. 12 of this Act takes effect on the date of
15 a final decision of the United States Supreme Court affirming the decision
16 of the Alaska Supreme Court.

17 * Sec. 14. Sections 1 - 11 of this Act take effect immediately in
18 accordance with AS 01.10.070(c).

Offered: 4/10/86
Referred: Rules

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

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 367 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

18 (c) The legislature finds that the following factors are reason-
19 able but not exclusive indicators of the ratio of nonresident to
20 resident employees in the state:

21 (1) the ratio of applicants for unemployment insurance who
22 list out-of-state residences to applicants who list residences in the
23 state;

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

28 (d) The legislature finds that

29 (1) the number of state residents who are unable to find

1 work is considerably higher than is reflected by unemployment rates
2 based on nationally accepted measures;

3 (2) many rural state residents who wish to work do not seek
4 employment as frequently as necessary to meet federal definitions of
5 unemployment because of continuing lack of employment opportunities in
6 rural areas of the state.

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

8 Sec. 36.10.070. UNAVAILABILITY OF PREFERRED WORKERS. (a) An
9 employer subject to hiring requirements under this chapter may request
10 the Department of Labor to assist in locating qualified, eligible
11 employees. After receiving a request for assistance, the department
12 shall refer qualified, eligible, available residents to the employer
13 to fill the employer's hiring needs. The employer shall cooperate
14 with the department.

15 (b) If the department is unable to refer a sufficient number of
16 qualified, eligible, available residents able to perform the work, the
17 commissioner of labor may approve the hiring of residents who are not
18 eligible for preference and nonresidents for the balance of the re-
19 quest.

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

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

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

25 Sec. 36.10.130. RESIDENT HIRE REPORT. The attorney general and
26 the commissioner of labor shall report annually to the legislature and
27 the governor on the status of employment in the state, the effect of
28 nonresident employment on the employment of residents in the state,
29 and methods to increase resident hire. The report shall be submitted

1 by January 31 of each year.

2 Sec. 36.10.140. ELIGIBILITY FOR PREFERENCE. (a) A person is
3 eligible for an employment preference under this chapter if the person
4 certifies eligibility as required by the Department of Labor, is a
5 resident, and

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

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

10 (3) is underemployed or marginally employed as defined by
11 the department; or

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

15 (b) An employer subject to a resident hiring requirement under
16 this chapter shall certify that persons employed as residents under
17 the preference were eligible for the preference at the time of hire.

18 Sec. 36.10.150. DETERMINATION OF UNDEREMPLOYED AREA. (a)
19 Immediately following a determination by the commissioner of labor
20 that an economic region of the state is an underemployed area or that
21 the state as a whole is an underemployed area, and for the next two
22 fiscal years after the determination, qualified residents of the area
23 who are eligible under AS 36.10.140 shall be given preference in
24 hiring for work on each project under AS 36.10.180 that is wholly or
25 partially sited within the area.

26 (b) The commissioner of labor shall determine the amount of work
27 that must be performed under this section by qualified residents who
28 were eligible for an employment preference under this chapter at the
29 time of hiring. In making this determination, the commissioner shall

1 consider the nature of the work, the classification of workers,
2 availability of eligible residents, who were eligible for an employ-
3 ment preference under this chapter at the time of hiring and the
4 willingness of eligible residents to perform the work.

5 (c) The commissioner shall determine that an economic region of
6 the state or the state as a whole is an underemployed area if the
7 commissioner finds that

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

10 (2) a substantial number of residents in the area have
11 experience or training in occupations that would be employed on a
12 public works project;

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

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

18 Sec. 36.10.160. PREFERENCE FOR RESIDENTS OF ECONOMICALLY DIS-
19 TRESSED AREAS. (a) Immediately following a determination by the
20 commissioner that an economic region of the state is an economically
21 distressed area, and for the next two fiscal years after the determi-
22 nation, qualified residents of the area who are eligible under AS 36.-
23 10.140 shall be given preference in hiring for at least 50 percent of
24 employment on each project under AS 36.10.180 that is wholly or par-
25 tially sited within the economically distressed area.

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

28 (1) the per capita income of residents is less than 90
29 percent of the per capita income of the United States as a whole, or

1 the unemployment rate in the area exceeds the national rate of unem-
2 ployment by at least five percentage points;

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

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

8 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-
9 ITY RESIDENTS. (a) Immediately following a determination by the
10 commissioner that the minority residents of a zone are economically
11 disadvantaged, and for the next two fiscal years after the determina-
12 tion, qualified minority residents of the zone who are eligible under
13 AS 36.10.140 shall be given preference in hiring for at least 25
14 percent of employment on each project under AS 36.10.180 that is
15 wholly or partially sited within the zone.

16 (b) The commissioner shall determine that the minority residents
17 of a zone are economically disadvantaged if the commissioner finds
18 that

19 (1) the percentage of civilian minority residents in the
20 zone exceeds the percentage of civilian minority residents in the
21 state;

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

26 (3) the economic disadvantage of civilian minority resi-
27 dents of the zone has substantially contributed to serious social or
28 economic problems in the zone; and

29 (4) employment of workers who are not residents is a

1 peculiar source of unemployment of civilian minority residents of the
2 zone.

3 (c) In this section, a person is considered to be a member of a
4 minority if the person is Hispanic, Asian or Pacific Islander,
5 American Indian or Alaska Native, or Black as those terms are defined
6 by the Equal Employment Opportunity Commission.

7 Sec. 36.10.175. PREFERENCE FOR ECONOMICALLY DISADVANTAGED FEMALE
8 RESIDENTS. (a) Immediately following a determination by the commis-
9 sioner that the female residents of a zone are economically disad-
10 vantaged, and for the next two fiscal years after the determination,
11 qualified female residents of the zone who are eligible under AS 36.-
12 10.140 shall be given preference for at least 25 percent of employment
13 on each project under AS 36.10.180 that is wholly or partially sited
14 within the zone.

15 (b) The commissioner shall determine that the female residents
16 of a zone are economically disadvantaged if the commissioner finds
17 that

18 (1) either the percent of unemployment of female residents
19 of the zone is at least two times the percent of unemployment of male
20 residents of the zone or the female population of the zone has suf-
21 fered past economic discrimination;

22 (2) the economic disadvantage of female residents of the
23 zone has substantially contributed to serious social or economic
24 problems in the zone; and

25 (3) employment of workers who are not residents is a pecu-
26 liar source of unemployment of female residents of the zone.

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

29 (1) the performance of contracts let by a municipality for

1 construction, repair, preliminary surveys, engineering studies, con-
2 sulting, maintenance work, or any other retention of services neces-
3 sary to complete a given project;

4 (2) a construction project that is partly or wholly funded
5 by state money if the state or an agency of the state, a department,
6 office, agency, state board, commission, regional school board with
7 respect to an educational facility under AS 14.11.020, public corpo-
8 ration, or other organizational unit of or created under the execu-
9 tive, legislative or judicial branch of state government, including
10 the University of Alaska and the Alaska Railroad Corporation, is a
11 signatory to the construction contract,

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

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

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

18 (b) If the governor has declared an area to be an area impacted
19 by an economic disaster under AS 44.33.285, then the preference for
20 residents of the area established under AS 44.33.285 - 44.33.310
21 supercedes the preference under AS 36.10.150 and 36.10.160 for con-
22 tracts awarded by the state.

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

25 Sec. 36.10.190. REPORTING PROVISIONS. An employer obligated to
26 meet resident hire requirements under this chapter shall comply with
27 the reporting provisions that the commissioner of labor determines are
28 reasonably necessary to carry out this chapter. Except for statis-
29 tical data, all information regarding specific employees is

1 confidential and may not be released by the Department of Labor.
2 However, confidential employee information may be shared between
3 departments for purposes of this chapter.

4 Sec. 36.10.200. CRIMINAL PENALTIES. (a) A person who makes a
5 false sworn statement in connection with a certification of eligibil-
6 ity for an employment preference under this chapter is subject to
7 criminal prosecution for perjury as provided in AS 11.56.200.

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

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

18 Sec. 36.10.210. CIVIL PENALTIES. (a) In addition to any crimi-
19 nal penalties imposed, after a hearing the department may impose a
20 civil penalty on a person who, in connection with certification of
21 eligibility for an employment preference under this chapter,

22 (1) made a false sworn statement; or

23 (2) made an unsworn falsification with intent to mislead a
24 public servant in the performance of a duty.

25 (b) The amount of the civil penalty under (a) of this section
26 for a person who falsely certifies that the person is eligible for an
27 employment preference under this chapter is not more than \$400 for
28 each false certification. The person also forfeits all future rights
29 to eligibility for an employment preference under this chapter.

1 (c) The amount of the civil penalty under (a) of this section
2 for an employer who falsely certifies that employees are residents
3 eligible for a preference under this chapter is not more than \$2,000
4 for each of the first five false certifications. The penalty for the
5 sixth false certification made by an employer and for each false
6 certification thereafter is at least \$2,000 and not more than \$4,000.

7 Sec. 36.10.900. EFFECT OF JUDICIAL DECISIONS. If a provision of
8 this chapter, or the application of a provision to a person or circum-
9 stance, is held invalid, the remainder of this chapter and the appli-
10 cation to other persons or circumstances shall not be affected by the
11 holding. The remainder shall be enforced to the greatest extent
12 constitutionally permissible under the constitutions of the United
13 States and the State of Alaska.

14 Sec. 36.10.990. DEFINITIONS. In this chapter

15 (1) "available" means physically present at the place of
16 hire at the time requested by the employer;

17 (2) "qualified" means possesses the requisite education,
18 training, skills, or experience to perform the work.

19 * Sec. 6. AS 36.95.010 is amended by adding a new paragraph to read:

20 (9) "resident" means a person who establishes residency
21 under AS 01.10.055.

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

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

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

28 (b) The Department of Labor shall require a recipient awarded a
29 grant for a public works project under (a) of this section to comply

1 with the hiring preferences under AS 36.10.150 - 36.10.170 for employ-
2 ment generated by the grant.

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

4 (b) The Department of Labor shall require the qualified incor-
5 porated entity awarded a grant or agents or contractors with whom the
6 Department of Community and Regional Affairs contracts under (a) of
7 this section to comply with the requirements of AS 36.10.150 - 36.10.-
8 170 for employment generated by the grant or contract if the grant or
9 contract is for a public works project.

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

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

15 * Sec. 12. AS 36.10.010 is repealed.

16 * Sec. 13. Section 12 of this Act takes effect April 17, 1986, or
17 immediately, in accordance with AS 01.10.070(c), whichever is later, if the
18 final decision of the Alaska Supreme Court in Robison v. Francis, File No.
19 S-493, Opinion No. 3011, January 17, 1986, is not submitted for review to
20 the United States Supreme Court. If the decision is submitted for review
21 but the United States Supreme Court declines to accept review, then sec. 12
22 of this Act takes effect on the date of the order of the United States
23 Supreme Court declining to accept review. If the United States Supreme
24 Court accepts review, then sec. 12 of this Act takes effect on the date of
25 a final decision of the United States Supreme Court affirming the decision
26 of the Alaska Supreme Court.

27 * Sec. 14. Sections 1 - 11 of this Act take effect immediately in
28 accordance with AS 01.10.070(c).

Offered: 4/25/86
Referred: Judiciary and
Finance

Original sponsors: Faiks, Josephson,
Sturgulewski, et al

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

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

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

18 (c) The legislature finds that the following factors are reason-
19 able but not exclusive indicators of the ratio of nonresident to
20 resident employees in the state:

21 (1) the ratio of applicants for unemployment insurance who
22 list out-of-state residences to applicants who list residences in the
23 state;

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

28 (d) The legislature finds that

29 (1) the number of state residents who are unable to find

1 work is considerably higher than is reflected by unemployment rates
2 based on nationally accepted measures;

3 (2) many rural state residents who wish to work do not seek
4 employment as frequently as necessary to meet federal definitions of
5 unemployment because of continuing lack of employment opportunities in
6 rural areas of the state.

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

8 Sec. 36.10.070. UNAVAILABILITY OF PREFERRED WORKERS. (a) An
9 employer subject to hiring requirements under this chapter may request
10 the Department of Labor to assist in locating qualified, eligible
11 employees. After receiving a request for assistance, the department
12 shall refer qualified, eligible, available residents to the employer
13 to fill the employer's hiring needs. The employer shall cooperate
14 with the department.

15 (b) If the department is unable to refer a sufficient number of
16 qualified, eligible, available residents able to perform the work, the
17 commissioner of labor may approve the hiring of residents who are not
18 eligible for preference and nonresidents for the balance of the re-
19 quest.

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

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

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

25 Sec. 36.10.130. RESIDENT HIRE REPORT. The attorney general and
26 the commissioner of labor shall report annually to the legislature and
27 the governor on the status of employment in the state, the effect of
28 nonresident employment on the employment of residents in the state,
29 and methods to increase resident hire. The report shall be submitted

1 by January 31 of each year.

2 Sec. 36.10.140. ELIGIBILITY FOR PREFERENCE. (a) A person is
3 eligible for an employment preference under this chapter if the person
4 certifies eligibility as required by the Department of Labor, is a
5 resident, and

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

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

10 (3) is underemployed or marginally employed as defined by
11 the department; or

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

15 (b) In approving job-training programs under (a) of this sec-
16 tion, the department shall use information and findings from other
17 state and federal agencies as much as possible.

18 (c) An employer subject to a resident hiring requirement under
19 this chapter shall certify that persons employed as residents under
20 the preference were eligible for the preference at the time of hiring.

21 (d) A labor organization that dispatches members for work on a
22 public works project under a collective bargaining agreement shall
23 certify that persons dispatched as residents to meet a preference were
24 eligible for the preference at the time of dispatch.

25 (e) An employer or labor organization may request assistance from
26 the Department of Labor in verifying the eligibility of an applicant
27 for a hiring preference under this chapter.

28 Sec. 36.10.150. DETERMINATION OF ZONE OF UNDEREMPLOYMENT. (a)
29 Immediately following a determination by the commissioner of labor

1 that a zone of underemployment exists, and for the next two fiscal
2 years after the determination, qualified residents of the zone who are
3 eligible under AS 36.10.140 shall be given preference in hiring for
4 work on each project under AS 36.10.180 that is wholly or partially
5 sited within the zone. The preference applies on a craft-by-craft or
6 occupational basis.

7 (b) The commissioner of labor shall determine the amount of work
8 that must be performed under this section by qualified residents who
9 are eligible for an employment preference under AS 36.10.140. In
10 making this determination, the commissioner shall consider the nature
11 of the work, the classification of workers, availability of eligible
12 residents, and the willingness of eligible residents to perform the
13 work.

14 (c) The commissioner shall determine that a zone of underemploy-
15 ment exists if the commissioner finds that

16 (1) the rate of unemployment within the zone is substan-
17 tially higher than the national rate of unemployment;

18 (2) a substantial number of residents in the zone have
19 experience or training in occupations that would be employed on a
20 public works project;

21 (3) the lack of employment opportunities in the zone has
22 substantially contributed to serious social or economic problems in
23 the zone; and

24 (4) employment of workers who are not residents is a pecu-
25 liar source of the unemployment of residents of the zone.

26 Sec. 36.10.160. PREFERENCE FOR RESIDENTS OF ECONOMICALLY DIS-
27 TRESSED ZONES. (a) Immediately following a determination by the
28 commissioner that an economically distressed zone exists, and for the
29 next two fiscal years after the determination, qualified residents of

1 the zone who are eligible under AS 36.10.140 shall be given preference
2 in hiring for at least 50 percent of employment on each project under
3 AS 36.10.180 that is wholly or partially sited within the zone. The
4 preference applies on a craft-by-craft or occupational basis.

5 (b) The commissioner shall determine that an economically dis-
6 tressed zone exists if the commissioner finds that

7 (1) the per capita income of residents of the zone is less
8 than 90 percent of the per capita income of the United States as a
9 whole, or the unemployment rate in the zone exceeds the national rate
10 of unemployment by at least five percentage points;

11 (2) the lack of employment opportunities in the zone has
12 substantially contributed to serious social or economic problems in
13 the zone; and

14 (3) employment of workers who are not residents is a pecu-
15 liar source of unemployment of residents of the zone.

16 Sec. 36.10.170. PREFERENCE FOR ECONOMICALLY DISADVANTAGED MINOR-
17 ITY RESIDENTS. (a) Immediately following a determination by the
18 commissioner that the minority residents of a zone are economically
19 disadvantaged, and for the next two fiscal years after the determina-
20 tion, qualified minority residents of the zone who are eligible under
21 AS 36.10.140 shall be given preference in hiring for at least 25
22 percent of employment on each project under AS 36.10.180 that is
23 wholly or partially sited within the zone. The preference applies on
24 a craft-by-craft or occupational basis.

25 (b) The commissioner shall determine that the minority residents
26 of a zone are economically disadvantaged if the commissioner finds
27 that

28 (1) the percentage of civilian minority residents in the
29 zone exceeds the percentage of civilian minority residents in the

1 state;

2 (2) either the percent of unemployment of civilian minority
3 residents of the zone is at least two times the percent of unemploy-
4 ment of nonminority residents of the zone or the civilian minority
5 population of the zone has suffered past economic discrimination;

6 (3) the economic disadvantage of civilian minority resi-
7 dents of the zone has substantially contributed to serious social or
8 economic problems in the zone; and

9 (4) employment of workers who are not residents is a pecu-
10 liar source of unemployment of civilian minority residents of the
11 zone.

12 (c) In this section, a person is considered to be a member of a
13 minority if the person is Hispanic, Asian or Pacific Islander, Ameri-
14 can Indian or Alaskan Native, or Black as those terms are defined by
15 the Equal Employment Opportunity Commission.

16 Sec. 36.10.175. PREFERENCE FOR ECONOMICALLY DISADVANTAGED FEMALE
17 RESIDENTS. (a) Immediately following a determination by the commis-
18 sioner that the female residents of a zone are economically disadvan-
19 tagged, and for the next two fiscal years after the determination,
20 qualified female residents of the zone who are eligible under AS 36.-
21 10.140 shall be given preference in hiring for at least 25 percent of
22 employment on each project under AS 36.10.180 that is wholly or par-
23 tially sited within the zone. The preference applies on a craft-by-
24 craft or occupational basis.

25 (b) The commissioner shall determine that the female residents
26 of a zone are economically disadvantaged if the commissioner finds
27 that

28 (1) either the percent of unemployment of female residents
29 of the zone is at least two times the percent of unemployment of male

1 residents of the zone or the female population of the zone has suf-
2 fered past economic discrimination;

3 (2) the economic disadvantage of female residents of the
4 zone has substantially contributed to serious social or economic prob-
5 lems in the zone; and

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

8 Sec. 36.10.180. PROJECTS SUBJECT TO PREFERENCE. (a) The pref-
9 erences established in AS 36.10.150 - 36.10.175 apply to work per-
10 formed

11 (1) under a contract for construction, repair, preliminary
12 surveys, engineering studies, consulting, maintenance work, or any
13 other retention of services necessary to complete a given project that
14 is let by the state or an agency of the state, a department, office,
15 state board, commission, public corporation, or other organizational
16 unit of or created under the executive, legislative or judicial branch
17 of state government, including the University of Alaska and the Alaska
18 Railroad Corporation, or by a political subdivision of the state
19 including a regional school board with respect to an educational
20 facility under AS 14.11.020;

21 (2) on a public works project under a grant to a municipali-
22 ty under AS 37.05.315;

23 (3) on a public works project under a grant to a named
24 recipient under AS 37.05.316;

25 (4) on a public works project under a grant to an unincor-
26 porated community under AS 37.05.317; and

27 (5) on any other public works project or construction
28 project that is funded in whole or in part by state money.

29 (b) If the governor has declared an area to be an area impacted

1 by an economic disaster under AS 44.33.285, then the preference for
2 residents of the area established under AS 44.33.285 - 44.33.310
3 supersedes the preference under AS 36.10.150 - 36.10.175 for contracts
4 awarded by the state.

5 (c) The commissioner shall define the boundaries of a zone
6 within which a preference applies.

7 Sec. 36.10.190. REPORTING PROVISIONS. An employer obligated to
8 meet resident hire requirements under this chapter shall comply with
9 the reporting provisions that the commissioner of labor determines are
10 reasonably necessary to carry out this chapter. Except for statisti-
11 cal data, all information regarding specific employees is confiden-
12 tial and may not be released by the Department of Labor. However,
13 confidential employee information may be shared between departments
14 for purposes of this chapter.

15 Sec. 36.10.200. CRIMINAL PENALTIES. (a) A person who makes a
16 false sworn statement in connection with a certification of eligibil-
17 ity for an employment preference under this chapter is subject to
18 criminal prosecution for perjury as provided in AS 11.56.200.

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

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

29 Sec. 36.10.210. CIVIL PENALTIES. (a) In addition to any

1 criminal penalties imposed, after a hearing the department may impose
2 a civil penalty on a person who, in connection with certification of
3 eligibility for an employment preference under this chapter,

4 (1) made a false sworn statement; or

5 (2) made an unsworn falsification with intent to mislead a
6 public servant in the performance of a duty.

7 (b) The amount of the civil penalty under (a) of this section
8 for a person who falsely certifies that the person is eligible for an
9 employment preference under this chapter is not more than \$400 for
10 each false certification. The person also forfeits all future rights
11 to eligibility for an employment preference under this chapter.

12 (c) The amount of the civil penalty under (a) of this section
13 for an employer who falsely certifies that employees are residents
14 eligible for a preference under this chapter is not more than \$2,000
15 for each of the first five false certifications. The penalty for the
16 sixth false certification made by an employer and for each false
17 certification thereafter is at least \$2,000 and not more than \$4,000.

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

25 Sec. 36.10.990. DEFINITIONS. In this chapter

26 (1) "qualified" means possesses the requisite education,
27 training, skills, or experience to perform the work;

28 (2) "zone" includes a census area in the state, an economic
29 region of the state, and the state as a whole.

1 * Sec. 6. AS 36.95.010 is amended by adding a new paragraph to read:
2 (9) "resident" means a person who establishes residency
3 under AS 01.10.055.

4 * Sec. 7. AS 37.05.315 is amended by adding a new subsection to read:
5 (e) The Department of Labor shall require a municipality awarded
6 a grant for a public works project under (a) of this section to comply
7 with the hiring preferences under AS 36.10.150 - 36.10.175 for employ-
8 ment generated by the grant.

9 * Sec. 8. AS 37.05.316 is amended by adding a new subsection to read:
10 (b) The Department of Labor shall require a recipient awarded a
11 grant for a public works project under (a) of this section to comply
12 with the hiring preferences under AS 36.10.150 - 36.10.175 for employ-
13 ment generated by the grant.

14 * Sec. 9. AS 37.05.317 is amended by adding a new subsection to read:
15 (b) The Department of Labor shall require the qualified incor-
16 porated entity awarded a grant or agents or contractors with whom the
17 Department of Community and Regional Affairs contracts under (a) of
18 this section to comply with the requirements of AS 36.10.150 - 36.10.-
19 175 for employment generated by the grant or contract if the grant or
20 contract is for a public works project.

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

25 * Sec. 11. AS 36.10.010 and AS 36.95.010(4) and (5) are repealed.

26 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

3/20/86

Date _____

Mr. President

The Committee on FINANCE considered SB 369
relating to fiscal notes for legislation affecting a municipality.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/29/86

Date 3-18-86

Mr. President

The Committee on C&RA considered SB 369

relating to fiscal notes for legislation affecting a municipality.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 369 (C&RA)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" ~~FISCAL~~ FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

[Signature]

MEMBERS HAVING

OTHER RECOMMENDATIONS

[Signature] No Rec

[Signature]
Chairman

[Signature]
Chairman recommendation

Offered: 3/20/86
Referred: Finance

Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 369 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fiscal notes for legislation
7 affecting a municipality."

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

9 * Section 1. AS 24.08.035(a) is amended to read:

10 (a) Before a bill or resolution, except an appropriation bill,
11 is reported from the committee of first referral, there shall be
12 attached to the bill a fiscal note containing an estimate of the
13 amount of the expenditure [APPROPRIATION] increase or decrease related
14 to a state agency or a municipality that [WHICH] would result from
15 enactment of the bill for the current fiscal year and five succeeding
16 fiscal years. If [OR, IF] the bill has no fiscal impact, a statement
17 to that effect shall be attached. The fiscal note or statement shall
18 be prepared in conformity with the requirements of this section by the
19 department or departments affected and may be reviewed by the office
20 of management and budget. The fiscal note or statement shall be
21 delivered to the committee requesting it within five days of the
22 request or within two days if the request is made after the 90th day
23 of a regular session, or during a special session of the legislature.
24 If the bill is presented by the governor for introduction in accor-
25 dance with AS 24.08.060(b) and the uniform rules of the legislature,
26 the fiscal note or statement shall be attached to the bill before the
27 bill is introduced. An amendment or a substitute bill proposed by a
28 committee of referral that changes the fiscal impact of a bill shall
29 be explained in a revised fiscal note or statement attached to the
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1 bill.

2 * Sec. 2. AS 24.08.035(c) is amended to read:

3 (c) A fiscal note for a bill or resolution must contain the
4 following information if the expenditure increase or decrease is
5 related to a state agency:

- 6 (1) the fiscal impact on existing programs;
- 7 (2) the fiscal impact of new programs or activities;
- 8 (3) a line item detail of the fiscal impact;
- 9 (4) the source of funds expected to be utilized by general
10 fund source, federal fund source, or other identified source;
- 11 (5) the number of new positions which may be required,
12 identified as full-time, part-time, or temporary;
- 13 (6) an analysis of how the figures in the fiscal note were
14 derived;
- 15 (7) additional information necessary to explain the fiscal
16 note;
- 17 (8) a fiscal impact projection for the current fiscal year
18 and for the succeeding five fiscal years; and
- 19 (9) formal information consisting of
- 20 (A) the bill or resolution number,
- 21 (B) the name of the prime sponsors,
- 22 (C) the date the fiscal note was prepared,
- 23 (D) the name of the committee requesting the fiscal
24 note,
- 25 (E) the name and phone number of the person who pre-
26 pared the fiscal note, and
- 27 (F) the budget request unit, program, or subprogram
28 affected.

29 * Sec. 3. AS 24.08.035 is amended by adding a new subsection to read:

1 (c) If the expenditure increase or decrease is related to a
2 municipality, the fiscal note for a bill or resolution must contain
3 the information required by (c)(1), (2), and (6) - (9) of this sec-
4 tion.
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Introduced: 1/29/86
Referred: Community and Regional
Affairs and Finance

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 SENATE BILL NO. 369

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fiscal notes for legislation
7 affecting a municipality."

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

9 * Section 1. AS 24.08.035(a) is amended to read:

10 (a) Before a bill or resolution, except an appropriation bill,
11 is reported from the committee of first referral, there shall be
12 attached to the bill a fiscal note containing an estimate of the
13 amount of the appropriation increase or decrease that [WHICH] would
14 result from enactment of the bill for the current fiscal year and five
15 succeeding fiscal years. If enactment of the bill would require an
16 expenditure or appropriation by a municipality, a fiscal note shall be
17 attached to the bill containing an estimate of the amount of the total
18 expenditure or appropriation that would be required during the current
19 fiscal year and five succeeding fiscal years by all affected munic-
20 ipalities. If [OR, IF] the bill has no fiscal impact, a statement to
21 that effect shall be attached. A [THE] fiscal note or statement
22 relating to a state expenditure shall be prepared in conformity with
23 the requirements of this section by the department or departments
24 affected and may be reviewed by the office of management and budget.
25 A fiscal note or statement relating to municipal expenditures shall be
26 prepared by the Department of Community and Regional Affairs, which
27 may obtain the assistance of another state agency in the preparation
28 of the note or statement. The fiscal note or statement shall be
29 delivered to the committee requesting it within five days of the
S

COMMITTEE COPY

request or within two days if the request is made after the 90th day
of a regular session, or during a special session of the legislature.
If the bill is presented by the governor for introduction in accordance
with AS 24.03.060(b) and the uniform rules of the legislature,
the fiscal note or statement shall be attached to the bill before the
bill is introduced. An amendment or a substitute bill proposed by a
committee of referral that changes the fiscal impact of a bill shall
be explained in a revised fiscal note or statement attached to the
bill.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No.: CSSB 369 (C&RA)
 Title: An Act relating to fiscal notes for legislation affecting a municipality.
 Sponsor: Senate C&RA Committee
 Requestor: Senate C&RA Committee
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
 BRU: Local Government Assistance
 Components: Statewide Assistance

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		62.4	62.4	64.3	64.3	66.2
TRAVEL		1.0	1.0	1.1	1.1	1.1
CONTRACTUAL		3.5	3.6	3.7	3.8	3.9
SUPPLIES		.4	.4	.4	.4	.5
EQUIPMENT		7.5	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		74.8	67.4	69.5	69.6	71.7

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		74.8	67.4	69.5	69.6	71.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

See page 2, attached.

Prepared by: Doug Griffin, Deputy Director
 Division: Municipal & Regional Assistance

Phone: 465-4750
 Date: 03/18/86

Approved by Commissioner: Emil Notti
 Agency: Community & Regional Affairs

Date: 3/18/86

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. CSSB 369 (C&RA)

ANALYSIS

This fiscal note recognizes there is a degree of uncertainty regarding the impact of this bill; however, it is a conservative estimate of staff and support requirements. It is also anticipated that this Department will receive requests from other Departments and agencies for municipal information to assist them in doing their fiscal notes. Personal Services is increased 3% every other year, while other areas are adjusted for inflation at an annual rate of 4%. In order to accomplish this task with this limited staff, it is envisioned that a complete data base will be maintained on a powerful personal computer to reflect municipal services and financial information. During the interim, the Research Analyst would be responsible for maintaining and updating this data base. Ultimately, a municipal model may be developed to allow more precise and rapid fiscal note preparation.

PERSONAL SERVICES

62,381

One Research Analyst III, Range 18

Salary 37,356

Benefits 11,525

48,881

One Seasonal (6 months) Clerk Typist III, Range 8

Salary 9,761

Benefits 3,739

13,500

TRAVEL

2 trips @ \$500 (includes per diem)

(attend AML Convention, MFOA meetings, etc.)

1,000

CONTRACTUAL

3,500

Communication

3,000

(toll calls, postage for mass
mail questionnaires, etc.)

Photocopy/Printing

500

SUPPLIES

400

EQUIPMENT (one-time item)

7,500

Personal Computers w/attachments
& software

5,500

Office Equipment

2,000

ALASKA STATE LEGISLATURE

1936 Legislature ... 3rd Session

SENATE BILL..... NO. 369...

By THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

"An Act relating to fiscal notes for legislation affecting a municipality."

Introduced in the Senate ..1/29... 19.36

HISTORY IN THE SENATE

19	36	Read first time and referred to Committee on
1	29	Community & Regional Affairs & Finance
3	20	Reported back with recommendation that <i>replace w/CS, 2 do pass, no vote to original. F.Y. note</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSB 369 (C&RA)
 Title : An Act relating to fiscal notes for legislation affecting a municipality.
 Sponsor : Senate C&RA Committee
 Requestor : Senate C&RA Committee
 Date of Request : _____

FISCAL DETAIL

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GRANTS, CLAIMS						
MISCELLANEOUS						
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CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		74.8	67.4	69.5	69.6	71.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

See page 2, attached.

Prepared by : Doug Griffin, Deputy Director
 Division : Municipal & Regional Assistance

Phone : 465-4750
 Date : 03/18/86

Approved by Commissioner : Emil Notti
 Agency : Community & Regional Affairs

Date : 3/18/86

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. CSSB 369 (C&RA)

ANALYSIS

This fiscal note recognizes there is a degree of uncertainty regarding the impact of this bill; however, it is a conservative estimate of staff and support requirements. It is also anticipated that this Department will receive requests from other Departments and agencies for municipal information to assist them in doing their fiscal notes. Personal Services is increased 3% every other year, while other areas are adjusted for inflation at an annual rate of 4%. In order to accomplish this task with this limited staff, it is envisioned that a complete data base will be maintained on a powerful personal computer to reflect municipal services and financial information. During the interim, the Research Analyst would be responsible for maintaining and updating this data base. Ultimately, a municipal model may be developed to allow more precise and rapid fiscal note preparation.

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SUPPLIES

400

EQUIPMENT (one-time item)

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Personal Computers w/attachments
& software

5,500

Office Equipment

2,000

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 18, 1986

POSITION PAPER

RE: CSSB 369

SPONSOR: Senate Community and Regional Affairs Committee

Program Effects of Bill

Requires that fiscal notes be prepared for legislation which would affect municipalities.

Comments

The Department strongly supports the concept of providing municipalities with information on potential fiscal impacts at the local level. We also believe that the C&RA Committee Substitute for SB 369 is an improvement over the original bill.

Instead of placing the entire task of reviewing virtually every bill in this Department, the Committee Substitute merely provides that municipal impacts be reviewed and addressed as part of the fiscal note process. Each agency responsible for fiscal note preparation would be accountable for this procedure in their area of expertise, and the Department believes this is a fair approach.

Compared to the original bill, the number of bills this Department would be directly responsible for reviewing would decrease dramatically. However, it is anticipated that State agencies involved in this new task would call on DCRA for information about municipalities to aid them in their fiscal note preparation.

We believe one mid-level professional, along with seasonal support staff, should be hired to do this work. Certainly we are concerned with this potential expansion of State government considering the current decline in State revenues.

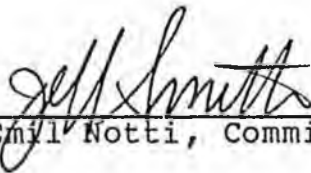
We would envision staff working closely with the Alaska Municipal League in estimating fiscal impacts and, in many cases, also directly contacting municipalities. The valuable information gained directly from these entities could then be reviewed and an objective fiscal opinion could be rendered.

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

CSSB 369
March 18, 1986
Page Two

Given the prospect of greatly reduced State government, the Department believes this bill is timely and important. The Department continues to have some concerns about the amount of additional work this bill may generate and the accuracy of fiscal notes for a State as large and diverse as ours. However, the Committee Substitute is a vast improvement and the Department supports its passage.



Emil Notti, Commissioner

Introduced: 1/29/86
Referred: Community and Regional
Affairs and Finance

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 369

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to fiscal notes for legislation
7 affecting a municipality."

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

9 * Section 1. AS 24.08.035(a) is amended to read:

10 (a) Before a bill or resolution, except an appropriation bill,
11 is reported from the committee of first referral, there shall be
12 attached to the bill a fiscal note containing an estimate of the
13 amount of the appropriation increase or decrease that [WHICH] would
14 result from enactment of the bill for the current fiscal year and five
15 succeeding fiscal years. If enactment of the bill would require an
16 expenditure or appropriation by a municipality, a fiscal note shall be
17 attached to the bill containing an estimate of the amount of the total
18 expenditure or appropriation that would be required during the current
19 fiscal year and five succeeding fiscal years by all affected munic-
20 ipalities. If [OR, IF] the bill has no fiscal impact, a statement to
21 that effect shall be attached. A [THE] fiscal note or statement
22 relating to a state expenditure shall be prepared in conformity with
23 the requirements of this section by the department or departments
24 affected and may be reviewed by the office of management and budget.
25 A fiscal note or statement relating to municipal expenditures shall be
26 prepared by the Department of Community and Regional Affairs, which
27 may obtain the assistance of another state agency in the preparation
28 of the note or statement. The fiscal note or statement shall be
29 delivered to the committee requesting it within five days of the

1 request or within two days if the request is made after the 90th day
2 of a regular session, or during a special session of the legislature.
3 If the bill is presented by the governor for introduction in accor-
4 dance with AS 24.08.060(b) and the uniform rules of the legislature,
5 the fiscal note or statement shall be attached to the bill before the
6 bill is introduced. An amendment or a substitute bill proposed by a
7 committee of referral that changes the fiscal impact of a bill shall
8 be explained in a revised fiscal note or statement attached to the
9 bill.

Offered: 3/20/86
Referred: Finance

Original sponsor: Community and Regional
Affairs Committee

1 IN THE SENATE
2
3 CS FOR SENATE BILL NO. 369 (C&RA)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - SECOND SESSION
6 A BILL
7 For an Act entitled: "An Act relating to fiscal notes for legislation
8 affecting a municipality."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 24.08.035(a) is amended to read:
11 (a) Before a bill or resolution, except an appropriation bill,
12 is reported from the committee of first referral, there shall be
13 attached to the bill a fiscal note containing an estimate of the
14 amount of the expenditure [APPROPRIATION] increase or decrease related
15 to a state agency or a municipality that [WHICH] would result from
16 enactment of the bill for the current fiscal year and five succeeding
17 fiscal years. If [OR, IF] the bill has no fiscal impact, a statement
18 to that effect shall be attached. The fiscal note or statement shall
19 be prepared in conformity with the requirements of this section by the
20 department or departments affected and may be reviewed by the office
21 of management and budget. The fiscal note or statement shall be
22 delivered to the committee requesting it within five days of the
23 request or within two days if the request is made after the 90th day
24 of a regular session, or during a special session of the legislature.
25 If the bill is presented by the governor for introduction in accor-
26 dance with AS 24.08.060(b) and the uniform rules of the legislature,
27 the fiscal note or statement shall be attached to the bill before the
28 bill is introduced. An amendment or a substitute bill proposed by a
29 committee of referral that changes the fiscal impact of a bill shall
be explained in a revised fiscal note or statement attached to the

1 bill.

2 * Sec. 2. AS 24.08.035(c) is amended to read:

3 (c) A fiscal note for a bill or resolution must contain the
4 following information if the expenditure increase or decrease is
5 related to a state agency:

- 6 (1) the fiscal impact on existing programs;
- 7 (2) the fiscal impact of new programs or activities;
- 8 (3) a line item detail of the fiscal impact;
- 9 (4) the source of funds expected to be utilized by general
10 fund source, federal fund source, or other identified source;
- 11 (5) the number of new positions which may be required,
12 identified as full-time, part-time, or temporary;
- 13 (6) an analysis of how the figures in the fiscal note were
14 derived;
- 15 (7) additional information necessary to explain the fiscal
16 note;
- 17 (8) a fiscal impact projection for the current fiscal year
18 and for the succeeding five fiscal years; and
- 19 (9) formal information consisting of
- 20 (A) the bill or resolution number,
- 21 (B) the name of the prime sponsors,
- 22 (C) the date the fiscal note was prepared,
- 23 (D) the name of the committee requesting the fiscal
24 note,
- 25 (E) the name and phone number of the person who pre-
26 pared the fiscal note, and
- 27 (F) the budget request unit, program, or subprogram
28 affected.

29 * Sec. 3. AS 24.08.035 is amended by adding a new subsection to read:

1 (e) If the expenditure increase or decrease is related to a
2 municipality, the fiscal note for a bill or resolution must contain
3 the information required by (c)(1), (2), and (6) - (9) of this sec-
4 tion.

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/29/86

Date 3-18-86

Mr. President

The Committee on C&RA considered SB 369
relating to fiscal notes for legislation affecting a municipality.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 369 (C & RA)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" ~~FISCAL~~ FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature] No Rec

[Signature]
Chairman
[Signature]
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

3/7/86

Date 3/27/86

Mr. President

The Committee on FINANCE considered SB 370

relating to aid to families with dependent children and to child support and enforcement; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

[Signature]

Keith Halford

Paul Frick

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Co-Chairman [Signature]

do pass

Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No.: 58370
 Title : _____

 Sponsor: Rules Committee by _____
 Requestor: request of the Governor
 Date of Request: 01/10/86

FISCAL DETAIL

Agency Affected: Revenue
 BRU: Child Support Enforcement Division

 Components: Operating

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Hollis I. Ploog
 Division: Child Support Enforcement Division

Phone: 263-6202
 Date: 01/10/86

Approved by Commissioner: Matt Barber for Mary A. Nordale, Commissioner
 Agency: Department of Revenue

Date: 1-10-86

Distribution (by Agency preparing fiscal note):

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

Jy K'n 053
SR 370

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolution No. : Proposed SB 370
 Title : An Act Relating to Aid to Families with Dependent Children...

Sponsor : Rules by Request
 Requestor : Governor
 Date of Request : 1/86

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administration

Components : Eligibility Determination

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
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

Bill will result in no new costs; it will reduce paperwork, but not so substantially as to result in measurable savings.

Prepared by : John R. Taber, Director
 Division : Division of Public Assistance

Phone : 465-3347
 Date : 12-27-85

Approved by Commissioner : John R. By
 Agency : _____

Date : 12/31/85

Distribution (by Agency preparing fiscal note) :

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

Introduced: 1/29/86
Referred: Health, Education and
Social Services and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 370

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to aid to families with dependent

7

children and to child support and enforcement; and

8

providing for an effective date."

9

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

10

* Section 1. AS 47.23.020(a) is amended to read:

11

(a) The agency shall

12

(1) seek enforcement of child support orders of the superi-

13

or courts of the state in other jurisdictions and shall obtain, en-

14

force, and administer the orders in this state;

15

(2) adopt regulations to carry out the purposes of this

16

chapter, including regulations that establish

17

(A) schedules for determining the amount an obligor is

18

liable to contribute toward the support of an obligee under this

19

chapter and under 42 U.S.C. 651 -- 665 (Title IV-D, Social Secu-

20

rity Act);

21

(B) procedures for hearings conducted under AS 47.23.-

22

170; and

23

(C) subject to AS 47.23.025 and to federal law, a

24

uniform rate of interest on arrearages of support that shall be

25

charged the obligor upon notice if child support payments are 10

26

or more days overdue or if payment is made by a check backed by

27

insufficient funds;

28

(3) administer and enforce the Uniform Reciprocal Enforce-

29

ment of Support Act (AS 25.25);

1 (4) establish, enforce, and administer child support obli-
2 gations administratively in accordance with this chapter;

3 (5) administer the state plan required under 42 U.S.C. 651
4 -- 665 (Title IV-D, Social Security Act) as amended;

5 (6) disburse [CHILD] support payments collected by the
6 agency to the obligee, together with interest charged under (2)(C) of
7 this subsection;

8 (7) establish and enforce through the superior courts of
9 the state child support orders from other jurisdictions pertaining to
10 obligors within the state;

11 (8) enforce and administer spousal support orders if a
12 spousal support obligation has been established with respect to the
13 spouse and if the support obligation established with respect to the
14 child of that spouse is also being administered; and

15 (9) obtain a medical support order as part of a child
16 support order if health care coverage is available to the obligor at a
17 reasonable cost.

18 * Sec. 2. AS 47.23.062(b) is amended to read:

19 (b) An income withholding order must direct the obligor, the
20 obligor's employer, future employer, and any person, political subdi-
21 vision, or department of the state to withhold money due or to be due
22 the obligor and pay the money to the agency, in an amount determined
23 under (i) [(h)] of this section.

24 * Sec. 3. AS 47.23.062(1) is amended to read:

25 (1) A petition by the obligor to the court to terminate or
26 reduce the withholding of income may be granted upon good cause shown.
27 Payment of arrears alone does not constitute good cause.

28 * Sec. 4. AS 47.23.120(a) is amended to read:

29 (a) An obligor is liable to the state in the amount of

1 assistance granted under AS 47.25.310 -- 47.25.420 to or for the
2 benefit of a child whom the obligor owes a duty of support. However,
3 [EXCEPT THAT] if a support order has been entered, the liability of
4 the obligor may not exceed the amount of support provided for in the
5 support order.

6 * Sec. 5. AS 47.23.170(e) is amended to read:

7 (e) The hearing officer shall consider the following in making a
8 determination under (d) of this section:

9 (1) the needs of the alleged obligee, disregarding the
10 income or assets of the custodian of the alleged obligee;

11 (2) the amount of the alleged obligor's liability to the
12 state under AS 47.23.120 [47.23.125] if any;

13 (3) the intent of the legislature that children be support-
14 ed as much as possible by their natural parents;

15 (4) the ability of the alleged obligor to pay.

16 * Sec. 6. AS 47.23.225 is amended to read:

17 Sec. 47.23.225. SUPPORT PAYMENT OBLIGATIONS AS JUDGMENTS. A
18 support [COURT] order ordering a noncustodial parent obligor to make
19 periodic [CHILD] support payments to the custodian of a child is a
20 judgment that becomes vested when each payment becomes due and unpaid.
21 The custodian of the child, or the agency on behalf of that person,
22 may take legal action under AS 47.23.226 to establish a judgment for
23 [CHILD] support payments ordered by a court of this state that are
24 delinquent.

25 * Sec. 7. AS 47.23.226 is amended to read:

26 Sec. 47.23.226. COLLECTION OF [CHILD] SUPPORT. To collect the
27 payment due, the custodian of a child, or the agency on behalf of that
28 person, shall file with the court (1) a motion requesting establish-
29 ment of a judgment; (2) an affidavit that states that one or more

1 payments of [CHILD] support are 30 or more days past due and that
2 specifies the amounts past due and the dates they became past due; and
3 (3) notice of the obligor's right to respond. Service on the obligor
4 must [SHALL] be in the manner provided in AS 47.23.265. The child's
5 custodian, or the agency on behalf of the custodian, shall file with
6 the court proof of service of the petition, affidavit, and notice.
7 The obligor shall respond no later than 15 days after service by
8 filing an affidavit with the court. If the obligor's affidavit states
9 that the obligor has paid any of the amounts claimed to be delinquent,
10 describes in detail the method of payment or offers any other defense
11 to the petition, then the obligor is entitled to a hearing. After the
12 hearing, if any, the court shall enter a judgment for the amount of
13 money owed. If the obligor does not file an affidavit under this
14 section, the court shall enter a default judgment against the obligor.

15 * Sec. 8. AS 47.23.265(b) is amended to read:

16 (b) A person required by court order to make [CHILD] support
17 payments through the agency shall keep the agency informed of the
18 person's current address.

19 * Sec. 9. AS 47.23.273 is amended to read:

20 Sec. 47.23.273. REPORTING OF PAYMENT INFORMATION CONCERNING
21 DELINQUENT OBLIGORS. (a) The agency may provide to credit bureaus or
22 lending institutions of any kind information about delinquent [CHILD]
23 support owed by obligors. The information so provided must consist
24 solely of the payment history of the obligor for a period not to
25 exceed 10 years before the date the information is provided.

26 (b) Upon an obligor's payment of delinquent [CHILD] support, the
27 agency shall immediately notify all credit bureaus and lending insti-
28 tutions that were furnished information about the obligor under (a) of
29 this section that the obligor is no longer delinquent.

1 * Sec. 10. AS 47.23.900(3) is amended to read:

2 (3) "duty of support" includes a duty of [CHILD] support
3 imposed or imposable by law, by a court order, decree or judgment, or
4 by a finding or decision rendered under this chapter whether inter-
5 locutory or final, whether incidental to a proceeding for divorce,
6 legal separation, separate maintenance, or otherwise, and includes the
7 duty to pay arrearages of support past due and unpaid together with
8 penalties and interest on arrearages imposed under AS 47.23.-
9 020(a)(2)(C);

10 * Sec. 11. AS 47.23.900(7) is amended to read:

11 (7) "support order" means any judgment, decree, or order of
12 [CHILD] support in favor of an obligee whether temporary or final, or
13 subject to modification, revocation, or remission, regardless of the
14 kind of action or proceeding in which it is entered.

15 * Sec. 12. AS 47.25 is amended by adding a new section to read:

16 Sec. 47.25.345. ASSIGNMENT OF SUPPORT RIGHTS. An applicant for
17 or recipient of assistance under AS 47.25.310 -- 47.25.420 is con-
18 sidered to have assigned to the state, through the child support en-
19 forcement agency, all rights to accrued and continuing support that
20 the applicant and other persons for whom assistance is sought may have
21 from any source. The assignment takes effect upon a determination
22 that the applicant is eligible for assistance under AS 47.25.310 --
23 47.25.420. Except with respect to the amount of any unpaid support
24 obligation accrued under the assignment, the assignment terminates
25 when the applicant ceases to receive assistance.

26 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

ANALYSIS OF SENATE BILL 370

An Act relating to aid to families with dependent children and to child support and enforcement and providing for an effective date

This bill makes the following revisions to the state's child support enforcement statutes:

- 1) Sections 1 and 6 through 11 amend existing law to reflect the child support enforcement agency's duty to collect spousal support in cases in which it is collecting child support. The current use of the term "child support" restricts the agency's ability to meet its statutory directive.
- 2) Section 4 clarifies that a non-supporting parent is liable for the full amount of an Aid to Families with Dependent Children (AFDC) grant, which includes the amounts paid to the child and to the custodial parent. Unless established by the court, current statute limits the obligor's payment to the amount of AFDC paid to the child even though the amount paid to the parent is for the child's care.
- 3) Section 12 automatically assigns an individual's rights to child and spousal support to the state upon application for AFDC. This assignment is required by federal law and is currently handled through an application form filled out by the Department of Health and Social Services and transmitted to the child support enforcement agency. Section 12 would expedite the process.
- 4) Sections 2 and 5 correct incorrect references. Section 3 brings our statute into compliance with federal law.

There is no fiscal impact although the Child Support Enforcement Agency foresees saving money with passage of this legislation although an amount is hard to determine.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB No. 370
 Title : An Act relating to aid to families with dependent children...
 Sponsor : Rules by Request
 Requestor : Governor
 Date of Request : 1/19/86

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administration
 Components : Eligibility Determination

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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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

Bill will result in no new costs; it will reduce paperwork, but not so substantially as to result in measurable savings.

Prepared by : John P. Taber, Director Phone : 465-3347
 Division : Division of Public Assistance Date : 2-4-86
 Approved by Commissioner : John R. Poy Date : 2/7/86
 Agency : Health & Social Services

Distribution (by Agency preparing fiscal note):

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

035

POSITION PAPER

SENATE BILL No. 370

For "An Act relating to Aid to Families with Dependent Children and to Child Support Enforcement; and providing for an effective date."

I. BACKGROUND

This Act provides for a variety of changes relating to child support enforcement statutory provisions. The Department of Health and Social Services supports all reasonable measures that enhance the ability of the Child Support Enforcement Division to collect child support, since active collection efforts tend to delay or eliminate the need for single parents to obtain assistance from the Aid to Families with Dependent Children Program (AFDC) and assist AFDC recipients families to leave assistance rolls. We particularly support the proposal of Section 4, which would clarify existing statutes to provide that an absent parent is obligated to repay the State up to the total amount of the AFDC provided, not merely to the child's portion of the AFDC payment.

However, we wish to make specific comments concerning only Section 12 of SB No. 370, which would amend AS 47.25.345 to provide for an automatic assignment of rights to the State to collect child support on behalf of an AFDC recipient. This would eliminate the need for each AFDC applicant to individually complete an "Assignment of Rights to Child Support" form as a mandatory part of the application process.

This may seem to be insignificant change, but in fact it would result in a substantial benefit to assistance clients and to the staff of the Division of Public Assistance (DPA) and of the Child Support Enforcement Division (CSED). There are approximately 750 applications and reapplications for AFDC each month. Of these actions, almost 650 must, as a federal condition of AFDC eligibility, be accompanied by a signed assignment form. A copy of each of these forms must be retained in the DPA AFDC casefile. The original must be timely forwarded from DPA to CSED, where it must be promptly filed in the correct new or existing enforcement file. However, processing 15,600 pieces of paper between the many offices of DPA and CSED each year, quickly and accurately, is a substantial burden. Since DPA cannot grant AFDC without a valid assignment, and CSED cannot enforce collection without a valid assignment, any errors in this clerical processing can result in federal fiscal penalties in AFDC and the inability of CSED to take enforcement actions.

In addition, having to complete this form is frequently difficult for AFDC applicants, particularly for those who are not well-educated, those who have difficulty reading, or those who apply by mail or through a DPA Fee Agent. The form has been worded as simply as possible, and it requires only a signature and a date. However, it is a legal form, and

Position Paper SB 370
Page 2

clients have trouble understanding what it means. They frequently fail to understand that no AFDC can be granted unless the form is signed and submitted with their application or reapplication. Particularly in rural areas, we find we must often delay assistance to clients who are clearly otherwise eligible and are in fairly urgent need of assistance, while we correspond to obtain a valid assignment.

Section 12 of SB No. 370, as proposed, would eliminate this increasing avalanche of paper, and its enactment would be beneficial to the Child Support Enforcement Division, to the Division of Public Assistance, and to their mutual clients.

II. RECOMMENDATION

The Department of Health and Social Services supports passage of SB No. 370.

[This position paper has been coordinated with the Department of Revenue, Child Support Enforcement Division.]

Recommended by: John R. Taber
John R. Taber, Director
Division of Public Assistance

Date: 2-5-86

Approved by: John R. Pugh
John R. Pugh, Commissioner
Department of Health &
Social Services

Date: 2/7/86

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1986

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that automatically assigns to the state the support rights of recipients of Aid to Families with Dependent Children (AFDC), clarifies a nonsupporting parent's liability for AFDC paid for his or her child, and makes technical amendments to the support enforcement statutes.

AFDC is a joint federal-state program that provides financial assistance to needy dependent children living with parents or relatives. In order to participate in the AFDC program, a state must require that all applicants for and recipients of AFDC assign their rights to support, from any source, to the state. 45 C.F.R. sec. 232.11. In order to comply with federal law, the Department of Health and Social Services requires an applicant to sign a form assigning those rights, and transmits the form to the child support enforcement division (CSED) of the Department of Revenue for action. By making assignment of AFDC applicants' and recipients' support rights automatic, sec. 1 of the bill eliminates the need to pass papers from one state agency to another, thereby allowing CSED to proceed more expeditiously to collect support.

Sections 2 and 7 -- 12 of the bill amend child support enforcement statutes in AS 47.23 to reflect CSED's duty under AS 47.23.020 to collect spousal support in cases in which it is administering child support. By referring to

"support," rather than "child support," the statutes would enhance the agency's ability to meet its statutory directive.

The amendment to AS 47.23.062(b), in sec. 3 of the bill, merely corrects a reference to reflect amendments enacted in the 1985 session.

The amendment to AS 47.23.062(1), in sec. 4 of the bill, is to bring our statute into compliance with federal law. 45 C.F.R. 303.100(a)(9).

By adding the phrase "for the benefit of" before the word "child" in AS 47.23.120(a), sec. 5 of the bill makes clear that a nonsupporting parent is potentially liable for the full amount of an AFDC grant paid to the parent or relative caring for the nonsupporting parent's child, rather than just the portion paid "to" the child. This is appropriate, because AFDC grants are calculated to allow parents or relatives to care for needy dependent children. The full amount of the grants is intended to benefit the children.

The amendment to AS 47.23.170(e)(2), in sec. 6 of the bill, is a technical one, to correct an incorrect reference.

Finally, sec. 13 provides that the bill take effect immediately so that the agency can fully exercise its enforcement authority and collect support without delay.

Because the bill brings Alaska law into compliance with federal law, expedites the support enforcement process, and fosters the agency's ability to meet its statutory directive to collect both child and spousal support, I urge your prompt passage of this bill.

Sincerely,



Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER: Finance

1/29/86

Date 3-6-86

Mr. President

The Committee on HESS considered SB 370
relating to aid to families with dependent children and to child
support and enforcement; efd.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Paul Josephson
Paul Frick
Arthur Stupulski

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna M. Wier N.R.

Dittye Fahrenkamp
Chairman

Chairman recommendation