

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 145 279

HB

145

HOUSE COMMITTEE REPORT

(11)

Date referred: 4/1/87

FURTHER REFERRALS:

DATE: 5/7/87

The Finance Committee has considered HB 145

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

RECOMMENDS:

- replace with CS HB 145 (Jud.) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 3-11-87
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

BOURCHOT *[Signature]*

SWACK-HAMMER *[Signature]*

BOYER *[Signature]*

BROWN *[Signature]*

DAVIS *[Signature]*

[Signature]

[Signature]

[Signature]

[Signature]

ADAMS *[Signature]* - no Rec.

LARSON *[Signature]* - no Rec.

RIEGER *[Signature]* No Recommendation

WALLS *[Signature]* no rec

[Signature]
Chairman's signature

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

Bill Version: CSHB 145 (Judiciary)
Publish Date: _____

REQUEST: _____

Revision Date: _____

Agency Affected: Labor

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

BRU: Labor Standards and Safety

Sponsor: Donley, Bover, et al

Components: Wage and Hour

Requestor: House Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

(See attached)

Prepared by: Tom Stuart, Director *Stuart*

Phone: 465-4870

Division: Labor Standards and Safety

Date: 4/1/87

Approved by Commissioner: Jim Sampson *J. Sampson*

Date: 4/1/87

Agency: Labor

Distribution (by preparer):

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

Fiscal Note Analysis

CSHB 145 (Judiciary)

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

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

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

Assumptions

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

Position Title Wage and Hour Investigator I			No. of Positions 1	Range/Step 16A	Barg. Unit GGU	Gov.	Approv.	Disapp.																																							
Time Status PFT	Staff Months 6	RP Number	Location Anchorage		Election District	Leg.																																									
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**Request For
New Position**

Agency Labor
BRU Labor Standards and Safety
Component Wage and Hour

Page 1 of 2
Revised Date _____

FY 87

Position Title Clerk Typist III			No. of Positions 1	Range/Step 8A	Barg. Unit GGU	Gov.	Approv.	Disapp.																																												
Time Status PPT (Half Time)	Staff Months 6	RP Number	Location	Election District	Leg.																																															
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**Request For
New Position**

Agency Labor
BRU Labor Standards & Safety
Component Wage and Hour

FY 87

Page 2 of 2
Revised Date _____

Original sponsors: Donley, Boyer,
Brown, et al.

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 145 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL
6 For an Act entitled: "An Act relating to resident employment preferences
7 on certain natural resource projects on state land;
8 and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 38 is amended by adding a new chapter to read:

11 CHAPTER 45. RESIDENT EMPLOYMENT PREFERENCE UNDER STATE LEASES.
12 ARTICLE 1. HIRING PREFERENCE.

13 Sec. 38.45.010. STATE POLICY. It is the policy of the state to
14 develop its natural resources to provide the maximum benefit to the
15 people of the state as required by the Constitution of the State of
16 Alaska. These benefits include employment opportunities in natural
17 resource development projects for residents qualified for the employ-
18 ment, as well as receipt of state revenue from the development.

19 Sec. 38.45.020. LEGISLATIVE FINDINGS. (a) The legislature
20 finds that

21 (1) because of its unique climate and its distance from the
22 contiguous states, the state has historically suffered from unique
23 social, seasonal, geographic, and economic conditions that result in
24 an unstable economy;

25 (2) the unstable economy is a hardship on the residents of
26 the state and is aggravated by the large numbers of seasonal and
27 transient nonresident workers;

28 (3) the rate of unemployment among residents of the state
29 is one of the highest in the nation;

1 (4) the state has one of the highest ratios of nonresident-
2 to-resident workers in the nation;

3 (5) the state has a compelling interest in reducing the
4 level of unemployment among its residents;

5 (6) the construction industry in the state accounts for a
6 substantial percentage of the available employment;

7 (7) construction workers receive a greater percentage of
8 all unemployment benefits paid by the state than is typical of other
9 states;

10 (8) chronic unemployment can breed severe social problems
11 including alcoholism and domestic violence;

12 (9) historically, the rate of unemployment in the construc-
13 tion industry in the state is higher than the rate of unemployment in
14 other industries in the state;

15 (10) the influx of nonresident construction workers contri-
16 butes to or causes the high unemployment rate among resident construc-
17 tion workers because nonresident workers compete with residents for
18 the limited number of available construction jobs;

19 (11) the natural resources of land owned by the state belong
20 to the citizens of the state;

21 (12) Alaskans have chosen to use the majority of the royal-
22 ties derived from the state's natural resources to fund state govern-
23 ment;

24 (13) the vast majority of the state's revenue is derived
25 from natural resource income rather than from other forms of taxation;

26 (14) because the state has no personal income tax or sales
27 tax, nonresident workers use services provided by the state but do not
28 contribute fairly to the costs of those services; and

29 (15) Alaskans, more than the residents of other states,

1 suffer economically when nonresidents displace qualified residents
2 since resident workers contribute local taxes as well as their share
3 of the royalties from natural resources.

4 (b) The legislature further finds that

5 (1) the findings of the Department of Labor of the State of
6 Alaska in its report entitled "Nonresidents Working in Alaska in 1985"
7 support the need for a resident hiring preference;

8 (2) there is a need for timely, accurate information on the
9 number of nonresident and resident workers in industries in the state;

10 (3) the state has a continuing interest in determining
11 whether indirect benefits, including employment opportunities, from
12 state expenditures, natural resource projects, and agreements concern-
13 ing the state's natural resources accrue to residents of the state or
14 to nonresidents;

15 (4) a major factor in the unemployment problem is the
16 failure of some employers engaged in the exploration, development, and
17 production of natural resources on state land, and under leases or
18 other agreements granted or permitted by the state, to employ state
19 residents;

20 (5) whereas at an earlier stage of the state's history it
21 was asserted that high unemployment in the state was due to cultural
22 and geographical migration barriers, the state now has many residents
23 who are qualified, trained, and available for employment in the explo-
24 ration, development, production, and extraction of natural resources
25 on state land;

26 (6) the state has made significant investments in training
27 programs and vocational education to help furnish industry with qual-
28 ified residents able to work in the development, exploration, produc-
29 tion, and extraction of natural resource products on state land;

1 (7) the state's investment in these training and education
2 programs will be of little avail unless state residents receive em-
3 ployment opportunities in natural resource projects on state land;

4 (8) employment of nonresidents displaces qualified resi-
5 dents from work in the development, exploration, production, and
6 extraction of natural resource products on state land; therefore, the
7 number of nonresidents hired for work on state land in the develop-
8 ment, exploration, production, and extraction of state resources is a
9 peculiar source of the unemployment problem now besetting the state;

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

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

17 Sec. 38.45.030. UNAVAILABILITY OF PREFERRED WORKERS. (a) An
18 employer subject to hiring requirements under this chapter may request
19 the Department of Labor to assist in locating qualified, eligible
20 employees under AS 36.10.070. After receiving a request for assis-
21 tance, the department shall refer qualified, eligible, available
22 residents to the employer to fill the employer's hiring needs.

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

28 Sec. 38.45.040. REGULATIONS. The commissioner of labor shall
29 adopt regulations in accordance with AS 44.62 (Administrative

1 Procedure Act) to implement this chapter and encourage and require the
2 hiring of residents to the maximum extent permitted by law.

3 Sec. 38.45.050. PREFERENCE IN ZONE OF UNDEREMPLOYMENT. (a)
4 Immediately following a determination by the commissioner of labor
5 that a zone of underemployment exists, and for the next two fiscal
6 years after the determination, qualified residents who are eligible
7 under AS 36.10.140 shall be given preference in hiring for work on
8 each natural resource project on state land that is wholly or partial-
9 ly sited within the zone. The preference applies on a craft-by-craft
10 or occupational basis.

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

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

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

22 (2) a substantial number of residents in the zone have
23 experience or training in occupations that would be employed on a
24 project;

25 (3) the lack of employment opportunities in the zone has
26 substantially contributed to serious social or economic problems in
27 the zone; and

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

1 Sec. 38.45.060. PREFERENCE IN ECONOMICALLY DISTRESSED ZONE. The
2 hiring preference established in AS 36.10.160 for residents of an
3 economically distressed zone who qualify under AS 36.10.140 applies to
4 work on each natural resource project on state land that is wholly or
5 partially sited within an economically distressed zone.

6 Sec. 38.45.070. GENERAL REQUIREMENTS. (a) If the governor has
7 declared an area to be an area affected by an economic disaster under
8 AS 44.33.285, then the preference for residents of the area estab-
9 lished under AS 44.33.285 - 44.33.310 supersedes a preference under
10 this chapter.

11 (b) The commissioner shall define the boundaries of a zone in
12 which a preference applies. The boundaries may include a portion of
13 the state or the state as a whole.

14 Sec. 38.45.080. DETERMINATION OF QUALIFICATIONS, TRANSFERS, AND
15 CERTIFICATION. (a) An employer shall determine and judge the work
16 qualifications of applicants for employment.

17 (b) An employer may make a bona fide transfer of management
18 employees from one project or business activity to another. A posi-
19 tion filled by a bona fide transfer under this subsection is not
20 considered to have been a vacancy for the purposes of the hiring
21 requirements under AS 38.45.050 - 38.45.060.

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

25 (d) A labor organization that dispatches members for work on a
26 natural resource project on state land under a collective bargaining
27 agreement shall certify that persons dispatched as residents to meet a
28 preference were eligible for the preference at the time of dispatch.

29 (e) An employer or labor organization may request assistance

1 from the Department of Labor in verifying the eligibility of an appli-
2 cant for a hiring preference under this chapter.

3 Sec. 38.45.090. INCORPORATION INTO CONTRACTS. (a) In order to
4 create, protect, and preserve the right of eligible qualified resi-
5 dents to employment in natural resource projects on state land, the
6 commissioner of natural resources shall incorporate into each con-
7 tract, lease, unitization agreement, or renegotiation of a contract,
8 lease or unitization agreement, provisions requiring compliance with
9 this chapter, regulations adopted under this chapter, and all later
10 amendments to this chapter or the regulations, and authorizing pen-
11 alties under AS 38.45.210 for failure to comply.

12 (b) The commissioner shall incorporate into each contract,
13 lease, unitization agreement, or renegotiation a requirement that the
14 contractor or lessee include in each contract with contractors or
15 subcontractors who will be operating on state land a provision re-
16 quiring compliance with this chapter, regulations adopted under this
17 chapter, and later amendments to this chapter or the regulations, and
18 authorizing penalties under AS 38.45.210.

19 Sec. 38.45.100. REPORTING PROVISIONS. An employer obligated to
20 meet resident hiring requirements under this chapter shall comply with
21 the reporting provisions that the commissioner of labor determines are
22 reasonably necessary to carry out this chapter. Except for statis-
23 tical data, information concerning specific employees is confidential
24 and may not be released to the public by the department. However,
25 confidential employee information may be shared between departments
26 for purposes of this chapter.

27 Sec. 38.45.110. RESIDENT CERTIFICATION. (a) The department may
28 implement a certification system for state residents. The department
29 may charge applicants for certification a reasonable fee to cover the

1 costs of the certification system.

2 (b) An employer who reasonably relies on a certification by the
3 department that an applicant or employee is a resident is not liable
4 for penalties under this chapter based on the nonresidence of the
5 applicant or employee.

6 ARTICLE 2. ENFORCEMENT.

7 Sec. 38.45.210. CIVIL PENALTY FOR WILFUL NONCOMPLIANCE. (a)

8 The Department of Labor may conduct investigations and hearings to
9 determine compliance with this chapter. After a hearing, if the
10 commissioner of labor finds that an employer has wilfully failed to
11 comply with this chapter, the commissioner may impose a civil penalty
12 in an amount no greater than

13 (1) \$5,000 for the first rejection of a qualified eligible
14 applicant or other violation of this chapter;

15 (2) \$10,000 for the second and each subsequent rejection or
16 other violation of this chapter.

17 (b) In addition to the imposition of other penalties under this
18 section, if the Department of Labor finds that an employer has wilful-
19 ly rejected a qualified eligible applicant or terminated a qualified
20 eligible employee in violation of this chapter, the department may
21 require the employer to pay the person the amount of wages the person
22 lost and may require additional amounts to reimburse the person for
23 actual expenses incurred as a result of the wrongful action.

24 (c) The commissioner may impose the penalties under this section
25 on an employer only if the employer itself has failed to comply with
26 this chapter, regulations adopted under this chapter, or later amend-
27 ments to this chapter or the regulations, or if the employer has
28 failed to incorporate into its contracts the provision required under
29 AS 38.45.090(b).

1 (d) In addition to the imposition of penalties under this sec-
2 tion, the Department of Labor may seek injunctive relief against a
3 person who is not in compliance with this chapter and the enforcement
4 of penalties imposed under this section.

5 Sec. 38.45.220. PENALTIES FOR APPLICANTS AND EMPLOYERS. (a) A
6 person who makes a false sworn statement in connection with a certi-
7 fication of eligibility for an employment preference under this chap-
8 ter is subject to criminal prosecution for perjury as provided in
9 AS 11.56.200.

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

15 (c) In addition to criminal penalties imposed by state law, if a
16 person is convicted of a crime in connection with a false statement
17 made in a certification required under AS 38.45.080, and the convic-
18 tion is not reversed, that person shall forfeit all future rights to
19 eligibility for an employment preference under this chapter.

20 Sec. 38.45.230. CIVIL PENALTIES FOR FALSE CERTIFICATIONS. (a)
21 In addition to any criminal penalties imposed and to penalties imposed
22 under AS 38.45.210 and 38.45.220, after a hearing the department may
23 impose a civil penalty on a person who, in connection with certifica-
24 tion of eligibility for an employment preference under this chapter,

25 (1) made a false sworn statement; or

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

28 (b) The amount of the civil penalty under (a) of this section
29 for a person who falsely certifies that the person is eligible for an

1 employment preference under this chapter is not more than \$400 for
2 each false certification. The person also forfeits all future rights
3 to eligibility for an employment preference under this chapter.

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

10 ARTICLE 3. GENERAL PROVISIONS.

11 Sec. 38.45.310. APPLICABILITY OF CHAPTER. This chapter applies
12 to all natural resource projects on state land. The preference ap-
13 plies only to employment that is performed directly for an employer.

14 Sec. 38.45.390. DEFINITIONS. In this chapter

15 (1) "available" has the meaning given in AS 36.10.990;

16 (2) "employer" means a person other than the state who is a
17 party to a contract, lease, or unitization agreement for a natural
18 resource project on state land and the person's affiliate, principal,
19 subsidiary, contractor, or subcontractor if the activity of the affil-
20 iate, principal, subsidiary, contractor, or subcontractor is performed
21 on state land;

22 (3) "natural resource project on state land" means a proj-
23 ect authorized by a contract, lease, unitization agreement, or a
24 renegotiation of a contract, lease, or unitization agreement for
25 exploration, development, extraction or production of oil and gas,
26 leasable mineral, or timber resources if the state is a party to the
27 contract, lease or unitization agreement and the project is performed
28 in whole or in part on state land; in this paragraph, a leasable
29 mineral is a mineral included in AS 38.05.150 - 38.05.18i;

1 (4) "qualified" has the meaning given in AS 36.10.990;
2 (5) "resident" has the meaning given in AS 36.95.010;
3 (6) "state land" means all land, including shore, tide, and
4 submerged land, belonging to or acquired by the state.
5 * Sec. 2. AS 38.45, enacted in sec. 1 of this Act, applies to a lease,
6 unitization agreement, or contract for the development of oil and gas,
7 leasable mineral, or timber resources entered into on or after the effec-
8 tive date of this Act and to a renegotiation of the lease, unitization
9 agreement, or contract. AS 38.45 applies to the renegotiation on or after
10 the effective date of this Act of a lease, unitization agreement, or con-
11 tract entered into before the effective date of this Act if the renegotia-
12 tion results in a major change in the duties of a party.
13 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

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

REQUEST: _____ **Bill Version:** HB145
Revision Date: _____ **Publish Date:** 04-03-87
Title: "An Act relating to permanent fund dividends for individuals incarcerated" **Agency Affected:** Department of Corrections
Sponsor: Rep. Barnes, Adams, Collins **BRU:** _____
Requestor: _____ **Components:** _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	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						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)


Prepared by: Susan Knighton, Research Analyst IV *SKnighton* **Phone:** 04-22-87
Division: Statewide Programs **Date:** 465-3376

Approved by Commissioner: Susan Humphrey-Barnett *SHB* **Date:** 04-22-87
Agency: Department of Corrections

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

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY


POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

May 4, 1987

SUBJECT: Sectional analysis of CSHB 145 (Judiciary)
(Employment preferences on natural resource
projects)

TO: Representative Dave Donley

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of HB 145 relating to Alaskan resident employment preferences on certain natural resource projects on state lands.

Section 1 adds a chapter to the Public Lands title concerning employment on natural resource projects on state land.

ARTICLE 1. HIRING PREFERENCE.

Sec. 38.45.010 declares that the state policy for development of natural resources includes providing employment opportunities in natural resource development projects to qualified residents.

Sec. 38.45.020 makes legislative findings about unemployment in the state and the need for a resident employment preference.

Sec. 38.45.030 requires the Department of Labor to assist employers to find qualified, eligible, available, resident employees if the employer requests. Under subsection (b), the commissioner of labor may approve hiring of residents who do not qualify for preference and of nonresidents if there are insufficient numbers of eligible residents.

Sec. 38.45.040 requires the commissioner of labor to adopt regulations to encourage and require the hiring of residents under the chapter.

Sec. 38.45.050 imposes a resident hiring preference for work on natural resource projects located within a zone of under-employment designated by the commissioner of labor. Prefer-

ences are limited to qualified state residents who are eligible under AS 36.10.140. Under subsection (b), the commissioner determines the amount of work that must be performed by eligible residents. The commissioner must find that the four criteria set out in subsection (c) are met before determining that a zone of underemployment exists.

Sec. 38.45.060 applies the public works project hiring preference for residents of an economically distressed zone to natural resource projects on state land located within an economically distressed zone.

Sec. 38.45.070 establishes that if the governor declares an area to be an area affected by an economic disaster, then preferences under that program supersede preferences under this chapter. Under subsection (b), the commissioner defines the boundaries of a zone in which a preference applies.

Sec. 38.45.080 states that employers determine the work qualifications of applicants. Subsection (b) permits an employer to transfer management employees without conflicting with resident hire requirements. Subsections (c) and (d) require an employer and a labor organization to certify that a person employed or dispatched to satisfy a hiring preference was eligible for the preference at the time of hire or dispatch.

Sec. 38.45.090 directs the commissioner of natural resources to incorporate into leases, unitization agreements, and contracts provisions requiring compliance with the chapter, regulations adopted under the chapter, and later amendments to the chapter or regulations, and authorizing penalties under AS 38.45.210 for failure to comply. The commissioner is also directed to incorporate a requirement that the lessee or contractor will repeat the requirements in any contracts entered into under the lease or agreement.

Sec. 38.45.100 requires employers who are subject to the chapter to report to the commissioner of labor as the commissioner requires. The information is confidential.

Sec. 38.45.110 allows the department to implement a state resident certification system. Under subsection (b), an employer who reasonably relies on a resident certification from the department is not liable for penalties under the chapter based on the nonresidence of the applicant or employee.

ARTICLE 2. ENFORCEMENT.

Sec. 38.45.210 permits the Department of Labor to conduct investigations and hearings to determine compliance with the chapter. The commissioner may impose fines after finding that an employer has wilfully failed to comply with the chapter. Under subsection (b), the department may require the employer who has wilfully rejected a qualified eligible applicant or terminated a qualified eligible employee in violation of the chapter to pay the person for lost wages and expenses. Subsection (c) limits an employer's liability to actions taken by the employer itself. Under subsection (d) the department may seek injunctive relief.

Sec. 38.45.220 imposes criminal penalties for making false statements.

Sec. 38.45.230 imposes additional civil penalties for making false certifications.

ARTICLE 3. GENERAL PROVISIONS.

Sec. 38.45.310 applies the chapter to all natural resource projects on state land for employment performed directly for an employer.

Sec. 38.45.390 contains definitions of "available," "employer," "natural resource project on state land," "qualified," "resident," and "state land." The term "available" is not defined in AS 36.10.990. The word is used in its ordinary sense so it probably does not need to be defined.

Section 2 limits application of the chapter to leases, contracts and agreements entered into on or after the effective date of the Act and also applies the Act to leases, contracts, and agreements entered into before the effective date if a renegotiation leads to a major change in the duties of a party.

Section 3 is an immediate effective date clause.

If I may be of further assistance, please advise.

TC:mkr
m11/111

Bill No. Committee Substitute for
House Bill 145 (Judiciary)

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

Date April 1, 1987

Contact: Tom Stuart
465-4870

Eileen Plate
465-2700

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

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

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

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

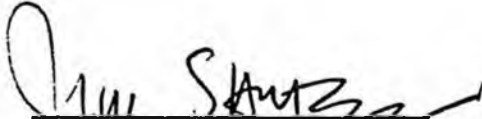
Because of the beneficial impact of resident hiring on the workforce and the economy in general, the Department strongly endorses the principle that qualified Alaska residents should be given employment preference on natural resource projects on state land. This is consistent with the view that a state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

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

POSITION PAPER/Department of Labor

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

APPROVED:


Jim Sampson, Commissioner
Department of Labor

STEVE COWPER, GOVERNOR

DEPARTMENT OF LAW

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

OFFICE OF THE ATTORNEY GENERAL

March 26, 1987

MAR 28 1987

The Honorable John L. Sund
Chairman of House Judiciary Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: HB 145, relating to resident
employment preferences on certain
natural resource projects

Dear Representative Sund:

I am responding to the request made at your committee's Monday, March 23, 1987 hearing on HB 145 for the Department of Law's views on the constitutionality of the resident employment preference that would be provided under the bill.

As I stated at that hearing, last year the Alaska Supreme Court issued its decision in Francis v. Robison, holding the state's resident employment preference on public construction projects under former AS 36.10.010 invalid under the privileges and immunities clause of the U.S. Constitution. In its decision, the court identified two fundamental problems with the existing law:

- 1) In the court's view, unemployment among residents, even where it is the result of non-residents being hired in Alaska, is not a permissible justification for a resident hire preference under the privileges and immunities clause. The court considers this to be impermissible economic discrimination. Before a resident preference can be upheld, there must be a substantial justification beyond the fact that Alaskans are unemployed. The court suggested (but did not decide) that a preference implemented "in order to stave off an economic or social collapse" might be permissible.

The Honorable John L. Sund
Chairman of House Judiciary Committee

March 26, 1987
Page 2

2) The scope of the preference provided by AS 36.10.010 was too broad, since it was available to Alaskans who already had jobs as well as to unemployed Alaskans.

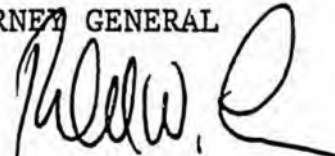
Last year, the legislature adopted new statutory provisions relating to resident employment preference on public construction projects. These addressed the concerns identified by the state supreme court in its Francis decision. As last year's bill worked its way through the legislature, I testified that, because the bill addressed the problems identified by the court and because it targeted only employment which was the result of the expenditure of public funds for public construction projects, the bill had a better than 50 percent chance of surviving a constitutional challenge.

HB 145, which would create a resident employment preference on certain natural resource projects on state land, also addresses the problems identified by the Alaska Supreme Court in its Francis decision. However, because the state's connection ("nexus") to the employment activity which the bill would regulate is not as direct as it is with respect to employment on public construction projects, it is my view that its chances of surviving a constitutional challenge are not greater than 50 percent.

Of course, any attempt to judge the chances of surviving a constitutional challenge are inexact, at best. The one thing that I can assure you and the committee of, however, is that, if passed in substantially the form now before you, the Department of Law is prepared to vigorously defend this proposed resident employment preference.

Sincerely yours,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By: 
Ronald W. Lorensen
Deputy Attorney General

RWL/me

cc: The Honorable Dave Donley
Alaska State Legislature

The Honorable John L. Sund
Chairman of House Judiciary Committee

March 26, 1987
Page 3

cc continued:

The Honorable Jim Sampson
Commissioner
Department of Labor

George Sullivan
Legislative Lobbyist
Office of the Governor

Arthur H. Peterson
Assistant Attorney
Legislation/Regulations Section

Jan DeYoung
Assistant Attorney General
Anchorage AGO

THE ALLIANCE

P.O. Box 100100 / Anchorage, Alaska 99510 / (907) 278-4444

March 20, 1987

Representative John Sund
The Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

W.D. Bennett - President
Perkins Cole

Ann Curtis
Vice President - Events
Curtis Enterprises

Chuck Becker
Vice President - Public Policy
Brown & Root USA, Inc.

Scott Hawkins - Secretary
Alaska Pacific Bank

Craig Duncan - Treasurer
Price Waterhouse

Dan Black - Director
Price/CIRI Construction

Milton Byrd - Director
Charter College

David Dorsey - Director
Sea-Land Service, Inc.

Tom Dow - Director
NANA Development Corporation

Randy Goodrich - Director
Executive Travel Management, Inc.

David Huggins - Director
Linden, Inc.

Jim Mathis - Director
Sutcliffe Recreational Camps

Va. McIntyre - Director
WECO International, Inc.

Lowell Shinn - Director
Brown Jug, Inc.

Patrick Slater - Director
Financial Resources Group

J. U. Hans van der Wall - Director
Enserch Alaska Services, Inc.

Larry G. Anderson - Director
Mar-Air, Inc.

William N. Stiles - Director
H & S Warehouse

William Webb - Director

Pat Rumley - Director
Smith, Robinson, Gruening & Brecht

Michelle Fleming
Executive Director

Judith Knecht
Administrative Assistant

Dear Representative Sund:

ALASKA HIRE - 1987

Many of your fellow legislators have a bumper sticker posted prominently in their office. It reads "Hire Alaskans - It's Good Business", and was created and distributed by the Alaska Support Industry Alliance. Our members live by this motto.

This year you are again presented with the opportunity to pass legislation that mandates local hire, SB 20 and HB 145. You have a difficult choice to make. The issue is very much like prayer in public schools. Failure to support such a high and moral objective is politically risky. But we know that you didn't go to Juneau to take the easy road.

We urge you to take a stand for reality. Our constitution simply does not permit statutory local hire preferences, anymore than it permits the statutory imposition of a particular set of religious standards.

The ALLIANCE is comprised of Alaska business people who are trying to expand Alaska's economy and create jobs for Alaskans. Please do not burden our Alaska businesses with layers of statutory and regulatory compliance requirements for "Alaska Hire", when such law is unenforceable and, more importantly, unnecessary because we already share your dedication to the goal.

We realize that it will be very difficult for you, as an individual legislator, to stand up and be counted as a voice of reason when Alaska Hire becomes a moral and emotional issue. Please know that you have our support, and our willingness to do anything we can to help you bring responsible legislative action to our State government. You may contact Craig Duncan (563-4444) or Bill Webb (272-8590) for additional information on the ALLIANCE's interest in Alaska Hire legislation. Our ALLIANCE membership thanks you for your support.

Sincerely,



Dan Black
President

Alaska Support Industry Alliance

... for responsible economic development

Alaska Statutes

Title 36. Public Contracts.

Chapter

- 10. Employment Preference (§§ 36.10.005 — 36.10.007, 36.10.010, 36.10.070, 36.10.075, 36.10.090, 36.10.130 — 36.10.990)
- 15. Alaska Product Preferences (§§ 36.15.050, 36.15.060)
- 30. State Procurement Code (§§ 36.30.005 — 36.30.995)
- 90. Miscellaneous Provisions (§§ 36.90.010, 36.90.050, 36.90.100)
- 95. General Provisions (§ 36.95.010)
- 98. Professional Services Contracts (§ 36.98.010 — 36.98.080)

Chapter 05. Wages and Hours of Labor.

NOTES TO DECISIONS

Inapplicability of chapter to community hall construction. — This chapter did not apply to the construction of a community hall by the Alaska Native Brotherhood and the Central Council of Tlingit and Haida Indian Tribes of Alaska financed by a one million dollar state grant from the Department of Community and Regional Affairs grant to the brotherhood and approximately three million dol-

lars in private financing. The project was not primarily state funded, the building was not being constructed for and would not be owned by the state, and the brotherhood was to be responsible for and have control over the construction and operation of the building. Alaska State Fed'n of Labor v. State, Dep't of Labor, Sup. Ct. Op. No. 3014 (File No. S-586), 713 P.2d 1208 (1986).

Chapter 10. Employment Preference.

Section

- 05. Legislative findings
- 06. Statement of purpose
- 07. State policy
- 10. [Repealed]
- 70. Unavailability of preferred workers
- 75. Duties of commissioner of labor
- 90. Publication of list of violators
- 130. Resident hire report
- 140. Eligibility for preference
- 150. Determination of zone of underemployment
- 160. Preference for residents of economically distressed zones

Section

- 170. Preference for economically disadvantaged minority residents
- 175. Preference for economically disadvantaged female residents
- 180. Projects subject to preference
- 190. Reporting provisions
- 200. Criminal penalties
- 210. Civil penalties
- 900. Effect of judicial decisions
- 990. Definitions

Cross references. — For purpose of 1986 Act that amended AS 36.10.005, 36.10.070 and 36.10.075, added AS 36.10.130-36.10.990, and repealed AS 36.10.010, see § 1, ch. 33, SLA 1986, in the Temporary and Special Acts.

Editor's notes. — Section 10, ch. 33, SLA 1986 provides that the amendments

to this chapter made by that Act "do not apply to a contract entered into before May 25, 1986, unless the contract includes a provision requiring compliance with laws regarding the hiring of Alaska residents that take effect during the term of the contract."

NOTES TO DECISIONS

Section held unconstitutional. — United States Constitution. *Robison v. Francis*, Sup. Ct. Op. No. 3011 (File Nos. S-493, S-510), P.2d (1986).
This section violates the privileges and immunities clause of article IV, § 2 of the

Sec. 36.10.005. Legislative findings. (a) The legislature finds that

(1) because of its unique climate and its distance from the contiguous states, the state has historically suffered from unique social, seasonal, geographic, and economic conditions that result in an unstable economy;

(2) the unstable economy is a hardship on the residents of the state and is aggravated by the large numbers of seasonal and transient nonresident workers;

(3) the rate of unemployment among residents of the state is one of the highest in the nation;

(4) the state has one of the highest ratios of nonresident to resident workers in the nation;

(5) the state has a compelling interest in reducing the level of unemployment among its residents;

(6) the construction industry in the state accounts for a substantial percentage of the available employment;

(7) construction workers receive a greater percentage of all unemployment benefits paid by the state than is typical of other states;

(8) historically, the rate of unemployment in the construction industry in the state is higher than the rate of unemployment in other industries in the state;

(9) it is appropriate for the state to consider the welfare of its residents when it funds construction activity;

(10) it is in the public interest for the state to allocate public funds for capital projects in order to reduce unemployment among its resident construction workers;

(11) the influx of nonresident construction workers contributes to or causes the high unemployment rate among resident construction workers because nonresident workers compete with residents for the limited number of available construction jobs;

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(12) nonresident workers displace a substantial number of qualified, available, and unemployed Alaska workers on jobs on state funded public works projects;

(13) the state has a special interest in seeing that the benefits of state construction spending accrue to its residents;

(14) the natural resources of land owned by the state belong to the citizens of the state;

(15) Alaskans have chosen to use the majority of the royalties derived from the state's natural resources to fund state government;

(16) the vast majority of the state's revenue is derived from natural resource income rather than from other forms of taxation;

(17) because the state has no personal income tax or sales tax, nonresident workers use services provided by the state but do not contribute fairly to the costs of those services; and

(18) Alaskans, more than the residents of other states, suffer economically when nonresidents displace qualified residents since resident workers contribute local taxes as well as their share of the royalties from natural resources.

(b) The legislature further finds that

(1) the state and its political subdivisions, when acting as a market participant in funding public works projects, should give Alaska residents an employment preference to promote a more stable economy;

(2) the state and its political subdivisions have a duty of loyalty to their citizens and should fulfill this duty by giving residents preference for employment on public works projects they fund;

(3) there is a legitimate and compelling governmental interest and that the public health and welfare will suffer if state residents are not afforded employment preference in state-funded construction-related work;

(c) The legislature finds that the following factors are reasonable but not exclusive indicators of the ratio of nonresident to resident employees in the state:

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

(2) the ratio of employees who are subject to unemployment insurance coverage and who did not apply for or were denied a permanent fund dividend to employees who were found eligible for a dividend.

(d) The legislature finds that

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

(2) many rural state residents who wish to work do not seek employment as frequently as necessary to meet federal definitions of unemployment because of continuing lack of employment opportunities in rural areas of the state. (§ 1 ch 69 SLA 1985; am § 2 ch 33 SLA 1986)

Effect of amendments. — The 1986 amendment, effective May 25, 1986, added subsections (c) and (d).

Editor's notes. — Section 2, ch. 69, SLA 1985 makes this section retroactive to July 16, 1983.

Sec. 36.10.006. Statement of purpose. The legislature adopted AS 36.10.010 in response to problems and concerns identified by the findings of facts in AS 36.10.005 to

(1) ensure that qualified resident workers do not remain unemployed while nonresident workers are employed on construction projects funded by the state or a political subdivision of the state if the purpose of the project includes reducing the unemployment of residents;

(2) ensure that qualified resident workers do not remain unemployed while nonresident workers are employed on construction projects funded by the state or a political subdivision of the state;

(3) reduce the level of unemployment among residents of the state. (§ 1 ch 69 SLA 1985)

Editor's notes. — Section 2, ch. 69, SLA 1985 makes this section retroactive to July 16, 1983.

Sec. 36.10.007. State policy. It is the policy of this state that, to fulfill the duty of loyalty owed to its citizens and to remedy social or economic problems, the state will grant an employment preference to residents when the state is acting as a market participant. (§ 1 ch 69 SLA 1985)

Editor's notes. — Section 2, ch. 69, SLA 1985 makes this section retroactive to July 16, 1983.

Sec. 36.10.010. Employment preference. [Repealed, § 11 ch 33 SLA 1986.]

Sec. 36.10.070. Unavailability of preferred workers. (a) An employer subject to hiring requirements under this chapter may request the Department of Labor to assist in locating qualified, eligible employees. After receiving a request for assistance, the department shall refer qualified, eligible, available residents to the employer to fill the employer's hiring needs. The employer shall cooperate with the department.

(b) If the department is unable to refer a sufficient number of qualified, eligible, available residents able to perform the work, the commissioner of labor may approve the hiring of residents who are not eligible for preference and nonresidents for the balance of the request. (§ 5 ch 177 SLA 1960; am § 2 ch 208 SLA 1972; am § 3 ch 33 SLA 1986)

§ 36.10.070

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§ 36.10.075

PUBLIC CONTRACTS

§ 36.10.090

Effect of amendments. — The 1986
amendment, effective May 25, 1986,
rewrote this section.

Sec. 36.10.075. Duties of commissioner of labor. (a) The commissioner of labor shall adopt regulations necessary to carry out the provisions of this chapter including but not limited to the method, time and content of reporting by employers covered by this chapter and reporting provisions permitting on-going supervision by the Department of Labor on all public works projects covered by this chapter.

(b) The commissioner of labor shall adopt regulations to encourage and require the hiring of residents to the maximum extent permitted by law. (§ 3 ch 208 SLA 1972; am § 4 ch 33 SLA 1986)

Effect of amendments. — The 1986
amendment, effective May 25, 1986,
added subsection (b).

Sec. 36.10.090. Publication of list of violators. (a) The commissioner of labor shall distribute to all departments and agencies of the state government and to all political subdivisions of the state a list of the names of persons or firms convicted of a violation of this chapter. No person appearing on the list and no firm, corporation, partnership or association in which the person has an interest may work as a contractor or subcontractor on a public construction contract for the state or a political subdivision until after three years from the date of publication of the list.

(b) A local government or school district covered by the provisions of this chapter which is found to be in violation of these provisions may be required to forfeit all or part of the state aid made available for the project in which the violation occurs and in addition may be denied up to 12 months of state revenue sharing or public school foundation money. A state department or agency head found to be in violation of this chapter may be required to forfeit the position of department or agency head.

(c) A person or governmental entity covered by the provisions of (b) of this section who is not satisfied by a decision of the Department of Labor may, as the final administrative process, appeal the decision to a committee consisting of the commissioners of transportation and public facilities, labor and administration. The commissioner of transportation and public facilities is the chairman of the committee. A quorum for conducting business is three members and any decision made must be supported by a majority of the committee members. The committee may, upon a showing of hardship, waive all or any part of the penalty provisions of this chapter. (§ 7 ch 177 SLA 1960; am § 12 ch 142 SLA 1972; am § 4 ch 208 SLA 1972; am E.O. No. 39, § 11 (1977))

Sec. 36.10.130. Resident hire report. The attorney general and the commissioner of labor shall report annually to the legislature and the governor on the status of employment in the state, the effect of nonresident employment on the employment of residents in the state, and methods to increase resident hire. The report shall be submitted by January 31 of each year. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.140. Eligibility for preference. (a) A person is eligible for an employment preference under this chapter if the person certifies eligibility as required by the Department of Labor, is a resident, and

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

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

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

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

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

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

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

(e) An employer or labor organization may request assistance from the Department of Labor in verifying the eligibility of an applicant for a hiring preference under this chapter. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.150. Determination of zone of underemployment. (a) Immediately following a determination by the commissioner of labor that a zone of underemployment exists, and for the next two fiscal years after the determination, qualified residents of the zone who are eligible under AS 36.10.140 shall be given preference in hir-

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

(c) The commissioner shall determine that a zone of underemployment exists if the commissioner finds that

(1) the rate of unemployment within the zone is substantially higher than the national rate of unemployment;

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

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

(4) employment of workers who are not residents is a peculiar source of the unemployment of residents of the zone. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.160. Preference for residents of economically distressed zones. (a) Immediately following a determination by the commissioner that an economically distressed zone exists, and for the next two fiscal years after the determination, qualified residents of the zone who are eligible under AS 36.10.140 shall be given preference in hiring for at least 50 percent of employment on each project under AS 36.10.180 that is wholly or partially sited within the zone. The preference applies on a craft-by-craft or occupational basis.

(b) The commissioner shall determine that an economically distressed zone exists if the commissioner finds that

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

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

(3) employment of workers who are not residents is a peculiar source of unemployment of residents of the zone. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.170. Preference for economically disadvantaged minority residents. (a) Immediately following a determination by the commissioner that the minority residents of a zone are economically disadvantaged, and for the next two fiscal years after the determination, qualified minority residents of the zone who are eligible under AS 36.10.140 shall be given preference in hiring for at least 25 percent, or a percent representative of the civilian minority residents in the zone, whichever is greater, of employment on each project under AS 36.10.180 that is wholly or partially sited within the zone. The preference applies on a craft-by-craft or occupational basis.

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

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

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

(3) the economic disadvantage of civilian minority residents of the zone has substantially contributed to serious social or economic problems in the zone; and

(4) employment of workers who are not residents is a peculiar source of unemployment of civilian minority residents of the zone.

(c) In this section, a person is considered to be a member of a minority if the person is Hispanic, Asian or Pacific Islander, American Indian or Alaskan Native, or Black as those terms are defined by the Equal Employment Opportunity Commission. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.175. Preference for economically disadvantaged female residents. (a) Immediately following a determination by the commissioner that the female residents of a zone are economically disadvantaged, and for the next two fiscal years after the determination, qualified female residents of the zone who are eligible under AS 36.10.140 shall be given preference in hiring for at least 25 percent of employment on each project under AS 36.10.180 that is wholly or partially sited within the zone. The preference applies on a craft-by-craft or occupational basis.

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

(1) either the percent of unemployment of female residents of the zone is at least two times the percent of unemployment of male residents of the zone or the female population of the zone has suffered past economic discrimination;

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

(3) employment of workers who are not residents is a peculiar source of unemployment of female residents of the zone. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.180. Projects subject to preference. (a) The preferences established in AS 36.10.150 — 36.10.175 apply to work performed

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

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

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

(4) on a public works project under a grant to an unincorporated community under AS 37.05.317; and

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

(b) If the governor has declared an area to be an area impacted by an economic disaster under AS 44.33.285, then the preference for residents of the area established under AS 44.33.285 — 44.33.310 supercedes the preference under AS 36.10.150 — 36.10.175 for contracts awarded by the state.

(c) The commissioner shall define the boundaries of a zone within which a preference applies. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.190. Reporting provisions. An employer obligated to meet resident hire requirements under this chapter shall comply with the reporting provisions that the commissioner of labor determines are reasonably necessary to carry out this chapter. Except for statistical data, all information regarding specific employees is confidential and may not be released by the Department of Labor. However, confidential employee information may be shared between departments for purposes of this chapter. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.200. Criminal penalties. (a) A person who makes a false sworn statement in connection with a certification of eligibility for an employment preference under this chapter is subject to criminal prosecution for perjury as provided in AS 11.56.200.

(b) A person who makes an unsworn falsification, with the intent to mislead a public servant in the performance of a duty, in connection with a certification of eligibility for an employment preference under this chapter, is subject to criminal prosecution as provided in AS 11.56.210. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.210. Civil penalties. (a) In addition to any criminal penalties imposed, after a hearing the department may impose a civil penalty on a person who, in connection with certification of eligibility for an employment preference under this chapter,

(1) made a false sworn statement; or

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

(b) The amount of the civil penalty under (a) of this section for a person who falsely certifies that the person is eligible for an employment preference under this chapter is not more than \$400 for each false certification.

(c) The amount of the civil penalty under (a) of this section for an employer who falsely certifies that employees are residents eligible for a preference under this chapter is not more than \$2,000 for each of the first five false certifications. The penalty for the sixth false certification made by an employer and for each false certification thereafter is at least \$2,000 and not more than \$4,000. (§ 5 ch 33 SLA 1986)

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Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.900. Effect of judicial decisions. If a provision of this chapter, or the application of a provision to a person or circumstance, is held invalid, the remainder of this chapter and the application to other persons or circumstances shall not be affected by the holding. The remainder shall be enforced to the greatest extent constitutionally permissible under the constitutions of the United States and the State of Alaska. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Sec. 36.10.990. Definitions. In this chapter

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

(2) "zone" includes a census area in the state, an economic region of the state, and the state as a whole. (§ 5 ch 33 SLA 1986)

Effective dates. — Section 12, ch. 33, May 25, 1986, in accordance with AS SLA 1986, makes this section effective 01.10.070(c).

Chapter 15. Alaska Product Preferences.

Article

2. Agricultural and Fisheries Products Preference (§§ 36.15.050, 36.15.060)

Cross references. — For similar provisions, see AS 36.30.322 — 36.30.338.

Article 1. Forest Products Preference.

Editor's notes. — AS 36.15.010 — 36.15.020 have been designated as Article 1 of this chapter by the revisor of statutes.

Article 2. Agricultural and Fisheries Products Preference.

Section

50. Use of local agricultural and fisheries products required in purchases with state money

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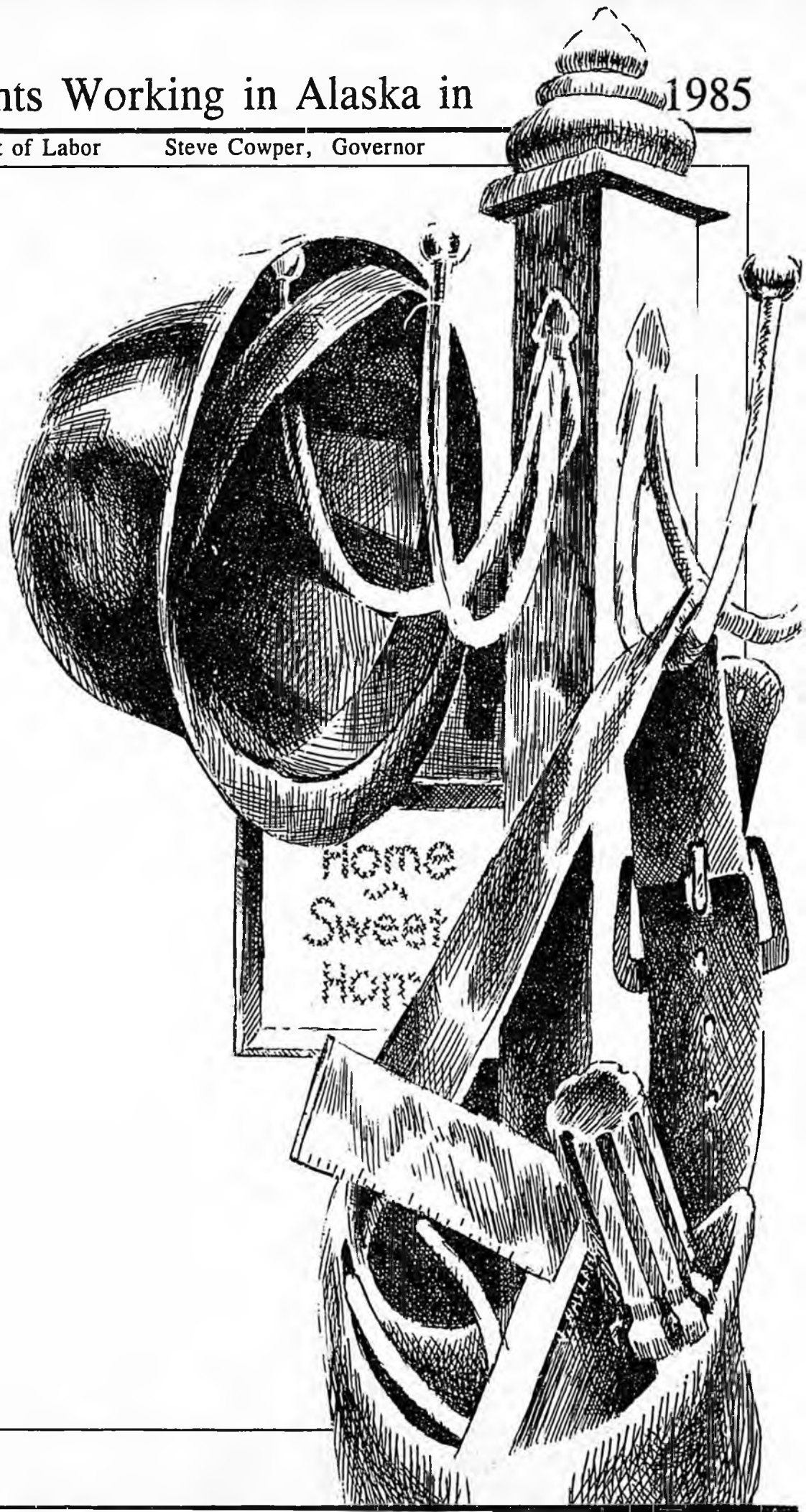
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Nonresidents Working in Alaska in

1985

Alaska Department of Labor

Steve Cowper, Governor



Nonresidents Working in Alaska in 1985

State of Alaska
Department of Labor

Steve Cowper, Governor
Jim Sampson, Commissioner

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PREFACE

In May 1986, the Fourteenth Alaska Legislature amended Title 36 to establish a new system of resident hiring preference on public funded construction projects. The law stipulates that a resident hiring preference will trigger on whenever specific conditions are shown to exist. Consequently, the Commissioner of Labor has been instructed to collect and compile the necessary information and to report annually on the status of employment in Alaska, the effect of nonresident employment on the employment of residents in Alaska, and alternative methods of increasing resident hire.

Last year, under a special appropriation from the legislature, the Department of Labor analyzed the economic impact of nonresident employment in Alaska in 1984. This year's publication, the first annual resident hire report prepared in compliance with Alaska Statute 36.10.130, updates the data contained in that report and provides additional information about the reasons employers hire nonresidents, alternative ways of promoting resident hire, and progress toward determining which geographic areas of the state qualify for preference under existing law.

This report is composed of five chapters and a series of appendixes that contain the best estimates currently available of the impact of nonresidents on Alaska's economy.

Chapter 1 compares employment and unemployment in Alaska to the rest of the United States.

Chapter 2 provides 1985 data about resident and nonresident employment and unemployment in Alaska, and the economic impact of nonresidents on Alaska's economy.

Chapter 3 provides a comparison of how the data contained in Chapter 2 changed from 1984 to 1985.

Chapter 4 describes the process of determining which geographic zones qualify for preference under current law. This chapter explains why no determinations are actually made in this year's report and documents the efforts underway to provide information upon which determinations can be made.

Chapter 5 summarizes the results of several employer surveys in an effort to explain the reasons why employers hire nonresidents and reviews some of the alternative methods available for promoting resident hire.

Readers are urged to read the Sources and Limitations section for an explanation of the limitations of the data provided in this report and to check the Glossary for specific definitions of terms used in this report.

SOURCES AND LIMITATIONS OF THE DATA

Primary Sources and Limitations

Residency of workers was determined by crossmatching 1985 wage records from the Alaska Department of Labor with 1985 and 1986 permanent fund dividend records from the Alaska Department of Revenue. Nineteen eighty-five employment data were used because it is the most recent year for which data were available to determine individual residency status. People are legally residents if they have been in Alaska for 30 days and intend to stay. Workers were considered residents if they received a 1985 dividend or filed for a 1986 dividend. Both dividend years were used to accurately determine individual residency status. Use of 1985 permanent fund dividend data accounts for persons who were residents early in 1985 who either died or left the state during 1985. Conversely, use of 1986 permanent fund dividend data accounts for people who became Alaska residents between October 1984 and September 1985. Employed residents who did not provide a social security number on either permanent fund dividend application were not counted as residents since it was impossible to crossmatch the files without a way of verifying that it was the same individual. ^{1/}

It is important to understand that the Department of Labor wage file, which was the source of all wage and employee data in this report, does not include all those who work in Alaska. Excluded are federal employees and workers who are not covered by the Alaska Employment Security Act. Those who are not covered include self-employed workers, most fishermen, full commission salespersons, agricultural workers, domestic workers, unpaid family workers, private railroad elected and appointed public officials, and some employed students. The largest groups which are not included in this report are self-employed workers (who account for about 9 percent of the Alaskan work force) and federal employees (who account for about 7 percent).

The number of employed residents excluded from Department of Labor wage records is estimated to more than offset the number of residents counted as nonresidents because they did not file for a permanent fund dividend in 1985 or 1986 or because they did not provide a social security number when they did file. Similarly, the number of employed nonresidents not covered by the department's wage records offsets the number of residents counted as nonresidents.

Why Data Differ From Those Published in Other Reports

Tables providing data on employees and wages by industry and geographic area differ from figures published in other reports by the Alaska Department of Labor, Research and Analysis Section, particularly the Statistical Quarterly series. Differences occur because:

1) This report provides data about employees not employment.

Employees and employment are different concepts. Employees are the individual people who worked for wages during a specific period of time; employment is the number of

^{1/} 3.8 percent of working (16 years and up) permanent fund dividend applicants did not provide social security numbers. It is believed that most applicants who did not provide a social security numbers did not work, thus minimizing the effect of the missing numbers on data in this report.

filled jobs at a particular point in time. Because not all jobs are filled throughout the year and different individuals work in the same position at different periods of time, employee counts exceed the employment totals given in other publications, especially when comparing annual data. Approximately 70 percent more individuals work in Alaska over a year's time than the annual average number of jobs.

2) Employees and wages are counted in the industry of the employer from whom they earned the most wages.

3) Employees and wages are counted in the census area of the employer's primary business location even though employees may actually work in another part of the state.

This significantly affects state government workers. Consequently, state workers are included in statewide data but excluded from region and census area data. Construction data were also significantly affected because workers are often employed in remote areas far from their company's main business office. Consequently, a new data collection system has been established which will correct this deficiency in the future.

4) Federal government employees and wages are excluded from this report because data for them are not available in Department of Labor wage files.

Other Data Sources

Other state data sources used in preparing this report include the Alaska Department of Labor's unemployment insurance claimant file, job service applicant file, local area unemployment statistics, a survey of employers in 1986, the Governor's Council on Alaska Hire's 1986 Alaska Hire Task Force report and Vocational Education Subcommittee employer surveys, and voluntary unemployment data from unions around the state.

National data sources used include information produced by the U.S. Department of Labor's Employment and Training Administration and Bureau of Labor Statistics, and the U.S. Department of Commerce's Bureau of Economic Analysis and Bureau of the Census.

EXECUTIVE SUMMARY

Highlights of the Data

-In 1985, \$691 million were paid to 77,000 nonresident workers in Alaska. This represents an increase of \$14 million and 6,000 employees over 1984. The percentages, however, remained constant from 1984 to 1985 with 12 percent of all wages paid to nonresidents who constituted 23 percent of all employees. See pages 20 and 45.

-The average annual earnings of nonresidents was only 43 percent as much as the average annual earnings of residents of Alaska (down from 48% in 1984). Nonresidents did not spend as much time working in Alaska as residents did. Fifty-eight percent of all residents worked during all four calendar quarters, while only 11 percent of nonresidents worked in Alaska in all four quarters. See page 20.

-1984 and 1985 data are strikingly similar. Although nonresident employees and wages increased in 1985 their overall impact, industry impact, and area impact changed only slightly. See page 45.

-The food processing industry (of which 94% of the firms are in seafood processing) had the highest number of nonresident employees (13,512), the highest percent of wages paid to nonresidents (55%), and the highest percentage of nonresident employees (68%). The oil and gas industry paid the highest amount of wages to nonresidents (\$106 million), although the construction industry as a whole paid more (\$149 million). Of all the wages paid to nonresidents in Alaska in 1985, over 21 percent went to nonresidents who worked in construction (building construction, heavy construction, or special trades construction) and over 15 percent went to nonresidents who worked in oil and gas. See page 23.

- The Anchorage-MatSu Region had the lowest percentage of nonresident wages and employees (10% and 21% respectively); the Southwest Region had the highest (24% and 38%). The Southwest Region also contained both the best and worst (mostly the worst) census areas in the state in terms of the percent of wages paid to nonresidents and the percentage of employees who were nonresidents. Wade Hampton had the lowest nonresident wages and employees (7% and 12% respectively); while the Aleutian Islands had the highest (41% and 61%) with the Bristol Bay Borough close behind (39% and 59%). See page 28.

-In 1985, the number of unemployed never fell below 20,500 individuals in any month (19,000 in 1984). The number of employed nonresidents was always greater than 17,000 individuals in any month (16,000 in 1984). See page 33.

-Alaska has unique economic conditions compared to other states. In 1985, Alaska had the fifth highest overall unemployment rate in the nation, the third highest for all nonagricultural industries, the highest in manufacturing and government, and the sixth highest in construction. Alaska also had one of the highest unemployment rates in the nation for many major occupational categories. See page 15.

-Nearly 22 percent of all regular unemployment insurance benefits paid by Alaska in 1985 were interstate payments. This is the highest interstate rate in the nation; approximately 4.5 times the national average. Seventy-four percent of those interstate payments went to nonresidents. See pages 15 and 41.

-Alaska paid almost \$32 million in unemployment insurance benefits to nonresidents in 1985, of which over \$21 million was paid out of state. This represents a significant increase over 1984 in which Alaska paid nonresidents \$20 million in unemployment insurance benefits, including \$17 million in out of state payments. See page 41.

Resident Hire Preference Determinations

In 1986, the Fourteenth Alaska Legislature passed a resident hire statute which is complex and substantially different from previous versions. The legislature emphasized the need to pass a law which would withstand a test of constitutionality. Consequently, the new statute uses a very targeted approach based on detailed statistical information.

Before preferences can be implemented, determinations must be made as to which zones qualify for preference based on the specific criteria outlined in chapter 4. Before any determinations can be made, regulations must be approved and data compiled. As of early January 1987, regulations have been drafted and reviewed through the public hearing process but not finalized. Data have been compiled which illustrate the overall economic condition of each zone (see Tables 4-1 and 4-2, pages 60 and 61); however, data about occupational supply and demand are not currently available in enough detail to demonstrate that nonresident workers have displaced qualified, available resident workers in specific occupations in specific areas of the state. Consequently, the Department of Labor has designed a system to collect the necessary detail, and has begun implementation of those procedures. The department expects to have the detailed information needed to evaluate possible determinations for most construction-related occupations by January 1988. Data about the social and economic impact of unemployment are available through a variety of sources which will be analyzed in depth during 1987.

For additional information see chapter 4, beginning on page 57.

Reasons Employers Hire Nonresidents

Sixty percent of employers contacted in a Department of Labor survey said their industries hire nonresidents because available Alaskans lack required training or experience.

Thirty-five percent of employers contacted stated that their industries hire nonresidents because there are no Alaskans available. This reason was most commonly cited by employers in food processing.

Fifty percent of employers contacted stated that their industries hire nonresidents because it is company policy to transfer people within the company. This reason was most commonly cited by employers in mining industries.

For additional information see chapter 5, beginning on page 62.

Promoting Resident Hire

Employers commonly promote the hiring of residents by having a company resident hire policy; advertising openings locally; or using local unions, Job Service offices, local private employment agencies or universities to find workers.

Employers felt the State could increase resident hire by promoting the issue, and working actively to train and place resident workers.

In a survey concerning vocational education, 40 percent of respondents from the manufacturing and wholesale trade industries felt there was not a trained Alaska labor force available.

More than 95 percent of employers who responded to the vocational education survey said they would prefer to hire Alaskans. Nearly 76 percent of survey respondents indicated that they would be willing to hire an underqualified Alaskan if the Alaskan could be trained.

The 1986 Alaska Hire Task Force Report presented 36 alternatives for promoting resident hire in Alaska. The report was intended primarily for policy makers to use as a reference of new ideas and initiatives on resident hire.

The Department of Labor is now collecting additional data from employers relating to the occupation and work location of their employees. This will allow the department to evaluate the impact of nonresident employment by individual occupation and specific work location. Then Alaska's policy makers can use those facts to adjust laws, regulations, administrative procedures, and programs to comprehensively encourage higher levels of resident employment throughout Alaska.

For additional information see chapter 5, beginning on page 62.

CHAPTER 1. INTERSTATE COMPARISONS

This chapter provides an overview of Alaska's economy in comparison with other states.

Overview

Alaska is a unique state in many ways, particularly when it comes to the condition of the labor market. Alaska has one of the highest unemployment rates, one of the most seasonal economies, an unusually high percentage of unemployment insurance benefits paid to out-of-state claimants, a relatively large dependence on the construction industry for jobs, and a large nonresident workforce. At the same time, the geographic dispersion of Alaska's labor force and the short-term or seasonal nature of many jobs often combine to make it difficult for Alaskans to find out about jobs in other parts of Alaska. Demand for workers in Alaska combined with a national recession made Alaska a viable job market for many nonresidents. As the economy improves in the Lower 48 and worsens in Alaska there may be less incentive for nonresident workers to come to Alaska, but it also becomes increasingly important that residents have a way of learning where jobs exist and a way of preparing themselves to hold those jobs.

Unemployment Rate: Overall, by Industry, and by Occupation

In 1985 Alaska had the third highest unemployment rate of any state for private nonagricultural wage and salary workers and the fifth highest overall unemployment rate. In addition, Alaska had the highest unemployment rate in three of seven major industrial categories (Table 1-1), and it was one of the four worst states in seven of eleven major occupational categories (Table 1-2). Relative to other states, Alaska fared best in the services industry where it ranked tenth worst and sales occupations where it ranked fifteenth worst.

Unemployment Insurance Benefits

In 1985 Alaska sent a higher percentage of regular unemployment insurance benefits out of state than any other state in the nation. While the national average was 4.8 percent, Alaska sent 21.6 percent out of state; this is 4.5 times the national average (Table 1-3). Over three-quarters of that money went to nonresidents (Table 2-14).

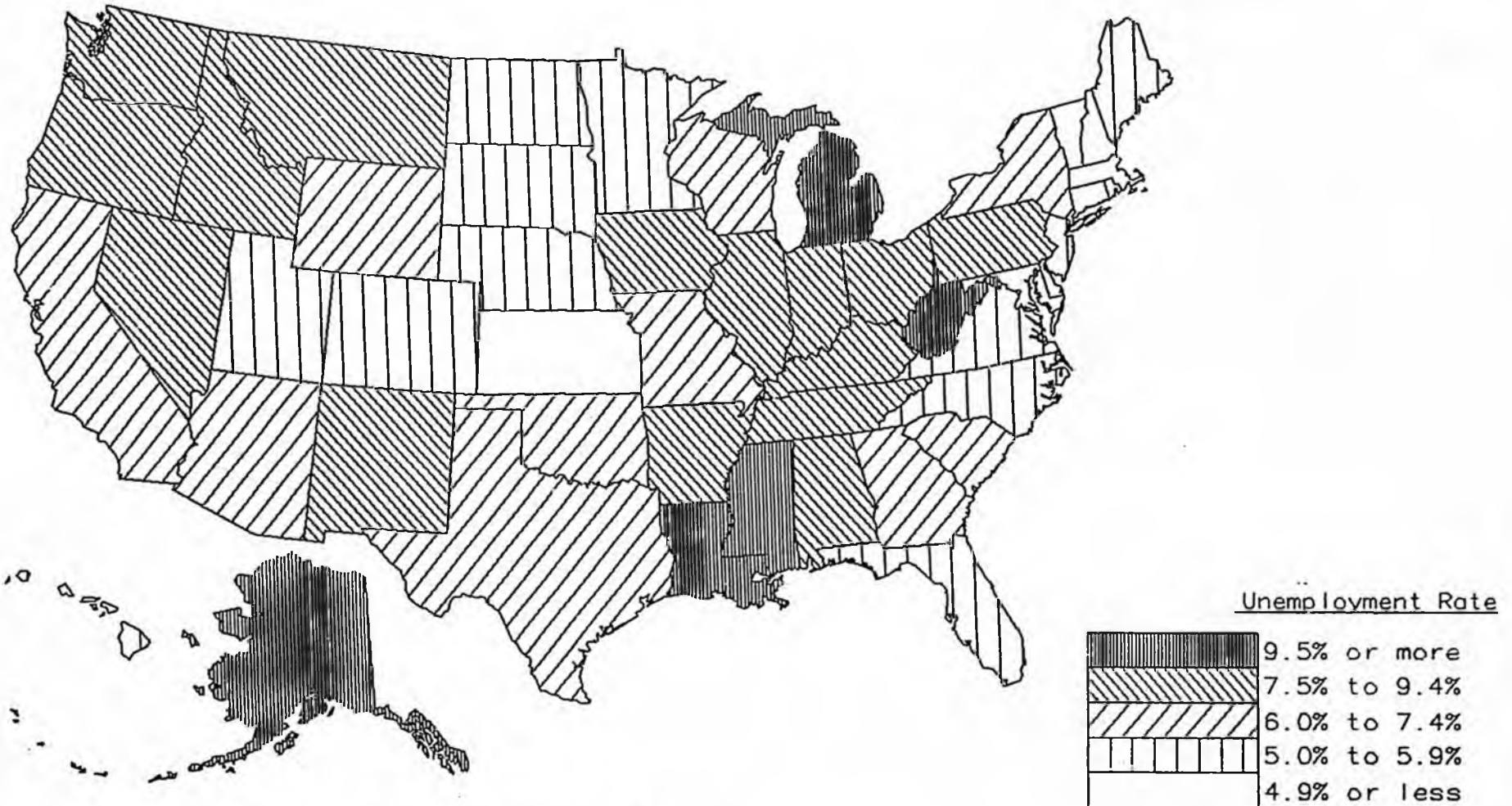
The Construction Industry

In 1985 Alaska had the sixth highest unemployment rate of any state for the construction industry. Nevertheless, construction is especially important to Alaska's economy as it comprises nearly twice as large a share of total employment as it does for the United States as a whole (Table 1-4). Alaska's dependence on the construction industry, along with the high level of unemployment in that industry, makes the impact of nonresidents working in construction an area of special concern.

FIGURE 1-1

U.S. AVERAGE UNEMPLOYMENT RATE - 1985

By State



Source: Alaska Department of Labor, Research and Analysis.

TABLE 1-1

UNEMPLOYMENT RATE BY STATE
FOR NONAGRICULTURAL INDUSTRIES
1985

	Total	Construc- tion	Manufacturing			TCPU 1/	Trade	FIRE 2/	Serv- ices	Govern- ment
			Total	Durable Goods	Non- Durable Goods					
Alabama	9.1	20.8	10.3	10.7	9.8	4.2	9.2	2.5	6.6	4.1
ALASKA	10.7	21.8	16.5	--	13.8	8.7	9.8	5.8	7.5	8.5
Alaska's Rank	3rd	6th	1st	--	2nd	2nd	8th	1st	10th	1st
Arizona	6.6	8.9	6.3	6.4	--	4.0	7.9	4.6	6.1	2.3
Arkansas	8.1	13.3	7.9	7.5	8.3	4.9	8.1	3.3	9.2	6.6
California	7.1	12.5	7.8	7.0	9.7	4.6	7.4	3.4	6.4	3.6
Colorado	5.9	10.2	6.9	7.7	5.1	3.8	5.8	5.3	4.5	4.1
Connecticut	4.6	11.3	5.5	5.3	6.0	4.2	4.3	1.8	3.3	2.5
Delaware	4.8	7.7	3.6	5.8	2.7	5.3	5.4	3.1	4.9	3.3
D.C.	9.8	24.6	4.8	--	4.8	9.3	14.7	3.9	7.3	4.0
Florida	5.8	7.9	6.6	6.3	7.1	4.1	6.3	3.1	5.4	3.4
Georgia	5.9	6.4	5.9	4.8	6.6	3.4	7.3	6.3	4.6	4.4
Hawaii	5.4	12.8	4.6	--	3.4	3.2	6.0	3.8	4.5	4.8
Idaho	8.7	21.0	10.8	13.6	8.0	7.2	7.4	4.6	6.3	5.5
Illinois	8.9	16.2	9.9	11.0	8.1	7.2	10.0	3.8	7.5	4.6
Indiana	8.0	14.0	7.7	7.7	7.8	6.0	8.3	4.3	8.0	4.1
Iowa	8.9	16.6	11.4	13.2	9.1	6.1	8.5	2.8	7.1	3.1
Kansas	5.2	10.2	5.0	4.7	5.4	2.0	5.6	2.9	5.0	3.8
Kentucky	9.4	19.7	9.4	10.4	7.9	5.4	9.7	5.3	7.0	4.8
Louisiana	11.8	21.8	10.9	12.1	9.5	8.6	12.3	5.8	10.3	5.0
Maine	6.0	14.8	6.8	4.5	8.5	4.5	5.0	2.4	4.2	1.7
Maryland	4.8	7.4	5.2	3.8	7.4	4.2	5.4	1.2	4.4	2.5
Massachusetts	3.9	6.8	4.2	3.6	5.7	4.4	4.1	1.5	3.3	2.1
Michigan	9.1	18.0	8.0	8.1	7.8	7.4	10.1	5.4	8.8	7.4
Minnesota	5.9	11.5	6.4	6.8	5.7	3.9	6.0	4.4	4.8	4.0
Mississippi	10.4	16.9	11.9	10.7	13.3	6.0	10.6	2.1	9.1	6.6
Missouri	6.5	13.6	6.3	7.0	5.2	3.6	7.3	2.2	6.3	3.6
Montana	9.0	20.9	12.1	13.0	10.9	5.1	8.8	3.8	7.0	5.9
Nebraska	6.1	14.2	7.2	7.0	7.4	2.6	6.5	2.1	5.4	3.0
Nevada	8.6	19.5	8.4	9.1	--	8.8	8.0	2.7	7.6	2.4
New Hampshire	4.1	6.7	3.9	3.6	4.5	0.4	4.3	3.1	4.1	1.4
New Jersey	5.6	9.2	5.7	6.1	5.4	4.8	5.9	3.2	5.3	2.8
New Mexico	9.9	22.2	10.2	11.1	9.2	10.1	10.2	3.2	6.6	5.0
New York	6.5	11.5	7.0	5.7	8.7	5.4	7.5	3.5	5.9	3.3
North Carolina	5.3	7.5	6.4	4.7	7.6	3.0	5.4	1.9	4.1	2.5
North Dakota	6.3	20.9	6.9	--	6.3	4.7	5.3	1.9	3.9	5.4
Ohio	8.6	21.9	8.2	9.0	6.4	7.4	8.7	4.3	7.3	5.5
Oklahoma	7.5	21.8	6.5	6.5	6.5	5.9	7.0	4.2	5.8	3.7
Oregon	9.9	19.0	12.0	10.9	14.3	6.4	9.3	3.5	8.8	4.1
Pennsylvania	7.7	15.3	9.6	9.8	9.3	7.4	7.3	3.0	5.5	4.9
Rhode Island	5.0	10.4	5.7	5.2	6.8	4.1	4.7	2.9	3.8	2.0
South Carolina	6.9	10.1	7.6	7.8	7.6	4.6	5.9	3.9	6.8	2.6
South Dakota	6.0	22.2	10.3	11.0	9.5	3.8	4.9	2.2	3.3	4.5
Tennessee	8.1	15.2	9.4	9.9	9.0	4.3	9.0	2.2	5.0	4.3
Texas	7.3	11.5	7.2	6.9	7.5	4.7	8.6	3.7	6.4	3.1
Utah	6.7	16.5	7.4	7.2	7.5	4.4	5.0	5.1	5.5	2.8
Vermont	5.2	9.1	5.2	5.1	5.6	3.2	4.5	2.2	5.6	3.1
Virginia	5.6	6.7	7.0	6.0	8.1	1.5	6.7	3.1	4.3	2.4
Washington	8.7	18.6	7.4	7.7	6.5	5.5	9.6	3.3	8.2	5.6
West Virginia	14.3	26.9	16.0	20.0	11.5	8.2	11.1	--	11.8	6.1
Wisconsin	7.2	17.4	7.7	7.8	7.6	5.3	6.3	4.1	6.4	4.7
Wyoming	8.6	19.5	10.2	--	--	2.9	7.8	1.8	9.1	2.6

Source: U.S. Bureau of Labor Statistics (BLS), Geographic Profile of Employment and Unemployment, 1985. Published September 1986.

Note: "--" indicates that the labor force base does not meet BLS publication standards for reliability.

1/ Transportation, Communications, and Public Utilities.

2/ Finance, Insurance, and Real Estate.

TABLE 1-2

UNEMPLOYMENT RATE BY STATE
FOR MAJOR OCCUPATIONAL CATEGORIES
1985

	Total	Managerial and Professional Specialty		Technical Sales, and Administrative Support		Service Occupations	Precision Production, Craft, & Repair	Operators, Fabricators, and Laborers			Farming, Forestry, & Fishing	
		Executive Administrative, & Managerial	Professional Specialty	Technicians & Related Support	Sales			Administrative Support, including Clerical	Machine Operators, Assemblers, & Inspectors	Transportation & Material Moving		Handlers, Equipment Cleaners, Helpers & Laborers
Alabama	7.7	2.2	1.3	--	7.3	2.8	11.8	10.0	12.8	9.3	16.9	6.5
ALASKA	9.3	3.3	3.1	5.2	5.8	8.8	12.7	11.3	12.9	17.7	22.6	12.5
Alaska's Rank	3rd	7th	4th	5th	15th	1st	2nd	4th	11th	1st	3rd	4th
Arizona	6.1	3.3	2.0	4.2	5.4	5.9	7.8	5.0	11.6	5.2	11.2	20.9
Arkansas	7.3	1.7	2.0	--	4.2	6.6	11.5	6.8	11.1	5.3	15.7	9.9
California	6.4	3.1	2.7	3.4	5.5	5.1	7.8	7.8	12.2	8.5	16.3	15.6
Colorado	5.4	2.3	1.6	3.3	4.3	5.6	7.9	6.5	9.3	7.7	16.1	--
Connecticut	4.3	1.9	2.2	5.2	2.2	4.4	5.5	5.2	6.7	6.0	13.6	--
Delaware	4.5	2.3	1.3	4.6	5.6	2.9	6.1	3.3	7.7	8.4	7.8	--
D.C.	7.4	1.7	2.4	4.6	12.0	6.5	10.4	10.5	--	9.8	21.8	--
Florida	5.4	2.0	2.2	3.1	5.0	4.5	8.2	5.5	9.9	7.0	8.6	9.2
Georgia	5.5	1.6	2.0	4.2	3.8	5.0	10.5	3.8	8.5	2.5	8.7	9.4
Hawaii	4.8	1.5	2.0	1.9	5.1	5.1	5.9	5.9	7.8	7.5	7.7	4.7
Idaho	7.4	3.7	2.1	6.1	6.1	4.1	8.8	9.8	12.9	11.8	15.2	8.0
Illinois	7.9	3.3	2.5	4.8	6.8	5.4	11.9	8.2	14.4	12.4	17.0	6.6
Indiana	7.0	3.0	2.5	2.7	7.3	4.7	10.6	5.9	9.6	10.0	17.6	4.7
Iowa	7.1	3.0	2.7	1.4	6.3	4.7	9.5	7.8	14.3	8.4	20.3	3.3
Kansas	4.6	2.8	1.1	3.4	3.1	4.7	6.2	6.3	5.7	4.0	12.1	2.4
Kentucky	8.2	1.8	1.6	--	6.9	6.2	11.4	10.7	13.6	8.2	14.7	7.1
Louisiana	10.1	3.6	3.4	1.8	8.7	6.2	15.8	14.1	15.8	11.5	19.3	11.1
Maine	5.0	2.1	0.9	--	2.8	3.1	5.2	5.9	9.2	9.8	11.5	7.1
Maryland	4.0	2.3	1.9	0.3	3.3	3.3	6.3	4.0	11.4	5.0	11.4	5.4
Massachusetts	3.5	2.0	1.7	1.7	2.6	3.3	3.8	4.3	5.9	6.0	8.8	7.0
Michigan	8.5	3.5	2.6	3.7	7.1	7.0	12.3	8.3	11.7	12.1	15.8	11.7
Minnesota	5.3	2.7	2.2	2.1	3.9	4.6	5.5	6.8	11.7	8.9	8.8	6.6
Mississippi	9.1	3.2	3.4	--	7.1	5.0	12.3	10.1	14.3	7.1	20.1	10.0
Missouri	5.7	1.8	1.1	3.7	6.1	3.5	8.3	6.3	9.1	7.5	12.1	7.9
Montana	7.1	2.5	3.0	6.6	5.1	6.0	10.6	8.8	14.4	8.8	17.1	6.1
Nebraska	4.8	2.7	2.2	--	4.8	2.8	6.5	7.5	8.2	5.0	11.7	2.3
Nevada	7.4	4.4	4.2	--	4.6	4.2	8.1	14.2	--	10.0	18.3	--
New Hampshire	3.5	1.9	1.9	2.7	3.0	2.7	4.9	2.8	6.0	4.3	7.0	--
New Jersey	4.9	1.7	2.1	2.0	3.6	4.9	6.4	4.6	10.5	8.8	12.3	6.5
New Mexico	7.7	2.4	1.7	2.4	6.8	5.3	10.7	10.4	14.0	12.5	24.5	5.9
New York	5.7	2.4	2.8	3.0	5.2	5.1	7.2	5.7	11.0	8.4	14.0	9.0
North Carolina	4.7	1.5	1.2	3.0	3.3	3.1	6.4	4.7	8.2	4.7	10.8	5.7
North Dakota	5.3	3.2	1.9	4.4	3.1	4.3	6.0	9.1	7.0	11.9	15.1	3.1
Ohio	7.9	3.7	2.6	3.1	5.5	6.0	10.4	9.9	10.8	10.9	18.5	12.8
Oklahoma	6.6	1.8	1.9	3.8	5.0	4.9	8.6	9.6	7.8	10.9	16.4	9.7
Oregon	8.4	4.6	1.7	--	5.4	5.8	11.6	11.2	16.6	11.6	15.6	8.9
Pennsylvania	7.0	2.8	2.5	5.4	5.1	5.0	9.2	8.1	12.3	10.2	16.0	7.8
Rhode Island	4.4	1.9	2.3	0.3	4.2	2.6	3.8	5.4	8.8	5.8	10.9	--
South Carolina	5.8	1.5	1.2	0.6	4.0	3.1	9.1	5.5	10.7	7.5	13.5	7.6
South Dakota	4.6	1.9	1.4	2.2	3.0	3.1	6.0	7.5	11.0	9.5	14.5	2.0
Tennessee	7.0	2.5	1.4	2.3	5.4	4.4	9.5	7.4	13.3	6.3	13.4	6.2
Texas	6.3	2.6	2.2	4.2	5.5	4.9	8.9	6.8	11.0	8.9	13.5	8.0
Utah	5.5	2.0	1.4	2.0	5.0	5.2	6.1	7.6	9.8	7.3	14.8	5.6
Vermont	4.5	1.3	3.2	1.3	2.1	3.1	7.6	3.5	8.2	8.5	12.7	6.8
Virginia	4.7	2.0	1.7	1.0	5.0	3.4	8.3	4.7	11.1	3.2	9.0	4.7
Washington	7.5	3.6	2.7	4.7	6.1	5.6	9.4	9.2	14.1	8.1	18.2	11.4
West Virginia	11.8	3.2	2.3	--	8.6	4.9	13.4	17.3	22.2	17.1	25.2	9.0
Wisconsin	6.3	3.2	2.6	5.3	4.3	4.3	6.8	8.1	10.9	6.7	15.2	6.0
Wyoming	6.7	2.6	2.3	--	4.7	3.8	8.5	9.4	--	7.4	18.0	6.9

Source: U.S. Bureau of Labor Statistics (BLS), Geographic Profile of Employment and Unemployment, 1985.

Published September 1986.

Note: "--" indicates that the labor force base does not meet the BLS publication standards of reliability.

TABLE 1-3

REGULAR UNEEMPLOYMENT INSURANCE BENEFITS PAID BY STATE
(Excludes Supplemental, Federal and Extended Benefits)
1985

	Total Benefits	Interstate Benefits			Total Benefits	Interstate Benefits			
	Amount Paid	Amount Paid	% of Total Rank		Amount Paid	Amount Paid	% of Total Rank		
U.S.	\$14,642,779,059	\$701,059,539	4.8	-					
ALASKA	116,328,341	25,140,283	21.6	1					
Alabama	172,898,551	4,196,216	2.4	49	Montana	54,782,895	2,557,450	4.7	29
Arizona	81,773,649	6,897,056	8.4	7	Nebraska	64,281,894	5,105,791	7.9	9
Arkansas	116,574,190	5,511,263	4.7	27	Nevada	70,189,863	10,602,184	15.1	3
California	1,983,303,609	83,702,610	4.2	32	New Hampshire	17,537,685	1,337,504	7.6	11
Colorado	172,686,237	11,357,803	6.6	19	New Jersey	677,053,844	39,765,002	5.9	23
Connecticut	181,212,828	13,747,398	7.6	12	New Mexico	63,308,330	4,457,279	7.0	17
D.C.	22,261,066	2,835,599	12.7	5	New York	1,217,224,725	55,409,761	4.6	30
Delaware	55,705,225	8,901,993	16.0	2	North Carolina	248,939,685	7,220,134	2.9	45
Florida	253,376,601	15,720,208	6.2	20	North Dakota	46,899,173	3,320,317	7.1	16
Georgia	207,645,233	8,614,941	4.1	33	Ohio	751,311,869	26,411,088	3.5	39
Hawaii	58,673,274	3,965,408	6.8	18	Oklahoma	168,344,850	9,929,843	5.9	22
Idaho	68,682,975	3,058,053	4.5	31	Oregon	255,208,363	20,696,674	8.1	8
Illinois	932,549,824	31,759,697	3.4	41	Pennsylvania	1,103,679,127	34,620,259	3.1	43
Indiana	187,608,819	6,426,050	3.4	40	Rhode Island	79,355,313	3,088,585	3.9	35
Iowa	178,994,810	4,681,434	2.6	47	South Carolina	143,971,813	4,855,800	3.4	42
Kansas	139,744,391	14,715,416	10.5	6	South Dakota	13,806,347	648,085	4.7	28
Kentucky	176,433,281	4,566,210	2.6	48	Tennessee	180,900,153	5,536,802	3.1	44
Louisiana	465,960,502	36,097,266	7.7	10	Texas	667,003,658	48,657,616	7.3	13
Maine	68,267,497	3,827,482	5.6	24	Utah	83,858,165	5,966,499	7.1	15
Maryland	209,920,708	11,274,740	5.4	25	Vermont	31,948,945	1,316,258	4.1	34
Massachusetts	414,527,837	15,725,255	3.8	37	Virginia	142,386,675	10,276,065	7.2	14
Michigan	661,198,505	13,463,979	2.0	50	Washington	412,077,031	20,245,940	4.9	26
Minnesota	322,760,610	9,838,403	3.0	45	West Virginia	151,750,340	5,468,198	3.6	38
Mississippi	102,743,080	3,916,523	3.8	36	Wisconsin	415,330,914	7,223,904	1.7	51
Missouri	196,875,289	11,676,949	5.9	21	Wyoming	32,920,470	4,724,266	14.4	4

Source: Alaska Department of Labor, Research and Analysis

TABLE 1-4

TOTAL EMPLOYMENT AND CONSTRUCTION EMPLOYMENT
(Employment in thousands)
ALASKA 1985

	United States			Alaska		
	Total	Construction		Total	Construction	
	Emp (thous)	Emp (thous)	% of Total	Emp (thous)	Emp (thous)	% of Total
1985--						
January	94,575	4,124	4.4	215.3	14.4	6.7
February	94,799	4,001	4.2	218.7	14.8	6.8
March	96,045	4,180	4.4	221.5	15.6	7.0
April	96,909	4,457	4.6	225.7	16.8	7.4
May	97,830	4,699	4.8	230.7	18.8	8.1
June	98,377	4,837	4.9	237.5	21.2	8.9
July	97,650	4,659	4.8	245.9	22.3	9.1
August	97,924	4,954	5.1	245.7	23.4	9.5
September	98,675	5,022	5.1	242.5	23.5	9.7
October	99,309	5,014	5.0	234.5	20.9	8.9
November	99,527	4,900	4.9	227.4	16.4	7.2
December	99,700	4,707	4.7	223.9	14.5	6.5
Annual Avg	97,610	4,630	4.7	230.8	18.6	8.0

Source: U.S. Department of Labor, Bureau of Labor Statistics,
Employment and Earnings, 1985.

CHAPTER 2. NONRESIDENT WORKERS IN ALASKA, 1985

This chapter contains the best data currently available about the impact of nonresidents on Alaska's economy. The chapter is divided into two major sections: a review of resident and nonresident employee and wage data by industry, area, and the state as a whole, and an analysis of the economic impact of nonresident employment.

RESIDENT AND NONRESIDENT WAGES AND WORKERS

Resident and Nonresident Employees and Earnings

In 1985 \$691 million was paid to 77,000 nonresident workers in Alaska. Nonresidents made up 23 percent of Alaska's employees in 1985, and they earned 12 percent of all wage and salary income (Figure 1-1).

Alaska has a seasonal economy in which wages and employment peak in the summer months. Nonresident employment follows an even more exaggerated seasonal pattern (Figures 2-2 and 2-3). Nearly 45 percent of nonresidents worked in Alaska during only one calendar quarter of 1985. In contrast, 58 percent of residents worked during all four quarters of 1985 (Table 2-1). Consequently, although nonresidents made up only 12-19 percent of Alaska's work force during any single calendar quarter, they comprise 23 percent of all individuals who worked in Alaska in 1985.

FIGURE 2-1

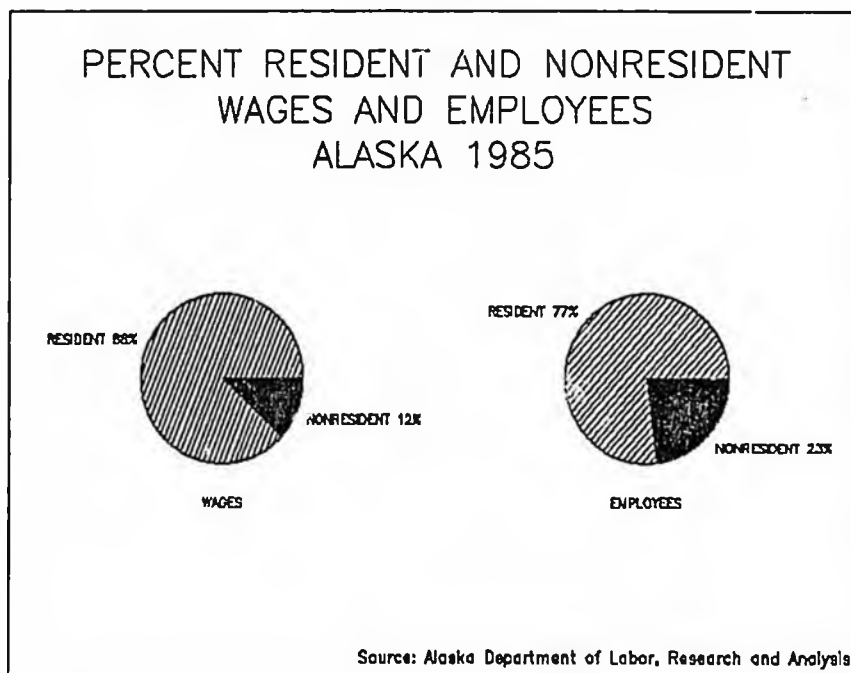


FIGURE 2-2

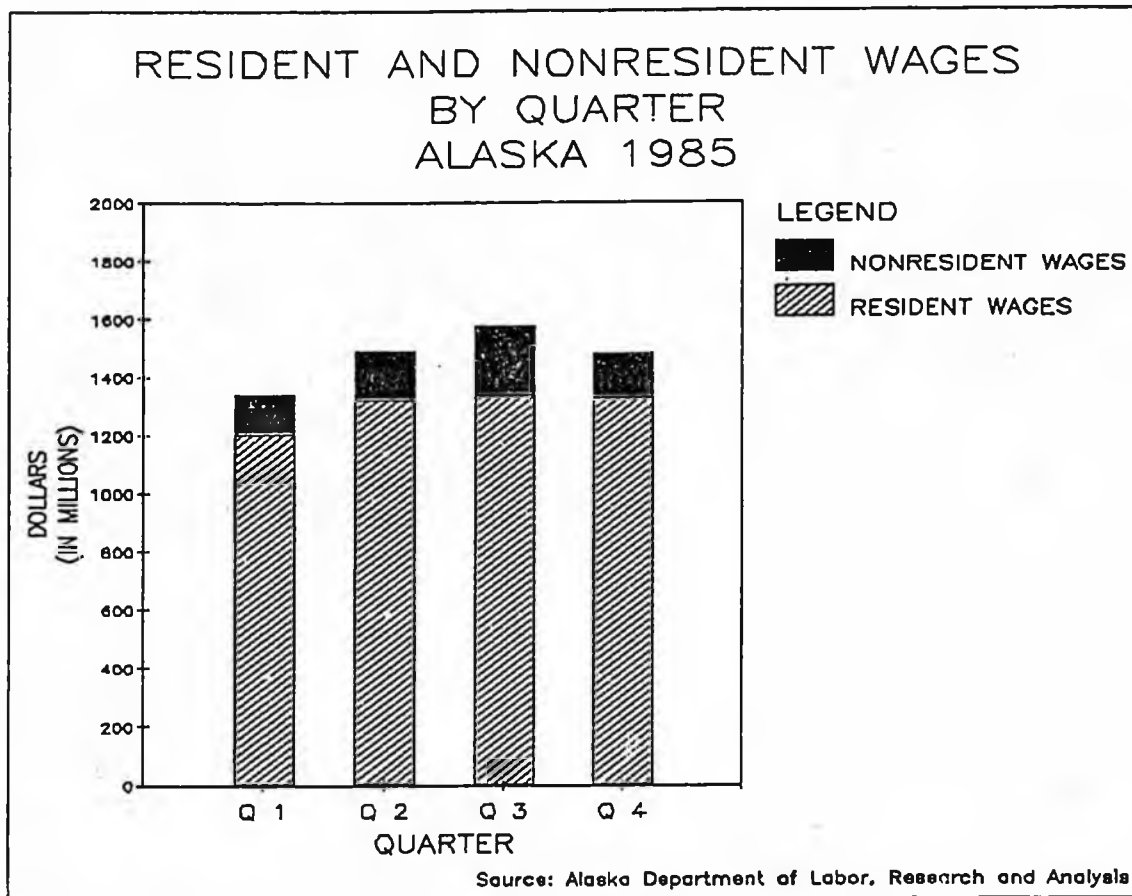


FIGURE 2-3

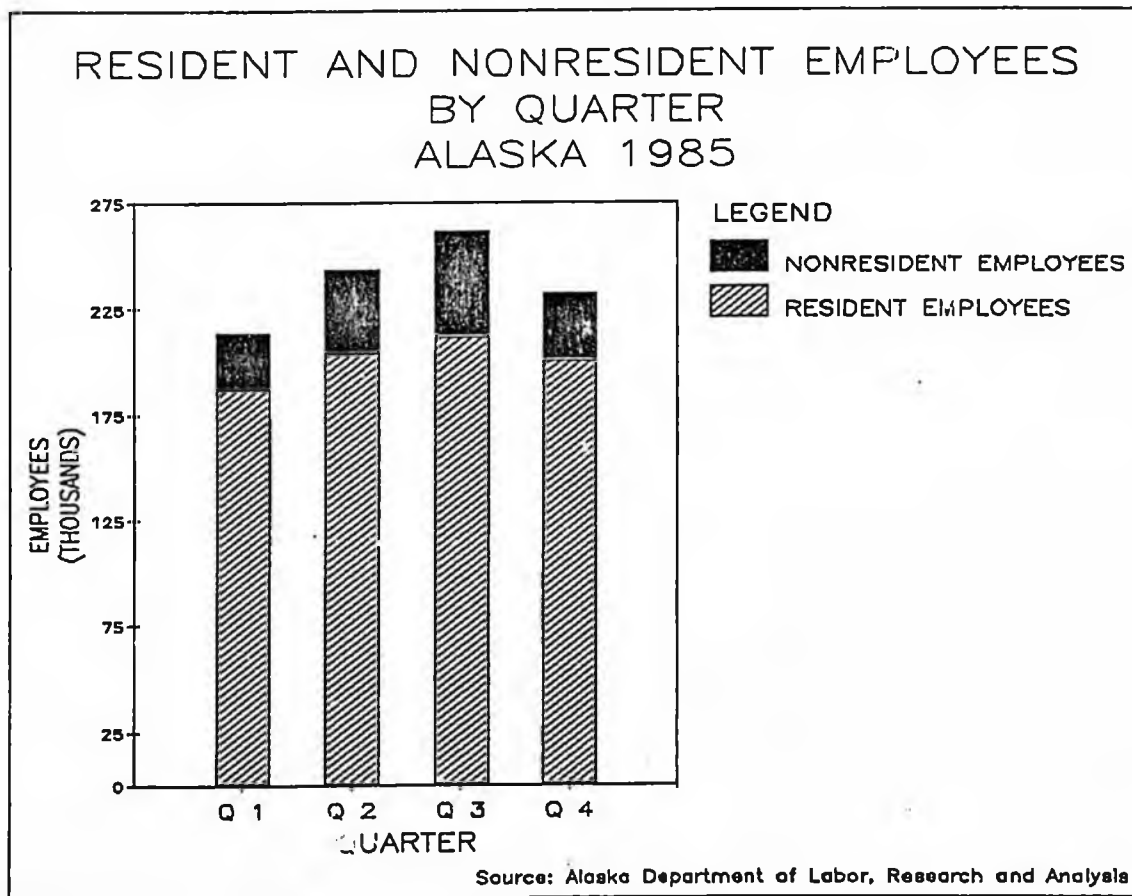


TABLE 2-1

TOTAL QUARTERS WORKED IN ALASKA
DURING 1985

Total Quarters Worked	Percent Resident	Percent Nonresident
1 Quarter	11.0	44.8
2 Quarters	14.9	29.9
3 Quarters	16.4	14.5
4 Quarters	57.6	10.9

Source: Alaska Department of Labor, Research and Analysis

TABLE 2-2

DISTRIBUTION OF QUARTERS WORKED IN ALASKA
DURING 1985

Distribution of Quarters Worked	Percent Resident	Percent Nonresident
1 Quarter Only		
Quarter 1	2.5	10.6
Quarter 2	1.5	7.4
Quarter 3	2.8	17.1
Quarter 4	4.2	9.7
2 Quarters Only		
Quarters 1 & 2	4.2	6.6
Quarters 1 & 3	0.6	0.5
Quarters 1 & 4	0.8	0.3
Quarters 2 & 3	3.0	12.0
Quarters 2 & 4	0.5	0.5
Quarters 3 & 4	5.8	10.0
3 Quarters Only		
Quarters 1,2 & 3	5.8	4.6
Quarters 1,2 & 4	2.0	0.6
Quarters 1,3 & 4	1.6	0.5
Quarters 2,3 & 4	7.0	8.8
4 Quarters Only		
Quarters 1,2,3 & 4	57.6	10.9

Source: Alaska Department of Labor, Research and Analysis

Resident and Nonresident Employees and Earnings by Industry

During 1985 almost \$5.9 billion was paid to wage and salary employees in Alaska, of which approximately 12 percent went to nonresidents. Nearly 330,000 different individuals worked in nonfederal, nonagricultural wage and salary employment in Alaska at some time during 1985; approximately 23 percent of whom were nonresidents.

In terms of total dollars paid to nonresidents during 1985, oil and gas, heavy construction, and food processing (of which 94 percent of the firms are in seafood processing) had the greatest impact (Table 2-3). Construction (all types combined) accounted for 22 percent of all wages paid to nonresidents, oil and gas 15 percent, and food processing 9 percent. Other industries which paid a large amount of wages to nonresidents in 1985 include state and local government, business and miscellaneous services, and eating and drinking places.

Government paid only 4 percent of its total wages to nonresidents, making it the "industry" sector least affected by nonresidents. In private industry, the undercount of residents (as discussed in the limitations) is believed to be offset by the number of self-employed nonresidents. This is not the case with government employment; as result, the number of nonresident workers in government may be lower than the published estimates.

Eight of the top ten industries in terms of percentage of their total wages paid to nonresidents were too small to individually account for even 2 percent of the total wages paid to nonresidents in 1985. The two which remained were food processing, which paid 55 percent of their wages to nonresidents and accounted for 9 percent of all wages paid to nonresidents, and heavy construction, which paid 27 percent of their wages to nonresidents and accounted for 11 percent of wages paid to nonresidents.

In terms of total nonresidents employed in 1985, food processing, eating and drinking places, and construction (all types combined) had the greatest impact (Table 2-5). Food processing accounts for 18 percent of all nonresidents employed, construction 14 percent, and eating and drinking places 11 percent. Other industries which employed large numbers of nonresidents included business services, oil and gas, local government, hotels, and food stores. Government again turns out to be the "industry" sector with the least nonresident employees on a percentage basis, at 8 percent.

Again, eight of the top ten industries in terms of their percentage of nonresident employees were too small to account for even 2 percent of the total nonresidents employed in 1985. The two which remained were food processing, which employed 68 percent nonresidents and accounted for 18 percent of all nonresidents employed, and eating and drinking places, which employed 33 percent nonresidents and accounted for 11 percent of all nonresidents employed.

Seafood harvesting employment is not included in the wage and employee data in this report; however, the most recent estimates by the Alaska Department of Labor indicate that 20.5 percent of all seafood harvesting employment in 1983 was nonresident. The 1983 estimate of average monthly nonresident seafood harvesting employment is 1,629.

The average annual earnings per worker for nonresidents in all industries were only 43 percent of that received by resident workers (Appendix Table A-5). Nonresidents often work in the seasonal construction and food processing industries, and generally work in Alaska for a much shorter portion of the year than residents do. This accounts, at least in part, for the significantly lower average annual earnings of nonresidents; however, nonresidents also receive less average wages per quarter than residents (Appendix Tables A-4 and A-8). This indicates either a shorter job tenure or lower wages than residents.

TABLE 2-3

TEN INDUSTRIES WITH THE
HIGHEST WAGES PAID TO NONRESIDENTS
ALASKA 1985

Standard Industrial Classification (SIC)	Nonresident	
	Wages (thous)	Rank
Oil and Gas	\$106,646	1
Heavy Construction	74,009	2
Food Processing	61,964	3
Special Trades Construction	41,574	4
Building Construction	34,146	5
Business Services	33,222	6
Local Government	31,747	7
State Government	28,217	8
Eating and Drinking Places	27,111	9
Miscellaneous Services	23,410	10

Source: Alaska Department of Labor, Research and Analysis

TABLE 2-4

TEN INDUSTRIES WITH OVER \$1 MILLION IN WAGES
AND THE HIGHEST PERCENTAGE OF WAGES PAID TO NONRESIDENTS
ALASKA 1985

Standard Industrial Classification (SIC)	Resident	Nonresident		
	Wages (thous)	Wages (thous)	% of Total	Rank
Food Processing	\$50,462	\$61,964	55	1
Fishing, Hunting, Trapping 1/	4,069	2,175	35	2
Nonclassifiable 2/	11,082	4,702	30	3
Metal Mining 1/	12,621	5,046	29	4
Logging	28,916	10,898	27	5
Nonmetal/Nonfuel Mining	x	x	27	6
Heavy Construction	199,691	74,009	27	7
Miscellaneous Repair	15,408	5,140	25	8
Water Transportation	37,733	10,401	22	9
Transportation Equip Mfg	2,217	605	21	10

Source: Alaska Department of Labor, Research and Analysis

Note: "x" indicates that information is nondisclosable.

Note: Industry rank in this table may be slightly different from ranks listed in Table 2-7. Table 2-7 ranks all industries, while Table 2-4 includes only industries with over \$1 million in wages.

1/ Data include only nonagricultural wage and salary employees covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

2/ Not classified in any other industry.

TABLE 2-5

TEN INDUSTRIES WITH THE HIGHEST
NUMBER OF NONRESIDENT EMPLOYEES
ALASKA 1985

Standard Industrial Classification (SIC)	Nonresidents	
	Number of Employees	Rank
Food Processing	13,512	1
Eating and Drinking Places	8,838	2
Special Trades Construction	4,215	3
Business Services	3,926	4
Oil and Gas	3,679	5
Building Construction	3,464	6
Local Government	3,395	7
Heavy Construction	3,370	8
Hotels	2,427	9
Food Stores	2,227	10

Source: Alaska Department of Labor, Research
and Analysis

TABLE 2-6

TEN INDUSTRIES WITH OVER 200 EMPLOYEES
AND THE HIGHEST PERCENTAGE OF NONRESIDENT EMPLOYEES
ALASKA 1985

Standard Industrial Classification (SIC)	Resident	Nonresident		Rank
	Number of Employees	Number of Employees	% of Total	
Food Processing	6,431	13,512	68	1
Fishing, Hunting, Trapping 1/	348	285	45	2
Logging	1,296	864	40	3
Metal Mining 1/	511	326	39	4
Nonclassifiable 2/	1,119	608	35	5
Nonmetal/Nonfuel Mining	x	x	35	6
Transportation Equip Mfg	146	77	35	7
Eating and Drinking Places	17,793	8,838	33	8
Recreation Services	1,566	773	33	9
Motion Pictures	375	178	32	10

Source: Alaska Department of Labor, Research and Analysis

Note: x indicates that information is nondisclosable.

Note: Industry rank in this table may be slightly different
from ranks listed in Table 2-7. Table 2-7 ranks all industries,
while Table 2-6 includes only industries with over 200
employees.

1/ Data include only nonagricultural wage and salary employees covered
by unemployment insurance. Consequently, data provided for this
industry may not be representative of the industry as a whole.

2/ Not classified in any other industry.

TABLE 2-7
 ALL 76 INDUSTRIES RANKED
 BY NONRESIDENT WAGES AND EMPLOYEES
 ALASKA 1985

Standard Industrial Classification (SIC)	Rank Based on			
	Nonresident Wages		Nonresident Employees	
	Amount Paid to Nonres Rank	Wages Paid to Nonres as a % of Total Rank	Number of Nonres Employees Rank	Nonresident Employees as a % of Total Rank
State Government	8	69	11	74
Local Government	7	70	7	73
Agriculture 1/				
Crops	62	20	56	17
Livestock	63	17	61	24
Agricultural Services	52	18	46	14
Forestry	60	39	63	41
Fishing/Hunting/Trapping 1/	42	3	43	3
Mining				
Metal 1/	25	5	41	5
Coal	53	29	66	62
Oil & Gas	1	16	5	25
Nonmetal/Nonfuel	49	8	52	8
Construction				
Building	5	13	6	15
Heavy	2	9	8	13
Special Trades	4	22	3	22
Manufacturing				
Food	3	2	1	2
Textiles	73	72	73	65
Apparel	65	32	64	26
Lumber/Wood	48	26	49	27
Logging	15	7	22	4
Furniture	68	36	67	55
Paper	38	40	45	45
Printing	39	61	34	52
Chemicals	71	51	71	23
Petro Refining	67	73	69	76
Rubber/Miscellaneous	64	44	62	28
Leather	75	1	76	1
Concrete	50	46	53	53
Primary Metals	69	42	68	30
Fabricated Metals	57	37	57	44
Machinery	58	49	65	50
Electrical Machinery	76	76	74	75
Transportation Equipment	56	12	55	9
Measuring	70	31	72	16
Miscellaneous	61	30	60	32
Trans., Comm., & Pub. Utilities				
Local Transit	41	21	35	29
Motor Freight	16	27	24	34
Water Transportation	17	11	26	18
Air Transportation	11	24	12	38
Pipelines	32	62	54	72
Transportation Services	44	43	42	48
Communications	12	34	20	54
Utilities	26	65	44	67
Wholesale Trade				
Durable	14	56	19	60
Nondurable	21	58	21	49

TABLE 2-7 (Continued)

ALL 76 INDUSTRIES RANKED
BY NONRESIDENT WAGES AND EMPLOYEES
ALASKA 1985

Standard Industrial Classification (SIC)	Rank Based on			
	Nonresident Wages		Nonresident Employees	
	Amount Paid to Nonres	Wages Paid to Nonres as a % of Total	Number of Nonres Employees	Nonresident Employees as a % of Total
	Rank	Rank	Rank	Rank

Retail Trade				
Hardware	33	54	33	51
General Merchandise	23	48	15	47
Food Stores	19	55	10	35
Auto/Service Station	20	47	17	43
Apparel	47	38	27	31
Furniture	45	52	36	39
Eating/Drinking	9	19	2	10
Miscellaneous Retail	22	50	13	46
Finance, Ins., & Real Estate				
Banking	28	68	32	71
Credit Agencies	37	59	37	59
Brokers	55	66	59	66
Insurance	54	71	51	68
Insurance Agents	46	67	48	64
Real Estate	34	41	29	40
Combined Insurance	74	75	75	69
Investment Company	35	53	39	61
Services				
Hotels	18	25	9	19
Personal Services	43	45	28	37
Business Services	6	15	4	21
Auto Repair	30	28	31	33
Miscellaneous Repair	24	10	40	20
Motion Pictures	59	33	50	12
Recreation Services	40	14	23	11
Health Services	13	63	14	63
Legal Services	31	57	38	57
Private Education	51	35	47	36
Social Services	29	60	18	56
Museums	72	74	70	70
Membership Organizations	36	64	25	58
Private Households	66	6	58	6
Miscellaneous Services	10	23	16	42
Nonclassifiable 2/	27	4	30	7

Source: Alaska Department of Labor, Research and Analysis Section

Note: Industry rankings listed in this table may be slightly different from ranks listed in Tables 2-4 and 2-6. Table 2-7 ranks all industries, while Tables 2-4 and 2-6 include only those industries with over \$1 million in wages (Table 2-4) or over 200 employees (Table 2-6).

1/ Data includes only nonagricultural wage and salary employees covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

2/ Not classified in any other industry.

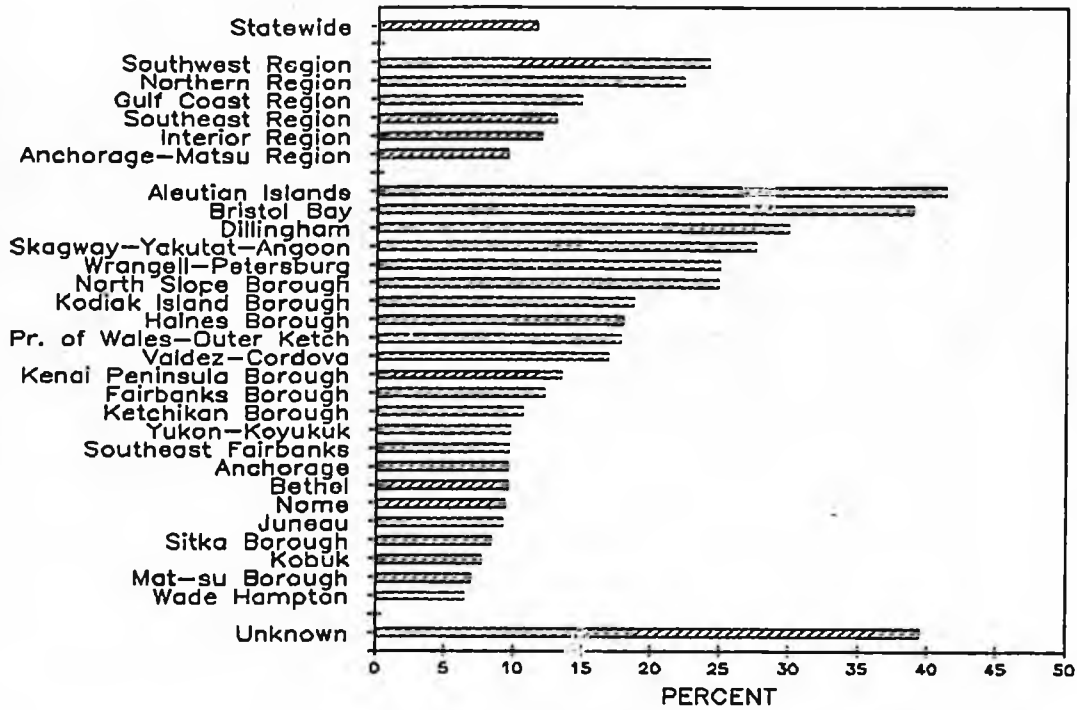
Resident and Nonresident Employees and Earnings by Geographic Zone

The five census areas with the highest percentage of wages paid to nonresidents in 1985 were: the Aleutian Islands (41 percent), Bristol Bay Borough (39 percent), Dillingham (30 percent), Skagway-Yakutat-Angoon (28 percent), and Wrangell-Petersburg (25 percent) (Figure 2-4). Most of the wages paid to nonresidents in these areas were paid to workers in the manufacturing (seafood processing) industry (Appendix Tables A-31, A-32, A-34, A-36, A-37). The North Slope Borough had the sixth highest percent of wages paid to nonresidents (25 percent), with the majority of those wages going to workers in the construction and mining industries (Appendix Table A-24). Anchorage, Fairbanks, and the North Slope Borough lead the state in total wages paid to nonresidents, with 40 percent, 16 percent, and 10 percent respectively of all wages paid to nonresidents in 1985 (Appendix Table A-5).

Those same five census areas also had the highest percentage of nonresident employees; the Aleutian Islands, 61 percent; Bristol Bay Borough, 59 percent; Dillingham, 46 percent; Skagway-Yakutat-Angoon, 43 percent; and Wrangell-Petersburg, 43 percent (Figure 2-5). Most of the nonresident employees in those areas also worked in the manufacturing (seafood processing) industry. The North Slope, however, slipped to ninth place behind Kodiak Island Borough, Valdez-Cordova, and Haines Borough, three other census areas with a high percentage of nonresident employees due to the food processing industry. This time Anchorage, Fairbanks, and the Kenai Peninsula Borough lead the state in the total number of nonresident employees, with 41 percent, 10 percent, and six percent respectively of all nonresident employees in Alaska during 1985.

FIGURE 2-4

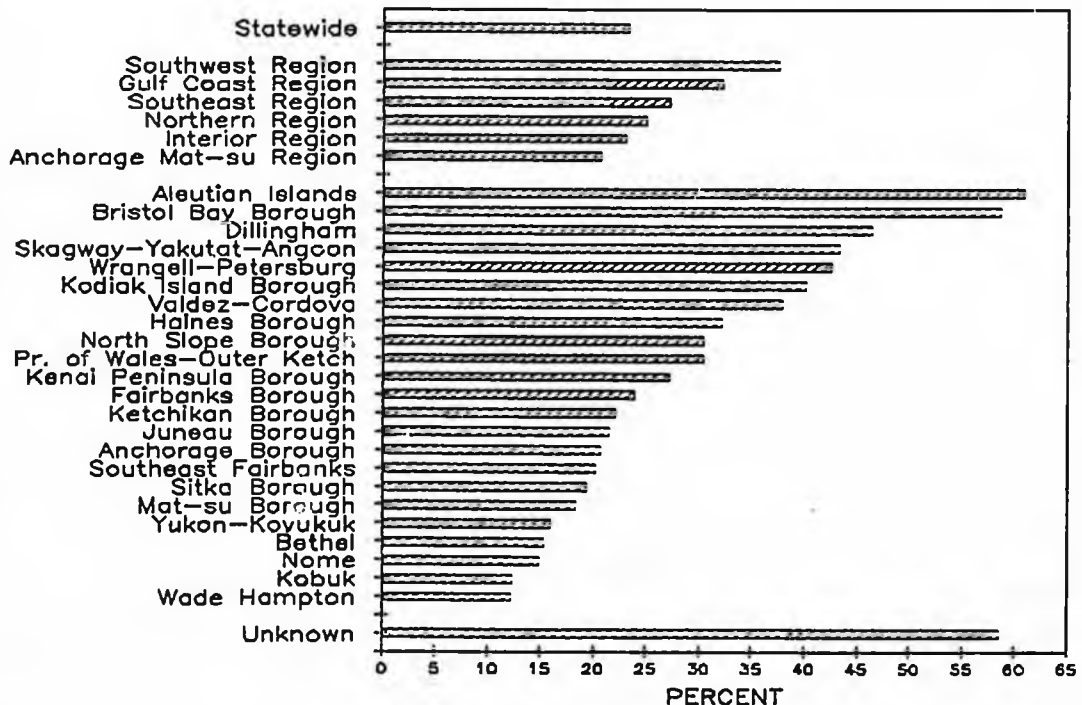
% OF TOTAL WAGES PAID TO NONRESIDENTS
BY GEOGRAPHIC ZONE, 1985



Source: Alaska Department of Labor, Research and Analysis

FIGURE 2-5

% OF EMPLOYEES WHO WERE NONRESIDENTS
BY GEOGRAPHIC ZONE, 1985

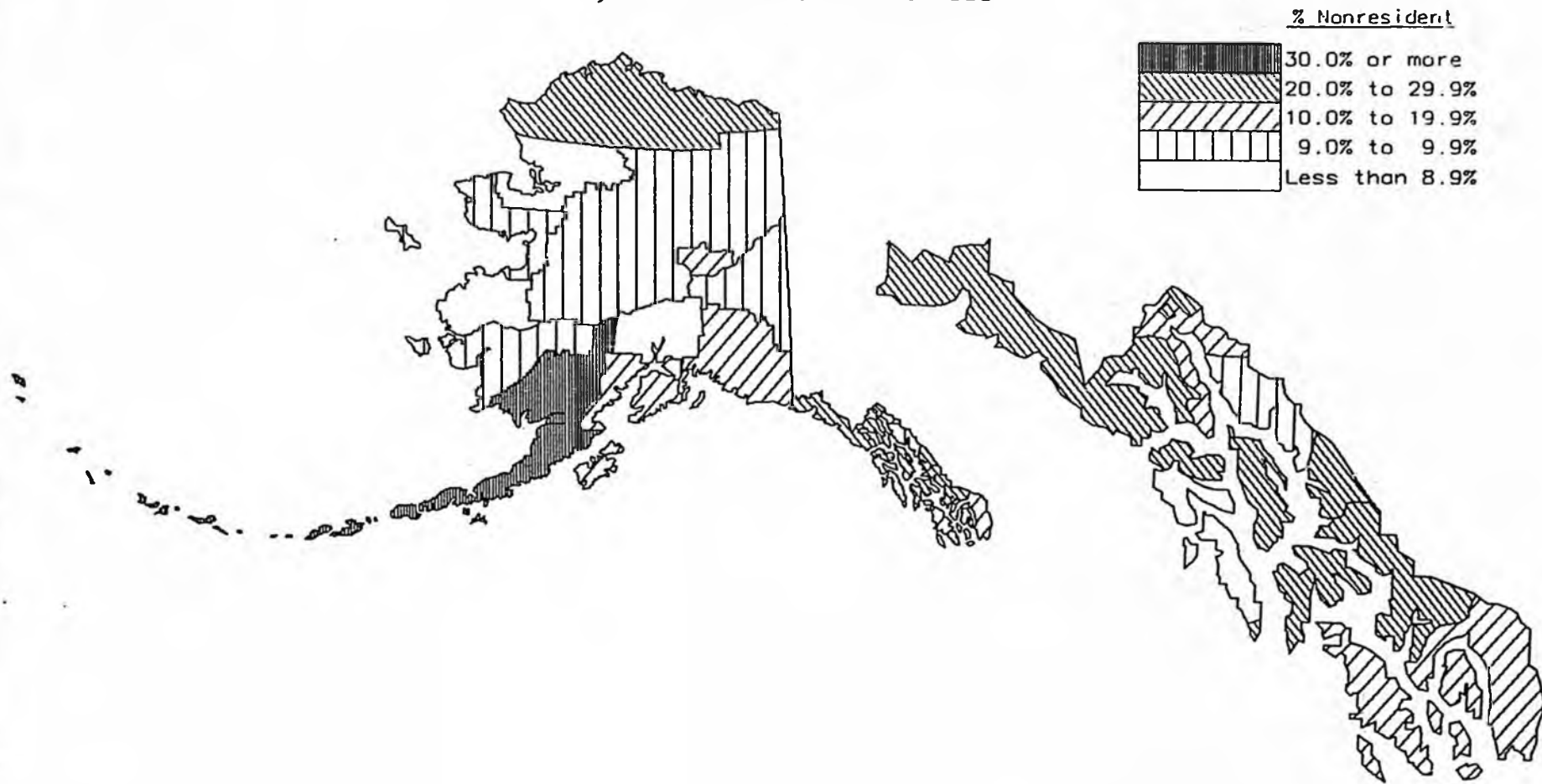


Source: Alaska Department of Labor, Research and Analysis

FIGURE 2-6

% OF TOTAL WAGES PAID TO NONRESIDENTS

By Census Area, Alaska 1985



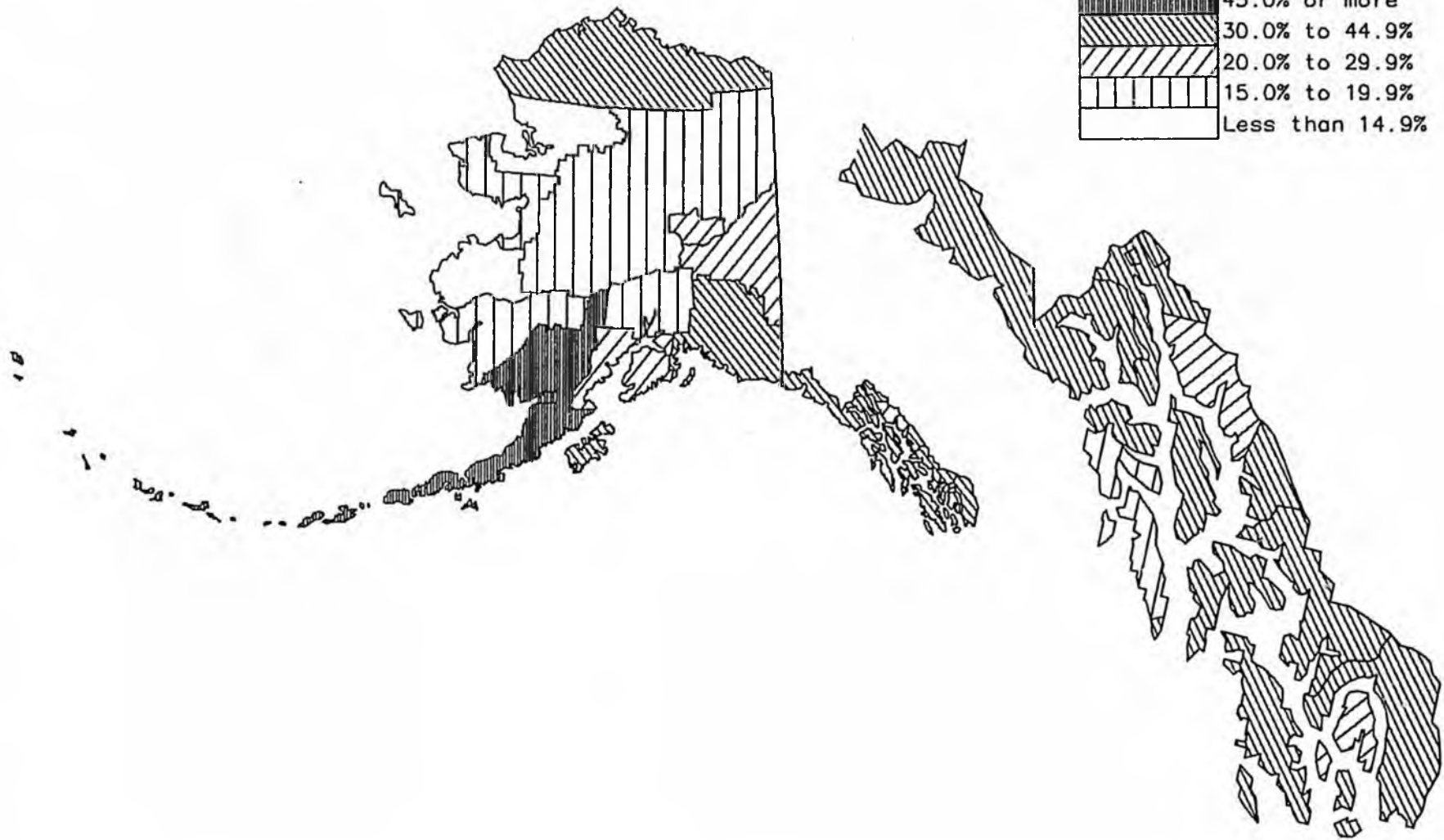
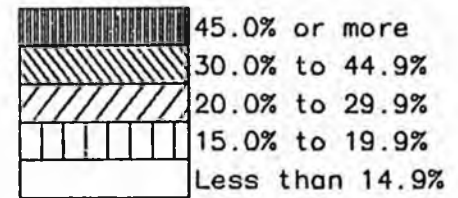
Source: Alaska Department of Labor, Research and Analysis.

FIGURE 2-7

% OF EMPLOYEES WHO WERE NONRESIDENTS

By Census Area, Alaska 1985

% Nonresident



Source: Alaska Department of Labor, Research and Analysis.

TABLE 2-8

SIX REGIONS AND 23 CENSUS AREAS RANKED
BY NONRESIDENT WAGES AND EMPLOYEES
1985

Region	Rank Based on			
	Nonresident Wages		Nonresident Employees	
	Amount Paid to Nonres Rank	Wages Paid to Nonres as a % of Total Rank	Number of Nonres Employees Rank	Nonresident Employees as a % of Total Rank

Anchorage-MatSu	1	6	1	6
Gulf Coast	5	3	2	2
Interior	3	5	4	5
Northern	2	2	6	4
Southeast	4	4	3	3
Southwest	6	1	5	1

Census Area by Region				

Anchorage-MatSu Region				
Anchorage Borough	1	17	1	15
MatSu Borough	12	22	12	18
Gulf Coast Region				
Kenai Peninsula Borough	4	11	3	11
Kodiak Island Borough	7	7	5	6
Valdez-Cordova	11	10	10	7
			31	
Interior Region				
Fairbanks North Star Borough	3	12	2	12
Southeast Fairbanks	22	14	22	16
Yukon-Koyukuk	18	15	18	19
Northern Region				
Kobuk	2	21	21	22
Nome	21	8	19	21
North Slope Borough	19	6	4	9
Southeast Region				
Haines Borough	20	9	20	8
Juneau Borough	6	19	7	14
Ketchikan Gateway Borough	8	13	11	13
Prince of Wales Outer Ketchikan	16	8	16	10
Sitka Borough	17	20	17	17
Skagway-Yakutat-Angoon	15	4	14	4
Wrangell-Petersburg	9	5	8	5
Southwest Region				
Aleutian Islands	5	1	6	1
Bethel	14	16	15	20
Bristol Bay Borough	13	2	13	2
Dillingham	10	3	9	3
Wade Hampton	23	23	23	23

Source: Alaska Department of Labor, Research and Analysis

Displacement of Resident Workers

Nonresidents made up 23 percent of Alaska's employees in 1985 and earned 12 percent of all wage and salary income. Some evidence has been compiled which suggests that on a statewide basis for many occupations, there were qualified Alaskans available for many of the positions taken by nonresident workers in 1985. It is beyond the capabilities of the data currently available, however, to definitively estimate the number of qualified residents available for work in a particular geographic area of the state at a particular time.

During 1985, the estimated number of unemployed Alaskans available for work never fell below 20,500 individuals in any given month (Figure 2-9). At the same time, the number of nonresidents employed during any calendar quarter never fell much below 26,000.

<u>Quarters of 1985</u>	<u>Number of Nonresidents Working in Alaska</u>
January-March	25,977
April-June	39,120
July-September	49,503
October-December	31,790

At any given time, however, fewer nonresidents would have been working because of movement in and out of the labor market. The number of nonresidents working at any given time is estimated to be approximately two-thirds of the total number of individuals who worked during the quarter. Consequently, the (estimated) number of unemployed residents never fell below 20,500 during any given month, while the (estimated) number of employed nonresidents never fell below 17,000 during any given month. Tables 2-9 and 2-10 and Figures 2-8 and 2-9 illustrate the number and rate of all unemployed Alaska workers.

In addition to the unemployment insurance data base, two other sources of information about the available supply of workers are the Alaska Department of Labor Job Service applicant data base and a union out-of-work survey conducted by the department on a monthly basis. Job Service applicants include some of those collecting unemployment insurance, new residents (and nonresidents), new entrants to the labor force with no job experience and re-entrants to the labor force. The Job Service applicant figures are a point-in-time count of the number of active applicants available for work at the end of the given month. These figures do not reflect the number of individual applicants served by Job Service; however, this information is available upon request. In addition, there are individuals identified as active applicants who actually may not have been available for work at the time the statistics were generated (Table 2-11). The union out-of-work survey provides information on the employment status of union members who do not generally register with Job Service (Table 2-12 and Figure 2-10). ^{1/}

^{1/} The union out-of-work survey does not collect social security numbers that can be compared with other data bases, so it is impossible to know if the individuals identified as out-of-work worked for some employer during the relevant time period. In addition, it is not possible to determine the number of out-of-work union members that are not residents of Alaska.

The following analysis of displacement of residents by nonresidents is focused on those occupations associated with the construction industry. Estimates were prepared for the industry because of the focus of the current resident hire law on public funded construction. Available data are not sufficient to prepare estimates of other occupations. Analysis of displacement in other occupations will be more comprehensively addressed when occupational information provided by employers has been collected and analyzed.

Table 2-13 shows the estimated number of nonresidents employed in selected construction occupations during each calendar quarter of 1985 compared with the number of Alaska residents experienced in that occupation but unemployed and collecting unemployment insurance during that same quarter. Although the figures tend to overstate the number of nonresidents working and the number of residents available for work at any given time, the figures also understate the total number of Alaska residents available for work since many unemployed residents do not qualify for unemployment insurance.

The data provide a general indicator of the number of Alaskans displaced by nonresident workers in construction occupations. Even during the third calendar quarter of 1985 there were several thousand Alaskans receiving unemployment insurance compensation who may have been qualified to fill the several thousand positions occupied by nonresidents. Many of the occupations filled by nonresidents are not highly skilled or technical occupations but are occupations that can be filled by unemployed Alaskans residing in the state.

TABLE 2-9
CIVILIAN LABOR FORCE, EMPLOYMENT,
UNEMPLOYMENT AND UNEMPLOYMENT RATE BY MONTH
ALASKA (JAN 1985 - OCT 1986)

	Civilian Labor Force	Employment	Unemployment	Unemployment Rate

1985				
January	240,434	213,570	26,864	11.2%
February	246,101	219,508	26,593	10.8%
March	251,034	225,327	25,707	10.2%
April	253,685	228,224	25,461	10.0%
May	255,716	232,194	23,522	9.2%
June	260,200	235,513	24,687	9.5%
July	263,841	239,582	24,259	9.2%
August	259,345	236,950	22,395	8.6%
September	253,110	232,429	20,681	8.2%
October	248,452	225,647	22,805	9.2%
November	251,976	228,053	23,923	9.5%
December	247,995	222,767	25,228	10.2%

1986				
January	243,564	215,678	27,886	11.4%
February	247,659	219,164	28,495	11.5%
March	252,274	223,633	28,641	11.4%
April	262,081	232,269	29,812	11.4%
May	264,949	236,642	28,307	10.7%
June	268,577	239,392	29,185	10.9%
July	278,047	248,696	29,351	10.6%
August	273,508	245,655	27,853	10.2%
September	260,023	234,494	25,529	9.8%
October	251,586	224,522	27,064	10.8%

Source: Alaska Department of Labor, Research and Analysis,
in cooperation with the U.S. Department of Labor, Bureau of Labor
Statistics. 1985 Benchmark.

TABLE 2-10

UNEMPLOYMENT RATE BY GEOGRAPHIC ZONE
ANNUAL AVERAGE, LOWEST MONTH, HIGHEST MONTH
1985

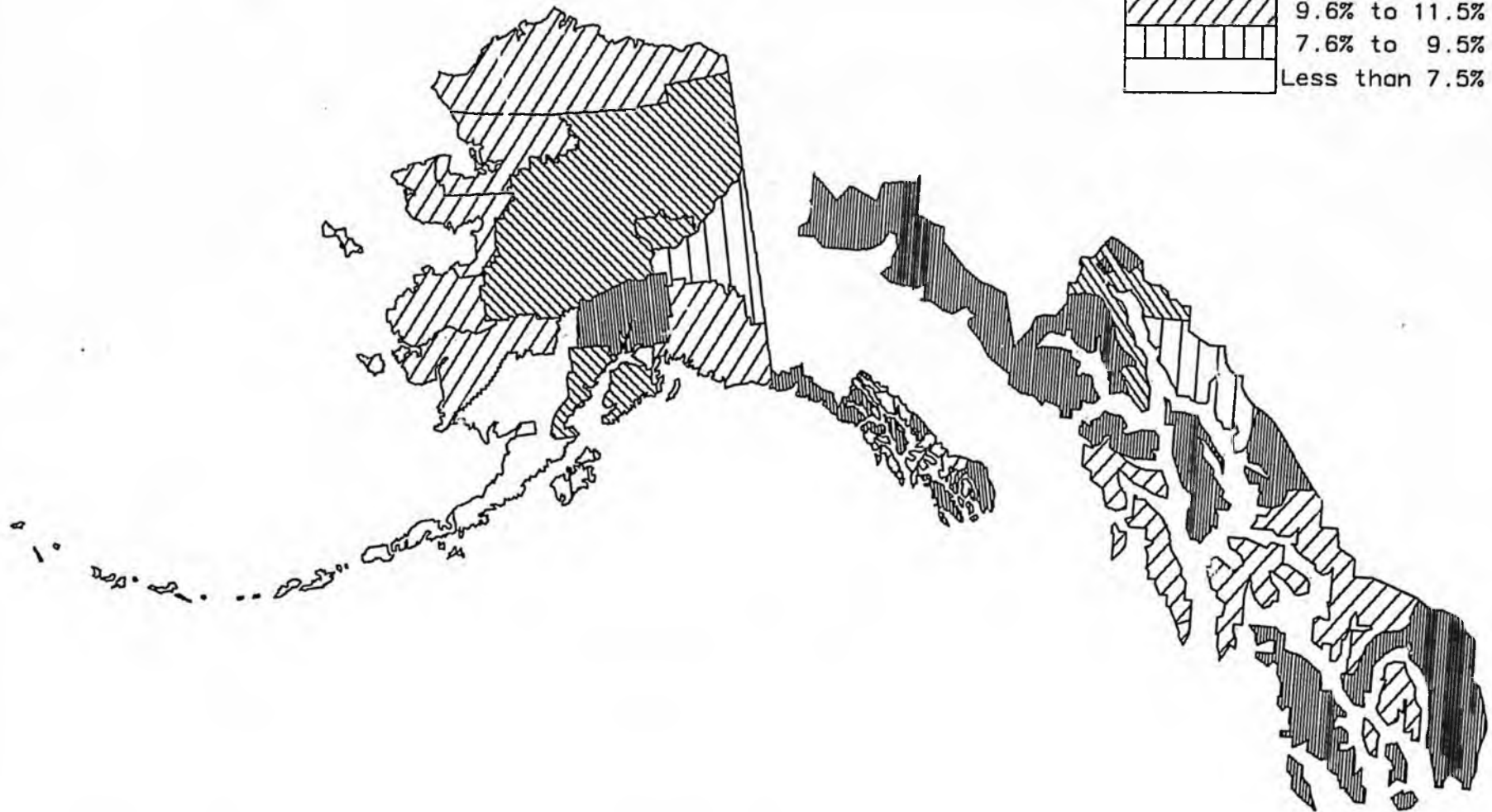
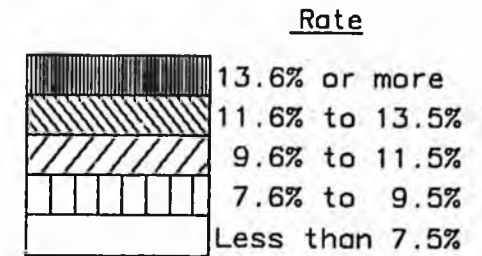
Geographic Zone	Average Annual	Lowest Month		Highest Month	
	Unemp Rate	Month	Unemp Rate	Month	Unemp Rate
Statewide	9.5%	Sep	7.3%	Jan/Feb	11.3%
Anchorage-MatSu Region	8.2%	Sep	6.4%	Feb	9.6%
Anchorage Borough	7.4%	Sep	5.9%	Feb/Mar	8.5%
MatSu Borough	13.8%	Sep	10.3%	Feb	16.7%
Gulf Coast Region	11.8%	Aug	8.2%	Mar	15.7%
Kenai Peninsula Borough	13.4%	Jul/Sep	10.3%	Feb/Apr	17.0%
Kodiak Island Borough	8.4%	Aug	4.0%	Mar	13.6%
Valdez-Cordova	10.2%	Aug	5.4%	Feb	15.4%
Interior Region	12.2%	Sep	8.7%	Jan	15.0%
Fairbanks North Star Borough	12.5%	Sep	9.1%	Jan	15.5%
Southeast Fairbanks	9.3%	Sep	5.5%	Jan	13.3%
Yukon-Koyukuk	11.6%	Sep	8.1%	Mar	13.8%
Northern Region	11.0%	Feb	8.0%	Jun	14.9%
Kobuk	10.9%	Feb	8.1%	Jun	15.3%
Nome	10.7%	Oct	7.9%	Jun	15.0%
North Slope Borough	11.5%	Feb	5.3%	Jul	15.5%
Southeast Region	10.2%	Sep	7.4%	Jan	14.2%
Haines Borough	11.6%	Aug	4.7%	Jan	21.3%
Juneau Borough	8.9%	Sep	6.9%	Jan	10.8%
Ketchikan Gateway Borough	10.0%	Aug	6.1%	Jan	15.3%
Prince of Wales Outer Ketchikan	13.6%	Jun	9.6%	Jan	18.7%
Sitka Borough	9.6%	Jun	7.4%	Aug	11.8%
Skagway-Yakutat-Angoon	13.8%	Sep	5.4%	Feb	23.0%
Wrangell-Petersburg	11.2%	Aug	5.0%	Feb	17.3%
Southwest Region	8.1%	Jul	6.0%	Mar/Apr	10.1%
Aleutian Islands	3.2%	May/Jul	2.5%	Dec	3.8%
Bethel	10.1%	May/Oct	8.4%	Aug	12.0%
Bristol Bay Borough	8.0%	Jul	3.5%	Jan	13.8%
Dillingham	7.5%	Jul	3.4%	Jan	11.2%
Wade Hampton	10.7%	Jul	7.6%	Apr	14.9%

Source: Alaska Department of Labor, Research and Analysis. 1985 Benchmark.

FIGURE 2-8

ALASKA AVERAGE UNEMPLOYMENT RATE

by Census Area 1985



Source: Alaska Department of Labor, Research and Analysis.

FIGURE 2-9

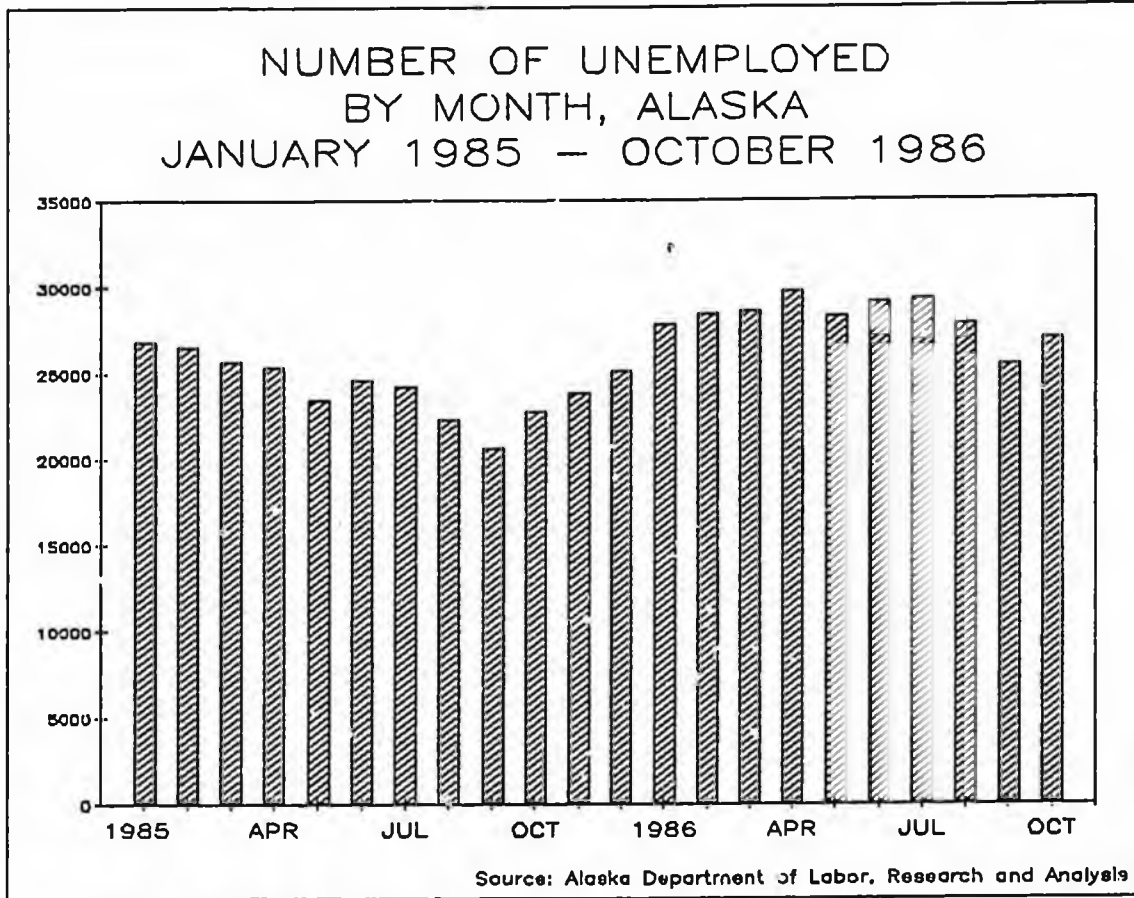


FIGURE 2-10

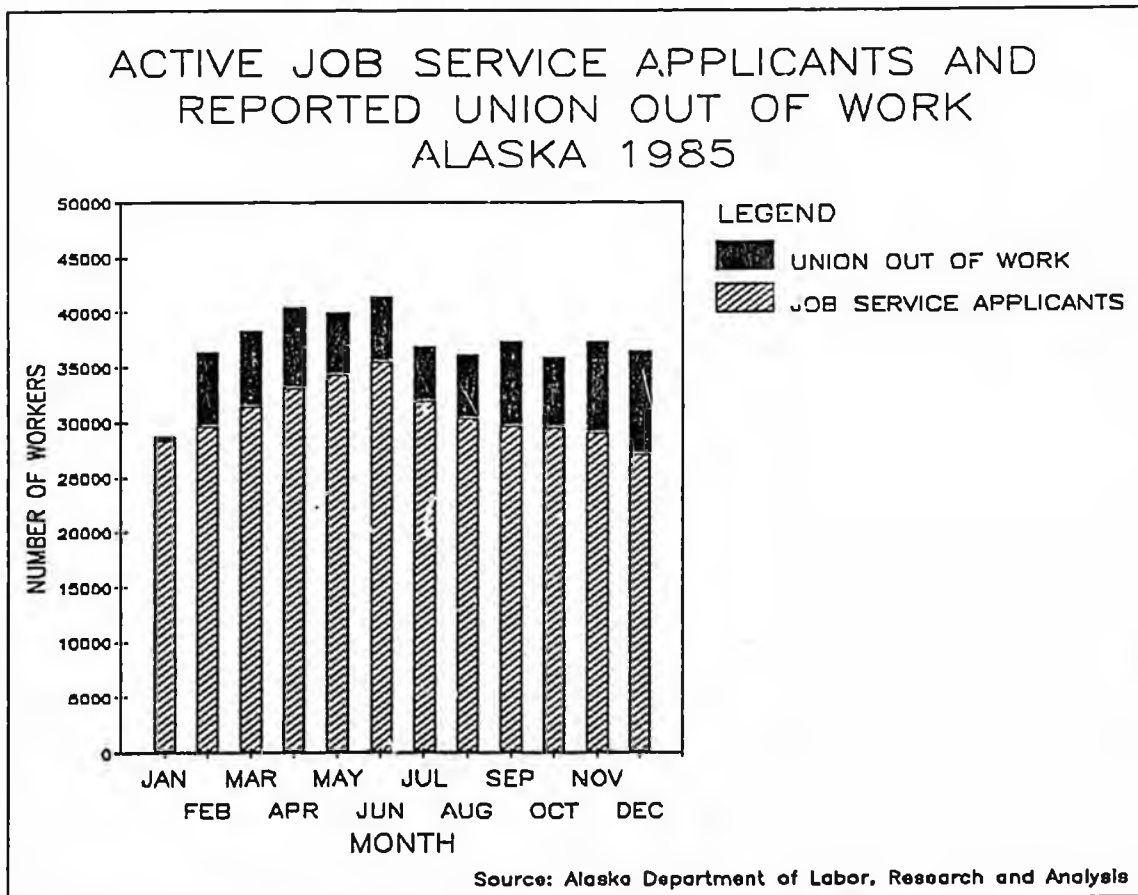


TABLE 2-11

ACTIVE JOB SERVICE APPLICANTS
FOR MAJOR CONSTRUCTION OCCUPATIONS
BY MONTH
ALASKA 1985

Occupation Title (Dictionary of Occ Titles)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Motor Vehicle Mechanic	418	456	477	488	464	473	439	433	410	397	156	388
Engine Mechanic	164	169	177	186	181	175	164	172	157	144	152	149
Misc. Machine Repairers	153	171	180	177	159	160	159	158	138	145	147	130
Mechanics, Other	3	4	3	4	4	5	4	1	0	1	1	1
Sheet Metal Workers	45	49	57	58	59	58	54	56	58	49	45	40
Metal Fabrication, Other	3	3	3	2	3	2	3	3	3	2	1	2
Welders & Related Occup.	224	231	233	227	220	225	222	207	210	221	215	193
Elec. Trans. Install.	6	6	8	9	10	10	5	5	4	5	6	4
Lighting & Wiring Repair	206	227	255	292	293	305	281	251	220	206	193	177
Elec. Equip. Install	2	2	3	3	2	3	2	4	5	5	5	5
Elec. Fabrication & Repair	57	58	64	72	72	67	62	64	62	60	58	54
Elec. Occupations, Other	15	14	14	14	14	18	19	18	17	18	17	13
Construction Painters	150	164	181	194	188	187	168	155	144	142	133	128
Plasterers	30	30	28	32	32	31	30	26	24	22	22	18
Cement, Concrete Finishers	86	95	105	105	105	100	84	75	69	60	64	63
Excavating, Grading Occup.	64	66	76	79	80	76	66	62	57	46	47	43
Paving & Related Occup.	920	1,000	1,053	1,094	1,047	1,016	929	843	784	733	733	771
Carpenters	1,065	1,227	1,361	1,431	1,389	1,366	1,308	1,195	1,058	994	910	870
Brick, Stone & Tile Setter	29	33	37	42	40	37	26	20	17	14	18	21
Plumbers, Fitters	208	244	264	286	292	294	304	261	247	216	191	188
Asbestos & Insulation	4	3	5	4	4	5	4	3	3	1	1	1
Floor Laying & Finishing	10	10	13	12	17	13	14	18	14	16	13	11
Glaziers	15	16	16	15	14	15	13	13	13	10	13	12
Roofers	54	68	76	75	70	64	63	53	52	42	57	62
Misc. Construction Occup.	2,279	2,457	2,678	2,869	2,951	2,961	2,695	2,470	2,291	2,316	2,198	2,024
Misc. Structural Workers	248	255	273	285	277	269	267	281	283	284	276	269
Heavy Truck Drivers	666	705	754	746	725	705	660	608	548	530	496	481
Light Truck Drivers	112	122	143	143	147	151	133	134	137	136	127	108
Other Transp. Occup.	17	22	22	29	31	39	41	40	33	28	26	23
Misc. Packaging & Handling	316	291	320	330	355	409	328	291	272	265	275	264
Earth Drilling Occup.	34	35	34	30	29	28	26	27	32	34	36	37
Total for the Selected Const Occupations	7,603	8,233	8,513	9,333	9,274	9,267	8,573	7,947	7,362	7,142	6,632	6,550
All Other Occupations	20,849	21,515	22,657	23,868	25,149	26,328	23,468	22,577	22,356	22,506	22,462	20,717
Total	28,452	29,748	31,570	33,201	34,423	35,595	32,041	30,524	29,718	29,648	29,094	27,267

Source: Alaska Department of Labor, Research and Analysis

TABLE 2-12

TOTAL UNION MEMBERS REPORTED OUT OF WORK
BY MONTH AND UNION
ALASKA 1985

Union	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Bricklayers												
Anchorage #1	85	85	80	85	70	30	20	12	14	--	--	--
Carpenters												
Fairbanks #1243	--	390	--	--	--	--	--	--	--	--	--	--
Juneau #2247	--	60	70	25	40	25	40	50	75	75	100	110
Ketchikan #1501	--	60	13	40	61	60	49	50	42	40	45	44
Kodiak #2162	--	27	35	30	--	--	22	31	26	--	18	38
Sitka #466	--	--	--	--	25	--	--	--	--	--	--	--
Construction & Laborers												
Anchorage #341	--	--	--	--	--	--	--	--	--	--	1,275	1,450
Hotel & Restaurant												
Fairbanks #879	--	599	608	605	584	611	544	487	495	532	--	588
Laborers												
Fairbanks #942	--	--	--	1,183	--	1,046	--	1,061	1,061	1,219	1,299	1,240
Operating Engineers												
Anchorage #302	--	1,105	990	982	809	744	734	594	935	1,062	1,046	1,076
Fairbanks	--	--	890	865	724	598	475	450	563	--	977	1,103
Juneau #302	--	383	344	310	298	251	186	102	1,459	297	378	392
Painters												
Fairbanks #1555	--	150	--	--	--	--	135	129	140	136	133	129
Pile Drivers												
Anchorage #2520	200	200	196	184	175	150	140	135	130	--	--	--
Plumbers												
Fairbanks #375	--	152	130	109	138	125	97	69	161	170	217	262
Juneau #262	--	--	--	--	--	--	--	25	--	30	29	23
Roofers												
Anchorage #190	23	21	24	25	25	19	8	16	12	--	--	--
Sheet-metal Workers												
Fairbanks #72	--	100	--	--	--	--	--	--	--	--	--	--
Teamsters												
Anchorage #959	--	3,392	3,477	2,845	2,669	2,196	2,462	2,443	2,584	2,717	2,796	2,819
Total Reported	308	6,724	6,857	7,288	5,618	5,855	4,912	5,654	7,717	6,278	8,313	9,274

Source: Alaska Department of Labor, Research and Analysis

Monthly Union Out-of-Work Survey (Data is provided by the Union on a voluntary basis).

Note: "--" indicates the information is not available.

TABLE 2-13

NONRESIDENTS EMPLOYED AND RESIDENTS AVAILABLE FOR WORK
BY QUARTER IN SELECTED CONSTRUCTION OCCUPATIONS
ALASKA 1985

Occupation Title (Dictionary of Occupational Titles)	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Nonres Emp	Res Unemp	Nonres Emp	Res Unemp	Nonres Emp	Res Unemp	Nonres Emp	Res Unemp
MECHANICS/MACHINE REPAIR								
Motor Vehicle Mechanics	86	538	121	661	140	459	96	687
Engine, Transmission Mechanics	23	162	23	214	29	134	20	229
Misc. Machine Repair	6	126	17	172	36	158	20	157
Other Related Occupations	0	4	0	6	0	5	0	5
METAL FABRICATION								
Fitting, Bolting Occupations	39	173	69	207	125	127	86	168
Sheet Metal	49	85	63	104	73	64	51	123
Other Related Occupations	3	24	5	26	14	17	10	19
WELDERS, CUTTERS & RELATED								
Other Related Occupations	116	268	156	352	169	277	107	342
ELECTRICAL INSTALLING & REPAIR								
Transmission, Distrib. Line Inst. Installation, Repair Transp. Equip.	29	95	34	112	81	31	66	80
Installation, Repair Lg. Appliance	3	9	0	10	0	10	0	10
Other Related Occupations	0	5	0	10	0	9	0	14
Other Related Occupations	16	131	34	163	44	102	40	106
PAINTING, PLASTERING, CEMENTING								
Construction Painters	26	226	40	295	66	181	51	196
Plasterers	16	51	23	87	29	54	10	83
Cement, Concrete Finishers	36	136	81	152	110	60	81	153
EXCAVATING, GRADING, PAVING								
Excavating, Grading	29	229	69	229	66	121	56	235
Paving, Asphalt, & Concrete	3	30	34	30	36	11	25	44
Other Related Occupations	366	1,374	754	1,538	914	788	622	1,719
OTHER CONSTRUCTION OCCUPATIONS								
Carpenters	402	1,951	725	2,348	1,003	1,380	724	1,692
Brick, Stone, & Tile Setters	23	66	40	68	59	32	40	60
Plumbers, Fitters, & Related Occup.	259	485	353	578	435	376	260	505
Asbestos, Insulation	6	23	17	35	29	24	15	20
Floor Laying, Finishing	13	18	11	19	14	17	10	19
Glaziers	16	29	17	31	14	20	10	25
Roofers	23	96	52	122	66	53	45	95
Other Related Occupations	476	3,416	1,061	4,163	1,364	2,576	902	3,370
MOTOR FREIGHT OCCUPATIONS								
Truck Driver, Heavy	96	926	208	1,110	280	623	168	998
Truck Driver, Light	9	146	17	201	22	140	15	165
OTHER TRANSPORTATION OCCUPATIONS								
Other Related Occupations	3	35	5	59	7	50	5	44
PACKAGING & MATERIALS HANDLING								
Hoisting & Conveying	39	244	63	280	81	193	45	343
Other Related Occupations	29	299	58	379	59	254	35	339
MINERAL EXTRACTION OCCUPATIONS								
Earth Boring, Drilling & Related	29	154	58	212	66	170	45	200
TOTAL FOR SELECTED OCCUPATIONS	2,269	11,554	4,208	13,973	5,431	8,525	3,660	12,245
TOTAL NONRESIDENTS WORKING FOR CONSTRUCTION COMPANIES	3,330		5,803		7,378		5,100	

Source: Alaska Department of Labor, Research and Analysis
Unemployment Insurance Claimant Characteristics.

Note: The occupational profile of nonresidents working in construction is derived from those nonresidents who filed an unemployment insurance claim. That profile was then applied to the total nonresident labor pool working in construction during each quarter. Approximately 42.5 percent of all nonresidents working in construction had filed an unemployment insurance claim from which to derive their occupational code.

THE ECONOMIC IMPACT OF NONRESIDENT WORKERS IN ALASKA

Unemployment Insurance Benefit Recipients

During 1985 Alaska paid unemployment insurance benefits to 64,939 different individuals of which 15,474 (23.8 percent) were identified as nonresidents based upon a match with the permanent fund dividend data base. A total of \$134 million dollars in benefits were paid; approximately 23.7 percent went to nonresidents (Table 2-14). Consequently, although nonresidents earned only 12 percent of wages paid in Alaska in 1985, they received nearly 24 percent of all unemployment insurance benefits paid by Alaska during 1985.

Benefits paid to residents went to in-state addresses more than nine out of ten times, while over two-thirds of the benefits paid to nonresidents were sent out of state (Table 2-14). Evidence such as this lends credence to the theory that nonresidents are less likely to spend their income in Alaska than residents.

In 1985 Alaska sent a higher percentage of its regular unemployment insurance benefits out of state (interstate payments) than any other state in the nation. While the national average was 4.8 percent, Alaska sent 21.6 percent out of state-- 4.5 times the national average (Table 1-3). Nearly three quarters of interstate payments went to nonresidents (Table 2-14). Interstate payments during 1985 were sent primarily to western states.

Approximately 29.6 percent of all unemployment insurance benefits paid by Alaska in 1985 went to individuals who worked in construction. While only 14.2 percent of those payments were to individuals who received their benefits outside Alaska, this is the lowest percentage in the last fifteen years (Table 2-15). Most other industries had a higher percentage of out-of-state payments in 1985. For instance, 47.3 percent of payments to food processing workers were sent out of state, as were 34.4 percent of payments to oil and gas extraction workers and 31.3 percent of payments to lumber and wood products manufacturing workers.

The Multiplier Effect

An employment multiplier of approximately 1.6 is often used when describing the overall Alaska economy, meaning that for each new "basic" job a total of 1.6 jobs are created. Of course the average earnings and other characteristics of the "basic" job means that the multiplier will vary by industry. Alaska is typically described as having a "leaky" economy in that most of the goods and many of the services provided in Alaska originated outside of the state economy. This means that money spent and respent by Alaskans has less of an impact on Alaska than it would in a more fully developed economy found in many other states. When individuals purchase food or clothing in stores in Alaska, some of their expenditures go towards the wages of the employees of those stores, but much of the money goes outside of Alaska.

One factor that now appears to be a major consideration when determining the multiplier effects associated with a new job created in our economy is the residency of the worker. More specifically, where is the worker spending wages? Generally, the earnings of individuals create income induced earnings for others as the wages are spent on housing, food, and clothing. If a dollar goes to a nonresident who spends little money in the state, there are few income-induced effects to measure. In addition, without state income or other taxes, the wages paid to the nonresident provide few benefits to the local economy. Government services and unemployment insurance benefits are some of the obvious costs.

Compared to residents, nonresident workers work fewer quarters in Alaska, and receive a much higher percentage of their Alaska unemployment insurance benefits while residing in other states. These facts make it reasonable to assume that they make a

smaller percentage of their purchases in this state relative to their Alaska earnings.^{2/} This would translate to a lower multiplier effect for nonresidents than residents.

Other Economic Impacts

Economic theory suggests that:

- 1) nonresident employees increase the supply of labor;
- 2) the increased supply of labor would hold down wages; and
- 3) depending on product demand and employer responses to their perceived market, lower wages could translate into lower costs of goods and services.

There was no practical way to test these economic theories in relation to resident hire in Alaska.

^{2/} See Fairbanks Construction Industry Work Force Study prepared for the Fairbanks North Star Borough Community Research Center by The McDowell Group, June 1986. This study provides information which supports this conclusion based on the income and expenditure patterns of the construction industry work force in the Fairbanks North Star Borough.

TABLE 2-14

UNEMPLOYMENT INSURANCE BENEFITS PAID
BY RESIDENT STATUS AND TYPE OF PAYMENT
ALASKA 1985

Type of Payment	Amount of Payments		Total
	Residents	Nonresidents	
Intrastate	\$95,069,836	\$10,498,173	\$105,568,009
Interstate	7,493,158	21,443,104	28,936,262
TOTAL	\$102,562,994	\$31,941,277	\$134,504,271

Type of Payment	Percent of Payments		Total
	Residents	Nonresidents	
Intrastate	70.7	7.8	78.5
Interstate	5.6	15.9	21.5
TOTAL	76.3	23.7	100.0

Source: Alaska Department of Labor, Research and Analysis

TABLE 2-15

REGULAR UNEMPLOYMENT INSURANCE BENEFIT PAYMENTS
TO ALL WORKERS AND TO CONSTRUCTION WORKERS
ALASKA 1970-1985

Year	Total			Intrastate			Interstate		
	Total Payments	Construction Payments Amount	% of Total	Total Payments	Construction Payments Amount	% of Total	Total Payments	Construction Payments Amount	% of Total
1970	\$11,181,797	\$4,375,929	39.1	\$10,708,194	\$4,290,306	40.1	\$473,603	\$85,623	18.1
1971	13,322,115	4,921,971	36.9	12,533,228	4,788,340	38.2	788,887	133,631	16.9
1972	16,067,079	6,006,478	37.4	12,662,421	5,157,512	40.7	3,404,658	848,966	24.9
1973	18,441,312	6,752,205	36.6	14,163,575	5,590,444	39.5	4,277,737	1,161,761	27.2
1974	23,256,083	7,541,606	32.4	17,717,471	6,193,842	35.0	5,538,612	1,347,764	24.3
1975	28,958,974	9,492,530	32.8	19,630,928	6,670,313	34.0	9,328,046	2,822,217	30.3
1976	53,556,313	24,408,500	45.6	33,788,115	14,729,321	43.6	19,768,198	9,679,179	49.0
1977	82,410,327	47,338,465	57.4	46,950,583	25,451,510	54.2	35,459,744	21,886,955	61.7
1978	71,474,619	32,869,159	46.0	49,061,941	22,280,693	45.4	22,412,678	10,588,466	47.2
1979	53,624,676	16,733,742	31.2	39,585,898	13,113,636	33.1	14,038,778	3,620,106	25.8
1980	48,983,806	11,949,257	24.4	37,299,401	9,971,666	26.7	11,684,405	1,977,591	16.9
1981	67,262,706	15,190,255	22.6	52,340,435	13,027,762	24.9	14,922,271	2,162,493	14.5
1982	76,574,901	18,311,892	23.9	59,787,390	15,410,958	25.8	16,787,511	2,900,934	17.3
1983	85,391,871	25,143,584	29.4	64,574,011	20,376,987	31.6	20,817,860	4,766,597	22.9
1984	91,818,456	31,535,037	34.3	69,624,286	24,850,295	35.7	22,194,110	6,684,742	30.1
1985	118,447,782	35,001,367	29.6	93,159,832	31,408,045	33.7	25,287,950	3,593,322	14.2

Source: Alaska Department of Labor, Research & Analysis

CHAPTER 3. NONRESIDENT WORKERS IN ALASKA, CHANGES FROM 1984 TO 1985

This chapter compares 1984 and 1985 nonresident employee and wage data by industry, area, and occupation. The data are strikingly similar.

Resident and Nonresident Employees and Earnings

Although the number of nonresident workers increased by over 6,000 from 1984 to 1985, nonresidents constituted the same proportion of total employees during both years (23%, Table 3-2) and almost the same proportion of total wages (13% in 1984, 12% in 1985, Table 3-1). In addition, nonresident employees and earnings showed an almost identical short-term/seasonal trend in both years (Tables 3-1 and 3-2).

Resident and Nonresident Employees and Earnings By Industry

The industries with the highest total wages paid to nonresidents changed little from 1984 to 1985. The top eleven industries in 1984 were still the top eleven industries in 1985, although their rank changed somewhat. Oil and gas, construction, and food processing (of which 94 percent of the firms are in seafood processing) continued to lead the list (Table 3-5).

The industries with the highest number of nonresident employees also changed little from 1984 to 1985. The top ten industries in 1984 remained the top ten industries in 1985, and their ranks changed very little. Food processing, eating and drinking places, and construction (all types combined) continued to lead the list (Table 3-7).

More changes occurred in the percentage tables (Table 3-6 and 3-8) because many of the industries had such a small employment base that even relatively small changes in nonresident wages or nonresident employees resulted in significant percentage changes. Nevertheless, eight of the ten industries which paid the highest percentage of wages to nonresidents in 1984 were also in the top ten in 1985. Those industries were food processing, nonclassifiable, heavy construction, miscellaneous repair, metal mining, fishing/hunting/trapping, nonmetal/nonfuel mining, and logging (Table 3-6). Seven of the ten industries which employed the highest percentage of nonresident employees in 1984 were still in the top ten in 1985. Those industries were food processing, nonclassifiable, metal mining, logging, fishing/hunting/trapping, eating and drinking places, and nonmetal/nonfuel mining (Table 3-8).

Only two industries appeared on all four tables: food processing and heavy construction. However, while food processing maintained its rank relative to other industries, heavy construction dropped significantly from 1984 to 1985.

Resident and Nonresident Employees and Earnings By Geographic Zone

The percentage of wages paid to nonresidents and employees who were nonresidents also changed little for most areas of the state from 1984 to 1985. Most regions did not change more than one percent either way for the percent of wages paid to nonresidents or two percent either way for the percentage of nonresident employees. Even most census areas did not change more than one percent either way for the percent of wages paid to nonresidents or three percent either way for the percentage of nonresident employees (Table 3-10).

The most significant change for any geographic area of the state was in the Haines Borough. Nonresident employees increased from 179 in 1984 to 393 in 1985. Nonresident wages increased from \$1.6 million in 1984 to \$2.9 million in 1985. The percent of employees who were nonresidents increased from 16.9 percent in 1984 to 17.9 percent in 1985. The percent of wages paid to nonresidents increased from 11.5 percent in 1984 to 32.2 percent in 1985. The change was primarily due to a large increase in the number of seasonal nonresident food processing workers. The percentage changes, however, were compounded by a small decrease in the number of residents employed in several industries.

Workers Unemployed in Alaska

From 1984 to 1985 Alaska's annual average unemployment rate declined from 10.1 percent to 9.5 percent. While most regions and census areas also saw a moderate improvement (unemployment rate decline) of .5 to 1.5 percent, the largest improvements came in the Southeast Region (2.3 percent), particularly in the Ketchikan Gateway Borough (5.0 percent) and the Wrangell-Petersburg Census Area (4.7 percent). The only areas of the state where the unemployment rate increased in 1985 were the Anchorage-MatSu Region (.1 percent), the MatSu Borough (1.4 percent), and the North Slope Borough (2.6 percent) (Table 3-12).

Selected Construction Occupations: Employed Nonresidents, Unemployed Residents

From 1984 to 1985 the number of individuals working in construction decreased by 16 percent. Nevertheless, the percentage of nonresident employees increased slightly in 1985. Table 3-13 contrasts the estimated number of nonresidents employed in selected construction occupations with the number of experienced residents available in 1984 and 1985. In almost every occupation the number of available residents significantly outnumbers the number of nonresidents employed. From 1984 to 1985 the number of available residents increased while the number of nonresident workers generally decreased. The quarterly totals show fewer nonresidents working and increased numbers of unemployed residents. In essence, as the construction industry declines, increasing numbers of resident workers become available to fill the decreasing number of slots held by nonresidents.

TABLE 3-1

TOTAL RESIDENT AND NONRESIDENT WAGES
FOR EACH QUARTER AND YEAR
ALASKA 1984 & 1985

	1984			1985		
	Resident	Nonresident	% of Total	Resident	Nonresident	% of Total
	Wages (thous)	Wages (thous)	% of Total	Wages (thous)	Wages (thous)	% of Total
Anytime During the Year	\$4,547,862	\$656,907	12.6	\$5,207,931	\$691,698	11.7
1st Quarter	1,179,066	149,236	11.2	1,205,671	137,094	10.2
2nd Quarter	1,277,718	169,161	11.7	1,324,940	170,319	11.4
3rd Quarter	1,187,843	218,344	15.5	1,342,319	236,533	15.0
4th Quarter	1,166,373	131,417	10.1	1,335,063	147,790	10.0

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-2

TOTAL RESIDENT AND NONRESIDENT EMPLOYEES
FOR EACH QUARTER AND YEAR
ALASKA 1984 & 1985

	1984			1985		
	Resident	Nonresident		Resident	Nonresident	
	Number of Employees	Number of Employees	% of Total	Number of Employees	Number of Employees	% of Total
Anytime During the Year	235,569	69,596	22.8	252,058	77,126	23.4
1st Quarter	165,359	24,337	12.8	188,085	25,977	12.1
2nd Quarter	186,734	35,228	15.9	204,953	39,120	16.0
3rd Quarter	194,420	43,969	18.4	212,155	49,503	18.9
4th Quarter	197,551	28,316	12.5	200,601	31,790	13.7

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-3

TOTAL QUARTERS WORKED IN ALASKA
1984 & 1985

Total Quarters Worked	1984		1985	
	Resident	Nonresident	Resident	Nonresident
One Quarter	14.4%	45.4%	11.0%	44.8%
Two Quarters	16.4%	29.3%	14.9%	29.9%
Three Quarters	15.6%	14.1%	16.4%	14.5%
Four Quarters	53.6%	11.2%	57.6%	10.9%

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-4

DISTRIBUTION OF QUARTERS WORKED IN ALASKA
1984 & 1985

Distribution of Quarters Worked	1984		1985	
	Resident	Nonresident	Resident	Nonresident
1 Quarter Only				
Quarter 1	2.9%	10.0%	2.5%	10.6%
Quarter 2	1.7%	7.2%	1.5%	7.4%
Quarter 3	3.0%	17.7%	2.8%	17.1%
Quarter 4	4.6%	10.5%	4.2%	9.7%
2 Quarters Only				
Quarters 1 & 2	4.2%	7.6%	4.2%	6.6%
Quarters 2 & 3	3.5%	11.3%	3.0%	12.0%
Quarters 3 & 4	6.6%	9.2%	5.8%	10.0%
3 Quarters Only				
Quarters 1,2 & 3	5.4%	5.3%	5.8%	4.6%
Quarters 2,3 & 4	8.1%	7.5%	7.0%	8.8%
4 Quarters				
Quarters 1,2,3 & 4	53.6%	11.2%	57.6%	10.9%
All Other Combinations	6.4%	2.5%	5.5%	2.4%

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-5

TEN INDUSTRIES WITH THE HIGHEST WAGES PAID TO NONRESIDENTS
ALASKA 1984 & 1985

Standard Industrial Classification (SIC)	1984 Nonresident		1985 Nonresident	
	Wages (thous)	Rank	Wages (thous)	Rank
Heavy Construction	105,154	1	74,009	2
Oil and Gas	\$71,585	2	\$106,646	1
Food Processing	58,079	3	61,964	3
Special Trades Construction	51,096	4	41,574	4
Building Construction	45,439	5	34,146	5
Business Services	29,731	6	33,222	6
Local Government	28,135	7	31,747	7
Miscellaneous Services	26,942	8	23,410	10
Eating and Drinking Places	24,477	9	27,111	9
Air Transportation	22,157	10	22,165	11
State Government	20,171	11	28,217	8

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-6

TEN INDUSTRIES WITH OVER \$1 MILLION IN WAGES
AND THE HIGHEST PERCENTAGE OF WAGES PAID TO NONRESIDENTS
ALASKA 1984 & 1985

Standard Industrial Classification (SIC)	1984				1985			
	Resident Wages (thous)	Nonresident Wages (thous)	% of Total	Rank	Resident Wages (thous)	Nonresident Wages (thous)	% of Total	Rank
Food Processing	\$50,904	\$58,079	53	1	\$50,462	\$61,964	55	1
Nonclassifiable 2/	6,729	3,088	31	2	11,032	4,702	30	3
Heavy Construction	254,276	105,154	29	3	199,691	74,009	27	7
Miscellaneous Repair	15,684	6,483	29	4	15,408	5,140	25	8
Metal Mining 1/	13,210	4,895	27	5	12,621	5,046	29	4
Fishing, Hunting, Trapping 1/	3,374	1,172	26	6	4,069	2,175	35	2
Nonmetal/Nonfuel Mining	x	x	x	7	x	x	x	6
Logging	25,441	7,928	24	8	28,916	10,898	27	5
Agricultural Services	4,688	1,303	22	9	5,684	1205	17	15
Building Construction	187,022	45,439	20	10	143,687	34,146	19	12
Transportation Equip Mfg	1,807	435	19	11	2,217	605	21	10
Water Transportation	38,390	8,583	18	12	37,733	10,401	22	9

Source: Alaska Department of Labor, Research and Analysis

Note: "x" indicates that information is nondisclosable.

Note: Industry ranks in this table may be slightly different from ranks listed in Table 3-9. Table 3-9 ranks all industries, while Table 3-6 includes only industries with over \$1 million in wages.

1/ Data include only nonagricultural wage and salary employees covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

2/ Not classified in any other industry.

TABLE 3-7

TEN INDUSTRIES WITH THE HIGHEST NUMBER OF NONRESIDENT EMPLOYEES
ALASKA 1984 & 1985

Standard Industrial Classification (SIC)	1984		1985	
	Number of Employees	Rank	Number of Employees	Rank
Food Processing	12,068	1	13,512	1
Eating and Drinking Places	7,473	2	8,838	2
Special Trades Construction	4,572	3	4,215	3
Heavy Construction	4,094	4	3,370	8
Business Services	3,990	5	3,926	4
Building Construction	3,976	6	3,464	6
Local Government	2,877	7	3,395	7
Oil and Gas	2,783	8	3,679	5
Hotels	2,226	9	2,427	9
Food Stores	1,806	10	2,227	10

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-8

TEN INDUSTRIES WITH OVER 200 EMPLOYEES
AND THE HIGHEST PERCENTAGE OF NONRESIDENT EMPLOYEES
ALASKA 1984 & 1985

Standard Industrial Classification (SIC)	1984				1985			
	Resident Number of Employees	Nonresident		Rank	Resident Number of Employees	Nonresident		Rank
		Number of Employees	% of Total			Number of Employees	% of Total	
Food Processing	6,615	12,068	65	1	6,431	13,512	68	1
Nonclassifiable 2/	920	767	45	2	1,119	608	35	5
Metal Mining 1/	611	373	38	3	511	326	39	4
Logging	1,204	715	37	4	1,296	864	40	3
Fishing, Hunting, Trapping 1/	330	177	35	5	348	285	45	2
Heavy Construction	8,800	4,094	32	6	7,182	3,770	32	12
Eating and Drinking Places	17,376	7,473	30	7	17,793	8,838	33	8
Nonmetal/Nonfuel Mining	x	x	x	8	x	x	35	6
Business Services	9,294	3,990	30	9	9,670	3,926	29	17
Agricultural Services	499	207	29	10	538	242	31	13
Recreation Services	1,369	553	29	11	1,566	773	33	9
Motion Pictures	491	125	20	27	375	178	32	10
Transportation Equip Mfg	123	66	35	*	146	77	35	7

Source: Alaska Department of Labor, Research and Analysis

Note: "x" indicates that information is nondisclosable.

Note: "*" indicates that the total number of employees was not large enough to meet the minimum cut off for ranking on this table.

Note: Industry ranks in this table may be slightly different from ranks listed in Table 3-9. Table 3-9 ranks all industries, while Table 3-8 includes only industries with over 200 employees.

1/ Data include only nonagricultural wage and salary employees covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

2/ Not classified in any other industry.

TABLE 3-9

ALL 76 INDUSTRIES RANKED
BY NONRESIDENT WAGES AND EMPLOYEES
ALASKA 1984 & 1985

Standard Industrial Classification (SIC)	Rank Based on							
	Nonresident Wages				Nonresident Employees			
	Amount Paid to Nonres		Wages Paid to Nonres as a % of Total		Number of Nonres Employees		Nonresident Employees as a % of Total	
	1984 Rank	1985 Rank	1984 Rank	1985 Rank	1984 Rank	1985 Rank	1984 Rank	1985 Rank
State Government	11	8	66	69	13	11	72	74
Local Government	7	7	67	70	7	7	71	73
Agriculture 1/								
Crops	61	62	27	20	56	56	21	17
Livestock	66	63	35	17	65	61	30	24
Agricultural Services	47	52	10	18	44	46	13	14
Forestry	60	60	56	39	61	63	25	41
Fishing/Hunting/Trapping 1/	48	42	6	3	48	43	6	3
Mining								
Metal 1/	23	25	5	5	36	41	3	5
Coal	55	53	32	29	67	66	70	62
Oil & Gas	2	1	21	16	8	5	22	25
Nonmetal/Nonfuel	53	49	7	8	54	52	11	8
Construction								
Building	5	5	11	13	6	6	15	15
Heavy	1	2	3	9	4	8	8	13
Special Trades	4	4	18	22	3	3	16	22
Manufacturing								
Food	3	3	1	2	1	1	1	2
Textiles	71	73	68	72	71	73	69	65
Apparel	69	65	40	32	60	64	17	26
Lumber/Wood	41	48	26	26	41	49	20	27
Logging	17	15	8	7	24	22	4	4
Furniture	64	68	16	36	63	67	7	55
Paper	49	38	65	40	51	45	67	45
Printing	36	39	51	61	32	34	41	52
Chemicals	73	71	72	51	73	71	68	23
Petro Refining	65	67	71	73	68	69	66	76
Rubber/Miscellaneous	62	64	41	44	62	62	23	28
Leather		75	75	1	75	76	75	1
Concrete	44	50	36	46	52	53	49	53
Primary Metals	68	69	33	42	69	68	32	30
Fabricated Metals	56	57	29	37	55	57	24	44
Machinery	59	58	50	49	64	65	53	50
Electrical Machinery	72	76	73	76	72	74	73	75
Transportation Equipment	57	56	12	12	53	55	5	9
Measuring		70	76	31	76	72	76	16
Miscellaneous	63	61	62	30	66	60	59	32
Trans., Comm., & Pub. Utilities								
Local Transit	43	41	22	21	38	35	28	29
Motor Freight	15	16	19	27	23	24	29	34
Water Transportation	16	17	13	11	30	26	27	18
Air Transportation	10	11	25	24	11	12	38	38
Pipelines	42	32	69	62	57	54	74	72
Transportation Services	51	44	59	43	46	42	54	48
Communications	12	12	28	34	20	20	51	54
Utilities	27	26	61	65	42	44	63	67
Wholesale Trade								
Durable	13	14	37	56	17	19	46	60
Nondurable	21	21	52	58	21	21	43	49

TABLE 3-9 (Continued)

ALL 76 INDUSTRIES RANKED
BY NONRESIDENT WAGES AND EMPLOYEES
ALASKA 1984 & 1985

Standard Industrial Classification (SIC)	Rank Based on							
	Nonresident Wages				Nonresident Employees			
	Amount Paid to Nonres		Wages Paid to Nonres as a % of Total		Number of Nonres Employees		Nonresident Employees as a % of Total	
	1984 Rank	1985 Rank	1984 Rank	1985 Rank	1984 Rank	1985 Rank	1984 Rank	1985 Rank
Retail Trade								
Hardware	28	33	46	54	34	33	48	51
General Merchandise	25	23	45	48	18	15	45	47
Food Stores	20	19	44	55	10	10	37	35
Auto/Service Station	19	20	39	47	16	17	35	43
Apparel	46	47	42	38	33	27	40	31
Furniture	40	45	48	52	35	36	42	39
Eating/Drinking	9	9	15	19	2	2	10	10
Miscellaneous Retail	24	22	58	50	15	13	44	46
Finance, Ins., & Real Estate								
Banking	31	28	63	68	31	32	64	71
Credit Agencies	35	37	43	59	37	37	50	59
Brokers	52	55	30	66	58	59	47	66
Insurance	50	54	64	71	49	51	62	68
Insurance Agents	38	46	49	67	45	48	58	64
Real Estate	30	34	31	41	28	29	33	40
Combined RE/Ins/Loans/Law	74	74	74	75	74	75	60	69
Investment Company	37	35	57	53	43	39	65	61
Services								
Hotels	18	12	24	25	9	9	19	19
Personal Services	39	43	34	45	27	28	36	37
Business Services	6	6	14	15	5	4	12	21
Auto Repair	26	30	23	28	26	31	26	33
Miscellaneous Repair	22	24	4	10	39	40	18	20
Motion Pictures	58	59	47	33	50	50	34	12
Recreation Services	45	40	20	14	29	23	14	11
Health Services	14	13	54	63	12	14	57	63
Legal Services	32	31	60	57	40	38	56	57
Private Education	54	51	38	35	47	47	31	36
Social Services	29	29	53	60	19	18	52	56
Museums	70	72	70	74	70	70	61	70
Membership Organizations	33	36	55	64	25	25	55	58
Private Households	67	66	9	6	59	58	9	6
Miscellaneous Services	8	10	17	23	14	16	39	42
Nonclassifiable 2/	34	27	2	4	22	30	2	7

Source: Alaska Department of Labor, Research and Analysis Section

Note: Industry ranks in this table may be slightly different from ranks listed in Tables 3-6 and 3-8. Table 3-9 ranks all industries, while Tables 3-6 and 3-8 include only industries with over \$1 million in wages (Table 3-6) or 200 employees (Table 3-8).

1/ Data include only nonagricultural wage and salary employees covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

2/ Not classified in any other industry.

TABLE 3-10

PERCENT NONRESIDENT WAGES AND EMPLOYEES BY GEOGRAPHIC ZONE
1984 & 1985

Geographic Zone	Wages Paid to Nonres as a % of Total		Nonresident Employees as a % of Total	
	1984	1985	1984	1985
Alaska Statewide	12.6	11.7	22.8	23.4
Anchorage-MatSu Region	9.0	9.6	19.2	20.7
Anchorage Borough	9.1	9.7	19.4	20.8
MatSu Borough	7.1	7.0	15.7	18.5
Gulf Coast Region	14.3	14.9	28.5	32.3
Kenai Peninsula Borough	11.9	13.5	22.2	27.3
Kodiak Island Borough	21.8	18.8	39.0	40.2
Valdez-Cordova	14.4	16.9	33.2	37.9
Interior Region	12.7	12.1	21.2	23.2
Fairbanks North Star Borough	13.0	12.3	22.0	24.0
Southeast Fairbanks	8.5	9.8	20.7	20.3
Yukon-Koyukuk	9.2	9.9	13.4	16.0
Northern Region	25.5	22.4	26.9	25.1
Kobuk	9.5	7.7	10.8	12.4
Nome	10.0	9.5	13.0	15.0
North Slope Borough	28.0	24.9	33.3	30.5
Southeast Region	11.2	13.1	23.3	27.2
Haines Borough	11.4	18.0	16.9	32.3
Juneau Borough	8.3	9.3	10.9	21.6
Ketchikan Gateway Borough	9.0	10.8	18.9	22.2
Prince of Wales Outer Ketchikan	17.3	17.9	27.6	30.5
Sitka Borough	7.9	8.5	16.5	19.4
Skagway-Yakutat-Angoon	25.4	27.6	38.1	43.4
Wrangell-Petersburg	20.2	25.0	38.0	42.7
Southwest Region	24.2	24.2	37.6	37.6
Aleutian Islands	41.6	41.4	62.6	60.9
Bethel	8.4	9.7	12.8	15.5
Bristol Bay Borough	42.7	39.0	60.0	58.8
Dillingham	30.7	30.0	45.6	46.5
Wade Hampton	4.5	6.6	8.8	12.3
Geographic Area Unknown	27.2	39.5	46.4	58.6

Source: Alaska Department of Labor, Research and Analysis

TABLE 3-11

SIX REGIONS AND 23 CENSUS AREAS RANKED
BY NONRESIDENT WAGES AND EMPLOYEES
1984 & 1985

Region	Rank Based on							
	Nonresident Wages				Nonresident Employees			
	Amount Paid to Nonres		Wages Paid to Nonres as a % of Total		Number of Nonres Employees		Nonresident Employees as a % of Total	
	1984 Rank	1985 Rank	1984 Rank	1985 Rank	1984 Rank	1985 Rank	1984 Rank	1985 Rank

Anchorage-MatSu	1	1	6	6	1	1	6	6
Gulf Coast	4	5	3	3	2	2	2	2
Interior	3	3	4	5	4	4	5	5
Northern	2	2	1	2	6	6	3	4
Southeast	5	4	5	4	3	3	4	3
Southwest	6	6	2	1	5	5	1	1

Census Area by Region								

Anchorage-MatSu Region								
Anchorage Borough	1	1	16	17	1	1	13	15
MatSu Borough	11	12	22	22	14	12	18	18
Gulf Coast Region								
Kenai Peninsula Borough	4	4	11	11	4	3	10	11
Kodiak Island Borough	6	7	6	7	6	5	4	6
Valdez-Cordova	13	11	9	10	10	10	8	7
Interior Region								
Fairbanks North Star Borough	3	3	10	12	2	2	11	12
Southeast Fairbanks	22	22	18	14	21	21	12	16
Yukon-Koyukuk	19	18	15	15	20	18	19	19
Northern Region								
Kobuk	20	21	14	21	21	21	22	22
Nome	18	19	13	18	19	19	20	21
North Slope Borough	2	2	4	6	3	4	7	9
Southeast Region								
Haines Borough	21	20	12	9	23	20	16	8
Juneau Borough	7	6	20	19	7	7	15	14
Ketchikan Gateway Borough	9	8	17	13	13	11	14	13
Prince of Wales Outer Ketchikan	14	16	8	8	16	16	9	10
Sitka Borough	17	17	21	20	18	17	17	17
Skagway-Yakutat-Angoon	16	15	5	4	15	14	5	4
Wrangell-Petersburg	10	9	7	5	9	8	6	5
Southwest Region								
Aleutian Islands	5	5	2	1	5	6	1	1
Bethel	15	14	19	16	17	15	21	20
Bristol Bay Borough	12	13	1	2	11	13	2	2
Dillingham	8	10	3	3	8	9	3	3
Wade Hampton	23	23	23	23	22	23	23	23

Source: Alaska Department of Labor, Research and Analysis