

ALASKA LEGISLATURE COMMITTEE FILED JULY 1900

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HB 294

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to judicial notice, at trial or on appeal—concerning the benefits of the preference law. We are not told the unemployment rate in Illinois' construction industry, what such unemployment costs the state, whether it would be significantly increased by throwing open public construction projects to nonresidents (which might just cause a reshuffling of jobs between public and private projects), and whether the costs—if any—to Illinois of allowing nonresident labor on such projects, costs in higher unemployment or welfare benefits paid unemployed construction workers or their families, are likely to exceed any cost savings in public construction from hiring nonresident workers.

Our insistence on data may seem niggling, and would be if the effects of allowing nonresidents to work on public construction projects were as clear as those of allowing carriers of Bubonic plague to enter the state without quarantine or nonresident students to attend the University of Illinois free of charge. But they are not as clear. The preference law might have no effect on the unemployment rate in Illinois. Worse, it could boomerang, and actually increase unemployment in the construction industry. Suppose for example that a public construction project would cost \$1 million if it employed both Illinois residents and nonresidents and \$1.2 million if it employed only Illinois residents. If the higher fee were more than the school district or other public agency was willing to pay, the Illinois residents who would have worked it would have to seek work elsewhere.

[29] Although the burden of proving that a state statute violates the privileges and immunities clause is on the plaintiff, once he shows that the statute discriminates explicitly against nonresidents in the pursuit of common callings," *Baldwin Montana Fish & Game Comm'n*, 436 S. 371, 387, 98 S.Ct. 1852, 1862, 56 S.Ct. 351 (1978), the state has the burden of justifying the discrimination, see *id.* 402, 98 S.Ct. 1870 (dissenting opinion); *United Bldg. & Construction Trades*

Council v. Mayor & Council of Camden, supra, — U.S. —, 104 S.Ct. 1029; *Hicklin v. Orbeck*, supra, 437 U.S. at 526-27, 98 S.Ct. at 2487-88. Tribe, American Constitutional Law 411 (1978), or, at the very least, of producing some evidence in justification of it (the burden of persuasion may remain on the plaintiff). After *Hicklin*, and the recent spate of state court cases invalidating, on the authority of *Hicklin*, preference laws much like Illinois', see *Laborers Local Union No. 74 v. Felton Construction Co.*, 98 Wash2d 121, 654 P.2d 67 (1982); *Neshaming Constructors, Inc. v. Krause*, supra, and *Salla v. County of Monroe*, 48 N.Y.2d 514, 423 N.Y.S.2d 878, 399 N.E.2d 909 (1979), Illinois must have known that it could not justify the exclusion of nonresidents from employment on all public construction projects without making a better showing of justification than the State of Alaska had been able to make for the "Alaska Hire" law. In fact Alaska made a manful effort at justification, though it fell short. Illinois has made none in this proceeding, though the director of its own Labor Department, who had access to the data that might illuminate the costs and benefits of the law, was the defendant.

The remand in *United Bldg. & Construction* does not warrant a similar remand here. The City of Camden had had no opportunity to make a case for justifying the ordinance. The ordinance had been submitted for approval to a New Jersey affirmative action officer, and after "brief administrative proceedings" had been designated as a state-approved affirmative action construction program. An association of labor organizations filed a notice of appeal to a New Jersey appellate court which in turn certified the question of the ordinance's legality to the New Jersey Supreme Court. — U.S. —, 104 S.Ct. at 1023-24. In the present case the state had a full opportunity in the preliminary-injunction proceeding in the district court to put into evidence (or ask the court to take judicial notice of) facts justifying the preference law. It did nothing.

The judgment of the district court is **3. Habeas Corpus** \ominus 25.1(4)
AFFIRMED.



Raymond W. WEBER,
Petitioner-Appellant,

v.

Thomas ISRAEL, Respondent-Appellee.
No. 82-2470.

United States Court of Appeals,
Seventh Circuit.

Argued Nov. 8, 1983.

Decided March 22, 1984.

As Amended March 23, 1984.

Petition for writ of habeas corpus was brought by state prisoner. The United States District Court for the Eastern District of Wisconsin, Myron L. Gordon, J., denied relief, 537 F.Supp. 1182, and prisoner appealed. The Court of Appeals, Coffey, Circuit Judge, held that prisoner waived right to relief on claim that he was deprived of jury trial on his insanity plea by his failure to raise objection in the state trial court.

Affirmed.

1. Habeas Corpus \ominus 25.1(1)

Doctrine of waiver, in context of federal habeas corpus action, provides that if state withholds right of appellate review of issues not raised at trial, federal courts will not undermine state's interest in orderly procedure by allowing defendant to litigate issue in federal habeas proceeding.

2. Habeas Corpus \ominus 25.1(1)

When procedural default bars state litigation of constitutional claim, state prisoner may not obtain federal habeas relief absent showing of cause and actual prejudice.

3. Habeas Corpus \ominus 25.1(4)
Doctrine of waiver barred state prisoner from obtaining federal habeas corpus relief from state conviction on ground that he had not been provided with jury trial on insanity plea where that claim had not been presented to the state trial court and where prisoner failed to show cause for or actual prejudice from his failure to raise issue at state trial court level.

4. Habeas Corpus \ominus 113(12)

When Court of Appeals reviews district court's findings of fact in habeas corpus action, it may set aside such findings only if they are clearly erroneous and, unless it is left with definite and firm conviction that mistake has been committed, it must accept trial court's findings.

5. Habeas Corpus \ominus 113(12)

In state prisoner's habeas corpus proceeding, district court's finding that prisoner was not entitled to relief on his claim that he had been denied jury trial on insanity plea because he had withdrawn the plea before trial commenced was supported by evidence that his attorney had informed the state trial judge that the defense would not be pursued even though the withdrawal was not made part of the trial court record.

6. Attorney and Client \ominus 88

Defense counsel's withdrawal of insanity plea was not ineffective despite defendant's contention that it was not intelligently and voluntarily agreed to by him where defendant was present in the courtroom when the plea was withdrawn and gave no indication that he disagreed with withdrawal of the plea or later allege that defense counsel was ineffective in withdrawing the plea.

Allen E. Shoenberger, Prof., Loyola University, Pamela Menaker, law student, Chicago, Ill., for petitioner-appellant.

Pamela Magee-Heilprin, Asst. Atty. Gen., Wis. Dept. of Justice, Madison, Wis., for respondent-appellee.

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ATTORNEY FOR
U.A. LOCAL 375
PLUMBERS & PIPEFITTERS
AND ITS MEMBERS

February 13, 1985

To: Each Member of the Alaska Legislature

Lenny Arsenault found, through a national magazine, that the State of Wyoming was able to make a resident hire law stick. I had the Wyoming Supreme Court air mail me a copy of the opinion. Lenny is at a national meeting and wanted me to forward it to each of you as quickly as possible.

For use in drafting potential Alaska legislation, I note that the interest which a resident of Wyoming has in a Wyoming public funds contract can be equated to the same thing in Alaska and probably we can add the interest which Alaska residents have in any facilities producing royalty petroleum or royalty gas which belongs to the State; especially since the majority of the State's income comes from such production and it directly influences all matters of expenditure in the State.

The findings of fact or "whereas clauses" should be carefully drafted.

Good luck with this.

Sincerely,



ARTHUR LYLE ROBSON, Attorney for
U.A. Local 375 and Its Members

ALR:CLM

Enclosure: State of Wyoming Opinion

IN THE SUPREME COURT, STATE OF WYOMING

OCTOBER TERM, A.D. 1984

January 10, 1985

STATE OF WYOMING,)
)
 Plaintiff,)
)
 v.)
)
)
ROGER ANTONICH,)
)
 Defendant.)

No. 84-35

Bill of exceptions from the County Court of Converse County, the Honorable John Allan Holtz, Judge.

A. G. McClintock, Attorney General, Gerald A. Stack, Deputy Attorney General, John W. Renneisen, Senior Assistant Attorney General, and Michael A. Blonigen, Assistant Attorney General, for plaintiff.

Daniel E. White, Cheyenne, for defendant.

Before *THOMAS, C.J., and ROSE, **ROONEY, BROWN, and CARDINE, JJ.

ROSE, J., delivered the opinion of the Court; THOMAS, C.J., filed a specially concurring opinion.

NOTICE: This opinion is subject to formal revision before publication in Pacific Reporter Second. Readers are requested to notify the Clerk of the Supreme Court, Supreme Court Building, Cheyenne, Wyoming 82001 of any typographical or other formal errors, in order that corrections may be made before final publication in the permanent volume.

*Became Chief Justice January 1, 1985.
**Chief Justice at time of oral argument.

ROSE, Justice.

We granted the State of Wyoming's application to file a bill of exceptions in order to address a single issue:

"Does the Wyoming Preference for State Laborers Act, Section 16-6-201, et seq., W.S. 1977, violate the privileges and immunities clause of the United States Constitution?"

We will hold that the challenged Act is narrowly tailored to fit a particular problem identified by the State and, therefore, does not impermissibly infringe the privileges and immunities of the citizens of states other than Wyoming.^{1/} Accordingly, we sustain the bill of exceptions filed by the State.

WYOMING PREFERENCE ACT OF 1971

In 1971, the legislature adopted the "Wyoming Preference Act," §§ 16-6-201 through 16-6-206, W.S.1977, which requires contractors to employ available qualified Wyoming laborers for public-works projects in preference to nonresident laborers. Section 16-6-203, W.S.1977, contains the key provision of the Act:

"Every person who is charged with the duty of construction, reconstructing, improving, enlarging, altering or repairing any public works project or improvement for the state or any political subdivision, municipal corporation, or other governmental unit, shall employ only Wyoming laborers on the project or improvement. Every contract let by any person shall contain a provision requiring that Wyoming labor be used except other laborers may be used when Wyoming laborers are not available for the employment from within the state or are not qualified to perform the work involved. The state employment office nearest the proposed contract or construction site shall maintain a list of laborers, classified by skills, who are residents and are available for employment. When the nearest state employment office is unable to provide the requested number of laborers from its own list, it shall immediately contact other state em-

^{1/} The United States Constitution, Art. IV, § 2, provides:

"The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States."

ployment offices and request the names of other available laborers. Every person required to employ Wyoming laborers shall inform the nearest state employment office of his employment needs. If the state employment office certifies that the person's need for laborers cannot be filled from those listed as of the date the information is filed, then the person may employ other than Wyoming laborers."

On September 22, 1983, the Converse County prosecuting attorney charged Roger Antonich, general superintendent of Westates Construction Company, with violating § 16-6-203, supra. The information alleged that Antonich fired a Wyoming worker from a public-school construction project in order to hire out-of-state workers. The county court judge dismissed the charge on the ground that § 16-6-203, supra, violates the privileges and immunities clause of the federal constitution. The court relied on *Hicklin v. Orbeck*, 437 U.S. 518, 98 S.Ct. 2482, 57 L.Ed.2d 397 (1978), and recent cases from other jurisdictions in which the courts have invalidated statutory preferences for local workers. After examining these and similar opinions, we conclude that certain distinguishing features in Wyoming's Preference Act sufficiently limit its scope so as to satisfy the demands of the privileges-and-immunities clause.

PRIVILEGES-AND-IMMUNITIES CLAUSE ANALYSIS

An examination of a state enactment, to determine its validity under the privileges-and-immunities clause involves a two-step analysis. First, the reviewing court must determine whether the statute burdens a fundamental right or activity, since only those "privileges" and "immunities" which bear upon the concept of interstate harmony fall within the scope and purpose of the clause. *United Building and Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden*, ___ U.S. ___, ___ S.Ct. ___, 79 L.Ed.2d 249, 258-259 (1984); *Baldwin v. Fish and Game Commission of Montana*, 436 U.S. 371, 383-388, 98 S.Ct. 1852, 56 L.Ed.2d 354 (1978); *Toomer v. Witsell*, 334 U.S. 385, 395-396, 68 S.Ct. 1156, 92 L.Ed. 1460 (1948). Second, the court must examine the reasons for the discriminatory treatment to determine their validity and their relation to the degree of discrimination imposed by the statute. This portion of the test was developed by the United States Supreme Court in *Toomer v. Witsell*, supra:

"Like many other constitutional provisions, the privileges and immunities clause is not an absolute. It does bar discrimination against citizens of other States where there is no substantial reason for the discrimination beyond the mere fact that they are citizens of

other States. But it does not preclude disparity of treatment in the many situations where there are perfectly valid independent reasons for it. Thus the inquiry in each case must be concerned with whether such reasons do exist and whether the degree of discrimination bears a close relation to them. The inquiry must also, of course, be conducted with due regard for the principle that the States should have consideration leeway in analyzing local evils and in prescribing appropriate cures." (Emphasis added.) 334 U.S. at 396.

The Toomer court established that classifications based on non-citizenship cannot stand

"* * * unless there is something to indicate that non-citizens constitute a peculiar source of the evil at which the statute is aimed."
334 U.S. at 398.

The State concedes that the discrimination against nonresidents under the Wyoming Preference Act burdens a fundamental right. In an early case, the United States Supreme Court held that the privileges-and-immunities clause protects the right of a citizen of one state to travel to another state for purposes of employment. *Ward v. Maryland*, 12 Wall 418, 430 (1870). The Supreme Court reaffirmed this principle in *Hicklin v. Orbeck*, supra, 437 U.S. at 525. Even more pertinent to the instant case, the Supreme Court recently held that an enactment preferring local workers for public construction projects burdens a fundamental right and, therefore, falls within the purview of the privileges-and-immunities clause. *United Building and Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden*, supra, 79 L.Ed.2d at 258-261. Clearly, Wyoming's Preference Act offends the privileges-and-immunities clause unless a close link exists between valid reasons for the Act and the discrimination practiced.

The State, in its brief, identifies the purpose of the Act as the reduction in unemployment among the labor force which makes possible government projects through contributions to the public treasury. Stated conversely, the evil which the Wyoming Preference Act combats is

"* * * a resident remaining unemployed while a nonresident takes a job on a Wyoming public works project." (State's brief.)

Thus, the Wyoming Preference Act attempts to insure that government-created jobs benefit the State's citizens.

Without question, reduction in unemployment among Wyoming citizens constitutes a valid state goal. See *United Building and*

Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden, supra; Hicklin v. Orbeck, supra. We turn, therefore, to an examination of the relationship between this legitimate reason underlying the Wyoming Preference Act and the discrimination mandated against nonresidents.

Enactments to alleviate high unemployment levels through the hiring of residents in preference to nonresidents generally have swept too broadly to survive challenges brought under the privileges-and-immunities clause. The prime example of such legislation is the "Alaska Hire" Act at issue in Hicklin v. Orbeck, supra. That Act required the employment of qualified Alaska residents in preference to nonresidents for positions associated with

"* * * all oil and gas leases, easements or right-of-way permits for oil or gas pipeline purposes, unitization agreements, or any renegotiation of any of the preceding to which the state is a party * * *." 437 U.S. at 520, n.2.

The United States Supreme Court cited three bases for holding that the discrimination imposed by this statute failed to bear a close relation to the problem of high unemployment in Alaska. First, the state had made no showing that nonresidents were a peculiar source of widespread unemployment. Rather than the influx of nonresidents looking for work, the major cause of unemployment appeared to be the inadequate education and training and the geographical remoteness of many jobless residents--particularly the Eskimo and Indian residents. 437 U.S. at 526-527. Secondly, the Court determined that Alaska Hire did not narrowly address the problem of unemployment, since the Act simply preferred all residents, regardless of their employment status, education or training. 437 U.S. at 527. Finally, the Supreme Court observed that the discriminatory effect of Alaska Hire extended well beyond those activities in which the state held a substantial proprietary interest:

"* * * In sum, the Act is an attempt to force virtually all businesses that benefit in some way from the economic ripple effect of Alaska's decision to develop its oil and gas resources to bias their employment practices in favor of the State's residents. We believe that Alaska's ownership of the oil and gas that is the subject matter of Alaska Hire simply constitutes insufficient justification for the pervasive discrimination against nonresidents that the Act mandates." 437 U.S. at 531.

A number of state courts have adopted the foregoing rationale in invalidating enactments which grant an employment preference to local workers. Laborers Local Union No. 374 v. Felton Construc-

tion Company, 98 Wash.2d 121, 654 P.2d 67 (1982); Massachusetts Council of Construction Employers, Incorporated v. Mayor of Boston, 384 Mass. 466, 425 N.E.2d 346 (1981), rev'd under the commerce clause, 460 U.S. 204, 103 S.Ct. 1042, 75 L.Ed.2d 1 (1983); Salla v. County of Monroe, 48 N.Y.2d 514, 399 N.E.2d 909, 423 So.2d 878, cert. denied 446 U.S. 909 (1979). We find, however, that Wyoming's Preference Act, unlike the enactments at issue in these cases and Alaska Hire, precisely fits the particular evil identified by the State.

As noted above, the act seeks to prevent a qualified Wyoming worker's remaining unemployed while a nonresident goes to work on a government-funded construction project. The statute makes no attempt to eradicate the general unemployment in this state which may be due to factors unrelated to nonresidents. Accordingly, the Act directs its discriminatory treatment toward the nonresident applicants for jobs on public-works projects--those individuals who constitute the peculiar source of the evil identified by the State.

Secondly, the Wyoming Preference Act specifically addresses the problem of unemployment among Wyoming construction workers. Section 16-6-203, supra, requires contractors to contact the local employment office to determine whether qualified resident workers are available. If the number of qualified residents listed with state employment offices is insufficient to meet employment needs, contractors are free to hire nonresident workers. An employer need not attempt to hire residents away from other jobs or to dismiss nonresidents and hire residents as they become available. Under the Act, an employer must deny nonresidents employment only when the state employment office provides a sufficient number of residents who are qualified and available to go to work.

Finally, we attach significance to the fact that the Wyoming Preference Act confines its discriminatory effects to projects constructed from public funds. The government's proprietary interest in the subject matter of the discriminatory statute constitutes a crucial factor in support of the statute's validity:

"* * * The fact that [the city] is expending its own funds or funds it administers in accordance with the terms of a grant is certainly a factor--perhaps the crucial factor--to be considered in evaluating whether the statute's discrimination violates the Privileges and Immunities Clause. But it does not remove the [city] ordinance completely from the purview of the Clause." United Building and Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden, supra, 79 L.Ed.2d at 260.

The Court elaborated in that case:

"Every inquiry under the Privileges and Immunities Clause 'must . . . be conducted with due regard for the principle that the states should have considerable leeway in analyzing local evils and in prescribing appropriate cures.' *Toomer v. Witsell*, 334 U.S. 385, 396, 92 L.Ed. 1460, 68 S.Ct. 1156 (1948). This caution is particularly appropriate when a government body is merely setting conditions on the expenditure of funds it controls." 79 L.Ed.2d at 261.

The Wyoming statute at issue in the present case requires merely that governmental funds, allocated to public-works projects, be used to hire qualified, available residents in preference to nonresidents. The statute does not effect the sort of wide-ranging discriminatory treatment fatal to *Alaska Hire* in *Hicklin v. Orbeck*, *supra*. Since the Wyoming Preference Act limits its discriminatory effect to government-created jobs, it presents minimal affront to the privileges and immunities of noncitizens. *United Building and Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden*, *supra*.

We hold that the Wyoming Preference Act does not violate the privileges-and-immunities clause of the federal constitution, notwithstanding the Act's infringement upon a recognized fundamental right. The Act narrowly addresses the goal of reduced unemployment among the state's taxpayers by preferring available, qualified residents for government-funded positions. Since the degree of discrimination bears a close relation to the state's valid reasons for discriminatory treatment, we affirm the Act's validity under the test established in *Toomer v. Witsell*, *supra*, and refined in subsequent cases.

Although not determinative of our decision here, we recently held in *Galesburg Construction Company, Inc. of Wyoming v. Board of Trustees of Memorial Hospital of Converse County, Wyo.*, 641 P.2d 745 (1982), that Wyoming's preference for resident bidders on public-works contracts, § 9-8-302, W.S.1977, does not violate the equal-protection provisions of the state and federal constitutions. Our result in the instant case, upholding Wyoming's preference for resident workers on public-works projects, harmonizes with our decision in *Galesburg Construction Company, Inc. of Wyoming v. Board of Trustees of Memorial Hospital of Converse County*, *supra*.

The bill of exceptions is sustained.

THOMAS, Chief Justice, specially concurring.

I am in complete accord with the result reached by the majority in this case, but I have a concern about the adequacy of the record to support the nexus between the evil of "a qualified Wyoming worker's remaining unemployed while a nonresident goes to work on a government-funded construction project" and the statute in question. I agree that that is a possibility, but the record does not demonstrate it. The statutory language simply makes the state employment offices a repository of information, and does not limit the "list of laborers, classified by skills, who are residents" to the unemployed. It simply requires that they be "available for employment."

I am satisfied that on the basis of existing precedent the role of the State in connection with "constructing, reconstructing, improving, enlarging, altering or repairing any public works project or improvement for the state or any political subdivision, municipal corporation or other governmental unit" is that of a market participant pursuing essentially a proprietary function. It is inappropriate to invoke the Privileges and Immunities Clause to inhibit the State in that regard. Both *Hicklin v. Orbeck*, 437 U.S. 518, 98 S.Ct. 2482, 57 L.Ed.2d 397 (1978), and *United Building and Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden*, _____ U.S. _____, S.Ct. _____, 79 L.Ed.2d 249 (1984), recognize that while the proprietary interest of the State in the property with which the statute deals is often a crucial factor in determining whether a discriminatory statute against non-citizens violates the Privileges and Immunities Clause. I perceive that, without articulating such a concept, the Supreme Court of the United States has preserved a delicate balance between the Reservation of Powers Clause found in Amendment X to the Constitution of the United States of America and the Privileges and Immunities Clause. The line that is drawn is that between the governmental function of the State and the right of the State to participate in the marketplace, satisfy its proprietary functions, and contract freely with those with whom it chooses to contract.

In *Hicklin v. Orbeck*, supra, at 437 U.S. 531, the Supreme Court recognized what it described as a mutually reinforcing relationship between the Privileges and Immunities Clause of Art. IV, § 2, and the Commerce Clause, which it said stems from their origin in the Fourth Article of the Articles of Confederation. In *Reeves, Inc. v. Stake*, 447 U.S. 429, 65 L.Ed.2d 244, 100 S.Ct. 2271 (1980), the Court said:

" * * * The State's refusal to sell to buyers other than South Dakotans is 'protectionist'

only in the sense that it limits benefits generated by a state program to those who fund the state treasury and whom the State was created to serve. * * * Such policies, while perhaps 'protectionist' in a loose sense, reflect the essential and patently unobjectionable purpose of state government--to serve the citizens of the State."

Conceding that the Court there was dealing with the application of the Commerce Clause, because of the mutually reinforcing relationship between the two clauses, I find that concept applicable in this instance with respect to the Privileges and Immunities Clause.

It cannot be held objectionable for a sovereign state to adopt legislation which provides in essence that to the extent possible public works contracts benefit the citizens of the state whose contributions to the public treasury fund those projects. A state should not be foreclosed by the invocation of the Constitution of the United States of America from loyalty to interests of its own citizens. So long as a statute is narrowly drawn to protect only the right of the state to contract as it sees fit with respect to expenditures for public works projects which it owns and which it funds, I am satisfied that as a matter of law such a statute does not offend the Privileges and Immunities Clause found in Art. IV, § 2 of the Constitution of the United States of America. This, of course, makes it unnecessary for the court to pursue the remand technique invoked in *United Building and Construction Trades Council of Camden County and Vicinity v. Mayor and Council of the City of Camden*, supra.

I would agree that the bill of exceptions should be sustained for the foregoing reasons.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 26, 1985

SUBJECT: Retrospective application of HB 294
TO: Representative Max Gruenberg
FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for an explanation of the retrospective clause in HB 294. Section 1 of HB 294 makes legislative findings of fact, establishes a state policy, and enunciates a state purpose concerning the resident employment preference in public construction in AS 36.10.010. Section 2 of the bill makes section 1 retroactive to July 16, 1983. Section 3 of the bill states that the entire Act takes effect immediately.

AS 01.10.090 provides that "(n)o statute is retrospective unless expressly declared therein." Since HB 294 by its terms makes the provisions of section 1 retroactive to July 16, 1983, this statute does not apply.

The Alaska Supreme Court has held that there is an absolute prohibition against retrospective laws when their purpose is punitive. Watts v. Seward School Board, 421 P.2d 586 (1966), vacated, 391 U.S. 592, 88 S. Ct. 1753, 20 L.Ed.2d 842 (1968), judgement reinstated, 454 P. 2d 732 (1969). However, that holding does not apply to HB 294 since the bill is not a punitive measure and, in fact, makes no changes to the application of the current employment preference law. The court has applied curative legislation and legislation making procedural changes retrospectively, even where the legislation itself did not provide for retroactive application. Zurfluh v. State, 620 P.2d 690 (1980) and Matanuska Maid, Inc. v. State, 620 P.2d 182 (1980).

While it is not clear what effect applying this bill retrospectively will have, there is no legal or constitutional prohibition against doing so.

If I may be of further assistance, please advise.

TBC:csh
c3/066

A REGIONAL ECONOMIC ANALYSIS OF THE
IMPACTS OF LOCAL HIRE POLICIES

A

Proposal

submitted to the

Alaska State Legislature

by the

Fairbanks Central Labor Council
819 First Avenue
Fairbanks, Alaska 99701

Prepared by

Steven D. Beasley
P.O. Box 82271
Fairbanks, Alaska 99708

March 15, 1985

Statement of the Problem and Background

The increasing participation in the Alaska economy of a highly mobile, non-resident work force is a timely, well publicized and potentially volatile issue facing the Alaska legislature (e.g., S.B. 191). In the interior, the trend is most acute in the construction industry where a significant proportion of new development in Fairbanks is being completed by so called "outside firms" and their associated non-permanent work teams. A similar situation is said to exist on the North Slope where structural changes in the mix of union vs. non-union employees have been occurring in the past several years. The spectre of a work force whose only contact with the local economy is a short stop in the airport in passage to the lower 48 has rallied a group of diverse interests into support of local hire policies (e.g., Fairbanks North Star Borough Assembly, and the Fairbanks Building and Construction Trades Council).

Local hire is not a new concept in Alaska, a state where short construction seasons and a boom-bust economy has encouraged the cyclical influx of outside workers seeking the relatively higher wages of a healthy economy. On the contrary, a protectionist philosophy concerning state jobs was reflected in the issuance of residency cards during the pipeline construction years. Present state hiring policies give residents priority status over non-resident applicants, and laws such as Alaska Statute 36.10.010 require 90-95% of the workers for all contractors and sub-contractors on Alaskan public works

projects to be residents. The constitutionality of this so called "title 36" is currently being challenged in a lawsuit before the Alaska Supreme Court (Francis vs. Robinson). At issue in this case is whether or not non-residents in fact cause unemployment in the Alaska construction industry. Critics of local hire and residency laws assert that chronic unemployment in Alaska stems from factors other than the influx of outside workers, such as weather and erratic public expenditure patterns. Following this logic, they deduce that non-residents are used as "scapegoats" for the unemployment phenomena and are innocent of any detrimental effect on local economies. Further, it is asserted that local hire policies are wasteful and invite retaliation from other states (Zobel 1985).

To counter such arguments, local hire advocates claim that the hiring of non-resident workers on construction projects is detrimental not only to the employment security of the resident construction work force, but more fundamentally to the basic economic viability of the local economy. A non-permanent work force, they claim, spend a minimal amount of their locally earned dollars within the regional economy. As a consequence of this income leakage, all sectors of the local economy suffer as potential dollar turnover is reduced. Any short term cost savings to local firms derived from utilization of cheaper non-resident workers, is claimed to be more than offset by the reduced dollar turnover (multiplier effects).

To date, no economic analysis has adequately addressed the questions raised in this controversy. Do non-resident workers

displace resident workers in similar job categories, or, is resident unemployment strictly a matter of seasonal and/or erratic public expenditure patterns as anti-local hire critics suggest? Do all actors in the local economy enjoy welfare gains from enforcement of local hire policies, or, are there gainers and losers? What are the magnitudes of these gains and losses, if in fact they exist? What economic opportunities, if any, do we forego by enforcing local hire over the status quo? Finally, will there be a net improvement in the regional economic welfare from enforcement of local hire policies?

Project Goals

The objective of this study is to analyze and measure the economic ramifications of local hire policies on the Fairbanks economy. Narrowing the scope of the research to the Fairbanks construction labor market will facilitate the analysis in terms of cost and time considerations. This study can be viewed as a case study, the methods of which will be applicable to other Alaskan localities experiencing similar labor trends.

The study will utilize an economic model traditionally applied to international trade analysis (Carbaugh 1985). Local hire policies, in this context, are analogous to a quota designed to counter the importation of outside labor. Currently there exists a significant differential between prevailing resident wages (presumably union-scale) and non-resident wages (presumably non-union scale) in the Fairbanks construction industry. Given this wage differential, theory suggests that

efforts to impede the importation of non-resident labor will make some local interests better off and some worse off.

An objective analysis of the local hire issue involves consideration of all actors in the regional economy who are affected by welfare changes. Therefore, to determine whether local hire is beneficial to the regional economy as a whole it will be necessary to consider the initial welfare changes of those directly affected by such policies, and the indirect effects of local hire--the so-called multiplier or second round effects on dollar turnover.

The initial welfare changes to be isolated and measured include:

1) Employment Effects

- A) Resident employment effect - the potential increase in construction jobs accruing to the resident work force due to local hire.
- B) Absolute employment effect - the potential decrease in total employment in the construction sector due to firms facing the higher prevailing resident wage rates.

2) Redistribution Effects

- A) Wage transfer effect - the potential transfer of wages from the non-resident work force to resident workers under local hire.
- B) Business-Labor transfer effect - the potential transfer of net income from local businesses to the resident work force. This net income was derived from the opportunity to utilize cheaper non-resident workers in construction projects.

3) Marginal project effect - the potential loss of business income derived from those marginal construction projects presently feasible with cheaper non-resident workers, but infeasible utilizing the resident work force at the prevailing wage.

4) Final products effect - the potential for increased prices of goods and services as businesses pass on higher construction labor costs.

- 4) Percentage of non-local businesses utilizing construction trade labor.
- 5) The marginal propensities of residents and non-residents to consume, respectively.
- 6) Income multipliers for the regional economy (Weddleton, 1985).

Budget Justification

The majority of the costs of this project will be personnel expenses. Six months of salary are requested for hiring a full-time economist to serve as principal investigator. It is anticipated that two trained surveyors will be required in the project to aid in delineating the expenditure patterns of residents vs. non-residents. Secretarial support on a part-time basis is also anticipated. Travel monies will defray costs incurred during the interview process and data collection efforts from the Alaska Department of Labor and other government agencies within the state.

A REGIONAL ECONOMIC ANALYSIS OF THE
IMPACTS OF LOCAL HIRE POLICIES

A

Proposal

submitted to the

Alaska State Legislature

by the

Fairbanks Central Labor Council
819 First Avenue
Fairbanks, Alaska 99701

Prepared by

Steven D. Beasley
P.O. Box 82271
Fairbanks, Alaska 99708

March 15, 1985

Budget Justification

A. SALARIES	
1. <u>Principal Investigator</u>	
(1) Economist (Alaska state level II)	\$18,000
6 months	
2. <u>Trained Survey Technicians</u>	
(2) 3 months @ \$10/hr	\$ 9,200
B. TRAVEL	\$ 2,000
1. (1) round trip airfare to Juneau	
2. Road mileage in Fairbanks	
C. SUPPLIES	\$ 600
Survey instruments, office supplies, postage, etc.	
D. SERVICES	
1. Computer time	\$ 500
2. Statistical sampling consultation	\$ 1,000
3. Secretarial support	\$ 2,000
(part-time, need basis)	
4. Xerox	\$ 500
5. Telephone budget	\$ 1,000
E. OVERHEAD	\$ 4,800
6 months @ \$800/mo	
TOTAL COST	\$38,200

Selected Bibliography

Carbaugh, R.J., International Economics, Second Edition, Wadsworth Publishers, 1985.

Fairbanks Building and Construction Trades Council, Policy Statement to Working Residents and the Business Community of the Fairbanks Area, The Arctic Dispatch, January 31, 1985.

Fairbanks North Star Borough Assembly, Policy Statement on Local Hire, March, 1985.

Weddleton, J., "An Input-Output Model for the Alaska Economy," a master's degree in progress, University of Alaska, Fairbanks, expected completion date--summer 1985.

Zobel, R., "Local Hire Self-Defeating Ineffective and Illegal," The Arctic Dispatch, February 28, 1985.

LEGISLATIVE FINDINGS

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

1

The degree of economic instability is documented here. Determination as to which factors were most significant in causing this instability will require additional study.

Comparing total nonagricultural wage and salary employment between Alaska and the U.S. shows a much higher seasonal fluctuation in Alaska (as indicated by both the monthly percentages of the respective annual averages, and the standard deviation of that relationship).

Longer term economic instability is not as evident in the 1970-1984 data. This is probably because of the stabilizing effects of relatively high per capita State expenditures in the past several years.

(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;

1, 2

The legislative members are probably in the best position to comment on the hardships experienced by their constituents.

Recently the Alaska Dept. of Labor, Research and Analysis section did a computer cross match of the social security numbers of individuals who worked at any time in 1984 (under the coverage of Unemployment Insurance), with the social security numbers of Permanent Fund dividend recipients.

This is the first time Alaska has had objective data to infer nonresident employment patterns. More work is planned to further analyze the relationships between residency and the receipt or nonreceipt of a Permanent Fund dividend.

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

3, 4

Alaska's unemployment rate relative rank varies from year to year. In 1984 Alaska's annual average unemployment rate was tied for the fifth highest in the country; in 1983 it was sixteenth. Since our current time series began in 1978 Alaska's annual average unemployment rate has always been above that of the total nation.

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

2, 5, 6, 7

The recent computer match (see attachment 2) indicates that Alaska has a high percentage of nonresident workers. Unfortunately no similar data exists for other states. Comparing the nonagricultural wage and salary employment by place of residence (from the 1980 census) to its closest equivalent by place of work does indicate that Alaska has a higher than average level of nonresident employment.

Alaska ranks second in the percentage of benefits paid to workers who collect outside the state (interstate benefits).

LEGISLATIVE FINDINGS

ATTACHMENTS

COMMENTS

LEGISLATIVE FINDINGS	ATTACHMENTS	COMMENTS
		Future possibilities for research into this question are possibly working cooperatively with the U.S. Bureau of Labor Statistics.
(5) the state has a compelling interest in reducing the level of unemployment among its residents;	7	In addition to the individual's economic and social hardship attributed to unemployment there were \$33,807,750 in benefits paid to unemployed workers, which were funded by Alaska's UI employer and employee taxes. Reducing the level of unemployment would correspondingly reduce the expenditure level.
(6) the construction industry in the state accounts for a substantial percentage of the available employment;	8, 9	Alaska's construction employment consistently accounts for a larger percentage of its total employment than the national average for the same time period.
(7) construction workers receive a greater percentage of all unemployment benefits paid by the state than is typical of other states;	10	Alaska's construction workers receive a large portion of total Unemployment Insurance benefit payments (as indicated in attachment 10). Unfortunately similar data is not published in a single source for other states. This data can be acquired directly from most states at a later time.
(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;	11, 12	Alaska's unemployment rate by industry has only been available since October 1982 (1981 data), and then only for the annual average. In all three years it has been available construction's unemployment rate has been the highest of any Alaska industry for which the U.S. Bureau of Labor Statistics has had sufficient sample to publish.
(9) it is appropriate for the state to consider the welfare of its residents when it funds construction activity;	none	This is a policy, not an economic issue.
(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;	none	Economic impacts of spending alternatives can be made (such as the article by Scott Goldsmith of the Institute of Social and Economic Research in September 1984), but determination of what is in the public interest remains a policy issue.

LEGISLATIVE FINDINGS

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(11) Immigration 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;

2

The recent computer match of Permanent Fund dividend recipients to workers covered by Unemployment Insurance in 1984 supports this finding, but additional computer matching and analysis is necessary to:

a) cross check duration in the state, as indicated by the quarters in which workers either worked or claimed UI benefits, to receipt or nonreceipt of a Permanent Fund dividend; and

b) match UI claims for both interstate (see Finding 44 by Judge Johnstone in the Francis v. Robison case) and intrastate claimants against the file of Permanent Fund dividend recipients.

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

2

The Research and Analysis section of the Alaska Dept. of Labor does not yet tabulate state funded public works data separately from all other construction. However, when other units of this department have enforced the residency requirements of Title 36 employers are nearly always able to find unemployed, qualified residents. James N. Francis was replaced by a resident when his employer reported to Department of Labor unemployment.

Inferring from the entire construction industry's high percentage of nonrecipients (of Permanent Fund dividends) this seems likely. Additional research to isolate state funded construction would be useful in any future defense of Title 36 residency provisions.

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

none

Again determination of the state's interest is a policy issue.

Economic theory does indicate that money spent locally has a multiplier effect as a portion is spent in subsequent iterations. Nonresident construction workers probably spend less locally than residents would.

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

none

This is a legal and/or policy issue.

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

none

This data is not collected by our department. Defer verification to the Office of Management and Budget.

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(16) the vast majority of the state's revenue is derived from these royalties rather than from other forms of taxation:

none

Data from the Department of Revenue indicates that this has been true since 1976.

(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:

none

The logic of the next finding supports this finding.

(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.

none

The economic suffering of Alaskans, displaced by nonresidents, is more than that of the residents of other states, primarily because of the higher cost of living in this state.

The Bureau of Labor Statistics Urban Family Budget for 1981 (the last year that it was estimated), indicated that the lower and intermediate budgets for a four-person family were the highest of any city surveyed (150% and 126% of the national average respectively).

Updated on
31-Mar-85

Employment in thousands

	Alaska Total	% of Annual Average	% Annual Growth	U.S. Total	% of Annual Average	% Annual Growth
JAN1970	82.3	88.4		70,104	98.9	
FEB	83.3	89.5		70,209	99.1	
MAR	85.9	92.3		70,658	99.7	
APRIL	88.5	95.1		70,972	100.1	
MAY	93.9	100.9		70,995	100.2	
JUNE	101.9	109.5		71,636	101.1	
JULY	104.9	112.7		70,973	100.0	
AUGUST	104.6	112.4		70,775	99.9	
SEPT	99.4	106.8		71,134	100.4	
OCTOBER	93.9	100.9		70,899	100.0	
NOVEMBER	89.9	96.6		70,859	100.0	
DECEMBER	80.2	94.8		71,436	100.8	
Annual Av.	93.1	100.0	NA	70,879	100.0	NA
JAN1971	86.4	88.4		69,799	98.0	
FEB	86.6	88.6		69,720	97.9	
MAR	87.7	89.7		70,084	98.4	
APRIL	91.0	93.1		70,672	99.2	
MAY	96.4	98.6		71,165	99.9	
JUNE	103.4	105.7		71,879	100.9	
JULY	109.6	112.1		71,066	99.8	
AUGUST	109.0	111.5		71,173	99.9	
SEPT	106.3	100.7		71,009	100.8	
OCTOBER	102.1	104.4		72,056	101.2	
NOVEMBER	98.9	101.1		72,357	101.6	
DECEMBER	96.0	98.2		72,755	102.2	
Annual Av.	97.6	100.0	5.1	71,211	100.0	0.5
JAN1972	91.1	88.0		71,359	96.9	
FEB	91.7	88.6		71,546	97.1	
MAR	93.2	90.1		72,138	97.9	
APRIL	96.9	93.6		72,770	98.8	
MAY	102.2	98.8		73,402	99.6	
JUNE	108.7	105.0		74,383	101.0	
JULY	115.5	111.6		73,377	99.6	
AUGUST	115.7	111.8		73,929	100.3	
SEPT	110.7	107.0		74,491	101.1	
OCTOBER	107.5	103.9		75,169	102.0	
NOVEMBER	105.5	101.9		75,581	102.6	
DECEMBER	103.1	99.6		75,955	103.1	
Annual Av.	103.5	100.0	5.8	73,675	100.0	3.5
JAN1973	98.6	89.7		74,491	97.0	
FEB	98.9	90.0		74,869	97.5	
MAR	101.3	92.1		75,422	98.2	
APRIL	104.5	95.1		76,008	99.0	
MAY	109.4	99.5		76,591	99.7	
JUNE	114.0	103.7		77,508	100.9	
JULY	120.4	109.5		76,568	99.7	
AUGUST	122.6	111.5		76,971	100.2	
SEPT	118.8	108.1		77,562	101.0	
OCTOBER	114.0	103.7		78,175	101.8	
NOVEMBER	109.7	99.8		78,587	102.3	
DECEMBER	107.1	97.4		78,715	102.5	
Annual Av.	109.9	100.0	6.2	76,790	100.0	4.2

Updated on
31-Mar-85

Employment in Thousands

	Alaska Total	% of Annual Average	% Annual Growth	U.S. Total	% of Annual Average	% Annual Growth
JAN1974	102.6	80.3		76,972	98.3	
FEB	104.7	81.9		77,039	98.4	
MAR	108.5	84.9		77,362	98.8	
APRIL	117.8	92.2		77,911	99.5	
MAY	126.5	99.0		78,513	100.3	
JUNE	133.5	104.4		79,210	101.2	
JULY	139.7	109.3		78,311	100.1	
AUGUST	144.7	113.2		78,459	100.2	
SEPT	144.0	112.6		78,959	100.9	
OCTOBER	139.8	109.4		79,258	101.3	
NOVEMBER	135.9	107.1		78,937	100.9	
DECEMBER	135.3	105.8		78,295	100.0	
Annual Av.	127.8	100.0	16.3	78,265	100.0	1.9
JAN1975	130.3	80.5		76,066	98.9	
FEB	136.0	84.0		75,641	98.4	
MAR	143.0	88.3		75,686	98.4	
APRIL	155.0	95.8		76,018	98.9	
MAY	161.9	100.0		76,649	99.7	
JUNE	169.1	104.5		77,143	100.3	
JULY	173.9	107.4		76,466	99.4	
AUGUST	182.0	112.4		76,993	100.1	
SEPT	181.2	111.9		77,602	100.9	
OCTOBER	177.2	109.5		78,158	101.6	
NOVEMBER	169.5	104.7		78,312	101.8	
DECEMBER	163.4	100.9		78,000	101.4	
Annual Av.	161.9	100.0	26.6	76,895	100.0	-1.8
JAN1976	149.9	87.3		77,252	97.3	
FEB	155.7	90.7		77,462	97.6	
MAR	162.7	94.8		78,092	98.4	
APRIL	169.1	98.5		78,919	99.4	
MAY	177.5	103.4		79,414	100.0	
JUNE	184.4	107.4		80,043	100.8	
JULY	190.2	110.8		79,272	99.9	
AUGUST	194.1	113.0		79,537	100.2	
SEPT	189.2	110.2		80,244	101.1	
OCTOBER	171.2	99.7		80,479	101.4	
NOVEMBER	162.3	94.5		80,839	101.8	
DECEMBER	154.2	89.8		81,016	102.1	
Annual Av.	171.7	100.0	6.1	79,382	100.0	3.2
JAN1977	151.2	92.6		79,427	96.3	
FEB	153.8	94.2		79,636	96.6	
MAR	157.5	96.4		80,493	97.6	
APRIL	162.5	99.5		81,418	98.7	
MAY	167.2	102.4		82,252	99.7	
JUNE	173.3	106.1		83,210	100.9	
JULY	171.0	104.7		82,551	100.1	
AUGUST	171.4	104.9		82,845	100.5	
SEPT	171.3	104.9		83,798	101.6	
OCTOBER	165.3	101.2		84,298	102.2	
NOVEMBER	159.6	97.7		84,744	102.8	
DECEMBER	156.0	95.5		84,980	103.0	
Annual Av.	163.3	100.0	-4.0	82,471	100.0	3.9

Updated on
31-Mar-85

	Alaska			Employment in Thousands		
	Total	% of Annual Average	% Annual Growth	U.S. Total	% of Annual Average	% Annual Growth
JAN1978	151.9	92.9		83,318	96.1	
FEB	153.4	93.8		83,614	96.4	
MAR	155.9	95.4		84,607	97.6	
APRIL	159.6	97.6		85,910	99.1	
MAY	165.3	101.1		86,715	100.0	
JUNE	170.8	104.5		87,701	101.2	
JULY	169.5	103.7		86,872	100.2	
AUGUST	173.9	106.4		87,174	100.5	
SEPT	173.8	106.3		87,801	101.3	
OCTOBER	167.1	102.2		88,417	102.0	
NOVEMBER	162.1	99.2		88,965	102.6	
DECEMBER	158.3	96.8		89,272	103.0	
Annual Av.	163.5	100.0	0.1	86,697	100.0	5.1
JAN1979	154.0	92.3		87,514	97.4	
FEB	154.6	92.6		87,751	97.7	
MAR	158.4	94.9		88,654	98.7	
APRIL	162.4	97.3		89,193	99.3	
MAY	169.1	101.3		90,012	100.2	
JUNE	174.4	104.5		90,857	101.2	
JULY	178.0	107.1		89,869	100.1	
AUGUST	179.8	107.7		89,969	100.2	
SEPT	176.6	105.8		90,521	100.8	
OCTOBER	170.1	101.9		91,000	101.3	
NOVEMBER	164.5	98.5		91,204	101.5	
DECEMBER	160.5	96.1		91,335	101.7	
Annual Av.	166.9	100.0	2.1	89,823	100.0	3.6
JAN1980	153.5	90.6		89,553	99.1	
FEB	156.2	92.2		89,691	99.2	
MAR	159.3	94.0		90,253	99.8	
APRIL	166.6	98.3		90,603	100.2	
MAY	172.9	102.1		90,623	100.2	
JUNE	176.3	104.1		90,778	100.4	
JULY	181.1	106.9		89,436	98.9	
AUGUST	182.6	107.8		89,723	99.2	
SEPT	178.2	105.2		90,390	100.0	
OCTOBER	174.0	102.7		90,985	100.6	
NOVEMBER	168.5	99.5		91,329	101.0	
DECEMBER	163.9	96.7		91,513	101.2	
Annual Av.	169.4	100.0	1.5	90,406	100.0	0.6
JAN1981	152.6	87.4		89,688	98.4	
FEB	166.0	89.2		89,833	98.5	
MAR	171.1	91.9		90,371	99.1	
APRIL	180.1	96.8		91,027	99.9	
MAY	185.4	99.6		91,514	100.4	
JUNE	191.6	102.9		92,158	101.1	
JULY	204.2	109.7		91,237	100.1	
AUGUST	203.2	109.2		91,238	100.1	
SEPT	200.5	107.7		91,739	100.6	
OCTOBER	194.7	104.6		91,913	100.8	
NOVEMBER	188.8	101.4		91,745	100.6	
DECEMBER	185.7	99.5		91,414	100.3	
Annual Av.	186.1	100.0	9.9	91,156	100.0	0.8

Updated on
31-Mar-85

Employment in Thousands

	Alaska Total	% of Annual Average	% Annual Growth	U.S. Total	% of Annual Average	% Annual Growth
JAN1982	177.1	88.4		89,184	99.6	
FEB	181.2	90.4		89,273	99.7	
MAR	185.0	92.3		89,566	100.0	
APRIL	193.5	96.6		89,878	100.3	
MAY	198.9	99.3		90,361	100.9	
JUNE	207.3	103.5		90,554	101.1	
JULY	219.4	109.5		89,221	99.6	
AUGUST	220.7	110.1		89,091	99.5	
SEPT	217.7	108.7		89,516	99.9	
OCTOBER	207.2	103.1		89,484	99.9	
NOVEMBER	199.6	99.6		89,381	99.8	
DECEMBER	196.8	98.2		89,283	99.7	
Annual Av.	200.4	100.0	7.7	89,566	100.0	-1.7
JAN1983	190.5	88.9		87,590	97.2	
FEB	194.0	90.5		87,598	97.2	
MAR	198.3	92.5		88,208	97.9	
APRIL	206.0	96.1		89,064	98.8	
MAY	213.2	99.5		89,921	99.8	
JUNE	222.8	104.0		90,738	100.7	
JULY	232.3	108.4		90,112	100.0	
AUGUST	234.2	109.3		89,842	99.7	
SEPT	232.0	108.3		91,485	101.5	
OCTOBER	221.4	103.3		92,049	102.1	
NOVEMBER	215.7	100.7		92,406	102.5	
DECEMBER	211.1	98.5		92,645	102.8	
Annual Av.	214.3	100.0	6.9	90,138	100.0	0.6
JAN1984	203.7	90.5		91,065	95.7	
FEB	206.9	92.0		91,612	97.3	
MAR	211.9	94.2		92,234	98.0	
APRIL	217.7	96.0		93,229	99.0	
MAY	225.7	100.8		94,164	100.0	
JUNE	233.5	103.8		95,003	100.9	
JULY	241.2	107.2		94,239	100.1	
AUGUST	243.5	108.2		94,500	100.4	
SEPT	239.8	106.6		95,358	101.3	
OCTOBER	230.8	102.6		95,902	101.9	
NOVEMBER	224.2	99.6		96,260	102.2	
DECEMBER	220.1	97.8		96,308	102.3	
Annual Av.	225.0	100.0	5.0	94,156	100.0	4.5
JAN1985	215.3	NA	NA	94,575	NA	NA
1970-1984 Standard Deviation	42.2	7.5	7.2	7,777	1.5	2.2
1970-1984 Average	157.0	NA	6.7	82,767	NA	2.1
Standard Deviation Divided by Average	0.269	NA	1.073	0.094	NA	1.048

Description of Computer Match (March 1985)

Social Security numbers (SSN's) from all persons who received a 1984 Permanent Fund check were matched against the SSN's of anyone who worked for wages under the coverage of Alaska's Unemployment Insurance (UI) system at any time in 1984.

To qualify for a Permanent Fund dividend people had to reside in Alaska during the period from October 1, 1983 till March 31, 1984.

Alaska's UI system maintains wage records for nearly all employment, with the major exceptions being: federal, most fish harvesting, and the self-employed.

The initial computer match was tabulated for employees, and wages by industry and by area.

The match does not provide a perfect definition of residency since people who intend to stay in Alaska have arrived since the October 1, 1983 cutoff to qualify for the Permanent Fund dividend.

An analysis of Federal Internal Revenue System migration data indicated that 12.9% of Alaskans who filed Federal income tax returns for 1983 were not residents of the state in 1982. That compares to a rate of 14.1% the previous year. Extrapolating those two migration rates to cover the 15 month period of October 1983-December 1984 yields a range of about 16-18%.

Additionally some people, who would qualify, do not choose to file for the Permanent Fund dividend. I speculate that this amounts to no more than 2% of the eligible population. Combining the two factors of migration and failure to file for the Permanent Fund dividend yields a base line residency adjustment of just under 20%. Unfortunately IRS migration data is not available by industry and people can be assumed to migrate to some industries at more or less than this adjustment.

Summary of Results

Overall 38% of the unincorporated count of U.S. covered employees did not receive a Permanent Fund dividend check. The 1984 U.I. covered wages were nearly \$1.3 billion. Adjusting for residency and for people who did not choose to file for the dividend would result in nonresident wages of approximately \$375 million. A later computer match in July (pending our receipt of general funds associated with PB 883) can be expected to show somewhat higher wage totals due to late reporting of delinquent firms.

Industries showing a rate of "nonrecipients" (of the Permanent Fund dividend) significantly in excess of 20%, for the "Total 1984", can be expected to have a correspondingly high level of non resident employment. In Alaska these industries are:

- 1) Food Processing (75%)
- 2) Eating and Drinking Places (51%)
- 3) Mining other than oil and gas (48%) (especially for metals)
- 4) Logging and Lumber (48%)
- 5) Construction (45%)
- 6) Hotels (44%)
- 7) Business Services (44%)

The composition of the industrial mix seems to have been a major factor in the distribution of nonrecipients by economic region (this will be more extensively tested in future months). Southeast had a relatively low percentage of nonrecipients (of the Permanent Fund who received UI covered wages) because it has a high percentage of government workers, and that industry is predominately resident. Alaska's six economic regions had the following percentages of nonrecipients:

- 1) Southwest (47%)
- 2) Gulf Coast (42%)
- 3) Northern (39%)
- 4) Anchorage-Matsu (35%)
- 5) Interior (34%)
- 6) Southeast (30%)

Nonrecipients had an average annual wage less than half that of the recipients. This is probably due to working in fewer quarters of the year (this can be tested).

Future computer matches, funded by PB 895, would be designed to accurately answer questions raised in a legal review of resident hire cases

Table 3. Employment status of the civilian noninstitutional population 16 years of age and over by State, 1983-84 annual averages

(Numbers in thousands)

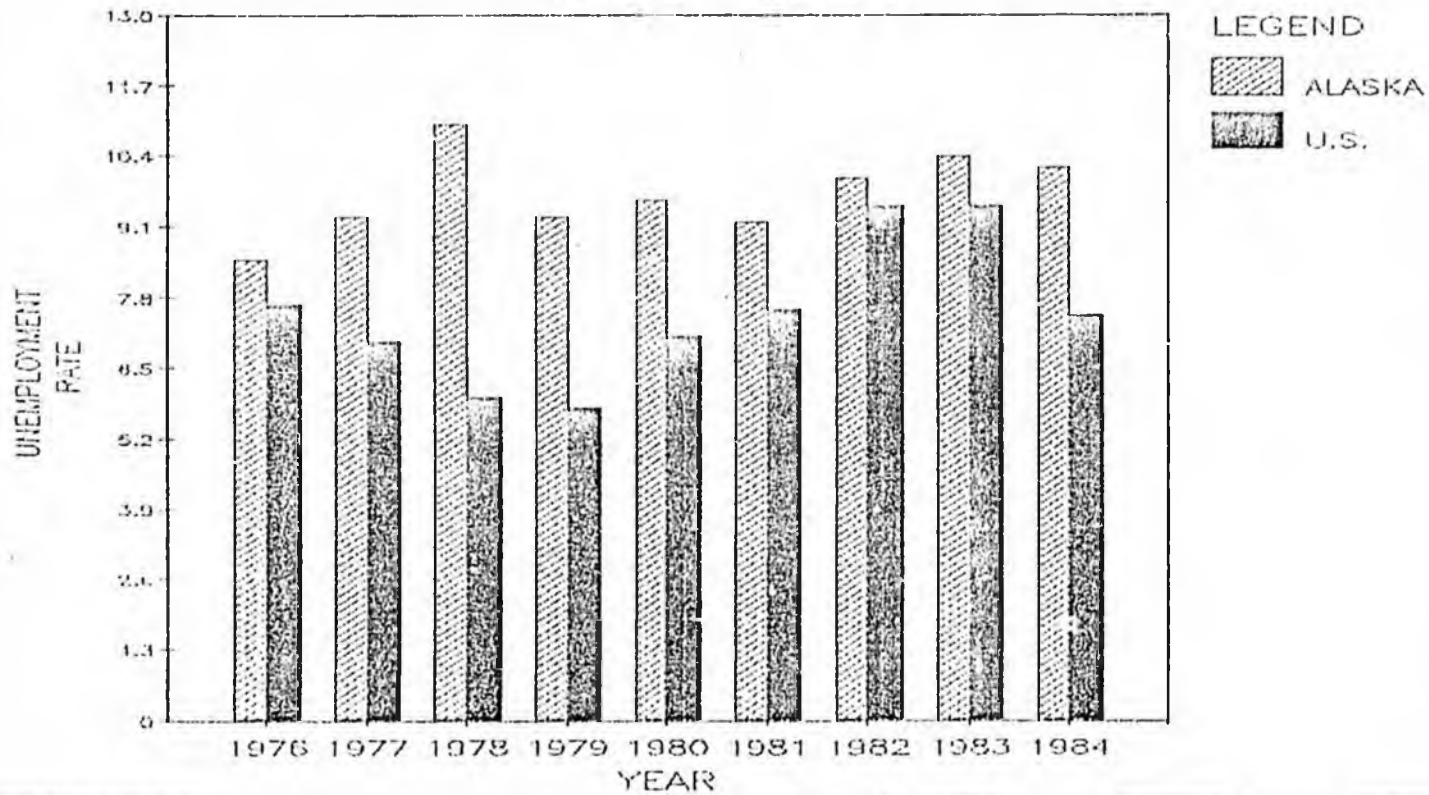
State	Population		Civilian labor force		Employed		Unemployed		Unemployment rate		Total range for 1983-84
	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	
Alabama.....	2,911	2,962	1,758	1,796	1,518	1,594	240	202	13.7	11.3	10.0-15.0
Alaska.....	320	333	234	245	210	220	24	25	10.3	10.0	9.0-11.0
Arizona.....	2,189	2,255	1,356	1,433	1,240	1,311	126	122	9.3	8.5	7.5-10.5
Arkansas.....	1,718	1,740	1,029	1,045	924	951	106	94	10.3	9.0	8.0-11.0
California.....	18,707	18,993	12,269	12,503	11,084	11,532	1,185	972	9.7	7.8	7.5-10.0
Colorado.....	2,314	2,345	1,668	1,707	1,558	1,610	111	96	6.6	5.6	5.0-7.0
Connecticut.....	2,432	2,453	1,612	1,622	1,515	1,595	97	77	6.0	4.7	4.0-5.0
Delaware.....	456	462	296	308	273	286	24	19	8.1	6.2	5.5-8.0
District of Columbia.....	483	481	320	320	282	291	37	29	11.7	9.1	6.0-15.0
Florida.....	8,391	8,588	4,932	5,099	4,599	4,777	434	322	8.6	6.3	5.5-9.5
Georgia.....	4,150	4,238	2,685	2,765	2,484	2,594	201	166	7.5	6.0	5.0-8.0
Hawaii.....	707	722	472	473	442	446	30	27	6.5	5.6	5.0-6.0
Idaho.....	690	702	459	464	413	411	46	33	9.8	7.2	6.0-11.0
Illinois.....	8,578	8,613	5,594	5,664	4,954	5,093	640	511	11.4	9.1	8.0-12.0
Indiana.....	4,057	4,088	2,578	2,627	2,292	2,400	286	226	11.1	8.6	7.0-10.0
Iowa.....	2,160	2,160	1,421	1,417	1,305	1,310	116	100	8.1	7.0	6.0-9.0
Kansas.....	1,784	1,797	1,196	1,197	1,114	1,135	72	63	6.1	5.2	4.0-6.0
Kentucky.....	2,721	2,735	1,701	1,713	1,592	1,556	109	160	11.7	9.3	8.0-11.0
Louisiana.....	3,163	3,177	1,913	1,940	1,688	1,745	225	194	11.9	10.0	9.0-13.0
Maine.....	856	877	573	552	499	518	49	34	8.0	6.1	5.0-8.0
Maryland.....	3,248	3,290	2,203	2,244	2,051	2,123	152	121	6.9	5.4	4.0-6.0
Massachusetts.....	4,623	4,517	2,979	2,951	2,773	2,906	206	165	6.9	5.6	5.0-8.0
Michigan.....	6,721	6,762	4,287	4,359	3,679	3,821	609	499	14.2	11.2	10.0-15.0
Minnesota.....	3,086	3,108	2,176	2,229	1,999	2,038	178	161	8.2	7.3	6.0-9.0
Mississippi.....	1,826	1,840	1,064	1,024	929	958	134	116	12.6	10.9	9.0-13.0
Missouri.....	2,729	2,766	1,447	1,379	1,155	1,207	232	172	9.0	7.2	6.0-9.0
Montana.....	597	603	394	405	361	376	35	30	8.9	7.2	6.0-9.0
Nebraska.....	1,174	1,183	797	798	746	767	45	35	5.7	4.4	3.0-6.0
Nevada.....	671	685	486	496	438	457	48	39	9.8	7.9	6.0-11.0
New Hampshire.....	721	737	500	520	473	499	27	27	5.4	5.1	3.0-6.0
New Jersey.....	5,779	5,840	3,673	3,829	3,385	3,592	289	236	7.8	6.2	5.0-8.0
New Mexico.....	992	1,012	609	628	547	592	62	67	10.1	7.5	6.0-11.0
New York.....	13,547	13,633	8,051	8,089	7,363	7,505	688	594	8.6	7.2	7.0-10.0
North Carolina.....	4,490	4,523	2,935	3,033	2,674	2,828	261	205	8.9	6.7	6.0-9.0
North Dakota.....	487	490	319	327	301	311	18	17	5.6	5.1	3.0-6.0
Ohio.....	8,035	8,056	5,109	5,099	4,479	4,619	621	491	12.2	9.4	8.0-12.0
Oklahoma.....	2,415	2,413	1,552	1,568	1,412	1,430	140	109	9.0	7.0	6.0-10.0
Oregon.....	2,098	2,026	1,341	1,336	1,196	1,210	145	125	10.8	9.1	8.0-11.0
Pennsylvania.....	9,128	9,211	5,506	5,687	4,856	4,988	650	499	11.9	9.1	8.0-12.0
Rhode Island.....	736	752	475	490	435	464	39	26	8.3	5.3	4.0-6.0
South Carolina.....	2,351	2,377	1,470	1,480	1,323	1,374	148	105	10.0	7.1	6.0-9.0
South Dakota.....	594	510	336	364	316	331	18	15	5.4	4.7	3.0-6.0
Tennessee.....	3,506	3,546	2,181	2,221	1,971	2,033	250	190	11.5	8.6	7.0-11.0
Texas.....	11,277	11,443	7,637	7,853	7,027	7,397	610	466	8.0	5.9	5.0-9.0
Utah.....	1,949	1,975	694	721	670	674	64	67	9.2	6.5	5.0-10.0
Vermont.....	392	396	265	269	247	255	18	14	6.9	5.2	4.0-6.0
Virginia.....	4,082	4,159	2,722	2,841	2,557	2,698	165	143	6.1	5.0	4.0-8.0
Washington.....	3,187	3,230	2,068	2,054	1,839	1,859	231	194	11.2	9.5	8.0-11.0
West Virginia.....	1,621	1,470	771	769	677	657	109	116	16.0	15.0	13.0-18.0
Wisconsin.....	3,561	3,562	2,426	2,394	2,172	2,218	253	176	10.4	7.7	6.0-11.0
Wyoming.....	363	360	263	254	241	238	22	16	8.4	6.3	5.0-10.0
Puerto Rico ^{2/}	2,251	2,273	942	958	722	759	220	198	23.4	20.7	(1)

1/ Error ranges are shown at the 90-percent confidence level.

1/ Not available.

2/ The source of this data is the Employment Security Agency of Puerto Rico.

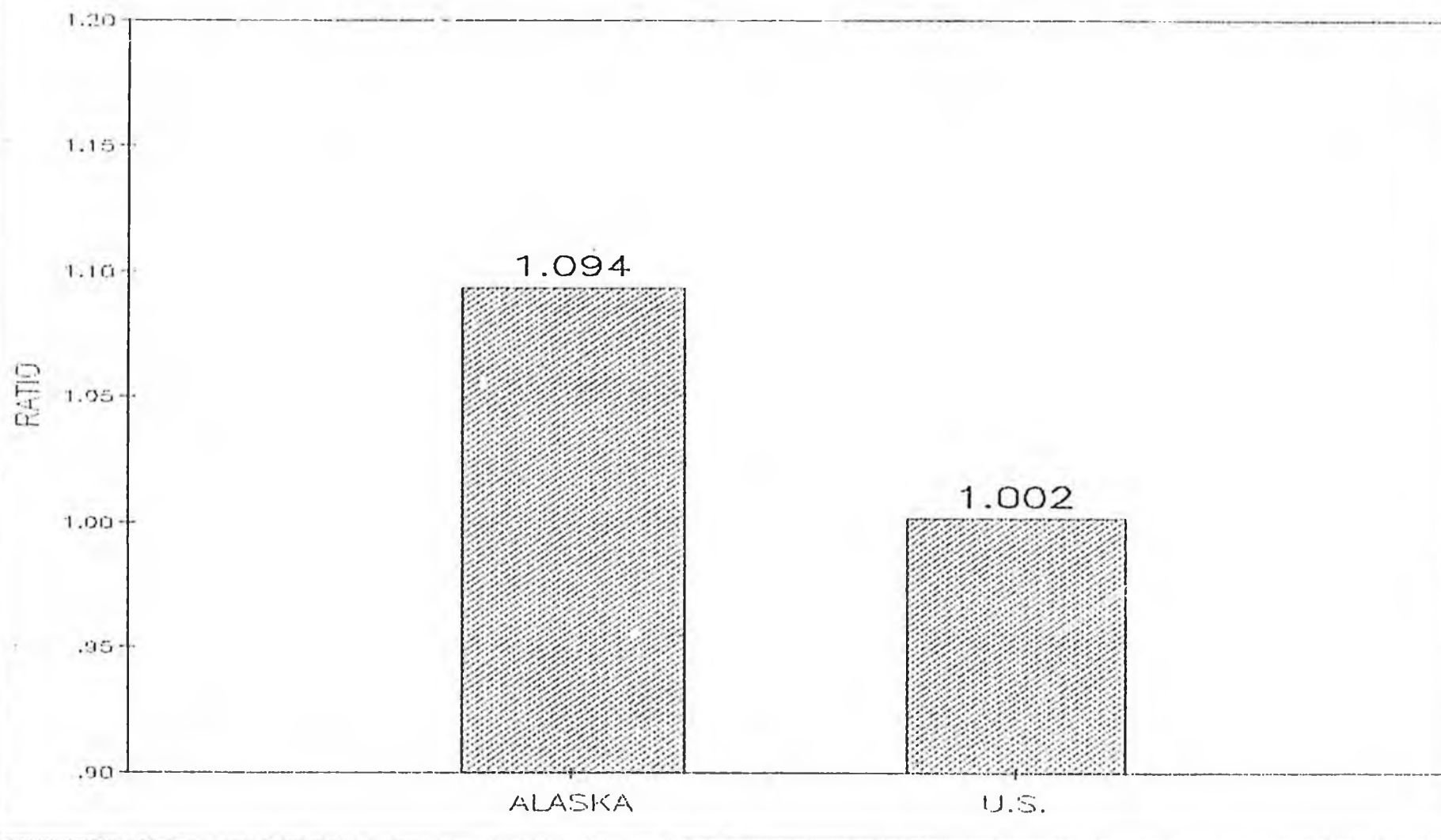
UNEMPLOYMENT RATE ALASKA AND U.S. 1976-1984



ALASKA AND U.S. WAGE AND SALARY EMPLOYMENT
 FROM THE APRIL 1980 U.S. CENSUS VS. THAT REPORTED
 BY THE U.S. BUREAU OF LABOR STATISTICS
 AND THE ALASKA DEPARTMENT OF LABOR

Updated on 30-Mar-85	ALASKA	U.S.
U.S. CENSUS APRIL, 1980:	ALASKA	U.S.
NONAG. WAGE & SALARY EMPLOYMENT BY PLACE OF RESIDENCE	152,279	90,462,005
BLS & AK. DEPT OF LABOR APRIL, 1980		
NONAG. WAGE & SALARY EMPLOYMENT BY PLACE OF WORK	166,600	90,603,000
RATIO OF NONAG WAGE & SALARY EMPLOYMENT BY PLACE OF WORK RELATIVE TO PLACE OF RESIDENCE	1.094	1.002

Ratio of Nonag. Wage & Salary
Employment by Place of Work
Relative to Place of Residence



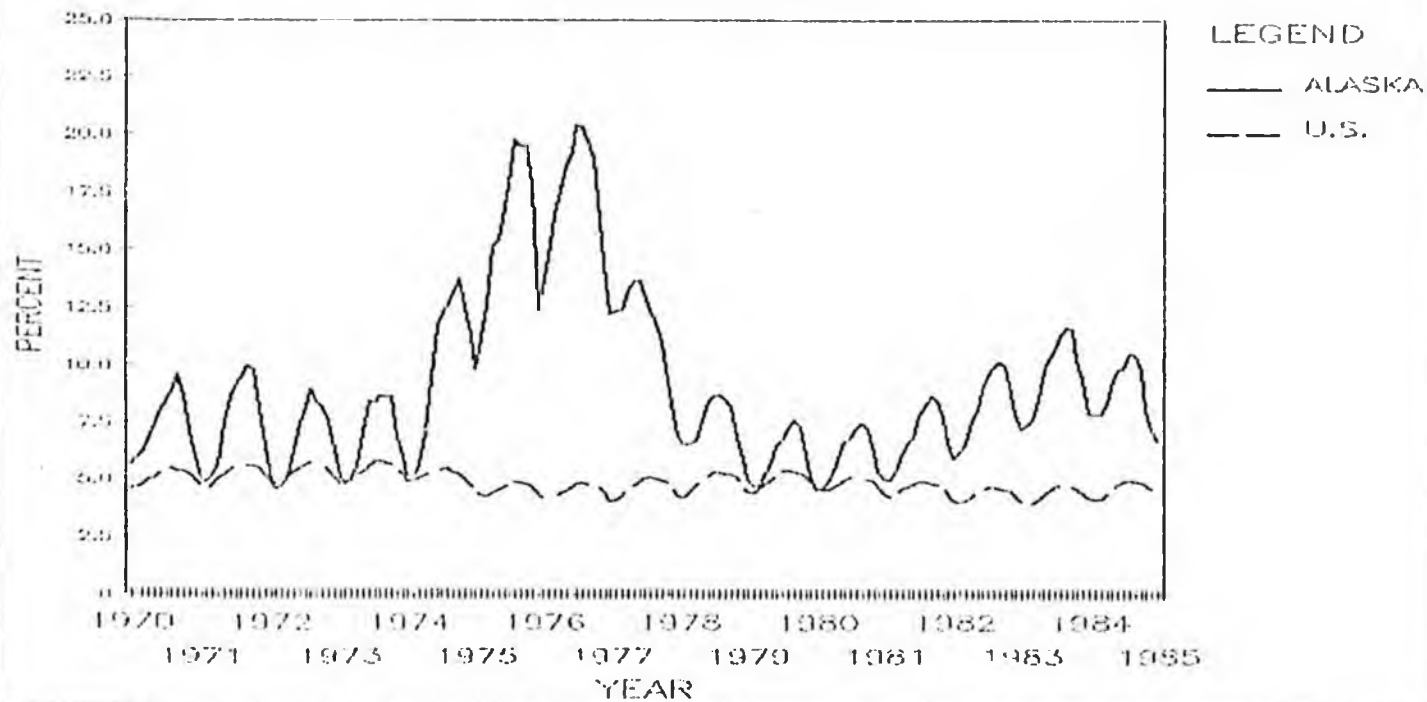
Updated on
30-Mar-85

Calendar Year 1983

7

State UI	Interstate Benefits Paid	Total Benefits Paid	Percent of Total	Rank
U.S.	943,427,951	19,548,703,799	4.60%	1
WYOMING	19,498,761	66,333,966	22.20%	2
ALASKA	20,592,928	83,807,759	19.72%	3
SOUTH DAKOTA	2,694,440	15,788,313	14.58%	4
D.C.	13,539,575	83,387,077	13.97%	5
NEVADA	14,073,363	92,778,595	13.82%	6
DELAWARE	4,841,505	30,502,456	13.70%	7
NORTH DAKOTA	6,837,448	55,485,776	10.97%	8
KANSAS	19,829,760	165,894,893	10.68%	9
LOUISIANA	69,506,835	622,681,127	10.04%	10
OKLAHOMA	23,086,733	218,543,432	9.55%	11
VIRGIN ISLANDS	824,397	8,128,992	9.21%	12
NEW MEXICO	7,284,654	79,699,465	8.37%	13
TEXAS	82,887,259	937,790,221	8.12%	14
NEBRASKA	5,464,118	63,827,068	7.69%	15
COLORADO	20,157,543	236,172,013	7.86%	16
NEW HAMPSHIRE	3,291,569	38,406,240	7.69%	17
OREGON	21,405,556	265,293,635	7.47%	18
ARIZONA	10,233,812	129,028,525	7.35%	19
MISSISSIPPI	10,277,059	134,332,974	7.11%	20
VIRGINIA	12,208,996	173,661,041	6.57%	21
UTAH	7,000,374	102,967,351	6.37%	22
HAWAII	4,309,570	66,019,524	6.13%	23
FLORIDA	18,970,467	305,324,725	5.85%	24
CONNECTICUT	13,617,279	237,386,951	5.43%	25
MISSOURI	13,228,711	233,905,596	5.35%	26
WASHINGTON	28,100,077	497,962,473	5.34%	27
VERMONT	2,117,780	39,278,366	5.12%	28
MARYLAND	13,998,717	261,744,496	5.08%	29
IDAHO	3,783,694	74,453,339	4.84%	30
MONTANA	3,202,794	63,459,236	4.80%	31
ARKANSAS	5,787,795	118,207,766	4.77%	32
NEW JERSEY	34,184,300	700,577,898	4.65%	33
MAINE	3,123,419	70,036,164	4.27%	34
RHODE ISLAND	3,647,876	88,821,754	3.94%	35
TENNESSEE	9,941,265	242,747,578	3.93%	36
NEW YORK	47,811,975	1,180,802,619	3.89%	37
GEORGIA	9,248,137	238,135,832	3.74%	38
WEST VIRGINIA	10,312,990	273,983,920	3.63%	39
ILLINOIS	53,881,464	1,454,727,415	3.55%	40
KENTUCKY	9,410,343	264,558,118	3.43%	41
NORTH CAROLINA	10,690,245	310,772,492	3.33%	42
PENNSYLVANIA	59,052,023	1,730,607,475	3.30%	43
OHIO	34,917,872	1,034,085,733	3.27%	44
MASSACHUSETTS	15,231,459	455,923,505	3.23%	45
INDIANA	9,536,576	289,485,696	3.19%	46
SOUTH CAROLINA	4,792,288	156,656,770	2.97%	47
CALIFORNIA	94,910,727	3,215,134,090	2.87%	48
IOWA	6,045,718	238,456,114	2.79%	49
MINNESOTA	9,572,816	333,905,143	2.79%	50
ALABAMA	4,848,717	191,847,044	2.47%	51
PUERTO RICO	1,545,019	65,818,773	2.29%	52
MICHIGAN	18,965,579	977,241,449	1.90%	53
WISCONSIN	7,593,624	520,124,826	1.44%	54

CONSTRUCTION EMPLOYMENT AS A PERCENT
OF TOTAL EMPLOYMENT
ALASKA AND U.S.
1970-1985



Updated on
30-Mar-85

	Employment in Thousands					
	Alaska Total	Alaska Const.	U.S. Total	U.S. Const.	Const./ Total	Const./ U.S. Total
JAN1970	82.3	4.6	70,104	3,213	5.59%	4.58%
FEB	83.3	4.9	70,200	3,240	5.88%	4.61%
MAR	85.9	5.3	70,650	3,336	6.17%	4.72%
APRIL	88.5	5.9	70,972	3,403	6.67%	4.91%
MAY	93.9	6.9	70,995	3,555	7.35%	5.01%
JUNE	101.9	8.2	71,636	3,738	8.05%	5.22%
JULY	104.9	8.9	70,973	3,824	8.48%	5.40%
AUGUST	104.6	9.2	70,775	3,876	8.80%	5.48%
SEPT	99.4	9.5	71,134	3,783	9.56%	5.32%
OCTOBER	93.9	8.1	70,899	3,772	8.63%	5.32%
NOVEMBER	89.9	6.4	70,859	3,693	7.12%	5.21%
DECEMBER	88.2	5.2	71,436	3,547	5.90%	4.97%
JAN1971	86.4	4.3	69,799	3,227	4.98%	4.62%
FEB	86.6	4.2	69,720	3,159	4.85%	4.53%
MAR	87.7	4.5	70,084	3,300	5.13%	4.72%
APRIL	91.0	5.1	70,672	3,540	5.60%	5.01%
MAY	95.4	7.2	71,165	3,674	7.47%	5.15%
JUNE	103.4	8.9	71,879	3,865	8.61%	5.38%
JULY	109.6	10.1	71,066	3,959	9.27%	5.57%
AUGUST	109.0	10.3	71,173	4,012	9.45%	5.64%
SEPT	106.3	10.6	71,809	3,989	9.97%	5.56%
OCTOBER	102.1	10.0	72,056	4,021	9.79%	5.58%
NOVEMBER	98.9	8.0	72,357	3,965	8.09%	5.49%
DECEMBER	96.0	6.2	72,755	3,723	6.46%	5.12%
JAN1972	91.1	4.4	71,359	3,485	4.83%	4.88%
FEB	91.7	4.2	71,546	3,412	4.58%	4.77%
MAR	93.2	4.4	72,138	3,553	4.72%	4.93%
APRIL	96.9	5.0	72,770	3,723	5.16%	5.12%
MAY	102.2	6.4	73,402	3,883	6.26%	5.29%
JUNE	108.7	8.1	74,383	4,076	7.45%	5.48%
JULY	115.5	9.4	73,377	4,103	8.14%	5.59%
AUGUST	115.7	10.3	73,929	4,211	8.90%	5.70%
SEPT	110.7	9.3	74,491	4,175	8.40%	5.60%
OCTOBER	107.5	9.7	75,169	4,194	8.09%	5.58%
NOVEMBER	105.5	7.9	75,581	4,061	7.49%	5.37%
DECEMBER	103.1	6.5	75,955	3,794	6.30%	5.00%
JAN1973	98.6	5.0	74,491	3,564	5.07%	4.78%
FEB	98.9	4.8	74,869	3,601	4.85%	4.81%
MAR	101.3	5.1	75,422	3,718	5.03%	4.93%
APRIL	104.5	5.8	76,008	3,882	5.55%	5.11%
MAY	109.4	7.7	76,591	4,063	7.04%	5.30%
JUNE	114.0	9.6	77,500	4,295	8.42%	5.54%
JULY	120.4	10.0	76,568	4,394	6.31%	5.74%
AUGUST	122.6	10.6	76,971	4,458	9.65%	5.79%
SEPT	118.8	10.2	77,562	4,416	8.59%	5.69%
OCTOBER	114.0	9.8	78,185	4,389	8.60%	5.61%
NOVEMBER	109.7	7.5	78,587	4,286	6.04%	5.45%
DECEMBER	107.1	6.4	78,715	4,101	5.98%	5.21%

Updated on
30-Mar-85

Employment in Thousands

	Alaska Total	Alaska Const.	U.S. Total	U.S. Const.	Const./ AK Total	Const./ U.S. Total
JAN1974	102.6	5.2	76,922	3,753	5.07%	4.00%
FEB	104.7	5.3	77,039	3,793	5.06%	4.92%
MAR	109.5	5.1	77,362	3,870	5.62%	5.01%
APRIL	117.8	8.3	77,911	3,993	7.05%	5.13%
MAY	126.5	11.9	78,513	4,122	9.41%	5.25%
JUNE	133.5	15.0	79,210	4,233	11.60%	5.34%
JULY	139.7	16.9	79,311	4,197	12.10%	5.36%
AUGUST	144.7	18.2	79,459	4,278	12.58%	5.45%
SEPT	144.0	18.9	79,959	4,195	13.06%	5.30%
OCTOBER	139.9	19.2	79,258	4,124	13.73%	5.20%
NOVEMBER	135.9	17.1	79,937	3,959	12.49%	5.01%
DECEMBER	135.3	15.3	79,295	3,722	11.31%	4.75%
JAN1975	130.3	12.9	75,066	3,392	9.92%	4.46%
FEB	135.0	15.2	75,641	3,239	11.18%	4.28%
MAR	143.0	18.0	75,686	3,235	12.59%	4.27%
APRIL	155.0	23.5	75,018	3,320	15.16%	4.38%
MAY	161.9	24.9	76,649	3,470	15.38%	4.53%
JUNE	169.1	28.5	77,143	3,601	16.85%	4.67%
JULY	173.9	30.9	76,466	3,651	17.77%	4.77%
AUGUST	182.0	35.9	76,993	3,759	19.73%	4.88%
SEPT	181.2	35.3	77,602	3,745	19.48%	4.83%
OCTOBER	177.2	34.5	78,158	3,733	19.47%	4.78%
NOVEMBER	169.5	30.1	78,312	3,648	17.76%	4.66%
DECEMBER	163.4	20.3	78,000	3,400	12.42%	4.36%
JAN1976	149.9	19.9	77,252	3,234	13.28%	4.19%
FEB	155.7	22.8	77,482	3,186	14.64%	4.11%
MAR	162.7	25.9	78,092	3,276	16.47%	4.20%
APRIL	169.1	29.8	78,919	3,453	17.52%	4.38%
MAY	177.5	33.0	79,414	3,559	18.59%	4.49%
JUNE	184.4	35.4	80,043	3,710	19.20%	4.64%
JULY	190.2	39.7	79,272	3,783	20.35%	4.77%
AUGUST	194.1	39.4	79,537	3,946	20.30%	4.84%
SEPT	189.2	37.2	80,244	3,002	19.66%	4.74%
OCTOBER	171.2	32.4	80,479	3,787	18.93%	4.71%
NOVEMBER	162.3	26.4	80,839	3,723	16.27%	4.61%
DECEMBER	154.2	20.9	81,016	3,538	13.55%	4.37%
JAN1977	151.2	18.5	79,427	3,192	12.24%	4.02%
FEB	153.0	18.9	79,636	3,240	12.29%	4.08%
MAR	157.5	19.5	80,493	3,430	12.38%	4.26%
APRIL	162.5	21.5	81,418	3,673	13.23%	4.51%
MAY	167.2	22.8	82,252	3,855	13.64%	4.69%
JUNE	173.3	23.6	83,210	4,051	13.62%	4.87%
JULY	171.0	22.4	82,551	4,151	13.10%	5.03%
AUGUST	171.4	21.2	82,845	4,211	12.37%	5.08%
SEPT	171.3	20.2	83,798	4,186	11.79%	5.00%
OCTOBER	165.3	18.1	84,298	4,173	10.95%	4.95%
NOVEMBER	159.6	14.9	84,744	4,101	9.34%	4.84%
DECEMBER	156.0	12.9	84,980	3,939	8.27%	4.64%

Updated on
30-Mar-85

Employment in Thousands

	Alaska Total	Alaska Const.	U.S. Total	U.S. Const. AK	Const./ Total	Const./ U.S. Total
JAN1978	151.9	10.5	83,318	3,555	6.91%	4.27%
FEB	153.4	10.0	83,614	3,518	6.52%	4.21%
MAR	155.9	10.2	84,607	3,733	6.54%	4.41%
APRIL	159.6	10.7	85,910	4,069	6.70%	4.74%
MAY	165.3	12.6	86,715	4,229	7.62%	4.88%
JUNE	170.6	14.4	87,701	4,473	8.43%	5.10%
JULY	169.5	14.6	86,872	4,579	8.61%	5.27%
AUGUST	173.9	15.1	87,174	4,632	8.68%	5.31%
SEPT	173.0	14.8	87,801	4,578	8.52%	5.21%
OCTOBER	167.1	13.6	88,417	4,585	8.14%	5.18%
NOVEMBER	162.1	11.1	88,965	4,495	6.85%	5.05%
DECEMBER	158.3	9.3	89,272	4,302	5.87%	4.82%
JAN1979	154.0	7.7	87,514	3,888	5.00%	4.44%
FEB	154.6	7.2	87,751	3,835	4.66%	4.37%
MAR	158.4	7.5	88,554	4,093	4.73%	4.62%
APRIL	162.4	8.5	89,193	4,261	5.23%	4.78%
MAY	169.1	9.7	90,012	4,489	5.74%	4.99%
JUNE	174.4	11.3	90,857	4,691	6.48%	5.16%
JULY	178.9	12.0	89,869	4,791	6.71%	5.33%
AUGUST	179.8	12.9	89,969	4,836	7.17%	5.38%
SEPT	176.6	13.4	90,521	4,770	7.59%	5.27%
OCTOBER	170.1	12.4	91,000	4,754	7.29%	5.22%
NOVEMBER	164.5	10.0	91,204	4,655	6.08%	5.10%
DECEMBER	160.5	8.3	91,335	4,488	5.17%	4.91%
JAN1980	153.5	6.9	89,553	4,141	4.50%	4.62%
FEB	156.2	7.2	89,691	4,050	4.61%	4.52%
MAR	159.3	7.8	90,253	4,007	4.90%	4.53%
APRIL	166.6	9.0	90,603	4,204	5.40%	4.64%
MAY	172.9	10.7	90,623	4,348	6.19%	4.90%
JUNE	176.3	11.7	90,778	4,464	6.64%	4.92%
JULY	181.1	12.4	89,436	4,505	6.85%	5.04%
AUGUST	182.6	13.2	89,723	4,563	7.23%	5.09%
SEPT	178.2	13.3	90,390	4,538	7.45%	5.02%
OCTOBER	174.0	12.4	90,985	4,540	7.13%	4.99%
NOVEMBER	168.5	10.4	91,329	4,444	6.17%	4.87%
DECEMBER	163.9	8.7	91,513	4,270	5.31%	4.67%
JAN1981	162.6	8.1	89,688	3,885	4.98%	4.33%
FEB	166.0	8.2	89,833	3,795	4.94%	4.22%
MAR	171.1	9.2	90,371	3,934	5.38%	4.35%
APRIL	180.1	11.0	91,027	4,137	6.11%	4.54%
MAY	185.4	12.3	91,514	4,248	6.53%	4.64%
JUNE	191.6	13.1	92,158	4,366	6.84%	4.74%
JULY	204.2	15.9	91,237	4,437	7.79%	4.86%
AUGUST	203.2	15.9	91,238	4,451	8.17%	4.89%
SEPT	200.5	17.3	91,739	4,387	8.63%	4.78%
OCTOBER	194.7	16.4	91,913	4,359	8.42%	4.74%
NOVEMBER	188.8	14.5	91,745	4,237	7.63%	4.62%
DECEMBER	185.2	12.2	91,414	4,022	6.59%	4.40%

Updated on
30-Mar-85

Employment in Thousands

	Alaska		U.S.		Const./		Const./	
	Total	Const.	Total	Const. AK	Total	U.S.	Total	
JAN1982	177.1	10.4	89,104	3,581	5.87%		4.02%	
FEB	181.2	11.2	89,273	3,565	6.10%		3.99%	
MAR	185.0	12.2	89,566	3,638	6.59%		4.06%	
APRIL	193.5	14.5	89,878	3,794	7.55%		4.22%	
MAY	198.9	16.0	90,361	3,987	8.04%		4.41%	
JUNE	207.3	18.6	90,554	4,080	8.97%		4.51%	
JULY	219.4	20.8	89,221	4,137	9.48%		4.64%	
AUGUST	220.7	21.9	89,091	4,151	9.92%		4.66%	
SEPT	217.7	22.1	89,516	4,100	10.15%		4.58%	
OCTOBER	207.2	20.6	89,484	4,060	9.94%		4.54%	
NOVEMBER	199.6	17.4	89,331	3,976	8.72%		4.45%	
DECEMBER	196.8	15.5	89,283	3,791	7.88%		4.25%	
JAN1983	190.5	13.7	87,590	3,539	7.19%		4.04%	
FEB	194.0	14.3	87,598	3,397	7.37%		3.88%	
MAR	198.3	15.1	88,200	3,469	7.61%		3.93%	
APRIL	206.0	17.5	89,064	3,650	8.50%		4.10%	
MAY	213.2	20.2	89,921	3,861	9.47%		4.29%	
JUNE	222.8	22.8	90,738	4,065	10.23%		4.48%	
JULY	232.3	24.7	90,112	4,185	10.63%		4.64%	
AUGUST	234.2	26.4	89,842	4,269	11.27%		4.75%	
SEPT	232.0	27.0	91,485	4,273	11.64%		4.67%	
OCTOBER	221.4	25.6	92,049	4,285	11.56%		4.66%	
NOVEMBER	215.7	22.1	92,406	4,231	10.25%		4.58%	
DECEMBER	211.1	19.8	92,645	4,050	9.38%		4.37%	
JAN1984	203.7	16.0	91,065	3,779	7.85%		4.15%	
FEB	206.9	16.2	91,612	3,774	7.83%		4.12%	
MAR	211.9	16.6	92,234	3,794	7.93%		4.11%	
APRIL	217.7	19.2	93,229	4,059	8.36%		4.35%	
MAY	226.7	20.6	94,164	4,299	9.09%		4.57%	
JUNE	233.5	22.8	95,003	4,517	9.76%		4.75%	
JULY	241.2	23.8	94,239	4,622	9.87%		4.90%	
AUGUST	243.5	25.6	94,500	4,670	10.51%		4.94%	
SEPT	235.3	25.1	95,358	4,654	10.47%		4.88%	
OCTOBER	230.8	22.6	95,902	4,645	9.79%		4.84%	
NOVEMBER	224.2	18.1	96,260	4,567	8.07%		4.74%	
DECEMBER	220.1	15.7	96,308	4,412	7.13%		4.58%	
JAN1985	215.3	14.4	94,575	4,124	6.69%		4.36%	

Updated on
31-Mar-85

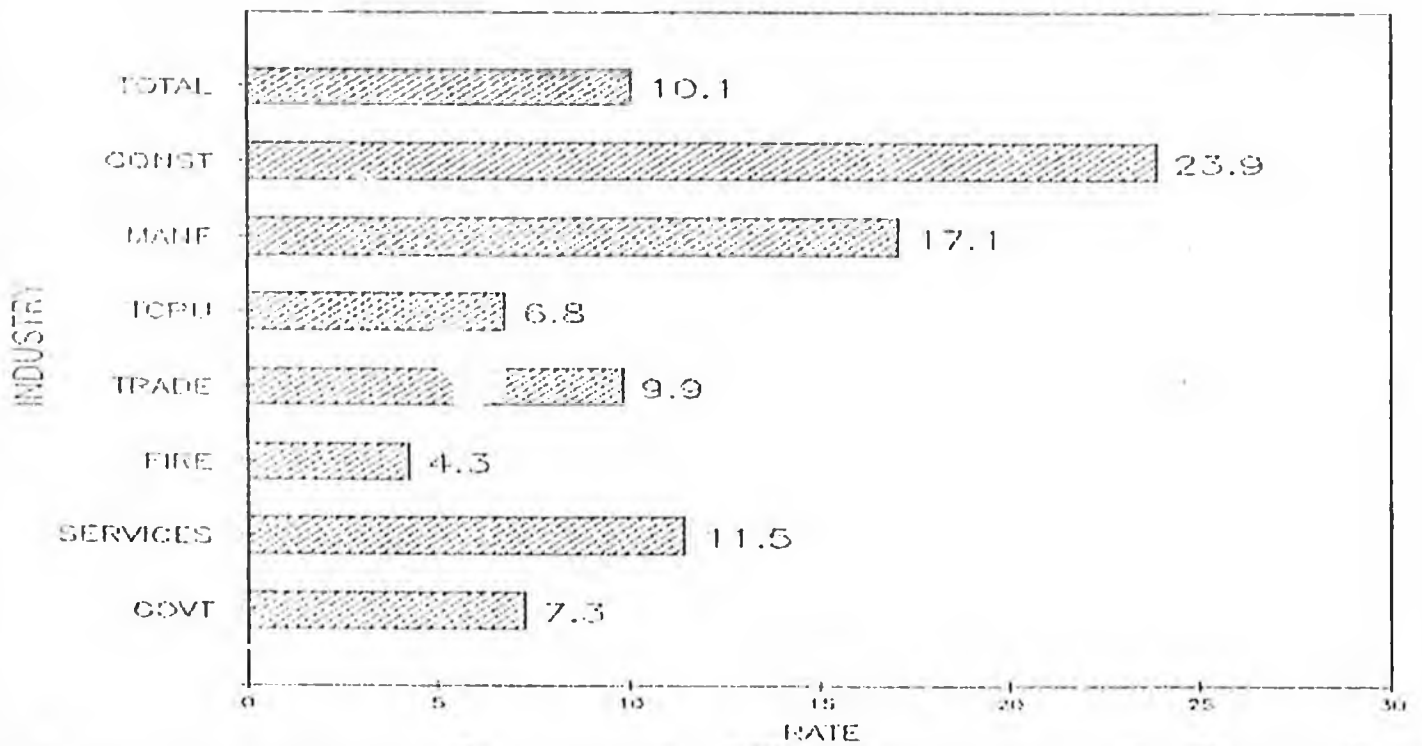
Regular U. I. Benefit Payments to Persons Attached to Construction, and Total

Year	Intrastate			Interstate			Total		
	Payments to Construction	Payments to Total	%	Payments to Construction	Payments to Total	%	Payments to Construction	Payments to Total	%
1,970	4,899,396	10,798,194	40.1	85,623	473,803	18.1	4,375,929	11,181,797	39.1
1,971	4,788,340	12,533,228	38.2	133,631	789,637	16.9	4,921,971	13,322,115	36.9
1,972	5,157,512	12,552,421	40.7	249,955	3,404,858	24.9	6,006,473	16,067,079	37.4
1,973	5,569,444	14,163,575	39.5	1,161,761	4,277,737	27.2	6,752,205	19,441,312	34.6
1,974	5,193,842	17,717,471	35.0	1,347,754	5,538,812	24.3	7,541,595	23,255,083	32.4
1,975	5,679,313	19,639,929	34.0	2,922,217	9,329,046	30.3	9,492,530	29,958,974	32.8
1,976	14,723,321	33,739,115	43.6	9,679,179	19,768,165	49.0	24,402,500	53,507,313	45.6
1,977	25,451,510	46,959,593	54.2	21,626,955	35,459,744	61.7	47,078,465	82,419,337	57.4
1,978	22,229,593	49,051,941	45.4	10,568,466	22,412,573	47.2	32,798,059	71,464,514	46.0
1,979	13,113,635	39,585,599	33.1	3,620,106	14,038,773	25.8	16,733,742	53,624,373	31.2
1,980	9,971,666	37,299,401	26.7	1,977,591	11,684,405	16.9	11,949,257	48,983,806	24.4
1,981	12,027,762	52,340,435	24.9	2,162,493	14,922,271	14.5	14,150,255	67,262,706	22.6
1,982	15,419,958	59,787,359	25.8	2,900,934	16,737,511	17.3	18,311,892	76,524,870	23.9
1,983	20,376,987	64,574,011	31.6	4,766,597	20,817,650	22.9	25,143,584	85,391,661	29.4

Updated on Alaska Unemployment Rate by Industry
31-Mar-85

Industry	1981	1982	1983
Total	8.8	9.5	10.1
Construction	21.5	24.1	23.9
Manufacturing	17.1	19.5	17.1
Trans., Comm., & Utilities	7.0	9.3	6.8
Trade	8.8	9.4	9.9
Finance	ND	6.7	4.3
Service	8.8	10.1	11.5
Government	6.4	5.4	7.3

ALASKA UNEMPLOYMENT RATE
BY INDUSTRY
1983 ANNUAL AVERAGE



INTRODUCTION OF BILLS (House)

HB 293. (cont'd)

municipalities as well. While each municipality's general obligation debt is of course a direct financial burden of only the issuing municipality, the practical fact is that all governmental entities in the state share, to one degree or another, in the consequences of a municipal default. While I reiterate that there is no present prospect of municipal default, it is imperative to establish a procedure to deal with that event before a financial crisis occurs -- not in response to one.

The bill proposes the establishment of the Municipal Financial Emergency Commission which consists of the commissioners of the Departments of Community and Regional Affairs, Revenue, and Administration. Under proposed AS 29.58.420, a municipality must provide notice of a default to the commission, or the municipality may request the assistance of the commission in anticipation of financial distress. Once the commission receives notice of a municipality in financial disarray, the commission must promptly convene and assess the municipality's financial affairs.

Under proposed AS 29.58.410, the commission enjoys extraordinarily broad powers to assure, to the extent possible, the resolution of the financial crisis. The fundamental objective of the commission is to adopt a plan that satisfies debt service obligations in a manner acceptable to municipal creditors. The commission enjoys the power to issue subpoenas and orders as are necessary to undertake this task.

I certainly anticipate that a municipality will act to implement the plan adopted by the commission. However, the bill provides that, in the unlikely event that a municipality fails to implement the plan, or if the commission determines that the municipality remains in financial disarray, the commission may assume full control of the defaulting municipality's financial affairs. This extraordinary intrusion upon local governmental prerogatives can only be exercised in narrowly prescribed instances and, as do all of the commission's powers, the authority of the commission expires upon the successful satisfaction of the default. While certain of these broad powers may approach the legal limit of the state's authority to impair local government powers, I believe that the overwhelming public concern for the financial stability of all Alaskan communities offers a compelling justification for this possible intrusion.

I again emphasize that this bill does not foretell any municipal default. In the area of municipal finance, however, it is not sufficient to act only in response to events. Instead, it is far preferable to establish a mechanism before any default, so that if a municipality does default on a debt service obligation, the repercussions to the state and to other municipalities are limited to the extent possible. With due respect for the prerogatives of local governments, I believe that this bill provides a needed mechanism for state involvement. I urge your prompt consideration and passage of this bill.

Alaska
Local Hire

HOUSE BILL NO. 294. by Reps. Boucher, Davis, Hurley, Sund, Koponen, Goll, Cato, Clocksin, Cotten, Duncan, Frank, Gruenberg, Grussendorf, Hanley, Jenkins, Larson, M. M. Miller, Navarre, Pearce, Pignalberi, Pourchot, Shultz, Szymanski, Taylor, Thompson, Uehling, Martin, Binkley, Collins, Marrou, Adams, Pettyjohn, M. W. Miller, Phillips. See Senate Bill No. 235, page 432, identical.

Introduced March 15 and referred to Labor & Commerce. Finance.

Appropriation
(special)
(unemployment
study)

HOUSE BILL NO. 295. by Reps. Boucher, Davis, Hurley, Sund, Koponen, Cato, Cotten, Duncan, Frank, Grussendorf, Hanley, Jenkins, Larson, M. M. Miller, Navarre, Pourchot, Shultz, Szymanski, Taylor, Thompson, Uehling and Phillips. Makes a special appropriation in the amount of \$100,000 to the Department

page 452

INTRODUCTION OF BILLS (House)

HE 295, (cont'd)

of Labor for a study of the effect of the employment of nonresidents on unemployment among residents of Alaska and other issues related to Alaska hire. The unexpended and unobligated portion of the appropriation lapses into the general fund 6/30/86. Provides Act takes effect immediately.

Introduced March 15 and referred to Labor & Commerce, Finance.

Appropriation
(special)
(S. Central
roads)

HOUSE BILL NO. 296, by Reps. Cotten, Boucher, Clocksin, Collins, Furnace, Gruenberg, Hanley, Hurley, Jenkins, Larson, Marrou, Martin, Navarre, Pearce, Pettyjohn, Phillips, Pignalberi, Pourchot, Rieger, Shultz, Szymanski, Uehling. Makes special appropriations in the amount of \$262,837,800 to the Dept. of Transportation & Public Facilities for various road construction projects. Makes special appropriations for payment as grants to the municipalities of Anchorage, Matanuska-Susitna, Kenai Peninsula, Soldotna, Homer, Kenai and Seldovia.

The appropriations total \$14,448,400, and are for various construction projects in the South Central area. The amounts appropriated as grants for various construction projects are: \$67,324,000 to the Municipality of Anchorage; \$2,485,400 to Matanuska-Susitna; \$1,870,000 to Kenai Peninsula Borough; \$2,650,000 to the City of Soldotna; \$2,500,000 to the City of Homer; \$600,000 to the City of Kenai; \$350,000 to the City of Seldovia. Provides Act takes effect immediately.

Introduced March 15 and referred to Finance.

INTRODUCTION OF RESOLUTIONS (House)

Jones Act
(repeal of
portions of)

SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 21, by Reps. Marrou and Martin. Urges repeal of certain portions of the Merchant Marine Act of 1920 (commonly known as "The Jones Act"). The resolution differs from the original version in that it states "...Alaska, Hawaii and the noncontiguous territories of the U.S. bear the cost of that sheltered environment even though it was created to benefit all Americans..." (original version stated Alaska, Hawaii and the noncontiguous territories of the U.S. "...pay higher freight rates imposed by the Act..."). The Sponsor Substitute states that the direct cost to Alaska's treasury "has been estimated at \$63 - \$176 million yearly", rather than "is \$63 - \$176 million yearly."

Urges repeal of "those portions of the Merchant Marine Act of 1920 that adversely effect the coastwise trade by prohibiting the use of foreign-built vessels;" (the original called for the repeal of the entire Act).

Introduced March 15 and referred to Transportation.



Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senators Keittula, Eliason, Mulcahy, Bennett, Sackett, and Rodey

FROM: Senator Josephson

DATE: May 5, 1983

RE: SS SB 174 Preferential Hire

Dear Colleague:

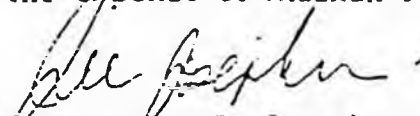
Over the past three weeks, I have received numerous letters, telephone calls and POM's concerning this legislation. You and I, and the people, want to strengthen the employment position of Alaskans in the face of outside employers using outside labor on local projects.

SB 174 was fashioned after an executive order approved in White v. Mass. Council of Constr. Emp., the United States Supreme court decision announced on February 28, 1983. The Court upheld a City of Boston executive order which required at least 50% bona fide resident hire on "any construction project funded in whole or in part by City funds, or funds which... the City expends or administers, and to which the city is signatory." The Court, in the face of a federal constitution Commerce Clause challenge, held that "the application of the mayor's executive order to the contracts in question did not violate the Commerce Clause...".

A recent Washington Supreme Court decision, has cast legal doubt about the validity of AS 36.10 as presently constituted. SB 174 takes advantage of the White decision and puts AS 36.10 in a form that should create a constitutionally permissible employment preference statute.

Subsection (a) addresses employment preference in municipalities only, thus falling well within the boundaries established in White, and avoiding the Commerce Clause challenge.

Subsection (b) addresses employment preference on construction projects partly or wholly funded by state money. This subsection requires that 95 per cent of all workers on such projects be Alaska residents. It also requires that each craft of workers be composed of 95% Alaskan residents. This craft by craft provision will insure that Alaskans will be offered jobs in all craft areas and prevent the importation of a particular craft of workers at the expense of Alaskan residents.


Senator Joe P. Josephson

Alaska State Legislature

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CHAIRMAN
Special Committee on
Telecommunications

MEMBER
Labor and Commerce
State Affairs
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

PRESS RELEASE

SUBJECT: Alaska Hire Legislation DATE: March 15, 1985

Today I introduced in the House two pieces of legislation on the subject of Alaska Hire.

The first bill (HB 294) adds legislative findings of fact and purpose to our current Alaska Hire law AS 36.10.010. AS 36.10.010 is currently in effect and being enforced but is before the Alaska Supreme Court for review in the case of Francis v Robison.

These proposed additions to AS 36.10.010 have been drafted in cooperation with the Department of Labor and incorporate case law on the subject of local hire which has occurred since AS 36.10.010 was adopted in 1983. Most notable of such cases was the recent Wyoming Supreme Court case which upheld a local hire law similar to AS 36.10.010. House Bill 294 has been cosponsored by 33 other Representatives.

The second bill (HB 295) provides the Department of Labor with \$100,000 to conduct a study into ways the state may provide preference to Alaskan workers. House Bill 295 has been cosponsored by 21 other Representatives

Both these bills have been endorsed by the Department of Labor as providing the necessary factual foundation to support a resident hire preference under current legal standards. The study would allow the Department to assemble information currently not available to support future state action to ensure that Alaskans receive preference for jobs in Alaska.

Also today Senator Fahrenkamp introduced legislation identical to HB 294 in the Senate (SB 235). Senator Fahrenkamp explained: "Most of the revenues going into public works projects comes from royalty oil money belonging to Alaskans. We want to ensure that Alaskan's will continue to be given a hiring preference on public works projects funded by money that rightfully belongs to them. Representative Boucher and I have introduced legislation that is designed to reinforce existing law and hopefully protect it from any legal challenges in the future."

For your background, I'm attaching a memorandum on this subject. Representative Gruenberg has allowed Dave Donley of his staff to assist me on this matter. Please contact Dave at 465-4986, Capitol Room 112, or Edie Russell of Senator Fahrenkamp's office for additional background.