

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7934 HOUSE LABOR & COMMERCE

HB

115

# HOUSE COMMITTEE REPORT

3/3

(7)  
Date Referred: February 25, 1993

FURTHER REFERRALS:

State Affairs  
Finance

Date of Committee Action: 3/02/93

The LABOR AND COMMERCE Committee considered:

HB 115

HOUSE BILL NO. 115

EXTEND TOURISM MARKETING COUNCIL

"An Act extending the termination date of the Alaska Tourism Marketing Council; and providing for an effective date."

- RECOMMENDATIONS: [ ] the same title  
 be replaced with \_\_\_\_\_ [ ] a new title
- [ ] have attached amendments(s)
- do pass
- [ ] do not pass
- [ ] no recommendations
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

- ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_
- [ ] fiscal impact \_\_\_\_\_
- [ ] zero fiscal note \_\_\_\_\_

- APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_
- [ ] fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) Commerce 2/25/93

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian D. Porter</i>	✓				
<i>Luther Sitton</i>	✓				
<i>Ed Hall Mulder</i>					
<i>W. William Williams</i>					
<i>Green</i>					
<i>Bill Hudson</i>					

  
 \_\_\_\_\_ Hudson  
 CHAIRMAN'S SIGNATURE



FISCAL NOTE

No. 1  
 Bill Version: CSHB 115 (ITT)  
 (H) Publish Date: 2/25/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: An act extending the termination date of the  
Alaska Tourism Marketing Council  
 Sponsor: House Labor & Commerce  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Alaska Tourism Marketing Council  
 Component: Alaska Tourism Marketing Council  
 COMPONENT SERIAL NO. 1026

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0			
TRAVEL	0	0	0			
CONTRACTUAL	0	0	0			
SUPPLIES	0	0	0			
EQUIPMENT	0	0	0			
LAND & STRUCTURES	0	0	0			
GRANTS, CLAIMS	0	0	0			
MISCELLANEOUS	0	0	0			
TOTAL OPERATING	0	0	0			

CAPITAL	0	0	0			
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal Receipts	0	0	0			
1003 GF Match	0	0	0			
1004 GF	0	0	0			
1005 GF/Program Receipts	0	0	0			
1006 GF/MHTIA	0	0	0			
OTHER	0	0	0			
TOTAL	0	0	0			

POSITIONS:

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

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

\*The expenditures are contained in the proposed operating budget and the revenues are reflected in revenue projections.

Prepared by: Tina M. Lindgren  
 Division: Alaska Tourism Marketing Council

Phone: \_\_\_\_\_  
 Date: \_\_\_\_\_

Approved by Commissioner: Paul Fuhs  
 Agency: Commerce and Economic Development

Date: 2-18-93

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

CSHB 115(I+T)

NO. 1.

Page 2 of 2

ANALYSIS: (continued)

The passage of Senate Bill 478 (SLA 1988, Chapter 78) created the Alaska Tourism Marketing Council which became law, effective July 1, 1988. Legislative findings regarding SB 478 stated:

"The legislature finds that a cooperative effort between the state and private industry to support and expand the visitor industry of the state and to foster expansion of the market for Alaska as a destination throughout the nation and the world is in the public interest and is a valid public purpose. The legislature further finds that this cooperative effort would inure to the benefit of the visitor industry in the state and that some of the costs of maintaining the effort be borne by the industry. The legislature further finds that expansion of the economic benefit of tourism is in the public interest and the state should take an active interest in the ensurance of a quality experience for visitors to the state, cooperate with the private sector in improving the amenities available to visitors to the state, and seek to ensure authentic accessible experience for visitors throughout the state."

H B

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# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO : HB 118

Revision Date: \_\_\_\_\_  
 Title: Workers' Comp for Work-Study  
Students  
 Sponsor: Representative B. Davis  
 Requestor: House Labor & Commerce

Department Affected: Labor  
 BRU: Workers' Compensation  
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

REVENUE FUND SOURCE:						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: Paul Arnoldt, Director *Paul P. Arnoldt* Phone: 465-2790  
 Division: Workers' Compensation Date: 2/9/93

Approved by Commissioner: Charles W. Mahlen *John A. Mahlen*  
 Agency: Department of Labor Date: 2/9/93

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FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB118

Revision Date: \_\_\_\_\_  
Title: "An Act extending workers' compensation coverage to certain high school students in uncompensated work-study programs."  
Sponsor: B. Davis  
Requestor: \_\_\_\_\_

Department Affected: Administration  
BRU: Risk Management  
Component: \_\_\_\_\_  
COMPONENT SERIAL NO. 71

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES		0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	100.0	100.0	100.0	100.0	100.0	100.0
<b>TOTAL OPERATING</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	100.0	100.0	100.0	100.0	100.0	100.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

POSITIONS:

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

Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)  
See attached.

Prepared by: Donald J. Hitchcock  
Division: Risk Management

Phone: 465-2180  
Date: 2/2/93

Approved by Commissioner: Nancy Bear Usera  
Agency: Administration

Date: 2/2/93

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## FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. HB118

### ANALYSIS: (continued)

The Division of Risk Management feels HB118 very seriously affects State workers' compensation exposure for high school students in work-study programs. This would mandate that State workers' compensation protection be provided by the State for virtually every high school student in a nonpay work-study program. It is our feeling that passage of this bill may provide for a very substantial increase in the numbers of students involved in this program and possibly in more hazardous occupations such as fishing, carpentry, shopwork, etc. Since this bill removes the term "nonprofit" from the present statute, the "for profit" employer may be released from his obligation to provide protection for these students. We feel this may be a disincentive to the "for profit" employers to provide, and insist on, safety and safe work practice for these inexperienced high school age workers.

The fiscal note is very difficult to estimate, but the additional exposure to the State appears substantial. Workers' compensation benefits for these students are controlled by Alaska Workers' Compensation statutes.

Since the Division of Risk Management's funding is collected through Reimbursable Services Agreements (RSAs) from the agencies, this request would be added to the Department of Education insurance RSA billing from the Division of Risk Management.

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HOUSE COMMITTEE REPORT

3/5

(5)

Date Referred: February 3, 1993

FURTHER REFERRALS:

Resources

Labor & Commerce  
Finance

Date of Committee Action: 3/3/93

The HOUSE SPECIAL COMMITTEE ON FISHERIES Committee considered:

HB 123

HOUSE BILL NO. 123 .

LOANS FOR IFQ'S

"An Act relating to loans for the purchase of individual fishery quota shares."

RECOMMENDATIONS:

be replaced with CS for House Bill No. 123 (FSH) [ ] the same title  
[X] a new title

[ ] have attached amendment(s)

[X] do pass

[ ] do not pass

[ ] no recommendations

[ ] individual recommendations

[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: Fisheries Committee letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[X] fiscal impact DC&ED

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Auley Olberg	✓	Davidson		✓	
Carl E. Moses	✓				
Vere Nichols	✓				

Chairman's Signature: Carl E. Moses  
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

No. 1  
Bill Version: HB 123  
(H) Publish Date: 3/5/93

Revision Date: \_\_\_\_\_  
Title: Loans for IFQs

Department Affected: Commerce and Economic Development  
BRU: Investments

Sponsor: Representative Fran Ulmer, et al.  
Requestor: Special Committee of Fisheries

Component: \_\_\_\_\_

COMPONENT SERIAL NO. 0384

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	48.2	144.5	144.5	144.5	144.5	144.5
TRAVEL	2.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	11.3	33.9	33.9	33.9	33.9	33.9
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	13.5	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	76.5	185.9	185.9	185.9	185.9	185.9

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF:Program Receipts	0	0	0	0	0	0
1006 GF:MHTIA	0	0	0	0	0	0
OTHER C/F LOAD <u>1036</u>	76.5	185.9	185.9	185.9	185.9	185.9
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)  
See attached.

Prepared by: Martin J. Richard  
Division: Investments

Phone: 465-2510  
Date: 2/5/93

Approved by Commissioner: Paul Fun  
Agency: Commerce and Economic Development

Date: 2-8-93

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Rev 4/92 **COMMITTEE COPY**

Letter of Intent for HB123  
Adopted by Special Committee on Fisheries

March 3, 1993

LETTER OF INTENT

HB 123, "An Act relating to the purchase of quota shares for fisheries in or off Alaska."

It is the intent of the Alaska State Legislature that the Commercial Fisheries and Agricultural Bank (C-FAB), within its existing authority under AS 44.81.210, make financing available for the purchase of quota shares for fisheries in or off Alaska.

adopted 3-3-93

## The ABCs of IFQs

**Representative Fran Ulmer Introduces a new loan program to help Alaska fishermen**

by  
Representative Fran Ulmer

A revolution is on the way for Alaska's coastal communities. After 10 years of debate in the fishing industry, the U.S. Secretary of Commerce recently approved Individual Fishery Quotas (IFQs) for the halibut and black cod fisheries in Alaska. If all goes as planned, by mid-1994 these fisheries will no longer be open to all those who want to wet a line. Instead, a new permit system will reserve catch quotas for individual fishermen who qualify for an IFQ. Gone will be the 24 hour openings, replaced by a season which may last from March through November. The new system is promoted as a solution to dangerous conditions created by derby style fishing, but critics charge that the new system will be the end of the small, independent Alaska fisherman.

Whether you think the new system will help or hurt Alaska fishermen, the reality is that a change is coming. We must do everything we can to help Alaskans retain their livelihoods in the fishing industry and to support our coastal communities. One of the best ways of doing that is by providing access to capital. That's why I recently introduced HB 123 which provides financing for the purchase of IFQs. This legislation authorizes loans of up to \$300,000 for IFQs to Alaska residents who have actively participated in the fishery during three of the last five years. The state currently finances the purchase of limited entry permits through a revolving loan fund with loans of up to \$300,000. New legislation is required to expand the loan program to include IFQs. HB 123 does that and provides an essential tool to accomplish the goal of keeping permits in the hands of Alaskans.

### How it works

The new IFQ system is designed to benefit active fishermen by allocating a quota based on an individual's actual record of past landings. When the system starts, only vessel owners and leaseholders will receive an IFQ; crew members will be given preference in acquiring their own IFQ in the future. A quota will be based on the individual fisherman's actual percentage of the total catch in a particular area during five of the last 7 years. That percentage will then be applied, on an annual basis, to the total allowable catch for the individual's region in order to determine the exact number of pounds he can harvest. To ensure maximum participation in the fishery, no one will be allowed to harvest more than 1% of the black cod resource in an area, and no more than .5% of the halibut resource.

### How do Alaskans fare?

In 1994, approximately 5500 halibut fishermen and 1100 black cod fishermen will be given IFQs by the federal government free of charge. Those who receive an IFQ may sell or lease all or a portion of their quota to another, and the price of those transactions will be set by the market, based on the value of the resource and the fishery at the time of purchase. Experience has shown that the right to harvest these resources can be extremely valuable and the price for IFQs may be very high.

Although the new system is designed to preserve and increase Alaska's presence in these fisheries, many fear that IFQs will migrate into the pockets of well-financed, non-resident vessel owners and that Alaska fishermen will lose out. The cap on the percentage of the fishery resource any one person may own or lease, and the restriction prohibiting IFQs from being transferred between vessel classes, are efforts to ensure that halibut and black cod continue to be fished by a broad spectrum of Alaska fishermen. However, the only real certainty in the new equation is that a resource which was free to all will now be available only by permit, and for a price.

It is essential that Alaskans keep as many of these permits as possible so that the economy of our coastal communities will not be deprived of the wealth of this fishery resource. HB 123 and the financing it provides to Alaskans will help assure this continuing economic benefit to our residents.

**KODIAK LONGLINE  
VESSEL OWNERS' ASSOCIATION**

326 CENTER AVENUE, P.O. BOX 135  
KODIAK, ALASKA 99615  
(907) 486-3781 FAX (907) 486-2470

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HALIBUT • SABLEFISH • PACIFIC COD • CRAB

February 18, 1993

Representative Fran Ulmer  
ALASKA STATE LEGISLATURE  
State Capital.  
Juneau, Alaska 99801

RE: HB 123

Dear Fran,

I would like to express our support for HB 123. I have felt for some time that with the implementation of individual fishing quotas on the horizon, a loan program for Alaskans is vital. Those vessel owners who live in Alaska must be able to purchase quota quickly when the program is in place.

It is my belief that the large majority of Alaskan vessel owners who will receive quota will either sell immediately or wish to buy. Since the people who qualify for quota far exceeds the number of individuals who currently participate in the fishery, the "pie" will be cut in ways that people did not anticipate. Many vessel owners will immediately need to purchase quota in order to participate effectively in the fishery.

We strongly support this bill and would assist in any way possible to see that it is passed. It can't help but be a significant help to those Alaskan vessel owners who won't initially receive the quota they need.

Sincerely,

Linda Kozak  
Director

March 2, 1993

CS HB 123, "An Act relating to loans for the purchase of quota shares for fisheries in or off Alaska."

The proposed committee substitute for HB 123 reflects the following changes from the original bill:

- Title. The title change clarifies that technically the loans authorized in this bill are for the purchase of quota shares, not Individual Fishing Quota (IFQs.) The clarification is made throughout the bill.

- Section 1. Purpose and Intent. A purpose and intent statement was added to emphasize that the loans authorized in this bill are intended to benefit Alaskans who participate IFQ system fisheries and to clarify that there is no intent to diminish the amount of funds currently available for loans under AS 16.10.310(a)(1)(A) or (B) for entry permits, vessels and gear.

- Page 2. subsection (C)(ii). The previous sections (ii) and (iii) were combined to simplify two eligibility criteria. That is, in two of the last five years an applicant must have possessed either a crewmember or commercial fishing license or permit and, must have participated in a fishery for which the license or permit was issued.

The original bill was more narrow. It said that the crewmember or commercial license or permit must have been possessed for the year preceding the date of application as well as for two of the past five years. The original bill then required that the applicant must have participated in the fishery during three of the last five years.

- Page 2. subsection (C)(iv). This is an addition to the bill which limits the loans to those individuals who are not eligible for alternate financing, as is currently the case for loans authorized under subsection (B) for vessels and gear.

This section will ensure that the loan program will benefit those Alaskans most in need of assistance in accessing capital.

- Letter of Intent. The letter of intent accompanies the bill to emphasize that the committee intends for the Commercial Fisheries and Agricultural Bank to make financing available for the purchase of quota shares.

As stated above, the loans that the Commercial Fishing Loan Fund is authorized to make under HB 123 are limited to those who can not obtain loans elsewhere.

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

### DIVISION OF INVESTMENTS

WALTER J. HICKEL, GOVERNOR

P.O. BOX 34159  
3032 VINTAGE BLVD.  
JUNEAU, ALASKA 99803-4159  
PHONE: (907) 790-2693  
FAX: (907) 790-2781

February 2, 1993

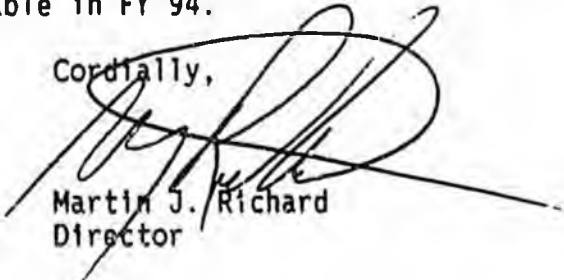
Honorable Fran Ulmer  
Attention Margaret Pugh  
House of Representatives  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Ulmer:

We are projecting excess funds available for appropriation from the Commercial Fishing Revolving Loan Fund to the General Fund in the amount of \$5,002,800 in FY 94 (HB 55, Section 20, January 15, 1993). The Governor has requested a General Fund appropriation to the Fisheries Enhancement Revolving Loan Fund in the amount of \$2,068,200 (HB 55, Section 29, January 15, 1993).

The net effect for these two fisheries funds is approximately three million dollars, available in FY 94.

Cordially,



Martin J. Richard  
Director

cc: Paul Fuhs  
Commissioner

**DEPARTMENT OF FISH AND GAME  
POSITION PAPER**

**Bill No:** HB 123  
**Sponsor:** Representative Ulmer  
**Division:** Division of Commercial Fisheries  
**Bill Title:** "An act relating to loans for the purchase of individual fishery quota shares."  
**Department Position:** Support

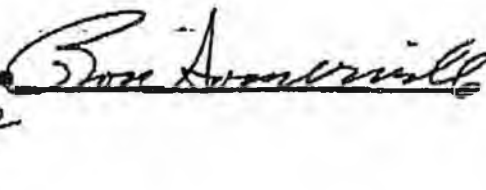
This legislation would extend the state's existing loan program for limited entry permits, vessels, and fishing gear to include loans for the purchase of individual fishery quota shares (IFQs). The harvesting sector of the seafood industry has the highest percentage of resident participation in the industry. Approximately 80% of the permits are owned by Alaskans. The state loan program has been a successful tool contributing to the high percentage of existing permits in the hands of Alaskans.

The new IFQ program will be administered by the federal government. Regulations governing the new program were recently adopted by the U.S. Secretary of Commerce. There is a great deal of concern on the part of Alaskans that these IFQs will be bought up by non-Alaskan interests, thus reducing the opportunities for Alaskans to harvest these resources occurring off the state's coastline.

While this program is authorized in Title 16, the fish and game statutes, the program is administered by the Department of Commerce and Economic Development.

There is no fiscal impact on the Department of Fish and Game from this legislation.

Commissioner's Signature



Date: 7/2/93

**HB 123: "An Act relating to loans for the purchase of individual fishery quota shares."**

HB 123 amends the Commercial Fishing loan program to allow Alaskan residents to finance the purchase of individual fishery quota shares. In order to be eligible, an applicant must:

1. have been a two-year resident;
2. have had a crew member or commercial fishing license for the year immediately preceding the date of application and any other two of the past five years;
3. have actively participated in the fishery for which the shares are issued during three of the last five years; and
4. qualify as a transferee under applicable law.

HB 123 also allows the department to prequalify applicants for the purchase of fishery quota shares. Under this portion of the program, an applicant can obtain a 60-day commitment to finance fishery quota shares prior to locating the specific shares to be purchased.

In addition, the bill establishes a limit of \$300,000 that a borrower can have outstanding at any point in time that was used to purchase fishery quota shares.

In keeping with the mission of the Commercial Fishing program, this legislation will assist Alaskans in their efforts to participate in the halibut and sablefish fisheries in Alaska.

  
Paul Fuhs, Commissioner

2-10-93  
Date

dgl/064pp.inv



Alaska Longline Fishermen's Assoc.

P.O. Box 1229 Sitka, AK 99835 (907) 747-3400

March 5, 1993

Representative Williams, Chair  
House Resource Committee  
Juneau, AK 99801-1182

Dear Representative Williams,

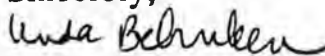
I am writing to express the support of the Alaska Longline Fishermen's Association (ALFA) for H.B. 123: a bill to provide funding to Alaska residents for the purchase of fishing quota shares.

Quotas share management offers an opportunity for Alaskans that the State can not afford to miss. By providing affordable loans, State financing will increase Alaskan participation in the fisheries of the Bering Sea and North Pacific. Increased participation by Alaskans will, in turn, ensure that the on-shore seafood processing industry, the seafood support industry, and the coastal communities as a whole continue to prosper, bringing revenue to the State both directly (through raw fish tax) and indirectly (through enhanced socioeconomic health). Financing the purchase of quotas shares can also be expected to provide a direct financial benefit to the State through interest payments.

Support for establishing a State quota share loan system is broad-based. Alaskans are committed to enhancing fishing opportunities for State residents. H.B. 123 is a vital step in that direction. Representative Ulmer has worked with the industry over the past month to ensure that the bill will accomplish the stated intent and directly benefit resident fishermen. ALFA members are satisfied with the Bill and are eager to see it moved quickly through the legislature. ALFA respectfully requests your support of H.B. 123 and asks that you expedite its passage through the House Resource Committee.

Thank you for your time and attention.

Sincerely,



Linda Behnken

(exec. director, ALFA)

# FISH FACTOR

Empire  
Feb. 14

By LAINE WELCH

FOR THE JUNEAU EMPIRE

**IFQ's and you:** Alaskan crewmembers who don't have a chance at acquiring quota shares for halibut and black cod could soon get an assist from the state. The individual fishing quota plan recently approved by federal managers limits initial allocations of shares only to eligible longline vessel owners. IFQ shares are determined according to specific catch histories in the fisheries, and may be bought or leased from owners not wanting to use them.

A bill introduced to the Legislature by Rep. Fran Ulmer, D-Juneau, would broaden the state's commercial fishing revolving loan program to include the purchase of IFQs. The loan program provides funds for the purchase of limited entry permits. House Bill 123 would authorize loans up to \$300,000 for the purchase of IFQs. The loans would not require an appropriation of additional money from the state, as there is an excess of \$3 million currently available in the limited entry revolving loan fund.

Ulmer said HB123 could provide a big boost to crewmembers who receive no allocations of halibut or black cod in the new IFQ program.

"Their only way in at this point is to be able to buy from someone who's been given IFQs by the Department of Commerce, and who does not wish to fish them only through a loan program like this might crewmembers have a chance of participating," Ulmer said.

HB123 is scheduled for a hearing Feb. 19 by the House Special Fisheries Committee chaired by Rep. Carl Moses, I-Unalaska. After passing through various other committees, it must make it through the full House and Senate before it becomes law. So far there has been no opposition to the bill, but Ulmer said that is no reason to become complacent.

"You can't every take this process for granted, so people who want to make this happen should definitely express their opinions of support," Ulmer said.

\*\*\*\*\*

# Quotas OK'd for halibut, black cod

Empire  
1-31-91

By ROSANNE PAGANO

THE ASSOCIATED PRESS

**ANCHORAGE, Alaska** - The U.S. Commerce Department on Friday approved a commercial fishing reform that allocates quotas of Alaska halibut and black cod.

Final regulations may be in place in time for the widely disputed individual fishing quota system to go into effect next year, the National Oceanic and Atmospheric Administration said.

Fishermen will be allotted their share based on how long they have been active in the halibut or black cod fishery, and how much fish they have caught in previous seasons.

Regulators say the system, known as IFQ, will end derby-style fishing that attract hundreds of boats for 24-hour openings in spring and fall.

Opponents in some Alaska ports say quotas will edge out some smaller operators and crews, weakening the local economy.

Fishermen using fixed gear, including pot gear and hook-and-line gear, are targets of the new system, NOAA said.

Quotas restrict the halibut and black cod commercial catch in U.S. waters. Fisheries primarily are in Alaska including Bristol Bay, the Bering Sea and the Gulf of Alaska.

William Fox, director of the National Marine Fisheries Service, a branch of NOAA, said Friday quotas would improve fishing safety and could provide consumers with fresh fish more often.

Fox said quotas permit operators to fish when the price is right, rather than work the 24-hour openings even if full crews are unavail-

able, weather is bad or vessels are unprepared.

"A derby is a very unsafe fishery," Fox said.

Details remain to be worked out in final regulations. Alaska's congressional delegation last summer sought to block final approval of IFQs, saying the reform needed more study.

That put the delegation at odds with the Hickel administration's fisheries expert, Clem Tillion, who helped win approval for quotas from the North Pacific Fishery Management Council.

The council developed the plan and approved it in 1991. Kodiak, among the nation's top fishing ports, was among Alaska communities seeking to block final approval.

A coordinator of the Kodiak Island Borough's effort said meetings may be arranged with environmental groups, also opposed to quotas, to see if continued appeals were worthwhile.

"This is going to be a very expensive program," Kodiak coordinator Jeff Stephan said. He said cost of additional paperwork would siphon monies that could have gone to fisheries research and management.

Stephan said opponents may argue the program's cost as a strike against it with members of Con-

gress.

In Sitka, the executive director of Alaska Longline Fishermen's Association said she was pleased with the federal approval.

But Linda Behnken said more work may yet be done to make quotas more fair.

"It's been long, hard work and a lot of people participated," Behnken said. "But it's also a little tough, knowing that a lot of people in the community still have a lot of concerns."

Alaska Sen. Frank Murkowski in a prepared statement Friday said he had urged delay of the IFQ approval until there were assurances the system would not harm small fishermen.

"We all know something needs to be done to protect fishermen from having to fish in bad weather, to spread out the arrival of fresh fish on the market to improve both quality and price," Murkowski said.

"I'm still not certain that the current IFQ system is the best," Murkowski said many coastal cities were "entirely dependent" on fishing.

Sen. Ted Stevens, R-Alaska, said he remained concerned that many crewmembers and other participants will be left out of the halibut and black cod fisheries.

"I am still hearing serious questions about the impact of IFQs on

coastal communities and the cost of implementing the proposal, Stevens said in a news release.

# Petersburg Vessel Owners Association

P.O. Box 232  
Petersburg, Alaska 99833  
Phone (907) 772-9323 Voice and Fax

March 8, 1993

Representative Bill Williams  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

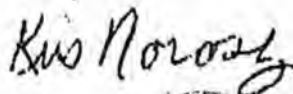
Dear Representative Williams,

It is our understanding that HB 123 was recently passed out of the Fisheries Committee and has been sent to House Resources. As chairman of the Resources Committee, we respectfully request that you schedule HB 123 for a hearing as soon as possible.

We believe HB 123 is an important piece of legislation which will greatly benefit Alaska's commercial fishers. The present State loan program which provides loan funds for the purchase of limited entry permits, has been of tremendous help to insure that Alaskans are allowed the financial opportunity to participate in the fisheries along our coast. We believe including assistance for the purchase of quota shares is a logical extension to make for the State's fisheries loan program.

Representative Williams, we would appreciate your assistance in allowing this important piece of fisheries legislation to get the attention it deserves. Please schedule a hearing for HB 123 as soon as possible.

Sincerely,



Kris Korosz  
Director

cc: Senator Robin Taylor  
Representative Fran Ulmer

JERE T. MURRAY, Ph.D.  
P.O. Box 237, Seldovia, Alaska 99663-0237  
(907) 234-7646 (Voice or FAX)  
March 02, 1993.

Alaska Legislature  
House of Representatives  
Special Committee on Fisheries  
Representative Carl Moses, Chairman  
Representatives Harley Olberg, Gail Phillips, Cliff Davidson,  
and Irene Nicholla, Members

Via FAX Only: 465-3445

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on HB123, "An Act relating to loans for the purchase of individual fishery quota shares."

Please consider all the following facts. Last session the Alaska House of Representatives unanimously rejected the IFQ plan by passing HJR61. A companion measure in the Senate had similar wide support but was kept from the floor by the actions of a single Senator who is no longer in office. Our Congressional delegation members each have serious concerns about this plan and are maneuvering against it in Washington. The Commerce Department has not yet published this plan as a "Final Rule" and it may still be rejected by the Office of the President and or the Congress where opposition is growing daily. Even if the plan passes these hurdles and survives legal challenges sure to be mounted, it will not be implemented until after one or more additional sessions of the Alaska Legislature.

Then, surely, the best one can say for HB123 is that it is very premature and sends the wrong message concerning the thoughts of the legislature on this plan (assuming last session's sentiments remain).

I know you will receive considerable testimony on the economic aspects of these proposed loans and I will not attempt to duplicate those here. Let me only pass on to you the comment one of the staunchest proponents of IFQs made to me when I brought up the subject of a loan program such as that envisioned by HB123 during the December 1991 meeting of the North Pacific Fisheries Management Council in Anchorage. Mr. Clem Tillon, whom I'm sure you all know, said "I wouldn't want to loan them money they won't be able to repay!" There it is - "right from the horses mouth."

At this time the best thing the Alaska State Legislature can do for Alaska in connection with IFQs is to reaffirm the position of last session's House and pass a resolution similar to HJR61 which includes the additional resolve of the Senate companion, SJR38, "FURTHER RESOLVED that the Alaska State Legislature opposes the use of state agency resources, state operated facilities, state funds, or other forms of cooperation to implement an Individual Fishery Quota management system" and send copies of the resolution to the appropriate federal officials in the executive and legislative branches as soon as possible.

There will be plenty of time to attempt to ameliorate the many adverse effects the IFQ plan will have on Alaskan citizens and communities if and when it is implemented. Passage of HB123 at this time can do no good and may do harm in the battle against this devastating plan. First things first, please.

Sincerely,

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ARE  
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# Petersburg Vessel Owners Association

P.O. Box 232  
Petersburg, Alaska 99833  
Phone (907) 772-9323 Voice and Fax

March 8, 1993

Representative Bill Williams  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

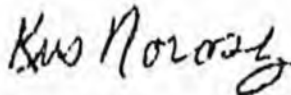
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Sincerely,



Kris Norosz  
Director

cc: Senator Robin Taylor  
Representative Fran Ulmer

March 02, 1993.

Alaska Legislature  
House of Representatives  
Special Committee on Fisheries  
Representative Carl Moses, Chairman  
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Sincerely,

*Carl T. Murray*

H B

1 2 6

HOUSE COMMITTEE REPORT

Library

(7)

Date Referred: February 22, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/11/93

The LABOR AND COMMERCE Committee considered:

SSHB 126

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 126

PUBLIC CONSTRUCTION PREVAILING WAGE RATES

"An Act establishing the current prevailing rate of wages issued at least 10 days before the final submission of bids as the prevailing wage rate for public construction projects and requiring periodic adjustment of the wage rate."

RECOMMENDATIONS:  the same title  
 be replaced with \_\_\_\_\_  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_

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

zero fiscal note DOT/PP, LABOR

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				

*[Signature]*  
 CHAIRMAN'S SIGNATURE

# Alaska State Legislature

## House of Representatives

Official Business



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3718

House Majority Leader

### SPONSOR'S STATEMENT FOR SPONSOR SUBSTITUTE FOR HOUSE BILL 126

### PREVAILING WAGE RATES

Presented to House Labor and Commerce  
Committee on March 11, 1993

Current law provides that a construction contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing wage for work of a similar nature. However, an increase in the prevailing wage in the middle of a contract creates a financial hardship on the contractor; and anticipation of interim increases may also serve to inflate the cost of construction projects, because the contractor or subcontractor must absorb the costs of any wage rate change.

The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are currently prevailed.

The bill before you proposes to address these concerns.

Sponsor Substitute for House Bill 126 was introduced to amend AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

Representatives from Unions, Alaska General Contractors and the Department of Labor worked together to find appropriate language to be introduced, and it is my understanding that the bill now meets with the approval of each.

Zero Fiscal Notes from both the Department of Labor and the Department of Transportation accompany this Sponsor Substitute, and the Department of Labor has introduced a position paper in support of it. The Department of Transportation feels that, while there will be some impact, it is very difficult to accurately estimate cost savings for this fiscal note. They expressed the opinion that "contractors [would be able to] more accurately predict their project costs; and therefore the department should receive more favorable bids, thus lowering the cost of construction."

# CITY OF CORDOVA



MAR 04 1993

March 1, 1993

Representative Gary Davis  
Room 15, Capital  
Juneau, Alaska 99801-1182

Dear Representative Davis:

Please consider this a "Letter of Support" for SS HB No. 126. The world of contracting is complicated enough for "small town" Alaskans to cope with. Any move to streamline or simplify reporting/monitoring requirements gets my full support.

D.O.L. sends out revisions of the minimum rates of pay at a pretty frequent rate. Not having to worry about a "rate change" for up to twenty four months (under one contract) would be a welcome step and one in the right direction.

I only hope I'm around on the day that the paltry \$2000 reporting requirement for contracts involving "public money" is raised to a more reasonable \$50,000 to \$75,000.

It is clear to me through discussions I have had with folks at D.O.L., that they are not crazy about the \$2000 contract limit either. Each time the magic \$2000 limit is reached, they have another contract to monitor with the same general requirements as a \$20,000,000.00 contract. This practice seems to cause an inordinate amount of paper work for D.O.L. too!

Enough of my "soap-boxing". Thanks again for your efforts!

Sincerely,

Jeff Currier  
Director of Public Works

cc: Rep. Bill Hudson, Chair, L&C  
Rep. Ron Larson, Co-Chair, Finance



## G & S CONSTRUCTION

P.O. Box 1493 • Soldotna, Alaska 99669 • (907) 262-6223

January 15, 1993

House of Representative's  
Representative Davis  
Room 15  
Juneau, Ak. 99811-1182

Dear Gary:

I'd like to express my concern over how the Davis Bacon wage increases are affecting contractors involved in State and City construction projects.

-As you are probably aware there are many different pay scales that apply to various trades and each of these trade unions negotiate pay increases for there members. These new pay rates are than adopted by the state labor board and the published Davis Bacon wage scales will change accordingly.

All of this is fine until a contractor either has just bid, or is in the middle of a project that these increased wages will affect. Normally wage rates are part of the bid documents and a contractor will use those rates to bid his job accordingly. When ever these increases become affective any contractor that has bid projects with a lesser scale is than forced to pay a higher wage. Let me give you an example.

A contractor bids a 5 million dollar court house using a carpentry rate of \$29.60 per hour. Before he actually starts construction a rate increase occurs raising the carpenter rate to \$32.10 per hour. If his orginal carpentry labor figure was \$350,000, the rate increase will cost this contractor almost \$30,000 in added carpentry labor costs. Remember that these rates are set by the state and must be paid on any state or city project.

R. Daniel Green

Various unions have recognized the financial burden of prevailing wage rate changes in the middle of a contract.

Agreement between AGC and CARPENTERS UNIONS SOUTH OF 63 North  
July 1, 1991 - June 30, 1994  
Article 24. Wages (E)

Agreement between AGC and Central and Southeastern District  
Council of Carpenters  
July 1, 1991 - June 30, 1994  
Article 24. Wages (E)

"...in the event an individual Employer bids on a public project being awarded...which is to be performed at a predetermined and/or prevailing wage rate...established pursuant to the provisions of Title 36...the published hourly wage and fringe rate (if any) set forth in said public award or the construction contract rate in effect at the time of bid shall apply for the duration of the project."

Master Agreement  
International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America Local 959 and Alaska Technical Engineers Local 959 State of Alaska  
July 1, 1991 - June 30, 1994  
Article XVI Wages  
Section 1. Public Works Projects - Davis Bacon Act and Related Statutes

Alaska Agreement  
International Union of Operating Engineers  
July 1, 1991 - June 30, 1994  
Article XVI Wages  
Section 1. Public Works Projects - Davis Bacon Act and Related Statutes

"...the published hourly wage and fringe rate set forth in said public award of the construction contract rate in effect at the time of bid shall apply for the duration of the project or the term of this Agreement, even though such prevailing wage is less than the wage set forth in this Agreement."

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**



## G & S CONSTRUCTION

P.O. Box 1493 • Soldotna, Alaska 99669 • (907) 262-6223

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R. Daniel Green

I find it interesting when the state sets a wage rate, that we must pay, then without warning raises it, the contractor must absorb these added costs. Currently there is no mechanism available for the contractor to recoup this added labor expense.

In my opinion there are two options to correct this problem one of which the Federal government already has in place.

1. When an increase in wages occurs the contractor is allowed to recoup these added costs through the change order process. This already applies at the Federal level.
2. All projects that have either just bid or are in progress will be allowed to continue using the published bid date rate. This option would probably be the least desirable.

This problem of wage rate increases need's to be addressed and it is my hope you can either start or become part of a movement to rectify it. I would be glad to provide you with any other information that you might require.

I would appreciate being kept informed regarding this issue.


Sincerely,

G & S CONSTRUCTION



R. Daniel Green  
owner

*Yea Dan,  
I've heard them elsewhere, probably  
from you after a council meeting. Good  
points - let's ck on it & get the Labor  
Committee people to pursue it.*



Judy

Various unions have recognized the financial burden of prevailing wage rate changes in the middle of a contract.

Agreement between AGC and CARPENTERS UNIONS SOUTH OF 63 North  
July 1, 1991 - June 30, 1994  
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**FISCAL NOTE**

Revision Date: 03/04/93 Department Affected: DOT&PF  
 Title: Public Construction Prevailing Wage Rates BRU: E&OS  
 projects  
 Sponsor: Phillips Component: D&C  
 Requestor: Phillips Component Serial Number: 547

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS**

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

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

**ANALYSIS: (Attach a separate page if necessary)**

It is very difficult to accurately estimate cost savings for a fiscal note; there will be some impact. Contractors can more accurately predict their projects costs; therefore the department should receive more favorable bids, thus lowering the cost of construction.

Prepared by: Loren Rasmussen

Phone: 465-2960

Division: Engineering & Operations Standards

Date: March 4, 1993

Approved by Commissioner:   
Frank G. Turpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 4, 1993

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*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SS HB 126

APPROVED: 

TITLE: Public Construction  
Prevailing Wage Rates

DATE: March 4, 1993

Section 1 of the bill deletes from AS 36.05.010 the phrase (FOR EACH PAY PERIOD) and adds at least 10 days before the final date for submission of bids for the contract. The rate shall remain in effect for the life of the contract or for 24 calendar months, whichever is shorter. At the end of the initial 24-month period, if new wage determinations have been issued by the department, the latest wage determination shall become effective for the next 24-month period or until the contract is completed, whichever, occurs first. This process shall be repeated until the contract is completed (END OF THE PAY PERIOD).

Section 2 only makes a grammatical changes.

Presently contractors are required to pay any increases in prevailing wage rate immediately after they are issued. This bill provides that the prevailing wage rates which are in effect at the time of advertising will remain in effect for two years. With stable wage rates contractors should be able to more accurately estimate the cost of a construction project. There will be less risk of increased labor costs to the contractors therefore the department should see more favorable bids and overall lower costs of the construction projects.

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

# FISCAL NOTE

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

**BILL NO :** SS HB 126

Revision Date: \_\_\_\_\_  
 Title: Public Construction Prevailing  
Wage Rates  
 Sponsor: Representatives Phillips, G. Davis  
 Requestor: House Labor & Commerce

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Wage & Hour

**COMPONENT SERIAL NO.** 345

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE:</b>						
-----------------------------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: Donald G. Study, CSP, Director Phone: 465-6003  
 Division: Labor Standards & Safety Date: 2/24/93

Approved by Commissioner: Charles W. Mahlen  
 Agency: Department of Labor Date: 2/24/93

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**BILL NO:** Sponsor Substitute for House Bill No. 126

**DATE:** February 25, 1993

**TITLE:** Public Construction Prevailing Wage Rates

**CONTACT:** Arbe Williams  
465-2700

Sponsor Substitute for House Bill No. 126 amends AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

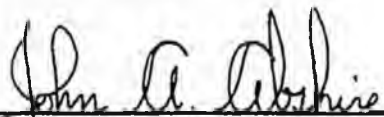
AS 36.05.010 provides that a contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing rate of wages for work of a similar nature. The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial, heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are prevailed.

However, an increase in the prevailing wages in the middle of a contract creates a financial hardship on the contractor; anticipation of interim increases may also serve to inflate the cost of construction projects. Sponsor Substitute for House Bill No. 126 proposes to address these concerns.

The Department of Labor supports this legislation.

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APPROVED:

---

John A. Mahlen, Commissioner

Date: 2/25/93

**POSITION PAPER/Department of Labor**

**FISCAL NOTE**

Revision Date: 03/04/93 Department Affected: DOT&PF  
 Title: Public Construction Prevailing Wage Rates BRU: E&OS  
 projects  
 Sponsor: Phillips Component: D&C  
 Requestor: Phillips Component Serial Number: 547

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING:</b>	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	0	0	0	0	0	0

**POSITIONS**

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

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

**ANALYSIS: (Attach a separate page if necessary)**

It is very difficult to accurately estimate cost savings for a fiscal note; there will be some impact. Contractors can more accurately predict their projects costs; therefore the department should receive more favorable bids, thus lowering the cost of construction.

Prepared by: Loren Rasmussen

Phone: 465-2960

Division: Engineering & Operations Standards

Date: March 4, 1993

Approved by Commissioner:   
Frank G. Zurpin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 4, 1993

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*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SS HB 126

APPROVED:

A handwritten signature in black ink, appearing to be "J. D. ...".

TITLE: Public Construction  
Prevailing Wage Rates

DATE: March 4, 1993

Section 1 of the bill deletes from AS 36.05.010 the phrase (FOR EACH PAY PERIOD) and adds at least 10 days before the final date for submission of bids for the contract. The rate shall remain in effect for the life of the contract or for 24 calendar months, whichever is shorter. At the end of the initial 24-month period, if new wage determinations have been issued by the department, the latest wage determination shall become effective for the next 24-month period or until the contract is completed, whichever, occurs first. This process shall be repeated until the contract is completed (END OF THE PAY PERIOD).

Section 2 only makes a grammatical changes.

Presently contractors are required to pay any increases in prevailing wage rate immediately after they are issued. This bill provides that the prevailing wage rates which are in effect at the time of advertising will remain in effect for two years. With stable wage rates contractors should be able to more accurately estimate the cost of a construction project. There will be less risk of increased labor costs to the contractors therefore the department should see more favorable bids and overall lower costs of the construction projects.

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

# FISCAL NOTE

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

**BILL NO :** SS HB 126

Revision Date: \_\_\_\_\_  
 Title: Public Construction Prevailing  
Wage Rates  
 Sponsor: Representatives Phillips, G. Davis  
 Requestor: House Labor & Commerce

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Wage & Hour

**COMPONENT SERIAL NO.** 345

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
<b>FUND SOURCE:</b>						

**FUNDING:** (Thousands of Dollars)

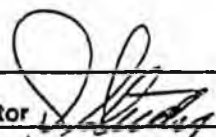
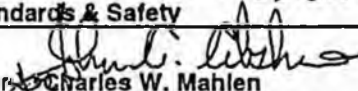
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: Donald G. Study, CSP, Director  Phone: 465-6703  
 Division: Labor Standards & Safety Date: 2/24/93  
 Approved by Commissioner: Charles W. Mahlen   
 Agency: Department of Labor Date: 2/24/93

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**BILL NO:** Sponsor Substitute for House Bill No. 126

**DATE:** February 25, 1993

**TITLE:** Public Construction Prevailing Wage Rates

**CONTACT:** Arbe Williams  
465-2700


Sponsor Substitute for House Bill No. 126 amends AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

AS 36.05.010 provides that a contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing rate of wages for work of a similar nature. The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial, heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are prevailed.

However, an increase in the prevailing wages in the middle of a contract creates a financial hardship on the contractor; anticipation of interim increases may also serve to inflate the cost of construction projects. Sponsor Substitute for House Bill No. 126 proposes to address these concerns.

The Department of Labor supports this legislation.

APPROVED:

  
John A. Mahlen  
Charles W. Mahlen, Commissioner

Date: 2/25/93

**POSITION PAPER/Department of Labor**

HB

139

# HOUSE COMMITTEE REPORT

(7)

Date Referred: February 8, 1993

FURTHER REFERRALS:

HESS  
Judiciary  
Finance

Date of Committee Action: 3/25/93

The LABOR AND COMMERCE Committee considered:

HB 139

HOUSE BILL NO. 139

ASSISTIVE TECHNOLOGY LOAN GUARANTEES

"An Act establishing a loan guarantee and interest rate subsidy program for assistive technology."

RECOMMENDATIONS:

be replaced with Committee Substitute for HB 139  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact Education

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

zero fiscal note \_\_\_\_\_

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				

*[Signature]*  
CHAIRMAN'S SIGNATURE

# Alaska State Legislature

COMMITTEES  
RESOURCES  
COMMUNITY AND REGIONAL AFFAIRS  
LEGISLATIVE BUDGET AND AUDIT

FINANCE SUBCOMMITTEES  
UNIVERSITY OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES



White in Fairbanks  
119 N. Cushman Street  
Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

White in Juneau  
State Capitol  
Juneau, Alaska 99601-1182  
(907) 465-4457  
(907) 465-3787-fax

## Representative John Davies

To: Representative Bill Hudson, Chair  
House Labor and Commerce Committee

From: Representative John Davies

A handwritten signature in cursive script that reads "John Davies".

Date: March 2, 1993

Subject: Request for hearing

I wish to request a hearing of HB 139, "An act establishing a loan guarantee and interest rate subsidy program for assistive technology". I have included the following items for the bill file:

1. sponsor statement
2. position paper and fiscal note: Department of Education

# Alaska State Legislature

COMMITTEES  
RESOURCES  
COMMUNITY AND REGIONAL AFFAIRS  
LEGISLATIVE BUDGET AND AUDIT

FINANCE SUBCOMMITTEES  
UNIVERSITY OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES



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Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

White in Anchorage  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-4457  
(907) 465-3787 fax

## Representative John Davies

### HB 139 Sponsor Statement

HB 139 is a "jobs bill" that will help people experiencing disabilities improve their ability to get and keep a job or live independently.

The Assistive Technology Loan Guarantee Program will allow the Division of Vocational Rehabilitation (DVR) to guarantee loans from private institutions so that persons with disabilities, their families, or their employers who cannot qualify for other assistance or private loans can obtain necessary adaptive technology. The DVR is able to work with financial institutions to extend the time period during which the loan is to be paid back, as well as buy down interest rates, to make payments more manageable for consumers.

The person with the disability in need of the equipment, or their family must be unable to obtain the needed equipment through the Division of Vocational Rehabilitation, Medicare, Medicaid, insurance companies or other less costly funding sources.

An application will be completed with the assistance of the local DVR staff. The DVR will evaluate the applicant's ability to make loan payments based on income and general credit history. The application will also be reviewed to assure that the device or equipment is appropriate or best-suited to the applicant's disability. The DVR shall also determine that the person requesting a loan guarantee is unable to obtain the equipment or device from a free or less costly source.

The DVR will make an initial determination for eligibility for the loan guarantee program and will contact the applicant and a local cooperating financial institution to initiate the loan process. The lending institution will then process the loan pursuant to their standard procedures by incorporating the DVR's offer to guarantee the loan and buy down the interest rate to make the payments affordable, if needed.

# POSITION PAPER: DEPARTMENT OF EDUCATION

Division Vocational Rehabilitation Bill Number HB 139  
An act establishing a loan guarantee and interest rate subsidy  
Bill Title program for Assistive Technology.

Sponsor Representative Davies

Position Statement: Explain briefly what the bill does, its impacts and Department's position, i.e., a) support, b) do not support, c) neutral or d) oppose.

The Department of Education supports this bill. It would meet an identified need by a group of individuals in the State of Alaska which is not now being addressed. It is recommended that the mechanics of the loan guarantee and interest subsidies be clarified. Other than student loans by the Commission on Post Secondary Education, the Department is not in the loan business, and does not have the infrastructure to support significant responsibilities in this area. This would best be handled by banking institutions.

#### WHAT THE BILL DOES:

This bill would provide two types of assistance to individuals who need help in order to acquire assistive devices:

#### LOAN GUARANTEE

This bill provides for the state to guarantee loans issued to individuals who need assistive devices. The process for accessing the guarantee is as follows:

1. The individual completes an application available from their local assistive technology office.
2. The local office personnel will evaluate the degree to which the individual meets pre-established criteria for acquiring a loan and certifies those who qualify.

continued, see attached

#### APPROVED:

Director Keith J. Anderson Division Vocational Rehabilitation

Signature *Keith J. Anderson* Date February 11, 1993

Commissioner/Deputy *MIKE MAHER*

Signature *Mike Maher* Date 2/18/93

Postition Paper: Department of Education

Bill Number: HB 139

Division of Vocational Rehabilitation

Bill Title: An act establishing a loan guarantee and interest rate subsidy program for Assistive Technology.

Sponsor: Representative Davies

continued from page one:

3. The individual presents the certification, along with an application for a loan, to a bank of his/her choice.
4. The bank acts on the application. After the loan is made it is treated as any other loan. If the person defaults on the loan, the state is liable to meet the outstanding obligation.

#### SUBSIDIZED INTEREST

Based on the ability of the individual to repay the loan, the state can subsidize the interest rate up to that required by the loaning institution.

#### IMPACT OF THE BILL:

If passed, this bill would make it possible for citizens of the State of Alaska to gain access to technological devices necessary for them to function more independently in their homes and communities. It is estimated that there are approximately 4,000 persons in the state who are in need of these devices. The cost of these devices vary broadly from a few dollars to several thousand dollars.

# FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 139

1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Department Affected: Education

Title: An Act establishing a loan guarantee and interest rate subsidy program for Assistive Technology

BRU: Vocational Rehabilitation

Sponsor: Representative Davies

Component: Assistive Technology

Requestor: Representative Davies

COMPONENT SERIAL NO. 1202

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	100.0	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>100.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	100.0	-0-	-0-	-0-	-0-	-0-
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>100.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Keith Anderson, Director *Keith Anderson*  
 Division: Vocational Rehabilitation

Phone: 465-6932  
 Date: February 11, 1993

Approved by Commissioner: *[Signature]*  
 Agency: Education

Jerry Covey  
 Date: February 11, 1993

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FISCAL NOTE

State of Alaska  
1993 Legislative Session

BILL NO. HB 139

Title: An Act establishing a  
loan guarantee and interest rate  
subsidy program for Assistive  
Technology.

Department Affected: Education  
BRU: Vocational Education  
Component: Assistive Technology

Sponsor: Representative Davies  
Requestor: Representative Davies

The Assistive Technology of Alaska (ATA) Advisory Board has recommended to the division that we investigate using federal funds generated through the ATA project to fund the Technology Loan Fund. With this direction we have proposed to the federal funding agency a plan to fund the loan program by using federal receipts instead of state capital or general funds.

If approved ATA's fourth year grant includes a plan by which grant funds can be used to establish the loan fund. This would provide seed money to establish the loan fund. If this bill becomes law, the division can, by July 30, provide approximately 100.0 for this purpose. It is our understanding that this amount of money can be leveraged into as much as 750.0 as a guarantee and interest buy down depending on how the banking industry recommends the loans be set-up. This legislation forms a partnership between private industry and government to meet the needs of Alaskans with disabilities.

No additional staff cost.

Initial funding 100.0 from federal receipts, one year capitalization only.

HB

145

# HOUSE COMMITTEE REPORT

2/11/94

(7)  
Date Referred: February 10, 1993

FURTHER REFERRALS:

State Affairs  
Finance

Date of Committee Action: 2/10

The LABOR AND COMMERCE Committee considered:

HB 145

HOUSE BILL NO. 145

PAY EQUITY BASED ON VALUE OF WORK

"An Act requiring pay equity for certain public employees and requiring the compensation of certain public employees based on the value of work performed."

- RECOMMENDATIONS: [ ] the same title  
 be replaced with \_\_\_\_\_ [ ] a new title
- [ ] have attached amendments(s)
- [ ] do pass
- [ ] do not pass
- [ ] no recommendations
- individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Adm.

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i> Hudson	✓	<i>Joseph ...</i> Green			✓
<i>John Mackie</i> Mackie	✓	<i>Bryan Porter</i> Porter			✓
	(2)			(2)	

*Bill Hudson* HUDSON  
CHAIRMAN'S SIGNATURE

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



### REPRESENTATIVE FRAN ULMER

#### HB 145 SPONSOR STATEMENT

If two workers do the same or similar job, it is illegal under federal law to pay them different wages based solely on their gender. Unfortunately, there is good reason to believe that illegal wage disparities -- based on sex -- exist in Alaska state government today. We know that Alaska women working for the state are being paid 33% less than their male counterparts.

Paying women less than men for doing the same kind of work is just plain wrong. State employees should be paid based on the value of the work they perform, and not based on whether they are men or women. If two jobs require a high school diploma, a year of experience, and have comparable hazards and responsibilities, both jobs should be paid equally.

HB 145 provides a mechanism to bring the state into compliance with federal law and put an end to wage-based sex discrimination in state government. Passage of HB 145 is, in itself, the right thing to do. But for those who are concerned about saving scarce state revenues, there is another reason to support HB 145. Failure to adopt this bill makes the state vulnerable to expensive, time-consuming, and divisive litigation.

We should learn from the mistakes that have been made in other states. In Washington, legislators ignored evidence that women in state government were paid less than men, and refused to enact legislation like HB 145. After years of litigation, state employees in Washington achieved pay equity through court action. The ultimate cost to the state was much higher than it would have been if the legislature had voluntarily dealt with the problem.

We can also learn from the successes that have been achieved in other states. Minnesota is one of the states that voluntarily dealt with the problem of women being paid less than men. In fact, HB 145 is modeled directly after the Minnesota legislation. The approach taken in Minnesota -- and in HB 145 -- is to identify instances in which we are illegally paying women less than men, to develop a plan to eliminate the sex discrimination, and for future legislatures to phase in implementation of the plan.

HB 145 promotes fairness in the workplace and recognizes the valuable work that is being performed by the men and women in state government. In the long run, HB 145 will save the state a great deal of money.



## WHAT IS COMPARABLE WORTH PAY EQUITY?

"Comparable worth pay equity" is NOT equal pay for equal work. It IS equal pay for jobs of comparable value.

In 1942, the War Labor Board issued a general order calling for pay adjustments to equalize "the wages or salary rates paid to females with the rates paid to males for comparable quality and quantity of work on the same or similar operations..."

This means female dominated jobs should be paid equally to male dominated jobs requiring equivalent education and training, equivalent skill, effort, and responsibility, and involving equivalent work hazards.

## PAY EQUITY IS FUNDAMENTAL TO WORKPLACE JUSTICE

On average, a woman with four years of college can expect to earn the same salary as a man who never finished high school.

The proportion of poor families headed by women is steadily increasing. Despite the ads showing female doctors and pilots, about eighty percent of working women are employed in the low-paying, dead end jobs where women have traditionally worked.

## PAY EQUITY IS ACHIEVABLE

Many states have begun gathering data and researching pay equity. Several states have begun to implement pay equity by increasing the wages for workers in underpaid job classes. In the following states, advocacy has led to increased wages for employees working in female dominated job classes:

CONNECTICUT	FLORIDA
HAWAII	ILLINOIS
IOWA	MASSACHUSETTS
MICHIGAN	MINNESOTA
NEW JERSEY	NEW YORK
OREGON	WASHINGTON
WISCONSIN	

The courts have ruled the cost of ending pay discrimination may NOT be a consideration in correcting discriminatory practices. So far, pay equity settlement costs in the public sector have amounted to 2-4% of the total payroll.

Wages must be established free of sex stereotyping. Wages for female dominated jobs must reflect skill, effort, responsibility, and working conditions...NOT the sex of the worker.

Female dominated jobs pay the lowest wages. Men often refuse to move into these jobs because of these low wages. This lack of cross-over creates a two-tiered wage system. A two-tiered wage system prevents employers from full and

effective use of all of their employees.

Men CANNOT BE PAID LESS in order to create PAY EQUITY!! It is illegal under the 1963 Equal Pay to reduce any workers' pay in order to eliminate illegal salary differences.

Job evaluation systems are not new. For nearly 40 years the federal government has set wages for different jobs with the same numerical evaluation system. In fact, wages for two out of three American workers are set by job evaluations which compare dissimilar jobs.

Comparable Pay Equity IS achievable and reasonably priced. The job evaluation systems are established. Men cannot be hurt by fair pay for women.

## ISN'T IT TIME FOR COMPARABLE WORTH PAY EQUITY IN ALASKA???

### DEFINITIONS

\* "Female Dominated Job Class" means that 70% or more of the employees are female.

\* "Male Dominate Job Class" means that 70% or more of the employees are male.

SOURCES OF INFORMATION

NATIONAL COMMISSION ON WORKING WOMEN

AMERICAN FEDERATION OF STATE, COUNTY  
AND MUNICIPAL EMPLOYEES  
AFSCME

COALITION OF LABOR UNION WOMEN  
CLUW

AFL-CIO

PRODUCED IN HOUSE

**HELP SUPPORT PAY EQUITY  
IN ALASKA!!!**

SEND A LETTER TO YOUR STATE  
LEGISLATOR TO THE FOLLOWING  
ADDRESS:

SENATOR/REPRESENTATIVE  
STATE CAPITOL  
JUNEAU, AK 99801-1182

OR CONTACT ONE OF THESE  
LEGISLATIVE INFORMATION OFFICES  
TO SEND YOUR PUBLIC OPINION  
MESSAGE (POM)

JUNEAU: (907) 465-4648  
ANCHORAGE: (907) 561-7007  
FAIRBANKS: (907) 452-4448

**MEN  
AND  
WOMEN  
AT WORK**



**PAY EQUITY**

**It's a fairness issue....**

By

The Alaska AFL-CIO  
Women's Committee  
1993

A BILL  
FOR AN ACT ENTITLED

"An Act requiring pay equity for certain public employees and requiring the compensation of certain public employees to be based on the value of the work performed."

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

Section 1: AS 23.40.210 is amended to read:

Section 23.40.210. AGREEMENT. (a) Upon the completion of negotiations between an organization and a public employer, if a settlement is reached, the employer shall reduce it to writing in the form of an agreement. The agreement may include a term for which it will remain in effect, not to exceed three years. The agreement must [SHALL] include a pay plan designed to provide for a cost-of-living differential between the salaries paid employees residing in the state and employees residing outside the state. The plan must [SHALL] provide that the salaries paid, as of August 26, 1977, to employees residing outside the state [SHALL] remain unchanged until the difference between those salaries and the salaries paid employees residing in the state reflects the difference between the cost of living in Alaska and living in Seattle, Washington. The agreement must [SHALL] include a grievance procedure which has [SHALL HAVE] binding arbitration as its final step. Either party to the agreement has a right of action to enforce the agreement by petition to the labor relations agency.

(b) The employer and the organization may not negotiate over or include in the agreement a provision that is contrary to AS 39.27.013.

(c) The agreement may contain a provision that prevents the reduction in compensation of the incumbent of a position that is reclassified to a lower level. Such a provision may prevent a reduction in compensation for not more than two years.

Section 2: AS 39.27 is amended by adding a new section to read:

Section 39.27.013. PAY LEVEL FOR EMPLOYEE MOVED TO HIGHER RANGE.

(a) For the purposes of moving an employee to a higher range, either through reclassification or a change in range, the employee must be placed at the lowest step in the higher pay range that does not result in a decrease in salary. This provision applies only to an action taken to implement a job evaluation system adopted under AS 39.90.200-AS 39.90.300.

(b) This section supersedes any personnel rules to the contrary.

Section 3: AS 39.90 is amended by adding new sections to read:

### ARTICLE 3. PAY EQUITY

Section 39.90.200. COMPENSATION POLICY. It is the policy of this state to establish pay equity between female-dominated, male-dominated, and balanced classes of employees in order

to eliminate sex-based wage disparities in public employment.

Section 39.90.210. JOB EVALUATION SYSTEM. (a) Each public employer shall use a job evaluation system to determine the comparable work value of the work performed by each class of employees. The system shall be maintained and upgraded to account for new employee classes and changes in factors affecting the comparable work value of existing classes. Public employers shall meet and confer with the bargaining organizations representing public employees on the development or selection of a job evaluation system under this section.

(b) At a minimum, the job evaluation system shall be based on the following factors, measured objectively:

- (1) the knowledge and skills needed for acceptable job performance, including substantive knowledge and managerial skills;
- (2) the intellectual effort required including the creativity and analytical skills needed for acceptable job performance, the degree to which the employee works independently, and the complexity of the problems assigned to the employee;
- (3) the employee's accountability for the employee's actions and the consequences of the employee's job performance, including the employee's level of discretion and the potential for benefit or harm to the employer or the public from the employee's job performance; and
- (4) working conditions, including the physical effort and skills required, whether the job environment is disagreeable or physically demanding, and the hazards

presented by the job.

(c) After considering the list of classes in which pay inequity exists, each public employer shall prepare a plan to create pay equity for those positions. The employer shall submit the plan to the legislature by January 1 of each odd-numbered year together with the list of classes between which pay inequity exists. The employer shall include the cost of implementing the plan in its budget preparation for the following fiscal year and shall implement the plan at the start of that fiscal year.

Section 39.90.220. PUBLIC EMPLOYER CLASSIFICATION AND PAY PLANS.

(a) In preparing the position classification plan and the pay plan for employees, the public employer shall assure the compensation for

- (1) positions in the different services of the employer compares reasonably to one another;
- (2) positions in public service bears a reasonable relationship to compensation for similar positions outside public service;
- (3) management positions bears a reasonable relationship to compensation of the employees managed by the positions;
- (4) positions within one service bears a reasonable relationship among related classes and among various levels with the same occupations.

(b) In this section, the compensations paid to different positions bear a reasonable relationship to one another if the compensation for positions that require

- (1) comparable skill, effort, responsibility, and working conditions is comparable;  
and
- (2) differing skill, effort, responsibility, and working conditions is related to the skill, effort, responsibility, and working conditions required of the different positions.

Section 39.90.300. DEFINITION3. In AS 29.90.200-39.90.300.

- (1) "balanced class" means a class in which no more than 70 percent of the incumbents are male and no more than 70 percent of the incumbents are female;
- (2) "class" means one or more positions that have similar duties and responsibilities and require similar qualifications to perform the duties so that the same descriptive title can be used with clarity for each position in the class, the same selection procedures can be used to recruit employees, and the same compensation schedule can be applied with equity to all positions in the class working under the same or substantially the same employment conditions;
- (3) "comparable work value" means the value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work;
- (4) "female-dominated class" means a class in which more than 70 percent of the incumbents are female;
- (5) "male-dominated class" means a class in which more than 70 percent of the incumbents are male;
- (6) "management positions" means those positions accountable for

- (A) determining, securing, and allocating human, financial, and other resources needed to accomplish objectives;
  - (B) determining overall objectives, priorities, and policies within a program area;
  - (C) handling significant and involved relationships with governmental leadership; or
  - (D) exercising discretionary powers on a regular basis.;
- (7) "pay equity" means compensation based on comparable work value;
  - (8) "pay inequity" means compensation that is not based on comparable work value;
  - (9) "public employer" means
    - (A) a department, institution, board, commission, division, authority, public corporation, committee, or other administrative unit of the executive, judicial, or legislative branch of State government, including the University of Alaska and the Alaska State Housing Authority, but not including the Alaska Railroad Corporation; and
    - (B) a school district or regional education attendance area.

Section 4: (a) Notwithstanding AS 39.90.210(c), enacted by Section 3 of this Act, a public employer shall make the initial report to the legislature under AS 39.90.210(c) by January 1, 1996. The initial report must include

- (1) the following information for each job class, as of July 1, 1995:
  - (A) the title of the job class, the number of incumbents, and the percentage of incumbents who are male and the percentage who are female;

- (B) the comparable work value of the job class as determined under the system chosen under AS 39.90.210, enacted by Section 4 of this Act;
- (2) a description of the job evaluation system used by the public employer;
- (3) a plan for establishing equitable pay relationships between female-dominated and male-dominated job classes, including
  - (A) identification of classes for which a pay inequity exists based on the comparable work value of the class;
  - (B) a timetable for implementing pay equity; and
  - (C) the estimated cost of implementing pay equity.

(b) If requested by a public employer, the commissioner of administration shall provide technical assistance in completing the report required by this section.

HB-145-

Hudson

PAY TRENDS FOR THE STATE OF ALASKA,  
EXECUTIVE BRANCH OF STATE GOVERNMENT,  
BY SEX AND EDUCATION

By

The Women's Issues Committee  
Pat Jones, Chair

February 1993



ALASKA STATE EMPLOYEES ASSOCIATION  
AFSCME, Local 52, AFL-CIO

Dennis Gellhouse, President  
Jennie Day Peterson, Business Manager

3510 Spenard Road, Suite 110  
Anchorage, Alaska 99503  
(907) 277-5200

PAY TRENDS IN THE CLASSIFIED SERVICE  
OF THE STATE OF ALASKA, EXECUTIVE BRANCH  
BY SEX AND REQUIRED EDUCATION

INTRODUCTION

Equality at work between men and women includes both a pay scale free of sexual bias and equal opportunity for advancement. ASEA AFSCME Local 52 analyzed the employee distribution in the executive branch of the State of Alaska as of January 20, 1993. This report summarizes our findings.

MAJOR FINDINGS

1. A majority of job classifications are sex dominated.

Job classes with 70% or more male employees are defined by the Union as "male dominated." Job classes with 70% or more women are defined as "female dominated." All other job classes are defined as "sex balanced."

Of the 957 job classifications studied, 48% (459) are male dominated, 28% (272) are female dominated, and only 24% (226) are sex balanced.

2. A majority of state employees are in either male dominated job classes or female dominated job classes.

Of the 13,542 employees, 55% are men and 45% are women. 39% of state employees work in male dominated job classes. 32% of state employees work in female dominated job classes. The remaining 29% are in sex balanced job classifications.

3. The pay in female dominated job classifications is significantly less than pay in male dominated and sex balanced job classifications.

The pay in female dominated jobs is about 30% less than male dominated jobs and about 24% less than sex balanced jobs.

4. Regardless of required education, women tend to be paid less than men.

Of the job classes requiring skills instead of formal education, those in female dominated job classes earn about 30% less than those in male dominated job classes. As education requirements increase, the pay disparity decreases, but the disparity does not disappear completely.

## OVERVIEW

The State of Alaska provided a data report listing all job classes in the executive branch of government on January 20, 1993. For the purposes of this study, the education positions at Mt. Edgecombe High School and political appointments were excluded from consideration. Partial exempt and full classified positions were considered.

The study covered 13,542 employees in 957 separate job classifications. Women comprised 45% of the workforce and men comprised 55% of the workforce.

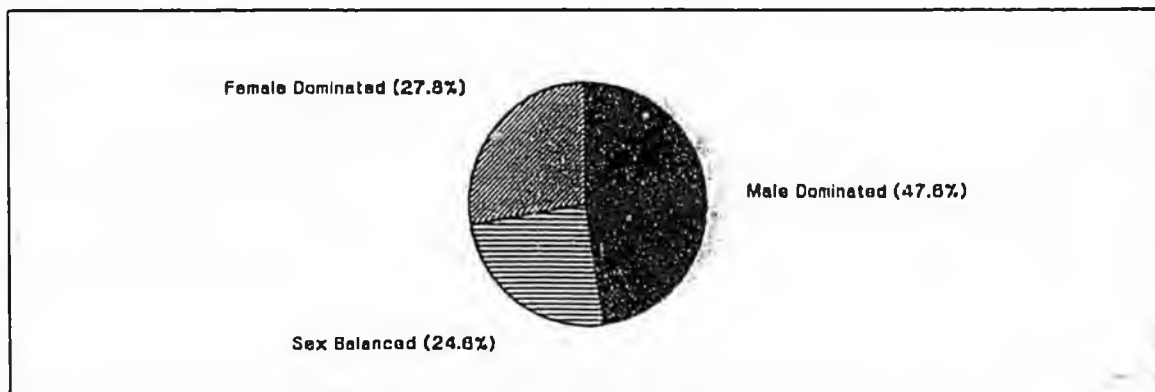
The Union collated the State's workforce with the minimum education requirements found in the class specifications for each of the 957 job classes. When education or experience options were offered, only the first options was considered.

Each job classification pay range was assigned a minimum and a maximum hourly pay rate. The base pay schedule for class 2 and 3 General Government Unit employees was used for pay through Range 24. Other ranges were taken from the Exempt, Public Safety, Labor Trades and Crafts, and the two Marine Highways pay scales. An average pay rate per each range was extrapolated as the mean of the minimum and maximum rates. For comparison purposes, the median "average pay rate" was generally used. The median is the midpoint where half the employees earn less and half the employees earn more.

### Job Class Segregation By Sex

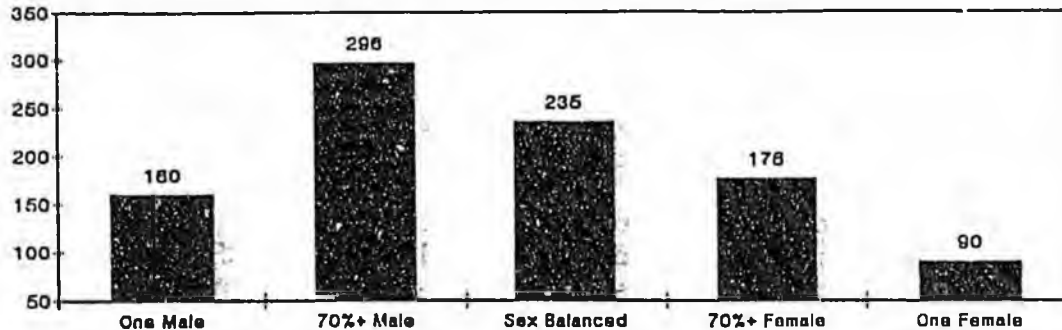
The 957 job classifications were divided by the sex of the employees currently in the class. A job class was defined as "Dominated" if 70% or more of the employees were either male or female. If the job class was 31% to 69% male or female, that job class is defined as "Balanced." The 957 classes are defined as follows:

JOB CLASS BY SEX



A large number of job classes were found to have a single employee. These single employee jobs are mostly at the mid-management and upper management levels. When these job classes are considered separately, the results are:

Job Class Distribution By Sex

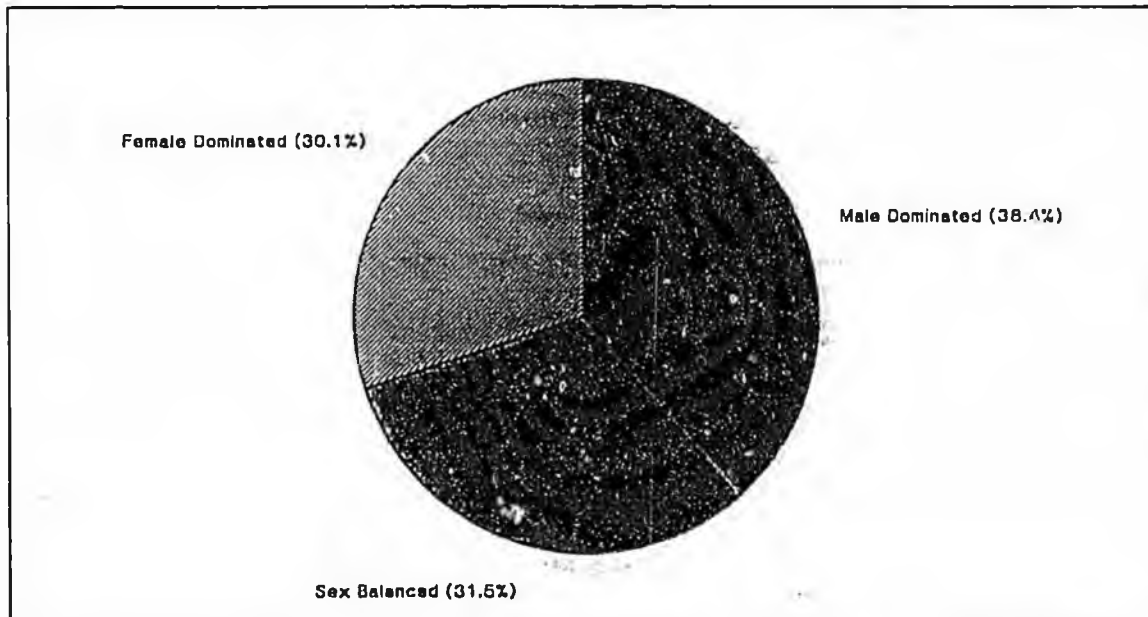


As a total, over 75% of all job classes are defined as dominated by either men or women.

Employee Segregation In Job Class By Sex

On January 20, 1993, there were 13,542 in the classified service covered by this report. A full 68% of these employees were in sex dominated job classes as follows:

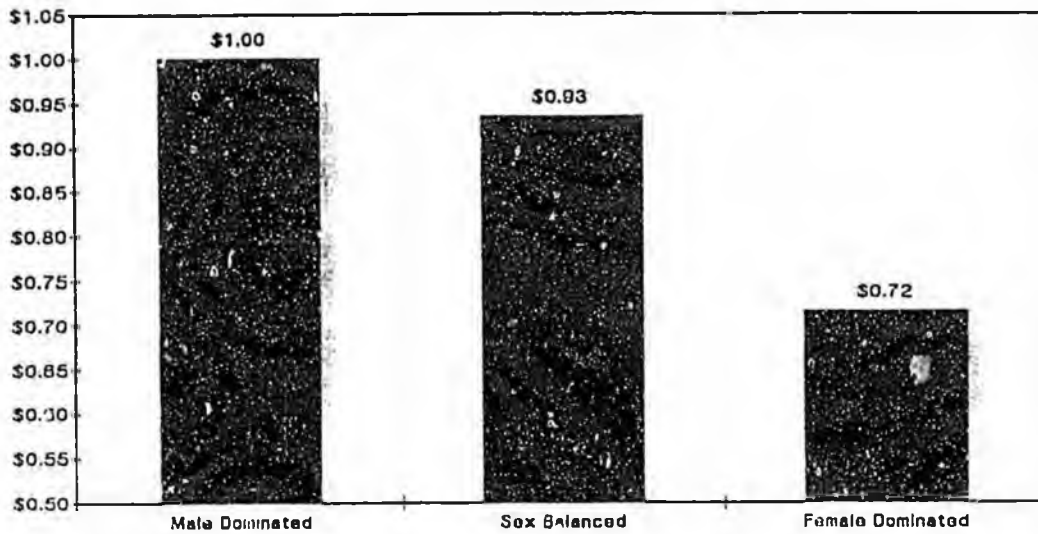
EMPLOYEE DISTRIBUTION IN JOB CLASSES



Pay Trends Compared to Category of Job Class

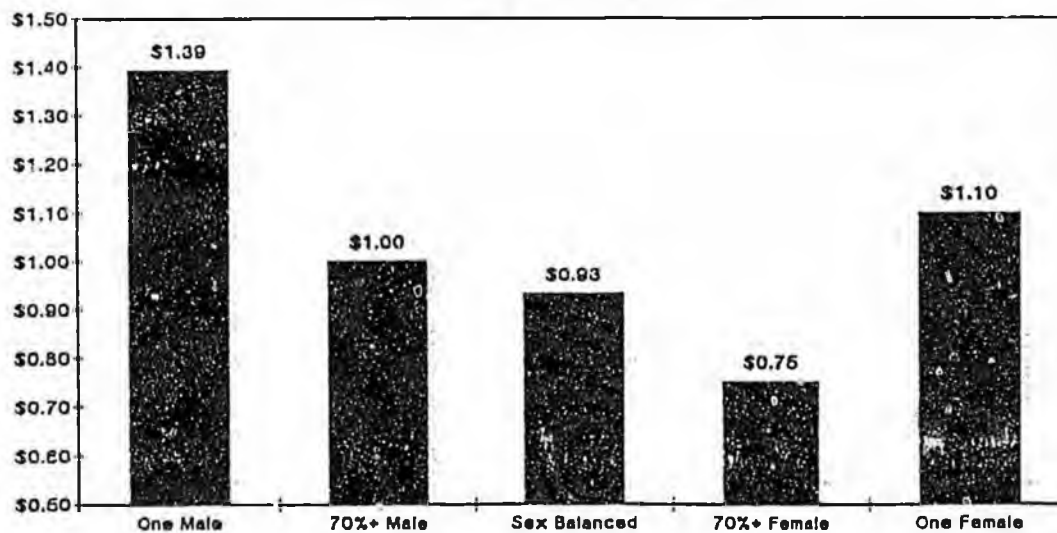
For comparison purposes, the median and mean pay for each category was found. The male dominated job class median pay was converted to \$1.00 and the other categories were calculated as a proportion of that dollar as follows:

MEDIAN PAY ALL JOB CLASSES



When the single employee job classes were considered separately, the following comparison of average pay per hour is found:

AVERAGE PAY TO MALE DOMINATED PAY

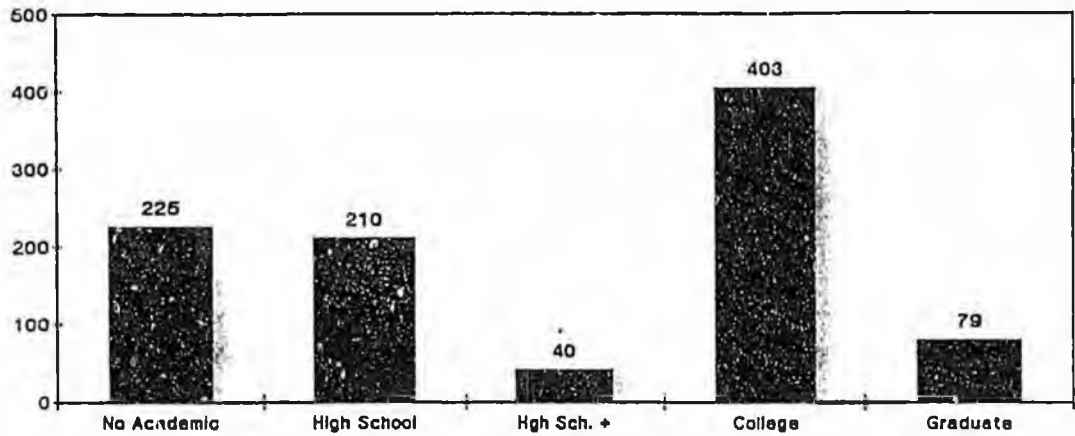


Minimum Education Requirements for Job Classes

Each job class was categorized based on the minimum academic education requirements set by the State of Alaska.

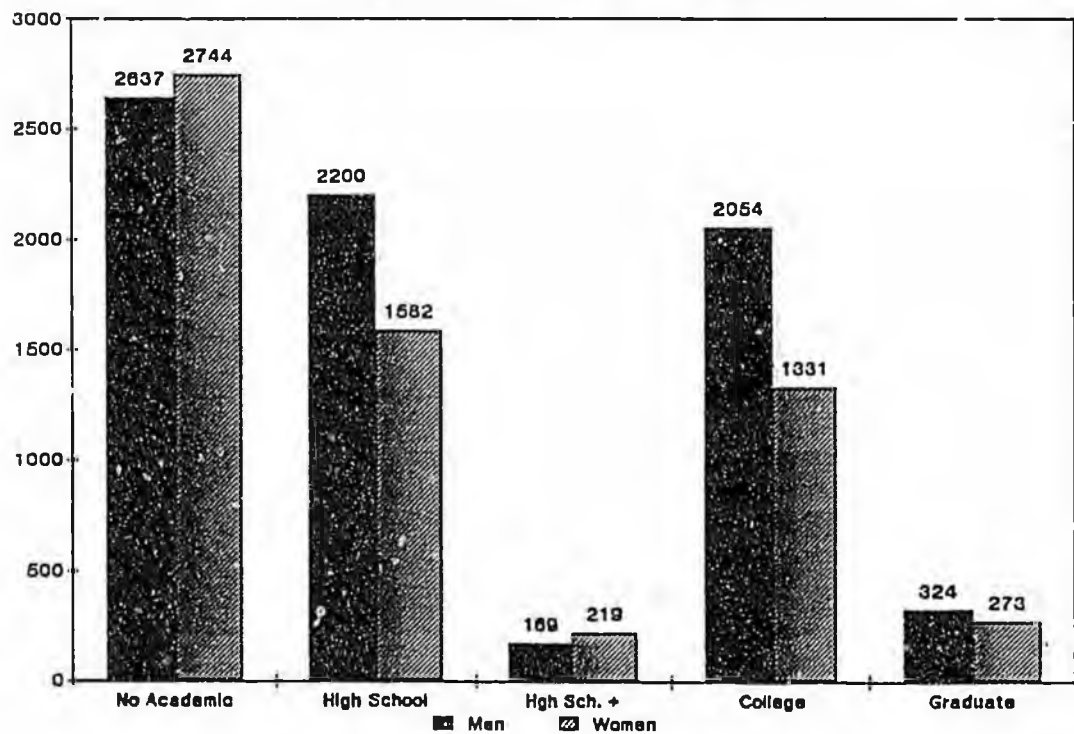
The 957 job classes are categorized as follows:

JOB CLASS DISTRIBUTION BY EDUCATION



Employees were in these job classes as follows:

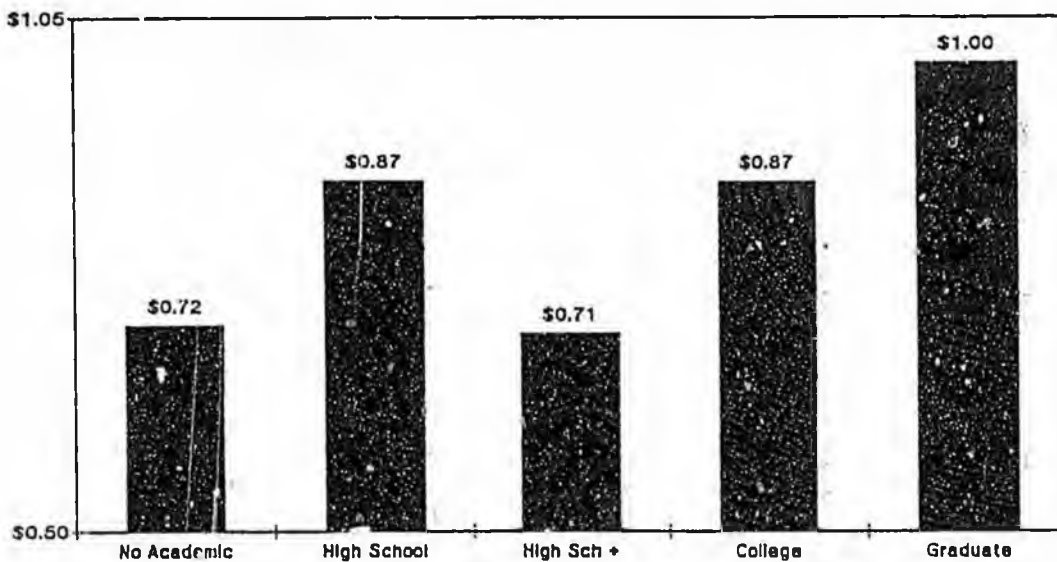
EMPLOYEES BY EDUCATION REQUIRED IN JOB



Pay Comparison Using Minimum Required Education and Job Segregation By Sex

For each academic category, the balanced and one employee job classes were excluded. The pay between male dominated and female dominated job classes were compared. In each category the male dominated pay is converted to \$1.00, as follows:

PAY IN FEMALE DOMINATED JOB CLASSES BY REQUIRED EDUCATION  
COMPARED TO PAY IN MALE DOMINATED JOB CLASSES WITH SAME EDUCATION REQUIREMENTS  
(MALE DOMINATED PAY = \$1.00)



CONCLUSIONS

The majority of employees of the State of Alaska are in jobs segregated by sex. Female dominated jobs are paid significantly less than jobs held by men. The education requirements of the job do not explain the wage disparities. However, it was found that the largest wage disparity is in those jobs that require specific skills instead of specific degrees. It appears more than coincidental that these jobs with the greatest wage disparity are also the jobs with the greatest number of female employees.

This study is not a full comparable worth survey. Neither experience nor responsibility nor workplace hazards were considered. This study also did not differentiate between the higher wages paid to specific job classes such as class 1 GGU, correctional officer, confidential, and supervisory pay scales. Inclusion of these pay scales would widen the pay disparity.

The data gained by this study does demonstrate the need for an immediate and comprehensive analysis of the State of Alaska job classification system. A comprehensive study will certainly reveal pay discrimination against women employed by the State of Alaska.

\*\*\*\*\*

APPENDIX A.....DISTRIBUTION OF JOB CLASSES

	Number of Classes	Percent of Total
Male Dominated	456	48%
Sex Balanced	235	24%
Female Dominated	266	28%
Totals	957	100%

APPENDIX B.....DISTRIBUTION OF EMPLOYEES BY JOB CLASS

	Number of Classes	Percent of Total Job Classes
One Male Employee	160	17%
Male Dominated	296	31%
Sex Balanced	235	24%
Female Dominated	176	18%
One Female Employee	90	9%
Totals	957	99%

APPENDIX C.....DISTRIBUTION OF EMPLOYEES BY JOB CATEGORY

	Number of Employees	Percent of Total
One Male Employee	160	1%
Male Dominated	5040	37%
Sex Balanced	4265	31%
Female Dominated	3987	29%
One Female Employee	90	1%
Total	13,542	99%

APPENDIX D.....COMPARISON OF MEDIAN PAY

Median Average Pay Per Hour Male Dominated Base = \$1.00	
Male Dominated	\$ 1.00
Sex Balanced	\$ .93
Female Dominated	\$ .72

APPENDIX E.....AVERAGE PAY PER HOUR BY JOB CATEGORY

Average Pay Per Hour Base Of \$1.00 for Male Dominated	
One Male Employee	\$ 1.39
Male Dominated	\$ 1.00
Sex Balanced	\$ .93
Female Dominated	\$ .75
One Female Employee	\$ 1.10

APPENDIX F.....JOB CLASS DISTRIBUTION BY EDUCATION REQUIRED

	Classes	Total
No Academic Requirement	225	23%
High School Diploma	210	22%
High School Plus	40	4%
College Degree	403	42%
Graduate Degree	79	8%

APPENDIX G.....NUMBER OF EMPLOYEES BY REQUIRED EDUCATION

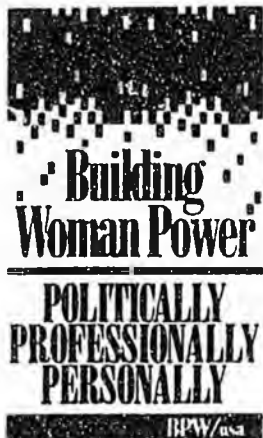
	Number of Employees	Percent of Total
No Academic Requirement	5386	40%
High School Diploma	3785	28%
High School Plus	388	3%
College Degree	3387	25%
Graduate Degree	596	4%

APPENDIX H... EMPLOYEES IN JOB CLASS WITH 2+ EMPLOYEES BY  
MALE AND FEMALE DOMINATED JOB CLASS

	Male Dominated	Female Dominated
No Academic Requirement	1910	2329
High School Diploma	1617	873
High School Plus	102	187
College Degree	1334	554
Graduate Degree	77	44

APPENDIX I...COMPARISON OF MEDIAN PAY BY REQUIRED EDUCATION  
BY MALE AND FEMALE DOMINATED JOB CLASS

	Male Dominated	Female Dominated
No Academic Requirement	\$ 1.00	\$ .72
High School Diploma	\$ 1.00	\$ .87
High School Plus	\$ 1.00	\$ .71
College Degree	\$ 1.00	\$ .87
Graduate Degree	\$ 1.00	\$ 1.00



THE JUNEAU

BUSINESS AND PROFESSIONAL WOMEN'S CLUB

P.O. Box 20350, Juneau, AK 99802-0350

3/28/93

Representative Fran Ulmer  
State Capitol  
Juneau, Alaska 99801-1182

*Fran*  
Dear Representative ~~Ulmer~~,

On behalf of the Juneau and the State Federation of Business and Professional Women's Clubs, I want to thank you for sponsoring House Bill 145 on pay equity. It's a long overdue measure and although the obstacles may not all be surmounted in the next few weeks, we deeply appreciate the efforts you are putting forth.

If there is anything we can do to facilitate this bill's passage, please contact me. We are ready, statewide, to help.

I also want to thank you for sending out the network bulletin on the status and nature of bills. I found it very helpful and have copied it to other members.

Thank you!

Cordially yours,

*J. Pennelope Geforth*  
J. Pennelope Geforth  
Juneau LO President

CC: Ramona Duby, State Federation President



**FISCAL NOTE**

**STATE OF ALASKA**  
**1993 LEGISLATIVE SESSION**

**BILL NO. HB 145**

Revision Date: \_\_\_\_\_  
 Title: 'An Act requiring pay equity . . . and requiring compensation . . . based on the value of work performed.'  
 Sponsor: Representative Ulmer  
 Requestor: House Labor and Commerce Committee

Department Affected: Administration  
 BRU: Personnel/OEEO  
 Component: Personnel/OEEO  
 \_\_\_\_\_  
**COMPONENT SERIAL NO. 56**

**EXPENDITURES/REVENUES:**

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	389.4	0	0	0	0	0
TRAVEL	6.0	0	0	0	0	0
CONTRACTUAL	22.5	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>417.9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE FUND SOURCE:</b>	0	0	0	0	0	0
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**FUNDING:**

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	417.9	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>417.9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	9	0	0	0	0	0

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)  
 See attached.

Prepared by: Kevin Ritchie, Director  
 Division: Personnel/OEEO

Phone: 465-4429  
 Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usera  
 Agency: Administration

Date: 4/19/93

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