



FOR IMMEDIATE RELEASE

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Governor Walker Restores Alaska Hire Requirements

Determination will require 90% Alaska Hire on public projects

June 10, 2015 ANCHORAGE—Governor Bill Walker and Department of Labor and Workforce Development Commissioner Heidi Drygas announced today that they will be restoring statewide Alaska Hire standards for publicly-funded infrastructure projects through a Department of Labor and Workforce Development “Zone of Underemployment” determination. Effective July 1, 2015, this determination will ensure that at least 90% of jobs on public projects, such as road construction, are awarded to Alaskans.

“Alaskans know how to build infrastructure, and state funding for public projects should employ Alaskans first,” Governor Walker said. “With this Alaska Hire determination, we are restoring a long-standing, non-partisan policy that puts Alaskans to work on important infrastructure projects.”

A series of Independent, Republican, and Democratic governors established and maintained Alaska Hire requirements for public projects until the program was terminated in 2013. The Alaska Legislature established clear standards under which Alaska Hire requirements must apply in Alaska Statutes 36.10.140 and 36.10.150. The Alaska Department of Labor and Workforce Development’s Research & Analysis Section economic data reveals that Alaska currently meets those conditions.

Alaska Hire requirements apply to a wide range of occupations such as equipment operators, surveyors, truck drivers, welders, laborers, mechanics, engineers and architects. If contractors are unable to locate Alaskans who are trained to complete a job, they must obtain a waiver before hiring non-residents. Workers or contractors with questions about Alaska Hire requirements should contact the Department of Labor and Workforce Development’s Wage and Hour office at (907) 269-4900.

The Zone of Underemployment determination is enclosed. Past Alaska Hire determinations from previous administrations are available upon request.

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EMPLOYMENT PREFERENCE DETERMINATION

(Effective July 1, 2015)

By authority of [AS 36.10.150](#) and [8 ACC 30.064](#), the Commissioner of Labor and Workforce Development has determined the entire State of Alaska to be a Zone of Underemployment. A Zone of Underemployment requires that Alaska residents who are eligible under [AS 36.10.140](#) be given a minimum of 90% employment preference on public works contracts throughout Alaska. This hiring preference applies on a project-by-project, craft-by-craft or occupational basis and must be met each workweek by each contractor/subcontractor.

The following classifications require a minimum of 90 percent Alaska resident hire preference:

| | | | |
|--------------------------|--------------------|--------------------------|-------------------------|
| Boilermakers | Bricklayers | Carpenters | Cement Masons |
| Culinary Workers | Electricians | Engineers and Architects | Equipment Operators |
| Foreman and Supervisors | Insulation Workers | Ironworkers | Laborers |
| Mechanics | Millwrights | Painters | Piledriving Occupations |
| Plumbers and Pipefitters | Roofers | Sheet Metal Workers | Surveyors |
| Truck Drivers | Tug Boat Workers | Welders | |

For additional information about the Alaska resident hire requirements, contact the nearest [Wage and Hour](#) office.

Please be advised that most public projects are covered. Funding sources are unique for every project. The inclusion of federal funds does not necessarily remove a project from jurisdiction. Ongoing projects that were excluded from the employment preference determination effective August 16, 2013 are not subject to this determination if the bid was submitted prior to July 1, 2015. Ongoing projects subject to the August 16, 2013, determination must comply with the Alaska resident employment preference requirements listed above. If there is any uncertainty about whether the law applies to a particular project, the department requests that you contact the regional Wage and Hour office nearest you for a determination. DOLWD Wage and Hour office contact numbers are as follows: Juneau: (907) 465-4842, Anchorage: (907) 269-4900, Fairbanks: (907) 451-2886.

This determination is effective July 1, 2015 and remains in effect through June 30, 2017.


Heidi Drygas, Commissioner

6/10/15
Date

STATE OF ALASKA
DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
ALASKA EMPLOYMENT PREFERENCE INFORMATION

By authority of A.S. 36.10.150 and 8 AAC 30.064, the Commissioner of Labor and Workforce Development has determined the State of Alaska to be a Zone of Underemployment. A Zone of Underemployment requires that Alaska residents who are eligible under AS 36.10.140 be given a minimum of 90 percent employment preference on public works contracts throughout the state in certain job classifications. **This 90 percent Alaska resident hiring preference applies on a project-by-project, craft-by-craft or occupational basis and must be met each workweek by each contractor/subcontractor in each of the following classifications:**

| | | | |
|------------------|--------------------------|-------------------------|---------------------|
| Boilermakers | Electricians | Laborers | Roofers |
| Bricklayers | Engineers and Architects | Mechanics | Sheet Metal Workers |
| Carpenters | Equipment Operators | Millwrights | Surveyors |
| Cement Masons | Foremen & Supervisors | Painters | Truck Drivers |
| Culinary Workers | Insulation Workers | Piledriving Occupations | Tug Boat Workers |
| | Ironworkers | Plumbers & Pipefitters | Welders |

This determination became effective July 1, 2015, and remains in effect through June 30, 2017. This determination will be applied to projects with a bid submission deadline on or after July 1, 2015 and to projects previously covered by the 2013 Alaska employment preference determination. This will afford contractors an opportunity to consider the impacts of Alaska resident hire in their bids.

The first person on a certified payroll in any classification is called the "first worker" and is not required to be an Alaskan resident. However, once the contractor adds any more workers in the classification, then all workers in the classification are counted, and the 90 percent calculation is applied to compute the number of required Alaskans to be in compliance. To compute the number of Alaskan residents required in a workweek in a particular classification, multiply the total number of workers in the classification by 90 percent. The result is then rounded down to the nearest whole number to determine the number of Alaskans that must be employed in that classification.

If a worker works in more than one classification during a week, the classification in which they spent the most time would be counted for employment preference purposes. If the time is split evenly between two classifications, the worker is counted in both classifications.

If you have difficulty meeting the 90 percent requirement, an approved waiver must be obtained before a non-Alaska resident is hired who would put the contractor/subcontractor out of compliance (8 AAC 30.081 (e) (f)). The waiver process requires proof of an adequate search for qualified Alaskan workers. Qualified Alaska residents identified through the search must be hired before waivers for non-resident workers may be granted. To apply for a waiver, contact the nearest Wage and Hour Office for instructions.

Here is an example to apply the 90 percent requirement to four boilermaker workers. Multiply four workers by 90% and drop the fraction ($.90 \times 4 = 3.6 - .6 = 3$). The remaining number is the number of Alaskan resident boilermakers required to be in compliance in that particular classification for that week.

The penalties for being out of compliance are serious. AS 36.10.100 (a) states "A contractor who violates a provision of this chapter shall have deducted from amounts due to the contractor under the contract the prevailing wages which should have been paid to a displaced resident and these amounts shall be retained by the contracting agency." If a contractor/subcontractor is found to be out of compliance, penalties accumulate until they come into compliance.

Contractors are responsible for determining residency status. If you have difficulty determining whether a worker is an Alaska resident, you should contact the nearest Wage and Hour Office. Contact Wage and Hour in Anchorage at (907) 269-4900, in Fairbanks at (907) 451-2886, or in Juneau at (907) 465-4842.