

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.