



EXECUTIVE DIRECTOR'S MESSAGE



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What defines a resident?

Discussion about resident and nonresident employment, Alaska hire, local hire — it goes by any number of names — is nothing new, but in the past year discussion of nonresident employment in Alaska has reached a louder decibel, especially in the context of the debate on proposed revisions to Alaska's oil taxes.

Beginning with the Gold Rush, Alaska's history is full of large numbers of nonresident workers employed in the state to meet the seasonal demands of resource-based industries and both the seasonal and specialized demands of major development projects. This is still the case today. Alaska's small population, transportation limitations and highly seasonal industries make it necessary to import workers from one part of the state to another and from other parts of the country to Alaska.

In 2009, the most recent year that statistics are available, 19.1 percent of the total Alaska workforce was nonresident. This changed very little from the 18.1 percent in 1999.

In seafood harvesting, including permit holders and crew, almost 42 percent of the harvesting workforce are nonresidents.

In seafood processing almost 75 percent of the workforce are nonresidents. When looking at all industries combined, nonresident seafood workers accounted for more than 21 percent of the total nonresident workforce.

The visitor industry, made up of a number of sectors including air transportation, accommodations, entertainment and scenic and sightseeing transportation, accounts for more than 22 percent of the state's nonresident workforce.

In construction slightly more than 20 percent of the workforce was nonresident, up from 18.7 percent in 2008.

Even in health care, which is not a seasonal occupation, 10 percent of the workers are nonresidents. This is in part due to rapid growth in the industry — we can't grow them and train them fast enough here.

The criteria the Department of Labor uses to compile statistics is also a factor in high percentages of nonresident workers. It uses unemployment insurance wage records for each worker matched with Alaska PFD data — if a worker has applied for a PFD in one of the two most recent years, that worker is considered a resident. For the PFD I got in October, I had to have applied in March, and been able to prove that I have lived here since January of 2010. According to my math, that is somewhere between 15 and 21 months. For our official workforce statistics, a resident has lived here for at least 15 to 21 months. While the PFD metric is not

perfect, it is the most accurate one we have.

According to Alaska statute, a person establishes residency in the state by being physically present in Alaska with the intent to remain in the state indefinitely and make a home in the state. A person demonstrates this by maintaining a principal place of abode in the state for at least 30 days. The state links being a resident to having a residence.

There are 20 instances in Alaska statute where residency is defined, ranging from a 30-day requirement to one year. They all have in common the requirement of being physically present in Alaska with the intent to stay. Examples of other residency requirements include:

You can register to vote within 30 days.

You must register your motor vehicle in Alaska within 60 days.

You must get an Alaska drivers license within 90 days.

To get an Alaska resident hunting and fishing license, you must have maintained a domicile in the state for the preceding 12 consecutive months.

To be a member of the legislature you must have been a resident of the state for three years (Alaska Constitution).

To be an Alaska Supreme Court Justice you must have been a resident for five years.

To be governor you must have been a resident for at least seven years prior to filing for office (Alaska Constitution).

The U.S. Constitution prevents a state from discriminating against residents of another state. The Privileges and Immunities Clause reads: "The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States." That Privilege establishes open borders among the states and allows residents of other states to come to Alaska and work. It is those open borders that allow many Alaska companies to go to work in North Dakota and other states.

Because of the seasonal and often highly specialized nature of construction in Alaska, we'll never achieve 100 percent resident hire, but we can do a better job than we have been doing. We can start by hiring Alaska contractors who hire Alaska workers.

ExxonMobil and Point Thomson exemplifies at the very least how it should be done. They prequalified and took proposals from teams of Alaska contractors for about \$300 million of work at Point Thomson starting next year.

That is a model that others should follow. That guarantees an Alaska contractor. If you want to maximize Alaska hire, you start by hiring an Alaska contractor. 🍔