

SENATE CS FOR CS FOR HOUSE BILL NO. 99 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/12/92

Referred: Finance

Sponsor(s): REPRESENTATIVES DONLEY, Koponen, Gruenberg, Ellis, Boyer, Brown, Ulmer, Carney, Bruckman, B.Davis, Moyer, Davidson

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. AS 23.40.210 is amended by adding a new subsection to read:

5 (b) The state and an organization representing state employees may not negotiate over
6 or include in the agreement a provision that is contrary to AS 39.27.011(e). The agreement may
7 contain a provision that prevents, for a period not to exceed two years, the reduction in
8 compensation of an incumbent in a position that is reclassified to a lower level.

9 * Sec. 2. AS 39.27.011 is amended by adding a new subsection to read:

10 (e) When, in order to implement a job evaluation system under AS 39.90.200 -
11 39.90.300, an employer moves an employee to a higher salary range, either through
12 reclassification or a change in range, an employee whose position is affected by the employer's
13 action shall be placed at the lowest pay step in the higher salary range that does not result in a
14 decrease in the employee's salary.

1 * Sec. 3. AS 39.90 is amended by adding new sections to read:

2 ARTICLE 3. PAY EQUITY.

3 Sec. 39.90.200. COMPENSATION POLICY. It is the policy of this state to establish
4 pay equity between female-dominated, male-dominated, and balanced classes of employees in
5 order to eliminate sex-based wage disparities in public employment.

6 Sec. 39.90.210. JOB EVALUATION SYSTEM. (a) Each public employer shall
7 establish a job evaluation system, using the United States Department of Labor's "Selected
8 Characteristics of Occupations Defined in the Dictionary of Occupational Titles," to determine
9 the comparable work value of the work performed by each class of employees. The system shall
10 be maintained and upgraded to account for new employee classes and changes in factors affecting
11 the comparable work value of existing classes. Public employers shall meet and confer with the
12 bargaining organizations representing public employees on the development or selection of a job
13 evaluation system under this section.

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

16 (1) the knowledge and skills needed for acceptable job performance, including
17 substantive knowledge and managerial skills;

18 (2) the intellectual effort required including the creativity and analytical skills
19 needed for acceptable job performance, the degree to which the employee works independently,
20 and the complexity of the problems assigned to the employee;

21 (3) the employee's accountability for the employee's actions and the consequences
22 of the employee's job performance, including the employee's level of discretion and the potential
23 for benefit or harm to the employer or the public from the employee's job performance; and

24 (4) working conditions, including the physical effort and skills required, whether
25 the job environment is disagreeable or physically demanding, and the hazards presented by the
26 job.

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

1 the beginning of that fiscal year.

2 Sec. 39.90.220. PUBLIC EMPLOYER CLASSIFICATION AND PAY PLANS. (a) In
3 preparing the position classification plan and the pay plan for employees, the public employer
4 shall assure that compensation for

5 (1) positions in the different services of the employer compare reasonably to one
6 another;

7 (2) positions in public service bears a reasonable relationship to compensation for
8 similar positions outside public service;

9 (3) management positions bears a reasonable relationship to compensation of the
10 employees managed by the positions;

11 (4) positions within one service bears a reasonable relationship among related
12 classes and among various levels within the same occupations.

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

15 (1) comparable skill, effort, responsibility, and working conditions is comparable;
16 and

17 (2) differing skill, effort, responsibility, and working conditions is related to the
18 skill, effort, responsibility, and working conditions required of the different positions.

19 Sec. 39.90.300. DEFINITIONS. In AS 39.90.200 - 39.90.300,

20 (1) "balanced class" means a class in which no more than 70 percent of the
21 incumbents are male and no more than 70 percent of the incumbents are female;

22 (2) "class" means one or more positions that have similar duties and
23 responsibilities and require similar qualifications to perform the duties so that the same
24 descriptive title can be used with clarity for each position in the class, the same selection
25 procedures can be used to recruit employees, and the same compensation schedule can be applied
26 with equity to all positions in the class working under the same or substantially the same
27 employment conditions;

28 (3) "comparable work value" means the value of the work measured by the
29 composite of the skill, effort, responsibility, and working conditions normally required in the
30 performance of the work;

31 (4) "female-dominated class" means a class in which more than 70 percent of the

1 incumbents are female;

2 (5) "male-dominated class" means a class in which more than 70 percent of the
3 incumbents are male;

4 (6) "management positions" means those positions accountable for

5 (A) determining, securing, and allocating human, financial, and other
6 resources needed to accomplish objectives;

7 (B) determining overall objectives, priorities, and policies within a
8 program area;

9 (C) handling significant and involved relationships with governmental
10 leadership; or

11 (D) exercising discretionary powers on a regular basis;

12 (7) "pay equity" means compensation based on comparable work value;

13 (8) "pay inequity" means compensation that is not based on comparable work
14 value;

15 (9) "public employer" means

16 (A) a department, institution, board, commission, division, authority,
17 public corporation, committee, or other administrative unit of the executive, judicial, or
18 legislative branch of state government, including the University of Alaska and the Alaska
19 State Housing Authority, but not including the Alaska Railroad Corporation; and

20 (B) a school district or regional educational attendance area.

21 * Sec. 4. (a) Notwithstanding AS 39.90.210(c), enacted by sec. 3 of this Act, a public employer shall
22 make the initial report to the legislature under AS 39.90.210(c) by January 1, 1995. The initial report
23 must include

24 (1) the following information for each job class, as of July 1, 1994:

25 (A) the title of the job class, the number of incumbents, and the percentage of
26 incumbents who are male and the percentage who are female;

27 (B) the comparable work value of the job class as determined under the system
28 chosen under AS 39.90.210, enacted by sec. 3 of this Act;

29 (2) a description of the job evaluation system used by the public employer;

30 (3) a plan for establishing equitable pay relationships between female-dominated and
31 male-dominated job classes, including

- 1 (A) identification of classes for which a pay inequity exists based on the
2 comparable work value of the class;
3 (B) a timetable for implementing pay equity; and
4 (C) the estimated cost of implementing pay equity.
5 (b) If requested by a public employer, the commissioner of administration shall provide technical
6 assistance in completing the report required by this section.