

SENATE BILL NO. 401

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS ZHAROFF, Rodey

Introduced: 2/14/92
Referred: STA, Finance

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 23.40.070 is amended to read:

5 Sec. 23.40.070. DECLARATION OF POLICY. The legislature finds that joint
6 decision-making is the modern way of administering government. If public employees have been
7 granted the right to share in the decision-making process affecting wages and working conditions,
8 they have become more responsive and better able to exchange ideas and information on
9 operations with their administrators. Accordingly, government is made more effective. The
10 legislature further finds that the enactment of positive legislation establishing guidelines for
11 public employment relations is the best way to harness and direct the energies of public
12 employees eager to have a voice in determining their conditions of work, to provide a rational
13 method for dealing with disputes and work stoppages, to strengthen the merit principle where
14 civil service is in effect, and to maintain a favorable political and social environment. The

1 legislature declares that it is the public policy of the state to promote harmonious and cooperative
2 relations between government and its employees and to protect the public by assuring effective
3 and orderly operations of government. These policies are to be effectuated by

4 (1) recognizing the right of public employees to organize for the purpose of
5 collective bargaining;

6 (2) requiring public employers to negotiate with and enter into written agreements
7 with employee organizations on matters of wages, hours, and other terms and conditions of
8 employment;

9 (3) maintaining merit-system principles among public employees and eliminating
10 sex-based wage disparities in public employment.

11 * Sec. 2. AS 39.90 is amended by adding new sections to read:

12 ARTICLE 3. PAY EQUITY.

13 Sec. 39.90.200. COMPENSATION POLICY. It is the policy of this state to establish
14 equitable relationships between female-dominated, male-dominated, and balanced classes of
15 employees in order to eliminate sex-based wage disparities in public employment. Compensation
16 relationships are equitable within the meaning of this section when the primary consideration in
17 negotiating, establishing, recommending, and approving total compensation is achieving equitable
18 compensation based on comparable work value.

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

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

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

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

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

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

7 (c) Each public employer shall submit a report containing the results of the job evaluation
8 system to the bargaining organizations representing public employees. The report shall be used
9 by the parties in collective bargaining negotiations. The report must identify, at a minimum, the
10 female-dominated classes and male-dominated classes for which compensation inequity exists,
11 based on the comparable work value, and the data, other than data that reveals information about
12 individual employees or former employees, used to support these findings.

13 (d) After considering the list of classes in which compensation inequity exists, each
14 public employer shall prepare a plan to create pay equity for those positions. The employer shall
15 submit the plan to the legislature by January 1 of each odd-numbered year together with the list
16 of classes in which pay inequity exists and an estimate of the appropriation necessary to achieve
17 equity in compensation for the classes on the list. The appropriation estimate shall be allocated
18 by class.

19 (e) The legislature shall review the plan and recommended appropriation from each
20 public employer and may accept, amend, or reject the plan. If funding for the plan is included
21 in an appropriation that does not otherwise allocate the amount appropriated, the public employer
22 shall allocate the funding according to the plan or, if the plan was amended by the legislature,
23 according to the amended plan. If the funding is insufficient to fully fund the plan, or the
24 amended plan, if applicable, the employer shall pro rate the amount available among the classes
25 included in the plan.

26 (f) If a public employer finds that pay inequity exists in a class that is part of a collective
27 bargaining unit, the employer shall notify the collective bargaining organization representing the
28 bargaining unit when the employer submits the compensation equity plan to the legislature.
29 Distribution of any amount appropriated to members of the bargaining unit shall be determined
30 by the applicable collective bargaining agreement.

31 (g) Notwithstanding AS 23.40.110, it is not an unfair labor practice for a public employer

1 to specify an amount of money to be used solely to correct inequitable compensation
2 relationships. The public employer may specify an amount to be used for general salary
3 increases. AS 39.90.200 - 39.90.300 do not diminish the duty of a public employer to bargain
4 in good faith under AS 23.40.070 - 23.40.260.

5 Sec. 39.90.220. USE AS EVIDENCE. The pay inequity list and the pay equity plan
6 prepared under AS 39.90.210 may be used as evidence in a proceeding or action alleging
7 discrimination.

8 Sec. 39.90.230. PUBLIC EMPLOYER NEGOTIATING POSITIONS. (a) In preparing
9 to negotiate with a collective bargaining organization representing public employees, and in
10 preparing the position classification plan and the pay plan for other employees, the public
11 employer shall assure that compensation for

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

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

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

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

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

22 (1) comparable skill, effort, responsibility, and working conditions is comparable;
23 and

24 (2) differing skill, effort, responsibility and working conditions is proportional to
25 the skill, effort, responsibility, and working conditions required of the different positions.

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

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

29 (2) "class" means one or more positions that have similar duties and
30 responsibilities and require similar qualifications to perform the duties so that the same
31 descriptive title can be used with clarity for each position in the class, the same selection

1 procedures can be used to recruit employees, and the same compensation schedule can be applied
2 with equity to all positions in the class working under the same or substantially the same
3 employment conditions;

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

7 (4) "female-dominated class" means a class in which more than 70 percent of the
8 incumbents are female;

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

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

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

14 (B) determining overall objectives, priorities, and policies within a
15 program area;

16 (C) handling significant and involved relationships with governmental
17 leadership; or

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

19 (7) "public employer" means

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

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

25 * Sec. 3. (a) Notwithstanding AS 39.90.210(d), enacted by sec. 2 of this Act, a public employer shall
26 make the initial report to the legislature under AS 39.90.210(d) by January 1, 1995. The initial report
27 must include

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

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

31 (B) the comparable work value of the job class as determined under the system

1 chosen under AS 39.90.210, enacted by sec. 2 of this Act;

2 (C) the minimum and maximum monthly salary authorized for each job class;

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

4 (3) a plan for establishing equitable compensation relationships between female-
5 dominated and male-dominated job classes, including

6 (A) identification of classes for which a compensation inequity exists based on
7 the comparable work value of the class;

8 (B) a timetable for implementing pay equity; and

9 (C) the estimated cost of implementing pay equity.

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

12 * Sec. 4. No cause of action arises before the effective date of this Act for failure to comply with
13 the requirements of this Act.