

**SENATE BILL NO. 2**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - FIRST SESSION**

**BY SENATORS DONLEY, Ellis, Salo, Little, Lincoln**

**Introduced: 1/11/93**  
**Referred: CRA, L&C, JUD, FIN**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act requiring pay equity for certain public employees and requiring the  
2 compensation of certain public employees based on the value of 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  
7 have been granted the right to share in the decision-making process affecting wages  
8 and working conditions, they have become more responsive and better able to  
9 exchange ideas and information on operations with their administrators. Accordingly,  
10 government is made more effective. The legislature further finds that the enactment of  
11 positive legislation establishing guidelines for public employment relations is the best  
12 way to harness and direct the energies of public employees eager to have a voice in  
13 determining their conditions of work, to provide a rational method for dealing with  
14 disputes and work stoppages, to strengthen the merit principle where civil service is

1 in effect, and to maintain a favorable political and social environment. The legislature  
2 declare that it is the public policy of the state to promote harmonious and cooperative  
3 relations between government and its employees and to protect the public by assuring  
4 effective and orderly operations of government. These policies are to be effectuated  
5 by

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

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

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

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

14 ARTICLE 3. PAY EQUITY.

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

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

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

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

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

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

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

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

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

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

30                   (f) If a public employer finds that pay inequity exists in a class that is part of  
31 a collective bargaining unit, the employer shall notify the collective bargaining

1 organization representing the bargaining unit when the employer submits the  
2 compensation equity plan to the legislature.

3 (g) Notwithstanding AS 23.40.110, it is not an unfair labor practice for a  
4 public employer to specify an amount of money to be used solely to correct inequitable  
5 pay relationships.

6 (h) Notwithstanding (d) of this section, it remains the policy of the state to  
7 negotiate pay rate adjustments through the collective bargaining process in all areas  
8 covered by bargaining agreements.

9 (i) AS 39.90.200 - 39.90.300 do not diminish the duty of a public employer  
10 to bargain in good faith under AS 23.40.070 - 23.40.260.

11 Sec. 39.90.220. PUBLIC EMPLOYER NEGOTIATING POSITIONS. (a) In  
12 preparing to negotiate with a collective bargaining organization representing public  
13 employees, and in preparing the position classification plan and the pay plan for other  
14 employees, the public employer shall assure that compensation for

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

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

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

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

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

25 (1) comparable skill, effort, responsibility, and working conditions is  
26 comparable; and

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

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

31 (1) "balanced class" means a class in which no more than 70 percent

1 of the incumbents are male and no more than 70 percent of the incumbents are female;

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

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

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

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

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

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

18 (B) determining overall objectives, priorities, and policies within  
19 a program area;

20 (C) handling significant and involved relationships with  
21 governmental leadership; or

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

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

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

26 (9) "public employer" means

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

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

2 • Sec. 3. (a) Notwithstanding AS 39.90.210(d), enacted by sec. 2 of this Act, a public  
3 employer shall make the initial report to the legislature under AS 39.90.210(d) by January 1,  
4 1996. The initial report must include

5 (1) the following information for each job class, as of July 1, 1995:

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

8 (B) the comparable work value of the job class as determined under the  
9 system chosen under AS 39.90.210, enacted by sec. 2 of this Act;

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

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

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

15 (A) identification of classes for which a pay inequity exists based on  
16 the comparable work value of the class;

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

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

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