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c/o 315 Barnette Street
Fairbanks, AK 99701
February 21, 1991

State of Alaska, House of Representatives
Committee on Labor and Commerce
P.O. Box V
Juneau AK 99811

Re: HB 99

Dear Chairman Finkelstein and Members of the Committee:

We encourage your full support for HB 99 which would guarantee equal pay for work of comparable worth. We believe in equal pay between positions that are substantially equal in:

1. Required Education
2. Required Training
3. Consequences of Work Errors
4. Value to the Organization of Work Produced
5. Hazards Involved in Performing Work
6. Other Job Related Characteristics.

Opponents to this bill may argue that the forces of the marketplace equitably establish wages. This argument ignores the fact that female wage discrimination is built into the market forces. Women earn less than men. This is not fair. HB 99 regarding comparable worth will redress the natural discrimination built into the market forces.

Opponents will argue that implementing Comparable Worth legislation will be too expensive to private and public employers. We believe that continuing the injustice of pay inequities between jobs of comparable worth is more expensive. In the current market it is largely women who are paying the economic price of sex discrimination. It is now the time to spread the economic burden of fair pay throughout the marketplace. Current employees deserve justice. Our daughters and sons deserve justice.

We ask you to fully support HB 99 and equal pay for work of comparable worth in Alaska.

Sincerely,

Teresa L. Anderson
Wichi C. SPEAR - Shupley
Barbara Smailell
Sonna DeToss
Wmannon VanQuaten
Vicky Clay?
KIM M. Bunker

Kent Larnie
Pat Lundgren
Pamela McQuay
David Williams
Dick Jarvis
Linda Benjamin
Keeum K.
Dawn White
Janice Stogren
Charles S. Eckert
Loyd Johnson
Norma L. Moman
Rena J. Mesch
Valley G. Dykema
Lynn M. Jensen
Gregory Cook
Lynne M.
Paula Skillinge

SEE REVERSE

Alia Grogan
Jackie Chouvard
Rose Elmer?
Deborah Wicken
Kittie Witten
John J Bernd
Dottie Hase
Hubert Sniffin
Suzie Morrin
Linda Zangge
Darnel Ford
Kate Babb
Blaney D Anderson
Nicholas T. Miller
Jung A. Stitt
Joe A. Pfl
Robert J. Poekmann
~~Robert J. Poekmann~~



STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3801 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

February 21, 1991

TO: Representative David Finkelstein
Chair, House Labor and Commerce

FROM: Ruth Lister
Alaska Women's Commission *RL*

RE: HB99, Comparable Worth

The Alaska Women's Commission is in support of HB99.

The Dept. of Labor recently published an excellent piece of research comparing male and female wages in Alaska. Women earn 62% of what men earn. Occupations dominated by women are paid substantially less than occupations dominated by men. In every occupation women earn less than men. Even with the same education and working full time women earn less. With high school education women earn an average of \$15,100/year, men average nearly \$9,000 more earning \$23,900/year. With four years of college women earn an average of \$21,300/year and men earn over \$10,000 more, averaging \$31,600/year. Similar disparities exist on the basis of race.

Pay equity is not an easy issue to address because it costs money. So do public assistance and other programs which assist unemployed and low income people, disproportionately women and minorities. Most women will, for some period of their lives, be the sole support for themselves and their children. Poverty has more impact than any other factor on children's lives and future. Pay equity is worth our support.

c/o 315 Barnette Street, Suite 104
Fairbanks, AK 99701
February 22, 1991

State of Alaska, House of Representatives
Committee on Labor and Commerce
PO Box V
Juneau, AK 99811

Re: House Bill 99

Dear Chairman Finkelstein and Members of the Committee:

We ask you to fully support House Bill 99 which would insist on equal pay for work of comparable worth. We believe that when jobs require comparable levels of education and training, exposure to hazards, and levels of responsibilities, then those jobs should receive equal pay.

Making Comparable Worth the standard for setting wages in Alaska would go far to righting the injustice of Alaskan women making significantly less than Alaskan men in the workforce. Some say that the forces of the marketplace ought to determine wages. We say that sexual discrimination is one of the forces of the marketplace. This pervasive sexual wage discrimination ought to be eliminated through the standard of Comparable Worth.

House Bill 99 is a fair and reasonable remedy for past wrongs in setting wages for male and/or female dominated jobs. The cost of implementation of HB 99 should be balanced by the current cost of wage injustice to women throughout the State.

Please give your full support to passage of HB 99.

Sincerely,

R.C. De
Nancy M. Adutola Edwards
Ruth D Rogers
Michelle J. Fry
Judith A. Hogenson
Patricia Aragon
Georgia Muecher

Cammi S. Burton
Laura A. McCarthy
Melissa R. Johnson
Charlene Bamford



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0536
FAX: (907) 274-0551

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090
FAX: (907) 586-2744

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435
FAX: (907) 456-2159

February 28, 1991

To: **Representative Finkelstein, Chair**
Members, House Labor & Commerce Committee

Re: **HB 99: "An Act requiring equal pay for work of comparable worth."**

NEA-Alaska strongly supports and encourages your favorable consideration of HB 99. For too long wage and salary discrimination has been evident in Alaska's work force.

"Comparable worth" or "pay equity" simply asserts that employers should pay all employees on the basis of equal pay for equal work and for work of equal value, thereby eliminating the effects of sex and race bias in determining wages.

The courts have consistently ruled that Title VII of the 1964 Civil Rights Act prohibits wage discrimination on the basis of race, color, sex, religion, or national origin. In *Gunther v. the County of Washington*, the U.S. Supreme Court made it clear that Title VII prohibits wage discrimination, even when the jobs are not identical. While court decisions have varied on defining just what constitutes discrimination, the Supreme Court has established that pay based on gender is illegal.

It is time for Alaska to eliminate all wage and salary discrimination and to join Iowa, Michigan, New York, Minnesota, and many local governments across the nation by passing this critical piece of legislation.

Thank you for your consideration of our position.

Respectfully submitted,

Bob Manners
Executive Director

Don Oberg
President

cc: **Representative Donley**

Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 163-3351

March 15, 1991

MEMORANDUM

TO: Representative Larry Baker

FROM: Linda J. Snow *L. Snow*
Legislative Analyst

RE: Impact of Comparable Worth
Research Request 91.150

You asked this agency about the potential financial impact of House Bill 99 (comparable worth) on the business community in Alaska. It is beyond the resources of this agency within the time frame given to undertake an original study of the economic impact of comparable worth legislation on Alaska's private sector. However, we have reviewed comparable worth cost studies undertaken in several other states and one Canadian province. In this memorandum we speculate about possible economic impacts on the basis of findings of studies performed elsewhere.

Background

Comparable worth is a method used to correct wage discrimination between jobs which are dominated by females and those which are dominated by males, but which are of similar value to society. The goal of comparable worth is to achieve pay equity, or equal pay for equal or comparable work.¹ Comparable worth efforts have been underway in the U.S. for more than ten years. According to the National Committee on Pay Equity, between 1979 and 1989, 20 states had made pay equity adjustments in the state and/or local government sectors which amount to more than \$450 million in additional pay to employees. Pay equity adjustments are changes in the wages or salaries of employees in order to achieve pay equity, or equal pay for equal or comparable work.

Comparable Worth Cost Studies

Several states have studied the cost of implementing comparable worth legislation with respect to state employees. Minnesota has required local governments to implement comparable worth employment practices and has estimated those costs. Only Ontario, Canada has passed a pay equity law which

¹Some groups advocate equal pay for equal work, while others take the broader view of equal pay for comparable work.

requires that private industry implement pay equity. Ontario has made preliminary estimates of cost to the private sector.

Studies of the economic impact of comparable worth laws may not be strictly comparable because state legislation may differ in such areas as the definition of pay equity, and where and how to implement it. Also, the economic sectors affected by the programs may differ (for example, Alaska's private sector is dominated by service industries rather than heavy industry and manufacturing). House Bill 99 addresses the private sector, as does Ontario's pay equity law. However, Ontario's law is more detailed than HB 99 and sets out specific requirements to be met on a specific time schedule by private businesses in that province.

Table 1 lists the results of some comparable worth cost studies performed in several states and one Canadian province. The third column is an estimate of the incremental cost to employers of implementing the comparable worth program. A brief description of each study follows the table.

Table 1
Employers' Cost to Implement Pay Equity
in Selected States/Provinces

<u>State/Province</u>	<u>Effected Sector</u>	<u>Employer's Cost as a Percent of Payroll</u>
Alaska	Public - State	0.48% - 1.27%
Minnesota	Public - State	3.7%
Minnesota	Public - Local	2.0% - 4.0%
Ontario, Canada**	Private - 500+ emp.	0.63%
Washington	Public - State	4.09%

* These costs are strictly additional pay given to employees and do not include administrative or study costs.

** The private sector in Ontario began implementing wage adjustments on January 1, 1991. The only private group yet affected are those businesses with 500 or more employees. This is a preliminary figure.

Alaska

In 1986, the State of Alaska performed a classification study of state jobs. This study differed from a pay equity study mainly in that it addressed pay equity of all job classes, not only job classes which were male or female dominated. Although the state never implemented the study, it is comprehensive

and examines several implementation options. Table 2 presents some results of that study.

Table 2

Costs of Pay Equity for State Employees
 as Determined by Alaska's 1986 Classification Study
 (in thousands of dollars)

<u>Fiscal Year</u>	<u>Authorized Payroll</u>	<u>Cost of Option I</u>	<u>Percent of Payroll</u>	<u>Cost of Option II</u>	<u>Percent of Payroll</u>
FY 87	642,794.7	19,967.5	3.11%	9,824.6	1.53%
FY 88	603,102.3	18,592.1	3.08%	8,503.1	1.41%
FY 89	651,085.1	-2,896.6	-0.44%	-2,896.6	-0.44%
FY 90	673,100.0	-3,042.6	-0.45%	-3,042.6	-0.45%
Total	2,570,082.1	32,620.4	1.27%	12,388.5	0.48%

*Based on authorized appropriations excluding the Legislature, Court System, University and Office of the Governor.

**Option I uses present personnel rules and contracts when implementing pay equity. Option II uses a conservative method of implementation that places employees in the correct salary ranges with no salary adjustment or the smallest possible adjustment (requires legislation).

Attachment A contains further detail of the Alaska classification study.

Minnesota

In 1982, the Minnesota legislature passed a law that would grant pay equity to 30,000 state employees over a four-year period. Subsequent legislation added pay equity requirements for local government and the state university system. Implementation of comparable worth practices in the local government sector will be completed by 1992. According to Faith Zwemke, pay equity coordinator in the Minnesota Department of Employee Relations, implementation at the state level cost 3.7 percent of state payroll (or \$33.4 million) annually. Between 1985 and 1988, 1,600 compliance reports were filed by local government entities in Minnesota. These reports show an average annual cost of pay equity implementation at the local level of between 2.0 and 4.0 percent of payroll. It was reported that a major reason for the lower cost in local government is that fewer women work in local government than in state government. Attachment B contains a copy of a presentation to the National Commission on Pay Equity by the Minnesota pay equity coordinator in 1986.

Representative Baker
March 15, 1991
Page 4

Ontario, Canada

The province of Ontario, Canada passed a pay equity law that became effective in 1988. This law affected both the public and private sectors. Public implementation began January 1, 1990, and private sector implementation began a year later according to a specified time schedule for businesses of different sizes. The first group of private sector employers affected are those with 500 or more employees. Although only one phase of private sector implementation has begun, the Ministry of Labour in Ontario has completed a survey of affected private businesses, and has estimated a monetary impact for the first phase. Thus far, implementation of pay equity in the private sector has cost Ontario businesses 0.63 percent of payroll.

According to Steve Crossman in the policy and research section of the Ontario pay equity commission, there is greater potential for pay equity requirements abuse in the private sector. Although Canadian federal law does not allow the lowering of wages to remedy wage discrimination, private employers need only raise female wages to the lowest male pay scale. Some assert that there are loopholes in the law which allow large companies with unions to keep pay adjustments low. Hospitals have received approval for a year's delay in pay adjustments. There are fewer women in the private sector than in the public sector, and some private sector businesses which employ many women (e.g., day care centers and libraries) are not yet affected. Also, reported costs did not include the cost to perform the required job comparison studies, or administrative costs. In Mr. Crossman's opinion, it will take two or three years for the actual cost to private industry to become visible. Attachment C contains a brochure of questions and answers about Ontario's pay equity law.

Washington

Washington state implemented pay equity for state employees in 1986. The implementation plan did not consider gender, but examined all job classes in state government for pay discrimination. There were no salary reductions, only increases. According to Ann Davis, personnel analyst with the Washington Department of Personnel, the first pay equity adjustment occurred in April of 1986 and encompassed 23,796 employees (half the system). The cost was 4.09 percent of payroll. Employees' wages increased an average of \$66.00 per month. Attachment D contains a state of Washington memorandum addressing the cost of the initial pay equity adjustment in April 1986.

Factors Affecting Costs to the Private Sector

Many factors influence the cost of implementing pay equity in the private sector. Factors which would tend to make the cost lower in the private sector than in the public sector include:

- fewer women in the private sector work force;²
- more flexibility in the range of wages offered; and
- greater turnover and greater competition for jobs (which would allow the employer to hire at the lowest possible pay scale).

Factors which would raise the cost of implementation above that of the public sector would include:

- each employer must undertake a wage comparison study (the state does only one study for their entire sector);
- the private sector tends to use proportionally more labor than machinery than does the public sector. Therefore, private sector costs will increase by a greater proportion than those in the public sector as labor costs increase;
- as employee costs rise and productivity remains the same, layoffs are likely to occur; industries may seek less labor-intensive forms of production; and
- businesses may avoid hiring women for fear that they will create a female-dominated job class, and must raise wages.

Impact on Alaska's Private Sector

To estimate a cost for implementation of a pay equity strategy for Alaska's private sector, the following assumptions will be made:

- the foregoing sets of factors neutralize each other and cost to the private sector is the same as cost to the public sector;
- private businesses will not lower wages as a remedy for wage discrimination; and
- all private businesses which report to the federal government for federal unemployment compensation insurance will comply with the law.

The results of the cost studies we have examined here vary greatly. Therefore, we will use the range of cost estimates that they represent (from 0.48 to 4.09 percent of payroll) for the purpose of this analysis.

From the fourth quarter of 1989 to the third quarter of 1990 (the last full year of available information), 164,187 employees in Alaska's private sector

²In Alaska, the private sector accounts for 75 percent of female employment and 79.2 percent of male employment, according to a 1990 Alaska Department of Labor publication entitled *The Gender Gap*.

Representative Baker
March 15, 1991
Page 6

earned \$4,599,388,061.³ Thus, the cost to Alaska's private sector of implementing pay equity given the above assumptions would have been between \$22,077,063 and \$188,114,972 during that period.⁴ This would result in an average monthly salary increase of between \$11.21 and \$95.48 per employee (between \$134.46 and \$1,145.74 annually). These costs are only salary adjustments and do not include costs of administration or job comparison studies.

I hope this information is helpful to you. If you would like further assistance or have any questions, please don't hesitate to call this agency.

Attachments

³This is the latest information available for Alaska from the Alaska Department of Labor. Personal communication with Jo Donner, research and analysis section, Alaska Department of Labor, March 1990.

⁴ $\$4,599,388,061 \times 0.0048 = \$22,077,063$ and $\$4,599,388,061 \times 0.0409 = \$188,114,972$.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN
SEAT A

3111 "C" STREET, SUITE 450
ANCHORAGE, ALASKA 99503
(907) 561-7629 (FAX) 562-4376

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CHAIRMAN
JUDICIARY COMMITTEE
VICE CHAIRMAN
REGULATION REVIEW COMMITTEE
MEMBER
RULES COMMITTEE
LABOR AND COMMERCE COMMITTEE

M E M O R A N D U M

TO: All House Members
FROM: Representative Dave Donley *LD*
DATE: March 31, 1992
RE: Request for Support of HB 99

I am writing to request your floor support of HB 99 (currently in the House Rules Committee), a bill designed to eliminate sex-based wage differences in public employment. Because wage differences based on sex are illegal under federal law, the bill simply provides a mechanism to bring the state into compliance with federal requirements.

Since it was introduced, HB 99 has been completely rewritten and eliminates the sections that mandated pay equity under state law. The current version of the bill is based on legislation from other states that has been used to implement federal pay equity requirements in a cost effective manner.

We know that a woman working for state government in Alaska earns, on average, 67 cents for every dollar a man makes. Failure to adopt HB 99 makes the state vulnerable to expensive, time consuming, and divisive litigation. In states like Washington, where pay equity was achieved through litigation, attorneys fees and back pay awards made the cost significantly greater than in states like Minnesota, which voluntarily phased-in pay equity. CSHB 99 (FIN) is based directly on the Minnesota legislation.

Under CSHB 99 (FIN), public employers have until 1995 to develop a plan for achieving pay equity. At that time, the employer must request an appropriation from the legislature to implement the pay equity plan. If the legislature does not agree with the plan, or does not appropriate the necessary funds, the public employer's obligation is limited to reevaluating the plan and asking the next legislature to consider the issue.

DD:lc

JUNEAU OFFICE

(During Legislative Session January through May)

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3892 (FAX) 463-5661



• rmc

HB 99

Teresa L. Anderson
832 16th Ave Apt 1
Fairbanks, AK
99701

March 27, 1991

RECEIVED APR 01 1991

Representative Dave Donley
P.O. Box U
Juneau, AK
99811

B
TFT

Dear Representative Donley:

I am writing to you about HB 99. Where it now sits is in the House Judiciary Committee which you chair.

Please take action on this bill this year. Families have been waiting a long time for pay equity. A lot of people think that this bill is supported by women as single parent families. This is not true! A lot of support for the bill comes from men as well as women. They see their wives, sisters, daughters and mothers supporting not only the children in their families but their spouses on low wages. Men work a lot in seasonal professions or labor intensive professions and these jobs depend on ^{Alaska's} economic structure. Therefore, they are unemployed a lot depending on the females

is the life to support them. The primary wage earner in Alaska and across the U.S. is turning toward women, yet our wages in our job professions is kept low by the very men who depend on us for support. I don't see a good future for Alaska if this continues, unless we want more families dependent on the social services this state has to offer or more people in the streets then HB99 needs to be passed. I know it will be difficult to put this to practical use in the public sector right away. But if we start this year with State government and expand it in years to come it will work. Yes it cost! But how much more is it costing by not enacting this bill now.

In 1982 Minnesota became the first state requiring that all State employees be paid on the basis of comparable worth. The legislature then extended the comparable worth change in 1984. The law required that by Oct. 1985 local governments present a plan to institute pay equity and by 1987 the plans be implemented. Cities then joined

for ~~to~~ develop a task base approach
to evaluate diverse jobs.

The cost of implementing the plan for civil
service employees was 37.4 million which
amounted to 4% of the State's annual
budget which was spread over four years.

It can be done and should be done!
Is Alaska going to be the last
state to require pay equity? That's
sad!

Please don't bury this bill this year,
your own children may suffer because
it is not enacted and pay inequities
continue.

Sincerely,

Teresa L. Anderson
A.S.E.A. Member
Community Charity Worker
and Concerned
Citizen.

**Municipality
of
Anchorage**



RECEIVED APR 29 1991

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4433
TOM FINK,
MAYOR

OFFICE OF THE MUNICIPAL MANAGER

April 26, 1991

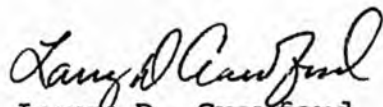
Representative Dave Donley, Chairman
House Judiciary Committee
P.O. Box V
Juneau, Alaska 99811

Re: HB 99, an Act requiring equal pay for work of comparable worth.

Dear Representative Donley:

Attached is a copy of the Municipality of Anchorage's position on HB 99, an Act requiring equal pay for work of comparable worth. We would appreciate your consideration of our position during your hearing on this bill.

Sincerely,


Larry D. Crawford
Municipal Manager

Municipality of Anchorage



P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4425

TOM FINK,
MAYOR

DEPARTMENT OF EMPLOYEE RELATIONS

April 26, 1991

To whom it may concern:

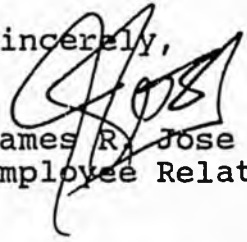
The Municipality of Anchorage favors equal pay for equal work and is opposed to House Bill No. 99 that is "an Act requiring equal pay for work of comparable worth."

Reasons:

1. The language of the Bill is vague and does not define comparable worth adequately or appropriately nor how it is to be implemented. A quantifiable system for determining the relative value of different jobs to an organization has not been established. Consequently, the development of implementing regulations will be difficult and confusing, if not impossible.
2. The concept of equal pay for equal work ensures that wages will be established by the free-market process through the forces of supply and demand. Comparable worth, however, would replace this free-market process with a highly costly and government-imposed job evaluation process which would purport to make accurate comparisons of the worth of unlike jobs. Further, such job evaluations are too subjective to be relied upon exclusively for determining the "worth" of work.
3. The implementation of comparable worth will result in higher labor costs and therefore higher costs for goods and services, thereby contributing to an increase in inflation. In short, the cost of doing business and providing public services would necessarily increase.

In conclusion, the complex issue of comparing the relative value of unlike jobs has not been addressed definitively by the courts or the human resource management profession and until they do so the concept of comparable worth will continue to be vague, subject to serious question in a free-market economy, and suggestive of a further erosion of employer's rights. A better solution to any pay discrimination problem is the continued enforcement of the Equal Pay Act and the Equal Employment Opportunity Act.

Sincerely,


James R. Jose
Employee Relations Director

**Municipality
of
Anchorage**



RECEIVED APR 29 1991

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4433
TOM FINK,
MAYOR

OFFICE OF THE MUNICIPAL MANAGER

April 26, 1991


Representative Dave Donley, Chairman
House Judiciary Committee
P.O. Box V
Juneau, Alaska 99811

Re: HB 99, an Act requiring equal pay for work of comparable worth.

Dear Representative Donley:

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Sincerely,


Larry D. Crawford
Municipal Manager

Municipality of Anchorage



P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4425

TOM FINK,
MAYOR

DEPARTMENT OF EMPLOYEE RELATIONS

April 26, 1991

To whom it may concern:

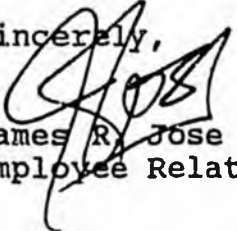
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In conclusion, the complex issue of comparing the relative value of unlike jobs has not been addressed definitively by the courts or the human resource management profession and until they do so the concept of comparable worth will continue to be vague, subject to serious question in a free-market economy, and suggestive of a further erosion of employer's rights. A better solution to any pay discrimination problem is the continued enforcement of the Equal Pay Act and the Equal Employment Opportunity Act.

Sincerely,


James R. Jose
Employee Relations Director

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

May 13, 1991

SUBJECT: Sectional summary of CSHB 99 (Judiciary) (Equitable employee compensation)

TO: Representative Dave Donley
Attn: Laurie Otto

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of the above described bill. As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 creates new statutes concerning equitable employee compensation for school districts and regional education attendance areas (REAA's).

Sec. 14.03.200 requires school districts and REAA's to establish equitable compensation relationships, based on comparable work value among positions, between female-dominated, male-dominated, and balanced classes of employees who are subject to merit system hiring.

Subsection (b) directs that if there is interest arbitration under the Public Employment Relations Act (PERA) or mediation under the statute for teacher collective bargaining for a class that is not a balanced class, as defined later in the bills, the mediator or arbitrator shall consider the job evaluation study. The mediator or arbitrator may consider the study in mediation or interest arbitration for a balanced class.

Sec. 14.03.210 directs school districts and REAA's to assure equitable compensation for positions when preparing management positions for collective bargaining negotiations and compensation plans for employees not covered by collective bargaining by assuring that the compensation meets certain listed criteria.

Representative Dave Donley

May 13, 1991

Page 2

Sec. 14.03.220 requires school districts and REAA's to use a job evaluation system to determine the comparable work value of classes of employees and to meet and confer with employee representatives in developing the system. Under subsection (b), the district or REAA must submit a report to the bargaining organizations representing its employees to be used in collective bargaining negotiations.

Subsection (c) permits the district or REAA to earmark money to correct inequitable compensation relationships even though that earmarking may be contrary to other collective bargaining requirements.

Sec. 14.03.230 permits the job evaluation system results to be used as evidence.

Sec. 14.03.240 limits application of the requirements enacted by this section to school districts and REAA's that employ at least 10 full-time employees during a 12-month period.

Sec. 14.03.250 defines terms used in the new statutes.

Sec. 2 directs that the board of regents of the University of Alaska comply with the new statutes enacted by sec. 3 of the bill.

Sec. 3 enacts statutes relating to the University of Alaska that are comparable to those that apply to school districts and REAA's under the statutes enacted in sec. 1 of the bill.

Sec. 4 includes eliminating sex-based wage disparities in public employment in the state in the policies that apply to the Public Employment Relations Act (PERA).

Sec. 5 requires home rule municipalities to comply with the requirements of the statutes enacted by sec. 7 of the bill.

Sec. 6 requires that municipalities establish compensation policies in accordance with the statutes enacted by sec. 7 of the bill.

Sec. 7 enacts statutes relating to the home rule and general law municipalities that are comparable to those that apply to school districts and REAA's under the statutes enacted in sec. 1 of the bill.

Sec. 8 enacts a compensation policy for the classified service of the executive branch of state government. It is similar to the policies adopted for other state agencies and political subdivisions by the bill.

Sec. 39.25.300 sets out the compensation policy.

Sec. 39.25.310 requires the commissioner of administration to use a job evaluation system to determine comparable work value.

Subsection (b) directs the commissioner to consult with the state office of equal employment opportunity in compiling a list of female-dominated and male-dominated classes in the classified service for which compensation inequity exists.

Subsection (c) requires a report of the results of the job evaluation system to be given to collective bargaining organizations.

Subsection (d) directs the commissioner to prepare a plan to create pay equity for the classes in which pay inequity exists.

Subsection (e) addresses legislative review and funding of the plan.

Subsection (f) directs the commissioner to work with the collective bargaining organization when distributing to members of the collective bargaining unit any money appropriated by the legislature to remedy a pay inequity.

Subsection (g) permits the state to specify that a certain amount of money be set aside to remedy pay inequities.

Sec. 39.25.320 permits the pay inequity list and the pay equity plan to be used as evidence in a proceeding or action alleging discrimination.

Sec. 39.25.330 sets goals for compensation to be used by the commissioner of administration in collective bargaining and preparing the classification and pay plans for employees not covered by collective bargaining.

Sec. 39.25.400 sets out definitions.

Sec. 9, enacts a compensation policy for the employees of the Alaska Railroad who are subject to merit system hiring. It is comparable to the policy that applies to school districts and REAA's under the statutes enacted in sec. 1 of the bill. Changes are made to conform to the collective bargaining statutes specific to the railroad.

Sec. 10, limits enforcement of the provisions of the bill to causes arising on or after the effective date of the bill. (The bill does not contain a special effective date clause, so it would take effect 90 days after signature by the governor.)

Representative Dave Donley
May 13, 1991
Page 4

Sec. 11, requires reports from the employers covered by the bill, other than the state, to the commissioner of administration.

If I may be of further assistance, please advise.

TC:pl:gc
91-358.plm

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 02/24/86

REQUEST
 Bill/Resolution No.: HB 676
 Title: "An act relating to implemen-
 tation of a classification study . . ."

FISCAL DETAIL
 Agency Affected: All
 BRU: _____

Sponsor: Rules at request of Governor
 Requestor: _____
 Date of Request: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES		9,824.6	17,461.4	12,820.9	8,048.1	3,518.8
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		9,824.6	17,461.4	12,820.9	8,048.1	3,518.8

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		6,670.7	11,630.3	8,618.6	5,521.1	2,581.6
FEDERAL FUNDS						
OTHER		3,153.9	5,831.1	4,202.3	2,527.0	937.2
TOTAL		9,824.6	17,461.4	12,820.9	8,048.1	3,518.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael P. McMullen *Michael P. McMullen* Phone: 465-2200
 Division: Commissioner's Office Date: 2/25/86
 Approved by Commissioner: Eleanor Andrews *Eleanor Andrews* Date: 2/25/86
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For HB 676

This revised Fiscal Note incorporates two refinements referenced in the original Fiscal Note of February 13, 1986: 1) An estimate of the savings effect of turnover has been included, and 2) the costs have been broken out by General Fund and all other.

An attachment has been developed showing the costs by department for fiscal years 1987 and 1988.

The Legislature appropriated \$500.0 thousand in 1983 to fund the only comprehensive review of the total classification system since statehood. The study results are scheduled for implementation on January 1, 1987. This bill amends the Personnel Act to allow for implementation in the manner normally used by public employers on studies of this scope. The bill provides a one-time exception to the current Personnel Rules (AS 39.25.150, 2 AAC 07) regarding pay upon the upward movement of an employee. This one-time change will reduce the cost of implementation by more than half. This bill provides the only mechanism to express and discuss the financial impact of the study.

Under current collective bargaining agreements and Personnel Rules, when a position is reallocated to a higher range, the employee is entitled to a pay increase of at least one step on the pay schedule. When all positions in a job class are assigned a higher pay range, all incumbents retain the same step in the higher range. The FY 87 cost for implementing the Classification Study under this approach would be \$19,967.5.

This bill will provide, instead, that the pay of all employees moving to higher pay ranges will be set at the lowest step that does not provide a decrease.

An example of this difference is shown below:

MONTHLY SALARY (Partial Table from AS 39.27.011)

Range	Step	A	B	C	D	E	F
12		2,082	2,145	2,217	2,286	2,365	2,445
13		2,217	2,286	2,365	2,445	2,531	2,623
14		2,365	2,445	2,531	2,623	2,715	2,818

Under current provisions, an employee at Range 12, Step E (\$2,365) would move to Range 14, Step B (\$2,445) upon reclassification, and to Range 14, Step E (\$2,715) if the pay range for the employee's job was changed from Range 12 to Range 14. Under this bill an employee would move to Range 14, Step A (\$2,365) in either case.

The Personal Services cost estimates are based on a computer model developed by the Division of Personnel. It is based on changes projected on a class-by-class basis. It considers bargaining unit; actual rates of pay, including current and projected step within a range and geographic

differentials; vacancy factor; benefits, including appropriate retirement system, the Supplemental Benefits System (SBS) cap, and departmental variable rates; and premium pay experience (except sea duty) by department. The model assumes that current pay rates will continue and that the study will be fully implemented on January 1, 1987.

Current Personnel Rules and collective bargaining agreements provide for "frozen" pay for employees who are reclassified or have their ranges changed to lower levels. This bill will not affect these provisions. Beginning in FY 88, the effect of such freezes begins to reduce Personal Services costs.

In addition, as employees with frozen salaries separate from State employment and are replaced by new workers, the new workers enter the work force at lower pay rates. Normally, such savings are offset by current employees receiving merit increases. However, the number of employees who will have frozen salaries as a result of the Classification Study will upset this balance. As turnover occurs, real reduction in Personal Services costs will be realized. A turnover rate of 15 percent has been assumed across all bargaining units and departments. The appropriate adjustment has been made to the savings expected from current employees with frozen salaries forgoing merit increases to reflect this turnover rate.

The combined savings from frozen salaries and turnover of those with frozen salaries is projected at \$2,187.8 in FY 88 (half year). For FY 89, these savings are \$4,640.5. Following FY 91, these savings fall rapidly.

The following table displays the Personal Services costs considering the prior year as the base for each year:

FY 87	\$9,824.6
FY 88	7,636.8
FY 89	-4,640.5
FY 90	-4,772.8
FY 91	-4,529.3

Governor Sheffield will be submitting an FY 87 Budget Amendment for the FY 87 costs. Costs for FY 88 and beyond will be routinely included in preparation of agencies' Personal Services line items..

Attached is a breakdown by department of incremental costs for FY 87 and FY 88.

Attachment 1

General Fund and Other Fund Personal Services Cost by Department, FY 87 and FY 88, to Implement the Classification Study under HB 676.

<u>Department</u>	FY 87		FY 88	
	<u>G.F.</u>	<u>Other</u>	<u>G.F.</u>	<u>Other</u>
Office of the Governor	23.5	.1	23.5	.1
Administration	1,123.1	169.3	1,077.4	125.0
Law	97.4	48.9	87.6	43.9
Revenue	179.5	95.8	115.1	61.4
Education	190.1	94.5	125.2	62.2
Health and Social Services	1,818.4	288.7	1,718.4	272.8
Labor	127.4	310.3	101.9	248.4
Commerce and Economic Development	74.5	38.0	-17.6	-9.0
Military and Veterans Affairs	37.0	27.4	33.5	24.9
Natural Resources	575.9	57.7	465.3	46.6
Fish and Game	769.2	370.4	748.8	360.6
Public Safety	418.7	9.9	-464.6	-10.9
Environmental Conservation	110.6	34.8	89.0	27.9
Corrections	700.3	4.9	659.3	4.6
Community and Regional Affairs	75.8	36.2	31.0	14.8
Transportation and Public Facilities	349.0	1,567.3	166.1	1,403.3
Total	6,670.4	3,154.2	4,959.9	2,678.6

Note: Totals do not match page 1 due to rounding.

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 99

Revision Date: _____ Department Affected: OFFICE OF THE GOVERNOR
 Title: EQUAL PAY FOR WORK OF COMPARABLE WORTH BRU: HUMAN RIGHTS COMMISSION
 Component: HUMAN RIGHTS COMMISSION

Sponsor: REPRESENTATIVE DONLEY
 Requestor: HOUSE LABOR & COMMERCE

COMPONENT SERIAL NO.

0	0	0	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	110.6	304.1	304.1	304.1	304.1	304.1
TRAVEL	10.8	16.2	13.6	13.6	13.6	13.6
CONTRACTUAL	7.2	83.0	153.2	153.2	153.2	153.2
SUPPLIES	1.8	4.6	4.6	4.6	4.6	4.6
EQUIPMENT	13.1	14.8	-	-	-	-
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	143.5	422.7	475.5	475.5	475.5	475.5

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	143.5	422.7	475.5	475.5	475.5	475.5
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	143.5	422.7	475.5	475.5	475.5	475.5

POSITIONS:

FULL-TIME	*1.5	4	4	4	4	4
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

* 2 positions start 10/1/92
 Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

PLEASE SEE ATTACHED ONE-PAGE ANALYSIS

Prepared By: PAULA M. HALEY, EXECUTIVE DIRECTOR Phone: 276-7474

Division: HUMAN RIGHTS COMMISSION Date: February 19, 1991

Approved by Commissioner: [Signature] D. Max Hodel, Chief of Staff

Agency: Office of the Governor Date: 2/21/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**Attachment to Fiscal Note for HB 99
Office of the Governor
Human Rights Commission
February 19, 1991**

ANALYSIS

Currently AS 18.80.220(a)(5) requires equal pay for work of "comparable character" in the same business and locality. The Commission interpreted this to allow comparison of related jobs which did not have substantially the same duties. In July of 1990 the Alaska Supreme Court ruled against the Commission and held that Alaska law only requires equal pay for substantially equal work. HB 99 vastly expands the class of persons who can file complaints under AS 18.80.220(a)(5). It permits comparisons between employees in unrelated jobs working for different employers in different localities.

Currently, 16% of the cases in the ASCHR inventory involve comparable character claims. Even if all these cases were to be dismissed under the existing statute, the new law will make it easier for the complainants to demonstrate that their jobs and those of the male comparators are of comparable worth. Therefore, the agency anticipates these cases will be refiled under the new law shortly after it becomes effective. The agency anticipates that many new cases will be filed under this expanded statute.

The agency expects to investigate at least 30 new cases starting in FY 92, if HB 99 becomes effective by September of 1991. It will take a senior investigator a full 1 to 2 months to perform each investigation of this type. The agency will require two investigators in FY 92 to deal with the first cases filed under the amended law. An additional two investigators will be needed in FY 93 as more complaints are filed.

Recently proposed budget cuts forced the agency to substantially reduce its clerical work-force. The paper work generated by comparable worth investigations will require restoration of these two clerical positions. ASCHR will need an additional Clerk IV in FY 92. The agency will need a Legal Secretary beginning in FY 93 as staff completes investigations and those cases which are not conciliated are prepared for public hearings.

The agency expects most complaints to involve claims for a substantial amount of back-pay. The nature of the claims does not lend itself to compromise solutions. The agency expects a low settlement rate for these cases until all legal questions arising under HB 99 are resolved by the Alaska Supreme Court.

Employers do not always maintain extensive job documentation. As a result many investigations will require on-site interviews of affected employees to compare the jobs in question. Since the Bill allows comparisons of jobs in different locations the travel costs associated with these investigations will increase. It will also be necessary to train investigators in job evaluation techniques.

HB 99 Fiscal Note Summary

Personal Services:

This fiscal note provides for two Human Rights Field Representative (HRFR) III and a Clerk IV to begin 10/1/91 in Anchorage. Staffing for FY93 consists of an additional HRFR III in Fairbanks and Juneau and a Legal Secretary in Anchorage.

Travel:

We anticipate on-site investigations at locations such as Barrow, Bethel, Dillingham, Dutch Harbor, Fort Yukon, Galena, Haines, Kodiak, Nome, Petersburg, Prudhoe Bay, Sitka, and Valdez. Funding is also included for investigator participation in a training seminar/workshop on comparable worth and job classification.

Contractual:

Funds will be necessary for operating expenses such as telephone and communications, rent, and equipment maintenance. Also, we estimate that three (3) cases per year will go to public hearing beginning in mid-FY93. Hearing expenses, including hearing officers, court reporters, transcripts, depositions, and expert witnesses are estimated at \$46,400 per case

Commodities:

This line item includes office supplies for new staff.

Equipment:

Each investigator will require a personal computer (PC) and office equipment such as desk, chairs, file cabinet, dictation unit. The legal secretary will also require a PC.

data\115

Position Title HUMAN RIGHTS FIELD REPRESENTATIVE III		No. of Positions 2	Range / Step 18/A	Barg. Unit PX
Time Status Full Time	Staff Months FY92-18: FY93-24	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	61.0			
Benefits	23.8			
Premium Pay				
Other				
Total Personal Services	84.8			
Travel	10.8			
Contractual	6.8			
Commodities	1.6			
Equipment	11.6			
Other				
Total Cost	115.6			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
		<p>Justification</p> <p>As indicated in the agency analysis of HB 99 additional HRFR IIIs will be required to investigate cases generated by the proposed amendment to AS 18.80.220(a)(5). Two positions, located in Anchorage, will begin October 1, 1991. One position located in Fairbanks and one in Juneau will begin July 1, 1992.</p> <p>These HRFR III positions are independent working level positions. Duties consist of interviewing complainants, preparing investigative plans, conducting interviews of witnesses, preparing interrogatories and requests for production of evidence, writing interview reports, and conducting resolution conferences. The HRFR III is also responsible for preparing predetermination settlement agreement and conciliation conferences, and serving as a witness as required at public hearings before the Commission.</p> <p>Included in the funding for this position is travel to rural communities for on-site investigations and attendance at a national training seminar or workshop on comparable worth and job classification. Minimal expenses are expected for telephone, rent, and office supplies. Equipment purchases for each of these positions will consist of a personal computer and office furniture and equipment.</p>		

Request For New Position

AGENCY OFFICE OF THE GOVERNOR

BRU HUMAN RIGHTS COMMISSION

COMPONENT HUMAN RIGHTS COMMISSION

FY 92

Page 1 of 5

Revised Date: _____

Position Title CLERK IV		No. of Positions 1	Range / Step 9/B	Barg. Unit PX
Time Status Full Time	Staff Months FY92 - 9 mos.; FY93 - 12 mos.	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary		17.5		
Benefits		8.3		
Premium Pay				
Other				
Total Personal Services		25.8		
Travel		-		
Contractual		.4		
Commodities		.2		
Equipment		1.5		
Other				
Total Cost		27.9		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	27.9		
I.A. Receipts	1007			
CI' Receipts	1061			
Other				
<p>Justification</p> <p>As indicated in the agency analysis, HB 99 will require restoration of the clerk position deleted in the FY92 budget.</p> <p>This position will provide clerical support to the two Human Rights Field Representative III positions in Anchorage and assisting the two Human Rights Field Representative III positions located in Fairbanks and Juneau. This consists of assigning docket numbers, setting up case files, preparation of case related documents such as complaints, interrogatories and determinations, transferring via pc case related documents to and from field offices, insuring that complaints are served, insuring the completeness of case files, and compiling data for entry into the agency management information system.</p> <p>The field offices in Juneau and Fairbanks do not have assigned clerical staff.</p> <p>Funding for this position includes minimal contractual services, supplies and office furniture.</p>				

**Request For
New Position**

AGENCY OFFICE OF THE GOVERNOR

BRU HUMAN RIGHTS COMMISSION

COMPONENT HUMAN RIGHTS COMMISSION

FY 92

Page 2 of 5

Revised Date: _____

Position Title HRFR III		No. of Positions 1	Range / Step 18/A	Barg. Unit PX
Time Status Full Time	Staff Months 12	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount		
Salary	40.7			
Benefits	15.8			
Premium Pay				
Other				
Total Personal Services		56.5		
Travel		4.5		
Contractual		1.6		
Commodities		1.0		
Equipment		5.8		
Other				
Total Cost		69.4		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	69.4		
IA Receipts	1007			
CRP Receipts	1061			
Other				

Justification
As indicated in the agency analysis of HB 99 additional HRFR IIIs will be required to investigate cases generated by the proposed amendment to AS 18.80.220(a)(5). Two positions, located in Anchorage, will begin October 1, 1991. One position located in Fairbanks and one in Juneau will begin July 1, 1992.

These HRFR III positions are independent working level positions. Duties consist of interviewing complainants, preparing investigative plans, conducting interviews of witnesses, preparing interrogatories and requests for production of evidence, writing interview reports, and conducting resolution conferences. The HRFR III is also responsible for preparing predetermination settlement agreement and conciliation conferences, and serving as a witness as required at public hearings before the Commission.

Included in the funding for this position is travel to rural communities for on-site investigations and attendance at a national training seminar or workshop on comparable worth and job classification. Minimal expenses are expected for telephone, rent, and office supplies. Equipment purchases for each of these positions will consist of a personal computer and office furniture and equipment.

**Request For
New Position**

AGENCY Office of the Governor
 BRU Human Rights Commission
 COMPONENT Human Rights Commission

FY 93

Page 3 of 5
 Revised Date: _____

Position Title Human Rights Field Representative (HRFR) III		No. of Positions 1	Range / Step 18-A	Barg. Unit PX
Time Status Full Time	Staff Months 12	Location Fairbanks		Election District
TYPE OF EXPENDITURE		Amount		
Salary	46.6			
Benefits	17.3			
Premium Pay				
Other				
Total Personal Services	63.9			
Travel	4.5			
Contractual	1.6			
Commodities	1.0			
Equipment	5.8			
Other				
Total Cost	76.8			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
IA Receipts	1007			
CIP Receipts	1061			
Other				
		Justification As indicated in the agency analysis of HB 99 additional HRFR IIIs will be required to investigate cases generated by the proposed amendment to AS 18.80.220(a)(5). Two positions, located in Anchorage, will begin October 1, 1991. One position located in Fairbanks and one in Juneau will begin July 1, 1992. These HRFR III positions are independent working level positions. Duties consist of interviewing complainants, preparing investigative plans, conducting interviews of witnesses, preparing interrogatories and requests for production of evidence, writing interview reports, and conducting resolution conferences. The HRFR III is also responsible for preparing predetermination settlement agreement and conciliation conferences, and serving as a witness as required at public hearings before the Commission. Included in the funding for this position is travel to rural communities for on-site investigations and attendance at a national training seminar or workshop on comparable worth and job classification. Minimal expenses are expected for telephone, rent, and office supplies. Equipment purchases for each of these positions will consist of a personal computer and office furniture and equipment.		

Request For New Position

AGENCY Office of the Governor

BRU Human Rights Commission

COMPONENT Human Rights Commission

FY 93

Page 4 of 5

Revised Date: _____

Position Title LEGAL SECRETARY I		No. of Positions 1	Range / Step 10-B	Barg. Unit PX
Time Status Full Time	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount		
Salary	24.8			
Benefits	11.5			
Premium Pay				
Other				
Total Personal Services	36.3			
Travel				
Contractual	.6			
Commodities	.5			
Equipment	3.2			
Other				
Total Cost				
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
C.F. Match	1003			
General Fund	1004			
EA Receipts	1007			
CHP Receipts	1061			
Other				

Justification

As indicated in the agency analysis, the additional hearings and probable appeals under HB 99 will require restoration of the Legal Secretary position deleted in the FY92 budget.

This position, will provide legal secretarial support to the Hearing Unit's Human Rights Advocate. These duties consist of preparing and typing correspondence, forms and legal documents; maintaining a calendar to insure that appearances, appointments and deadlines are met and arranging depositions, scheduling and monitoring court reporters and witnesses, and arranging Hearing Unit travel. In addition, this position will assist the Clerk IV in providing secretarial and administrative support for the four Human Rights Field Representative III positions required under this bill.

Funding for this position also includes minimal contractual services, supplies, a personal computer and office furniture.

**Request For
New Position**

AGENCY Office of the Governor

BRU Human Rights Commission

COMPONENT Human Rights Commission

FY 93

Page 5 of 5

Revised Date: _____

FISCAL NOTE

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NO. CS HB99 (Juel)

Revision Date: _____ Department Affected: University of Alaska
 Title: An Act requiring . . . equitable compensation BRU: Statewide Programs & Ser
for employees who are subject to merit system employment Component:
 Sponsor: Dunley, Koponen, et al.
 Requestor: House Judiciary Committee Component Serial No. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	1,025.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,025.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND	1,025.0					
FEDERAL FUNDS						
OTHER						
TOTAL	1,025.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:	FY92	FY93	FY94	FY95	FY96	FY97
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
 To provide the "Job Evaluation System" as provided in the bill the following expenses would be incurred.
 Classified Employees (1500 x \$300.00= \$450,000) + APT employees (700 x \$300.00= \$275,000)
 + Faculty (1000 employees x \$300.00= \$300,000) = \$1,025,000.

Prepared by: Marsha A. Hubbard
 Division: Statewide Budget Office
 Approved by: Wendy Redman
 Agency: University of Alaska

Phone: 474-7593
 Date: 5/13/91
 Date: 5/13/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : HB 99

Revision Date: _____
Title: "An Act requiring equal pay for work of comparable worth."
Sponsor: Donley, et al.
Requestor: House Labor & Commerce

Department Affected: Labor
BRU: Labor Standards & Safety
Component: _____
Wage & Hour
COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURLS						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

The Human Rights Commission would be responsible for administering the provisions of this bill.

Prepared by: Robert Libbey Phone : 264-2452

Division: Labor Standards & Safety Date : 2/15/91

Approved by Commissioner: Nancy Bear Users

Agency: Department of Labor Date: 2/15/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 99

Revision Date: _____

Department Affected: Administration

Title: An Act requiring equal pay for work of comparable worth.

BRU: Personnel

Component: Personnel

Sponsor: Donley

Requestor: House Labor and Commerce

COMPONENT SERIAL NO.

0	0	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	120.0	0	0	0	0	0
TRAVEL	20.0	0	0	0	0	0
CONTRACTUAL	40.0	0	0	0	0	0
SUPPLIES	20.0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	200.0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	200.0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	200.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	2.0	0	0	0	0	0

Estimate of current year impact: Zero.

ANALYSIS: (Attach a separate page if necessary.)

This legislation would force the State to change its classification system from the "whole job" system currently in use. The costs shown are required to complete the development of the Alaska Quantitative Evaluation System (AQES) which reached a preliminary stage with a \$500.0 appropriation in 1983.

Prepared by: David K. F. Otto *DKFO*
 Division: Personnel

Phone: 465-4430
 Date: 2-14-91

Approved by Commissioner: Millett Keller *Millett Keller*
 Agency: Administration

Date: 2/14/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

NFIB Alaska

National Federation of
Independent Business

POSITION PAPER

OF

NATIONAL FEDERATION OF INDEPENDENT BUSINESS
(NFIB/ALASKA)

ON

HB 99

AN ACT REQUIRING EQUAL PAY FOR WORK OF COMPARABLE WORTH.

State Office
9159 Skywood Lane
Juneau, AK 99801
(907) 789-4278



The Guardian of
Small Business

Mr. Chairman, members of the Committee, my name is Resa Jerrel, and I represent the National Federation of Independent Business - NFIB/Alaska. NFIB/Alaska is comprised of 5400 small and independent business owners.

As I have testified before this committee previously - the legislative agenda of NFIB/Alaska is determined by our ballot. Our members have repeatedly voted against the government interfering in the employer and employee relationship.

The fact that women earn less than men leads few people to ask why. The wage gap between men and women is a complex phenomenon. There are many factors, such as education, on-the-job experience, skills, seniority and continuity in the workplace that account for discrepancy in wages.

I caution you to be careful in looking at the total wage gap between the earnings of all men and women. This method is not wholly accurate. Women work fewer hours and have less seniority than men. The best numbers I have been able to come up with are: women are 2-3 times more likely to work part-time than men; and, women average 3.3 years with their current employer, compared with 5.1 years for men. In the real world of employment in the private sector this makes a difference. These figures support the fact that factors other than discrimination can and do account for the wage differential.

Women continue to choose to work at different jobs than men, despite strides and expanded opportunities in higher paying, traditionally male occupations. Earnings play only a partial role in a woman's decision to work in a limited number of jobs. Of far greater importance is the need that most women have to balance the demands of a job with the responsibilities of family life. Working mothers may be willing to take less pay to get other benefits - a job

that provides regular working hours, health insurance and proximity to a telephone in case of a child-related emergency. Back in the mid-60's I had a job as a IBM Key-punch operator - high-tech in those days - I chose to take a job at a day care center - earning the minimum wage - so I could be with my preschool son. The non-monetary benefits of certain types of jobs definitely have their appeal. The key word is I "chose".

I would like to turn now to the practical aspects of what comparable worth would mean to the small employer. It has been a frustration of ours, in the small business community, that when the legislature speaks of business, they tend to think of big business and feel that whatever legislation is passed, business can cope with it. That is not true for your local dry cleaner, hardware store or print shop.

Small firms are labor intensive as opposed to capital-intensive, primarily the realm of big business. The cost of carrying an employee is the most expensive part of running a small business. All the administrative jobs in a small firm are often rolled up into one person--the employer. There is no Department of Human Resources, Department of Labor Relations or Division of Personnel. There is no such beast as a formal job description for small business, let alone a full-blown job evaluation based upon some point factor system.

Another problem I see with the comparable worth concept is it address only the worth of the job. It totally ignores the worker and productivity of the worker - the human element. For example - here you have two jobs called "clerk", they are determined to be of comparable worth so they are assigned box 1. You have two clerks, so you have box 1a and box 1b. Now you put people in the boxes. Box 1a is always drinking coffee, on the telephone with friends, not too polite to customer or late to work because her/his car breaks down.

Box 1b worker - comparable worth job classification - who is always friendly, out going, a worker-bee and really a producer for business. Here is where the concept of comparable worth of a work box breaks down. The reality of the people in those boxes and their productivity.

NFIB/Alaska believes that the existing law already provides a remedy to employees that believe they have been discriminated against in the amount of their wages.

The members of NFIB/Alaska would urge extreme caution on the part of the Legislature as you begin deliberations on this matter. Thank you.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
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HB 99 clarifies AS 18.80.220(a) (5).

The Alaska Supreme Court in its ruling in Alaska State Commission for Human Rights v. State Department of Administration (Opinion No. 3619, July 27, 1990) (See attached summation of this case) decided that as currently written that term "comparable character" in AS 18.80.220(a) (5) only means equal pay for substantially equal work.

Under that interpretation Alaska women no longer have a means to seek redress for the systematic undervaluing of their work. A recent Alaska Department of Labor study, The Gender Gap, found that "women earn about 18 percent less than men of the same age, location, industry group and occupational group." and that "women earn less than men in every occupational category".

At present thirteen states, Georgia, Idaho, Kentucky, Maine, Maryland, Massachusetts, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, Tennessee and West Virginia have comparable worth laws that apply to both public and private employers, and additional six, California, Hawaii, Iowa, Minnesota, Oregon and Washington have comparable worth laws that cover public employees. In their findings these states have said:(ie: North Dakota)

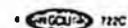
"the practice of discriminating on the basis of sex by paying wages to employees of one sex at a lesser rate than the rate paid to employees of the opposite sex for comparable work on jobs which have comparable requirements unjustly discriminates against the person receiving the lesser rate; leads to low work morale, high turnover and frequent labor unrest; discourages workers paid the lesser wage rates from training for higher level jobs; curtails employment opportunities, decreases worker's mobility and increases labor costs; impairs purchasing power and threatens the maintenance of an



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adequate standard of living by such workers and their families; prevents optimum utilization of the state's available labor resources; threatens the well being of the citizens of this state and adversely affects the general welfare."

HB 99 will clearly place in statute the right of Alaskan women to receive equal pay for work of comparable worth.

Summation of the Supreme Court ruling regarding the Public Health Nurses claim for equal pay for work of comparable worth

Alaska State Commission for Human Rights v. State Department of Administration (Opinion No. 3619, July 27, 1990) :

This case involves the interpretation of the phrase "work of comparable character" found in A.S. 18.80.220 (a) (5). This statute provides in pertinent part:

(a) It is unlawful for . . . (5) an employer to discriminate in the payment of wages as between the sexes or to employ a female in an occupation in this state at a salary or wage rate less than that paid to a male employee for work of comparable character or work in the same operation, business or type of work in the same locality.

A group of public health nurses (PHN's) brought an action before the Alaska State Commission for Human Rights (HRC) seeking pay equal to that of male physician's assistants (PA's). The hearing examiner held that the phrase "work of comparable character" only required equal pay for equal work. The HRC reversed the decision of the hearing examiner, ruling that the statute should be interpreted as referring to work of comparable value to the employer. The HRC also held that the PHN position was at least comparable to the PA position. The Superior Court reversed holding that there was no evidence to support the HRC's decision that comparable work meant more than equal work and that the PA and the PHN positions were not equal. The HRC appealed.

The Supreme Court held that based on the legislative history of (a) (5) the proper interpretation of the phrase "comparable character" is an equal pay for substantially equal work provision. The court further noted that the lack of any language regarding the equality of jobs in the first clause precluded interpreting it as an equal pay for equal work provision. The case was remanded so that HRC could re-examine its decision in light of the Supreme Court's interpretation of (a) (5), and for a determination of the equality of the PA and PHN positions.

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 20, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 5-13-91

The JUDICIARY Committee considered:

HB 99

HOUSE BILL NO. 99

EQUAL PAY FOR WORK OF COMPARABLE WORTH

"An Act requiring equal pay for work of comparable worth."

RECOMMENDATIONS:

be replaced with CS HB 99 (Jud) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact University of Alaska

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
		<i>Terry Mathis</i>		<input checked="" type="checkbox"/>	
		<i>Kevin Pat Farrell</i>		<input checked="" type="checkbox"/>	
<i>A. Ellis</i>	<input checked="" type="checkbox"/>				
<i>D. Donley</i>	<input checked="" type="checkbox"/>				
<i>A. Purdy</i>	<input checked="" type="checkbox"/>				

Dave Donley

 CHAIRMAN'S SIGNATURE

APPENDIX IV. MINNESOTA PAY EQUITY LAW FOR STATE EMPLOYEES

Chapter 43A

Department of Employee Relations

43A.01 Policies.

Subd. 3. **Equitable compensation relationships.** It is the policy of this state to attempt to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch.

43A.02 Definitions.

Subd. 6a. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the incumbents are male and no more than 70 percent of the incumbents are female.

Subd. 11. **Class.** "Class" means one or more positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used with clarity to designate each position allocated to the class and that the same general qualifications are needed for performance of the duties of the class, that the same tests of fitness may be used to recruit employees, and that the same schedule of pay can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of employee relations.

Subd. 14a. **Comparability of the value of the work.** "Comparability of the value of the work" means the value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 22a. **Female-dominated class.** "Female-dominated class" means any class in which more than 70 percent of the incumbents are female.

Subd. 27a. **Male-dominated class.** "Male-dominated class" means any class in which more than 80 percent of the incumbents are male.

43A.05 Policies and Responsibilities Through the Personnel Bureau.

Subd. 5. **Comparability adjustments.** The commissioner shall compile, subject to availability of funds and personnel, and submit to the legislative commission on employee relations by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established pursuant to section 43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the legislative commission on employee relations, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify, the list and proposed appropriation. The commission's action shall be submitted to the full legislature in the same manner as provided in sections 3.855 and 43A.18 or 179A.22, subdivision 4, provided that the full legislature may approve, reject, or modify the commission's action. The commission shall show the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A.18. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments divided by the total cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments. Distribution of any appropriated funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Subd. 6. Allocation. The amount recommended by the legislative commission on employee relations pursuant to subdivision 5 to make comparability adjustments shall be submitted to the full legislature by March 1 or each odd-numbered year. The legislature may accept, reject, or modify the amount recommended. The commissioner of finance, in consultation with the commissioner of employee relations, shall allocate the amount appropriated by the legislature, on a pro-rata basis, if necessary, to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for state employees shall be drawn exclusively from and shall not be in addition to the funds appropriated for salary supplements or other employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund.

Subd 7. Human Rights. The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under subdivision 5 and the reports compiled under subdivision 5 in any proceeding or action alleging discrimination.

43A.18 Total Compensation; Collective Bargaining Agreements; Plans

Subd. 8. Compensation relationships of positions. In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that;

- (a) Compensation for positions in the classified and the unclassified service compare reasonably to one another;
- (b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;
- (c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed;
- (d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupations; and
- (e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable, skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working condition is proportional to the skill, effort, responsibility, and working conditions required.

Laws 1982, Chapter 634, sections 1-8

Mink

A landowner who expressly consents to, endorses, or ratifies an entry onto land shall not be presumed to be in control of the persons gathered on land, nor is the landowner presumed to have knowledge of an unlawful act merely because of the express consent, endorsement, or ratification.

History: 1984 c 620 s 1

471.99 NOTICE OF GOVERNMENT ACTION.

Except when other notice is required by law, the state, or any of its political subdivisions, shall give any affected town, statutory or home rule charter city, and county 30 days prior written notice of any action by the state or political subdivision that will directly affect the use of land in the town, statutory or home rule charter city, or county relating to sanitary landfills, waste disposal sites, construction of new buildings, roads, and related facilities where the cost exceeds \$15,000, and park establishments or boundary expansions. Master plans prepared pursuant to section 86A.09 shall be considered adequate notice as required by this section. Failure to give any notice required by this section shall not be grounds for a civil or criminal action of any nature against any party, for the imposition of a civil or criminal penalty against any party or for the challenge or invalidation of any action taken by the state, a political subdivision or any other party.

History: 1983 c 218 s 1

471.991 DEFINITIONS.

Subdivision 1. Terms. For the purposes of Laws 1984, chapter 651, the following terms have the meanings given them.

Subd. 2. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the members are male and no more than 70 percent of the members are female.

Subd. 3. **Comparable work value.** "Comparable work value" means the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 4. **Class.** "Class" means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

Subd. 5. **Equitable compensation relationship.** "Equitable compensation relationship" means that the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value, as determined under section 471.994, within the political subdivision.

Subd. 6. **Female-dominated class.** "Female-dominated class" means any class in which 70 percent or more of the members are female.

Subd. 7. **Male-dominated class.** "Male-dominated class" means any class in which 80 percent or more of the members are male.

Subd. 8. **Position.** "Position" means a group of current duties and responsibilities assigned or delegated by a supervisor to an individual.

History: 1984 c 651 s 1; 1990 c 512 s 1

471.992 EQUITABLE COMPENSATION RELATIONSHIPS.

Subdivision 1. **Establishment.** Subject to sections 179A.01 to 179A.25 and sections 177.41 to 177.44 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in order to eliminate sex-based wage disparities in public employment in this state. A primary consideration in negotiating, establishing, recommending, and approving compensation is comparable work value in relationship to other employee positions within the political

subdivision. This law may not be retroactively bargained in good faith.

Subd. 2. **Arbitration.** In all interest arbitration proceedings, a balanced class held under sections 179A.01 to 179A.03 shall have an equitable compensation relationship with the standards established under section 471.994. The arbitrator shall study and any employee objection to the class, the arbitrator may consider the results of, and any employee objection to similar or like classification.

Subd. 3. [Repealed, 1990 c 512 s 2-4]

Subd. 4. **Collective bargaining.** In any collective bargaining agreement, the parties may consider the equitable compensation relationship under this section and the results of a job evaluation study for similar or like classifications in other political subdivisions.

History: 1984 c 462 s 27; 1984 c 512 s 2-4

471.993 COMPENSATION RELATIONSHIPS.

Subdivision 1. Assurance of equitable compensation. In any collective bargaining agreement, the parties may consider the equitable compensation relationship under this section and the results of a job evaluation study for similar or like classifications in other political subdivisions. In any political subdivision, the respective compensation system, shall assure that:

- (1) compensation for positions for which the employee and management bear responsibility;
- (2) compensation for positions for which the employee bears responsibility outside of that particular political subdivision;
- (3) compensation for positions for which the employee bears responsibility in a relationship among related job positions within a political subdivision.

Subd. 2. **Reasonable relationship.** Compensation for positions shall bear a reasonable relationship to the compensation for positions for which the employee bears responsibility.

- (1) the compensation for positions for which the employee bears responsibility, working conditions, and working conditions, and comparable work value;
- (2) the compensation for positions for which the employee bears responsibility, working conditions, and comparable work value, skill, effort, responsibility, and working conditions, and comparable work value.

History: 1984 c 651 s 3;

471.994 JOB EVALUATION SYSTEMS.

Every political subdivision shall maintain a job evaluation system. The comparable work value of positions in the compensation system must be maintained. Whenever there are changes in factors affecting the job evaluation system, the political subdivision that substantially affects the system shall notify the commission and other public employer in the political subdivision the exclusive representative of the employees in the job evaluation system.

History: 1984 c 651 s 4

subdivision. This law may not be construed to limit the ability of the parties to collectively bargain in good faith.

Subd. 2. Arbitration. In all interest arbitration involving a class other than a balanced class held under sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation relationship standards established in this section and the standards established under section 471.993, together with other standards appropriate to interest arbitration. The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study. In interest arbitration for a balanced class, the arbitrator may consider the standards established under this section and the results of, and any employee objections to, a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

Subd. 3. [Repealed, 1990 c 512 s 13]

Subd. 4. Collective bargaining. In collective bargaining for a balanced class, the parties may consider the equitable compensation relationship standards established by this section and the results of a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

History: 1984 c 462 s 27; 1984 c 651 s 2; 1986 c 459 s 1; 1Sp1986 c 3 art 2 s 18; 1990 c 512 s 2-4

471.993 COMPENSATION RELATIONSHIPS OF POSITIONS.

Subdivision 1. Assurance of reasonable relationship. In preparing management negotiation positions for compensation established through collective bargaining under chapter 179A and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179A, the respective political subdivision as the public employer, as defined in section 179A.03, subdivision 15, or, where appropriate, the Minnesota merit system, shall assure that:

- (1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;
- (2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and
- (3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2. Reasonable relationship defined. For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

- (1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and
- (2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work-related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work-related criteria required.

History: 1984 c 651 s 3; 1987 c 384 art 1 s 42

471.994 JOB EVALUATION SYSTEM.

Every political subdivision shall use a job evaluation system in order to determine the comparable work value of the work performed by each class of its employees. The system must be maintained and updated to account for new employee classes and any changes in factors affecting the comparable work value of existing classes. A political subdivision that substantially modifies its job evaluation system or adopts a new system shall notify the commissioner. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

History: 1984 c 651 s 4; 1990 c 512 s 5

471.995 REPORT AVAILABILITY.

Notwithstanding section 13.37, every political subdivision shall submit a report containing the results of the job evaluation system to the exclusive representative of their employees to be used by both parties in contract negotiations. At a minimum, the report to each exclusive representative shall identify the female-dominated class in the political subdivision for which compensation inequity exists, based on the comparable work value, and all data not on individuals used to support these findings.

History: 1984 c 651 s 5

471.996 [Repealed, 1990 c 512 s 13]

471.9965 [Repealed, 1986 c 459 s 3]

471.9966 EFFECT ON OTHER LAW.

Notwithstanding section 179A.13, subdivision 2, it is not an unfair labor practice for a political subdivision to specify an amount of funds to be used solely to correct inequitable compensation relationships. A political subdivision may specify an amount of funds to be used for general salary increases. The provisions of sections 471.994 and 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

History: 1986 c 459 s 2

471.997 HUMAN RIGHTS ACT, EVIDENCE.

The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under section 471.994 and the report compiled under section 471.995 in any proceeding or action alleging discrimination.

History: 1984 c 651 s 8; 1989 c 223 s 2

NOTE: See also section 363.02.

471.9975 SUITS BARRED.

No cause of action arises before August 1, 1987 for failure to comply with the requirements of Laws 1984, chapter 651.

History: 1984 c 651 s 9

471.998 REPORT TO COMMISSIONER.

Subdivision 1. Report on implementation plan; contents. Every political subdivision shall report to the commissioner of employee relations by October 1, 1985, on its plan for implementation of sections 471.994 and 471.995. Each report shall include:

- (1) the title of each job class which the political subdivision has established;
- (2) the following information for each class as of July 1, 1984:

- (a) the number of incumbents;
- (b) the percentage of incumbents who are female;
- (c) the comparable work value of the class, as determined under the system established under section 471.994; and

- (d) the minimum and maximum monthly salary for the class;
- (3) a description of the job evaluation system used by the political subdivision;

and

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

- (a) identification of classes for which a compensation inequity exists based on comparable work value;
- (b) a timetable for implementation of pay equity; and
- (c) the estimated cost of implementation.

Subd. 2. Technical assistance. The commissioner of employee relations shall, on request of a political subdivision, provide technical assistance in completing the required reports.

Subd. 3. Public data. The report required by subdivision 1 is public data governed by chapter 13.

History: 1984 c 651 s 10; 1990 c 512 s 6

19981 COUNTIES AND CITIES; PAY EQUITY COMPLIANCE.

Subdivision 1. 1988 report. A home rule charter or statutory city or county, referred to in this section as a "governmental subdivision," that employs ten or more people and that did not submit a report according to section 471.998, shall submit the report by October 1, 1988, to the commissioner of employee relations.

The plan for implementing equitable compensation for the employees must provide for complete implementation not later than December 31, 1991, unless a later date has been approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner. The plan need not contain a market study.

Subd. 2. [Repealed, 1990 c 512 s 13]

Subd. 3. [Repealed, 1990 c 512 s 13]

Subd. 4. [Repealed, 1990 c 512 s 13]

Subd. 5. [Repealed, 1990 c 512 s 13]

Subd. 5a. Implementation report. By January 31, 1992, each political subdivision shall submit to the commissioner an implementation report that includes the following information as of December 31, 1991:

- (1) a list of all job classes in the political subdivision;
- (2) the number of employees in each class;
- (3) the number of female employees in each class;
- (4) an identification of each class as male-dominated, female-dominated, or balanced as defined in section 471.991;
- (5) the comparable work value of each class as determined by the job evaluation used by the subdivision in accordance with section 471.994;
- (6) the minimum and maximum salary for each class, if salary ranges have been established, and the amount of time in employment required to qualify for the maximum;
- (7) any additional cash compensation, such as bonuses or lump-sum payments, paid to the members of a class; and
- (8) any other information requested by the commissioner.

If a subdivision fails to submit a report, the commissioner shall find the subdivision not in compliance with subdivision 6 and shall impose the penalty prescribed by that subdivision.

Subd. 5b. Public data. The implementation report required by subdivision 5a is public data governed by chapter 13.

Subd. 6. Penalty for failure to implement plan. (a) The commissioner of employee relations shall review the implementation report submitted by a governmental subdivision to determine whether the subdivision has established equitable compensation relationships as required by section 471.992, subdivision 1, by December 31, 1991, or the later date approved by the commissioner. The commissioner shall notify a subdivision found to have achieved compliance with section 471.992, subdivision 1.

(b) If the commissioner finds that the subdivision is not in compliance based on the information contained in the implementation report required by section 471.9981, subdivision 5a, the commissioner shall notify the subdivision of the basis for the finding. The notice must include a detailed description of the basis for the finding, specific recommended actions to achieve compliance, and an estimated cost of compliance. If

the subdivision disagrees with the finding, it shall notify the commissioner, who shall provide a specified time period in which to submit additional evidence in support of its claim that it is in compliance. The commissioner shall consider at least the following additional information in reconsidering whether the subdivision is in compliance:

- (1) recruitment difficulties;
- (2) retention difficulties;
- (3) recent arbitration awards that are inconsistent with equitable compensation relationships; and
- (4) information that can demonstrate a good-faith effort to achieve compliance and continued progress toward compliance, including any constraints the subdivision faces.

The subdivision shall also present a plan for achieving compliance and a date for additional review by the commissioner.

(c) If the subdivision does not make the changes to achieve compliance within a reasonable time set by the commissioner, the commissioner shall notify the subdivision and the commissioner of revenue that the subdivision is subject to a five percent reduction in the aid that would otherwise be payable to that governmental subdivision under section 124A.23, 273.1398, or sections 477A.011 to 477A.014, or to a fine of \$100 a day, whichever is greatest. The commissioner of revenue shall enforce the penalty beginning in calendar year 1992 or in the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. However, the commissioner of revenue may not enforce a penalty until after the end of the first regular legislative session after a report listing the subdivision as not in compliance has been submitted to the legislature under section 471.999. The penalty remains in effect until the subdivision achieves compliance. The commissioner of employee relations may suspend the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship, or that noncompliance results from factors unrelated to the sex of the members dominating the affected classes and that the subdivision is taking substantial steps to achieve compliance to the extent possible.

Subd. 7. Appeal. A governmental subdivision may appeal the imposition of a penalty under subdivision 6 by filing a notice of appeal with the commissioner of employee relations within 30 days of the commissioner's notification to the subdivision of the penalty. An appeal must be heard as a contested case under sections 14.57 to 14.62. No penalty may be imposed while an appeal is pending.

History: 1988 c 702 s 15; 1990 c 512 s 7-10

471.999 REPORT TO LEGISLATURE.

The commissioner of employee relations shall report to the legislature by January 1 of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report must include a list of subdivisions that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

History: 1984 c 651 s 11; 1990 c 512 s 11

471.9995 RENTAL DWELLING NOTICE.

Any license or registration or certificate of occupancy or a similar document that

Alaska salaries still falling into gender gap

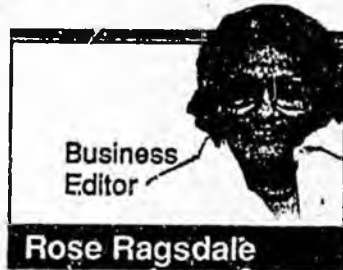
Survey says women's wages equal 62 percent of male income

The gender gap in wages and salaries in America is an important factor in the continued fragile economic condition of women.

Men make more money than women not only because of historical trends, occupational trends and decades of dominating the ranks of higher-paid management positions, but also because they typically earn more money for doing the same jobs women do.

A recent study by the Alaska Department of Labor found that in 1988, the average wage and salary income of women in Alaska was only about 62 percent of male average income. That compared with women's income nationwide, which is roughly 70 percent of male average income.

The study, which surveyed 114,642 women and 129,378 men, all



of whom had wage and salary income in 1988, and received a Permanent Fund dividend, found a 38 percent wage gap between women and men in the Alaska work force.

While women comprise about 47 percent of the persons in the study group, they account for only about 35 percent of the group's total wage income of \$4.85 billion.

In 1988, the average annual female wage income in Alaska was

about \$14,900, while the average male wage income was \$24,200.

Using statistical analysis, the state Labor Department study also found that women earn about 18 percent less than men of the same age, location, industry group and occupational group.

That implies that age, location, industry group and occupation group account for about 20 percent of the total 38 percent wage gap between women and men.

But the remaining 18 percent reflects pay differences between men and women within the same industry and occupational groups.

The trend was evident in every wage category from Alaska's lowest paid workers to the state's highest paid, and women were more prominently represented in the lower salary categories.

For example, nearly 50 percent of the women earned less than \$10,000 in wage and salary income from Alaskan sources in 1988, compared with 40 percent of the men.

Also, 48 percent of the men in the study earned \$20,000 or more, but only 30 percent of the women fit in that category. And nearly 14 percent of the men earned \$50,000 or more, compared with less than 3 percent of the women.

The study also found that while age is the single most important factor in explaining the variation in the level of wage income of all workers, age probably plays a small role in the wage gap between the sexes.

State labor economists say other possible factors in the huge wage gap between men and women in the same industry and occupational

groups include a tendency among women to work fewer hours than men; to have less job tenure or labor force experience due to family responsibilities; and to face employment, promotion, or wage discrimination.

These findings suggest that as long as women are the principal care givers in the family and in society, there will always be a wage gap between the sexes. However, the study also suggests the gap can and likely will narrow considerably in the future as women make gains in areas such as job tenure and management ranks and laws regarding discrimination are more vigorously enforced.

Meanwhile, women can muster their resources to overcome the long-term impoverishing effects of the income disparity they have with men.

Overage Times - 3-13-91

HB 99

Alaska Legislative Digest

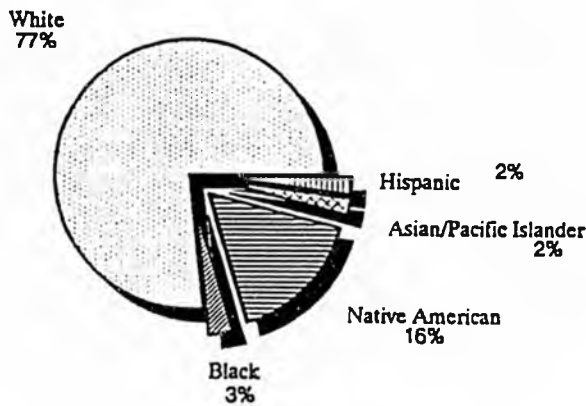
An Inside View of Alaska Policy

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3037 South Circle
Anchorage, AK 99507

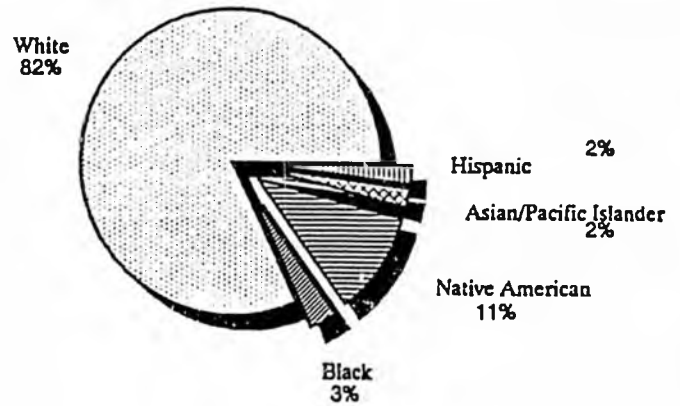
Equal pay for comparable worth: Rep. Dave Donley's HB-99, requiring equal pay for work of comparable worth, passed out of the House Labor and Commerce Committee last week. Although many believe that the Civil Rights Act of 1964 mandates equal pay for work of comparable worth, the Alaska Supreme Court recently indicated that Alaska statutes need to specifically mandate this. The bill was amended to define comparable worth as "the value of work as measured by the composite of the skills, efforts, education, training, and responsibility normally required to perform the work." HB-99's next committee of referral is the House Judiciary Committee.

Racial and Ethnic Diversity in Alaska

Alaska Population Statistics

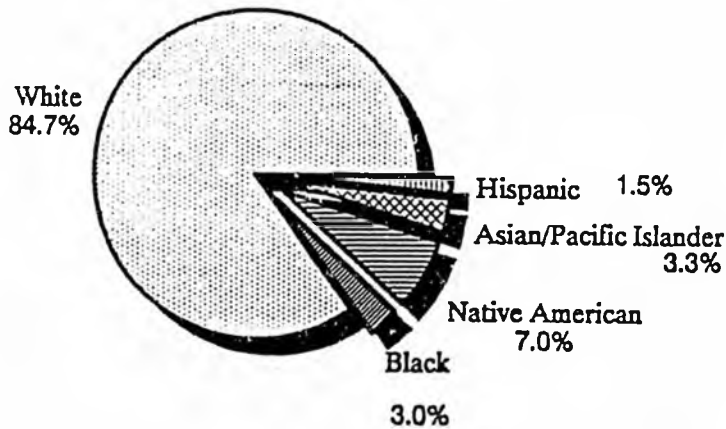


Alaskan Civilian Labor Force



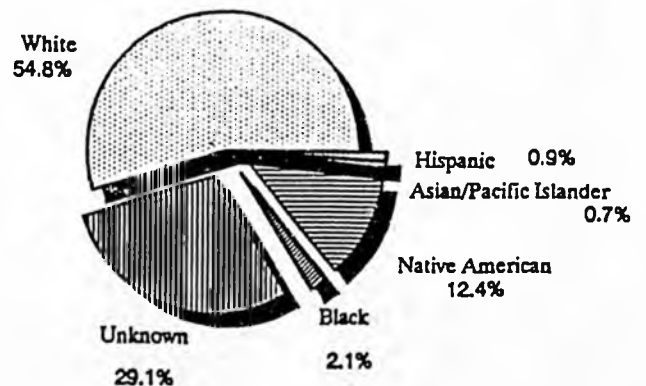
Executive Branch Workforce

as of December 31, 1990

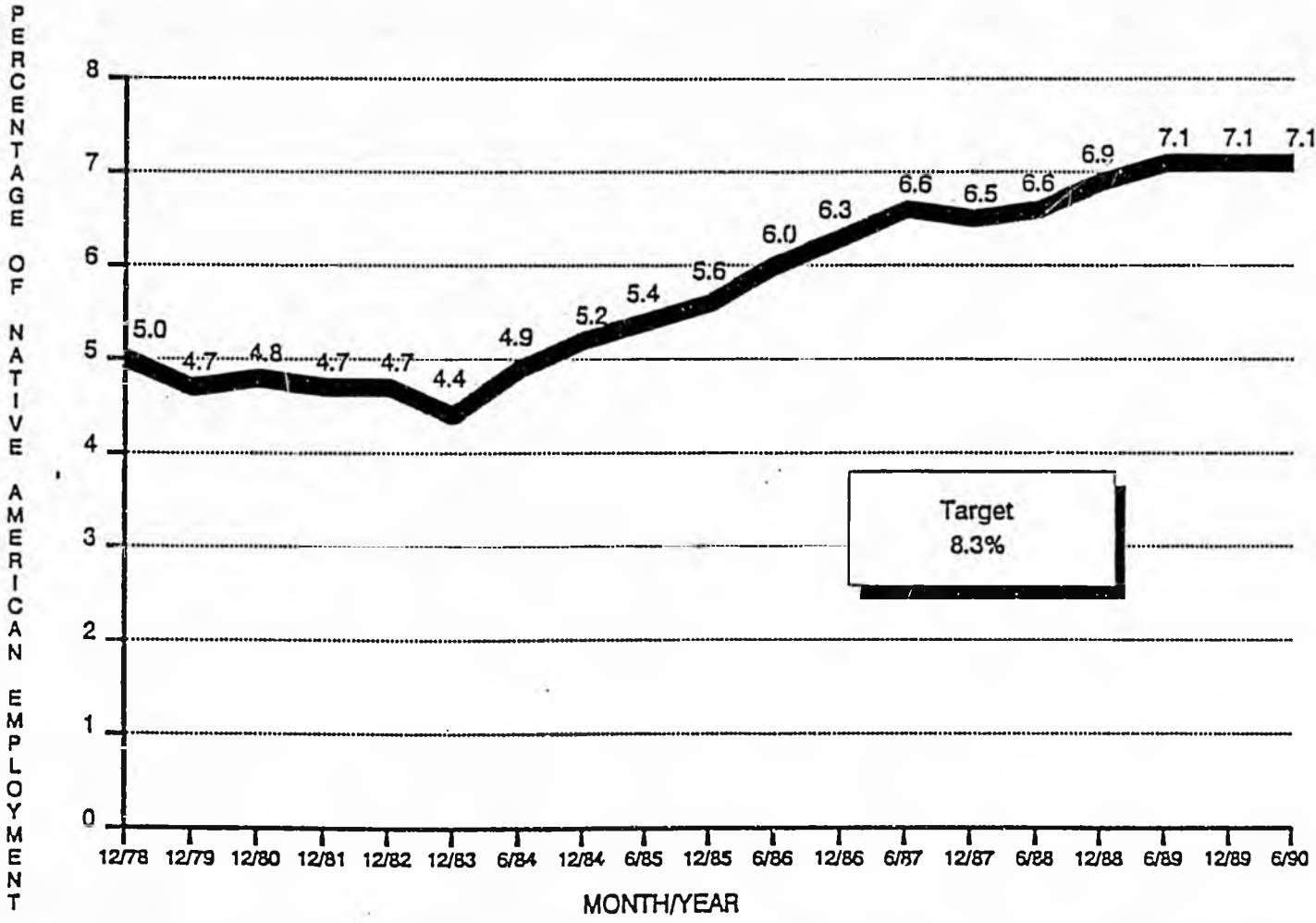


Members of Boards and Commissions

as of November 30, 1990



**State of Alaska
Executive Branch
Overall Native American Employment*
in the Executive Branch Departments**



Overall Number of Native American Employees in the Executive Branch																		
490	462	505	539	572	528	593	597	644	609	800	790	804	802	837	902	933	944	965
12/78	12/79	12/80	12/81	12/82	12/83	6/84	12/84	6/85	12/85	6/86	12/86	6/87	12/87	6/88	12/88	6/89	12/89	6/90

Month/Year

* Does not include temporary or emergency positions.
Report includes American Indians and Alaska Natives.

In 1988, the average wage and salary income of women in Alaska was only about 62 percent of male average income. This is one of the key findings in this study of 114,642 women and 129,378 men, all of whom had wage and salary income in 1988 and received a Permanent Fund dividend. The report presents information on the income, geographic location, age, sex, and the occupational and industry employment patterns of 244,020 Alaska residents in 1988.

Following is a summary of some of the main findings:

Overall findings

- While women comprise about 47 percent of the persons in the study group, they account for only about 35 percent of the group's total wage income of \$4.85 billion.
- Average annual female wage income is about \$14,900, while average annual male wage income is about \$24,200. Thus, there is about a 38 percent wage gap between women and men.
- Using multiple regression analysis, it is estimated that women earn about 18 percent less than men of the same age, location, industry group, and occupational group.
- This implies that age, location, industry group, and occupation group account for about 20 percentage points of the total 38 percent wage gap between women and men.
- Some of the 18 percent reflects the differences between men and women *within* industry and occupational groups, described below. Other potential explanatory factors, which would need further research to verify, include:
 - women may systematically work fewer hours than men;
 - women may systematically have less job tenure or labor force experience due to family responsibilities; and
 - women may face employment, promotion, or wage discrimination.
- The regression analysis shows that, in terms of significance in explaining the variation in the level of wage income of all workers, age is the single most important factor. However, age differences probably contribute little to the wage gap between the sexes.

Wage group differences

- Almost 50 percent of the women and 40 percent of the men earned less than \$10,000 in wage and salary income from Alaskan sources in 1988.
- About 46 percent of men, but only 30 percent of women, earned \$20,000 or more.
- Almost 14 percent of men, but less than 3 percent of women, earned \$50,000 or more.

Location category differences

- Women earn less than men in each of the five geographic categories defined in the study.
- Anchorage, Fairbanks, and Juneau account for almost 60 percent of employment and 65 percent of wage income. This means that average wage income of men and women is higher in the state's three largest urban areas than it is in the rest of the state.

Age group differences

- Women earn less than men in each of the twelve age groups defined in the study.
- The average annual wage income of men and women rises for each age group up to the age of 49, and then declines. This pattern probably reflects significant differences between age groups in hourly wage rates and hours worked.
- Average annual income is similar for female and male teenagers, but women's earnings decline relative to male income for older age groups. This decline probably reflects a decrease in hours worked by women relative to men, as family responsibilities cause women to seek part-time rather than full-time work.
- On average, the workers in the study are slightly more than 34 years of age. Women average 34.0 years old, and men average 34.5 years old.

Industry group differences

- ~~Women earn less than men in every industry.~~
- In every industry, women are more heavily concentrated than men in the lowest wage categories (under \$20,000).
- Women are more dependent on a few industry sectors for employment and income than are men.
- Female employment is more heavily concentrated than male employment in industries which provide lower average annual wage incomes.
- State and local government employment accounts for about 25 percent of female employment and 37 percent of female wage income. This compares to about 21 percent of male employment and 26 percent of male income.
- The services and retail trade industry sectors, two of the lowest average wage income sectors, comprise about 53 percent of female employment, but only 35 percent of male employment.
- By far and away, the oil and gas industry is the largest provider of employment for those earning at least \$75,000. This industry employs about 44 percent of the men and 34 percent of the women who earn at least \$75,000.

Occupational group differences

- ~~Women earn less than men in every occupational category.~~
- In **every** occupational group but one (administrative support), the lowest two wage groups (under \$20,000) comprise a larger percentage of female employment than of male employment.
- In **no** occupational group does one of the top five wage groups (\$40,000-\$100,000+) comprise a larger share of female employment than of male employment.
- In contrast with men, no single occupational group is a significant provider of female employment in **all** wage groups.
- Women, who want to move up to the top wage groups, are more likely than men to have to change occupational groups.
- Occupational employment distribution differences between men and women appear to be larger than industry employment distribution differences. The occupational group most important to female employment is not important to men, while the two groups most important to male employment

are not important to women.

- Of the nine major occupational groups, executives/managers and professionals comprise about 23 percent of female workers and 20 percent of male workers.
- Many of the other occupational groups are largely dominated either by men or women. Women comprise about 80 percent of the workers in the administrative support occupational group, and 60 percent of the sales workers. Both groups have below average incomes. Men } comprise about 82 percent of the workers in the operators/ assemblers/labors group, and 95 percent of the workers in the mechanics/construction/crafts groups. The latter group has above average income.
- The administrative support category is the largest contributor of female employment for three of the four wage groups below \$40,000. However, its significance declines sharply at income levels above \$40,000. The combined professional and executive/manager groups dominate female employment in wage groups above \$30,000.

Top ten and top one hundred occupations

- Women are paid less than men in every occupation which is on both male and female lists of the top ten occupations of state government, local government, and the private sector. In addition, most of the top wage occupations for women would not make the top wage lists for men. On this, there is remarkable consistency among the industry sectors.
- In the private sector, of the top one hundred female occupations, in only fifteen do women earn the same or more than men. Women earn as much or more than men in only ten of the top one hundred male occupations.
- In local government, in only twenty-five of the top one hundred female occupations women earn the same or more than men. Women earn as much as men in only thirteen of the top one hundred male occupations.
- In state government, in twenty-three of the top one hundred female occupations women earn the same or more than men. This is true in only eighteen of the top male occupations.
- Not only are women more concentrated than men in certain industries and occupational groups, but women are more concentrated than men in individual occupations.
- Specifically, the top ten and the top one hundred occupations in terms of employment for women comprise a larger percentage of female employment than do the top ten and the top one hundred male occupations. This is particularly true for the private sector and for local government.
- In all three industry sectors, the top one hundred female occupations tend to be composed of a larger percentage of females than average. The top male occupations tend to be composed of a smaller percentage of females than average.
- This means that not only are some occupational *groups* "male" or "female", but some *individual* occupations appear to be "male" and "female."

Analysis of the relationships between the occupational and industry groups suggest that they can be used in the same regression analysis. Therefore, regression #4 is performed using both industry and occupational group variables. This regression explains 48.1% of the variation in wage income. Using the coefficient of the FEMALE variable, it is estimated that women earn 17.9% less than men of the same age, location, industry group, and occupational group.

In each regression, the age variables are the most important factors in explaining the variation in the level of wage income of all of the workers in the sample⁷. The industry or occupational groups, depending on which are in the regression, are the next most significant variables, when taken together. The sex variable, however, is very important. In regressions #2-4, this variable ranks between third and fifth in its contribution to the explanation of the variation in the level of wage income⁸.

This does not imply that age is the most important factor in explaining the wage gap between men and women. Given the small difference between the average age of women and the average age of men, the age distribution difference is unlikely to be a major explanatory factor⁹. It is more likely that industry and occupational distributional differences, as well as the unknown factors captured by the FEMALE variable, are the most critical factors in explaining the differences in income between women and men.

Conclusion and Implications

In the previous chapters, it is observed that women earn about 38 percent less than men. However, when age, location, industry group, and occupational group are held constant, women earn about 18 percent less than men. The total gap is about 38 percent, but about 20 percent is explained by age, location, indus-

try group, and occupational group. This means that if women and men had identical distributions of age, location, industry group, and occupational group, the observed wage gap would be about 18 percent rather than 38 percent.

What might cause the existence of this 18 percent wage gap? Presumably, the coefficient of the FEMALE variable is picking up the effects of certain factors that distinguish men from women in terms of income¹⁰. One potential factor is that within the industry and occupational groups, women are concentrated in the low-wage-income sectors. This is apparent from the analyses of Chapters II and III. As a result, even though some of the wage differences could be reduced if women worked proportionally in the same industry and occupational groups as men, women would still earn less due to the distribution of their employment within the industry and occupational groups.

Another potential factor could be the tendency of women of every age to be more likely than men to work part time rather than full time. If women systematically tend to work fewer hours than men, their annual wage income would be less than men, all other things being equal.

If women had less labor force experience or job tenure as a result of family responsibilities, these might also be factors which are being reflected in the FEMALE variable's coefficient. If there were systematic differences in the education and training of men and women, these differences also could be reflected in the 18 percent wage gap.

Finally, another potential factor, which cannot be ignored at this point, would be the possibility of discrimination. As mentioned earlier, information on important factors that affect income such as education and hours worked is not available in this data set. If such information were available, then these factors also could be

included in some way into the regression analysis. If, after including every variable which seems reasonable, the FEMALE variable in that analysis still has a significant, negative coefficient, this would lend support for the notion of discrimination. That is, once most reasonable factors or held constant, a negative FEMALE coefficient would suggest that women earn less than men because they are women. If the FEMALE coefficient were zero, this would suggest that wage discrimination is not present.

The analysis, however, is a long way from showing wage discrimination. This certainly calls for further data collection and investigation, since the wage gap is significant.

The wage gap, and its causes, has implications for public policy. Affirmative action and equal employment opportunity policies are aimed at reducing differences in the sex distribution of employment in occupations. Given the observations in Chapters II and III, and the regression analyses of this chapter, these policies appear to be needed.

On the other hand, the regression results show that, compared to the other variables, age is the largest single factor in explaining the variation in the level of wage income. This probably generally reflects the positive effects of experience. There is not much that affirmative action can do about that in the short run. Thus, even if those policies work perfectly, the observed gap due to age (experience?) differences, though probably quite small, would persist.

Also, the regression analysis shows that affirmative action policies cannot ignore employment distributions in industry and occupational groups or the distributions within these groups. Even if there were no differences between men and women in employment across broad industry and occupational groups, women would still earn about 18 percent less than men. Conversely, even if

female and male employment were distributed equally within each occupational and industry group, but were different across broad groups, an earnings gap could exist.

Clearly, more data and analysis are needed. The analysis here

helps those who are interested in these issues to understand the probable causes of the wage gap. It also shows how much the gap might be closed by accomplishing certain public policy objectives. It would be nice if future analysis, with more information on more variables, would result in a FEMALE coefficient of zero. That would

mean that wage discrimination does not exist, and that the major causes of the observed wage gap have been identified and measured. Then, policies can be enacted to eliminate the gap, if that is the public policy choice.

footnotes

¹This report will try to avoid technical terms, and will try to state the concepts in broad terms so that most people, without technical training, will understand the basic conclusions.

²Note that this does not claim that one variable "causes" another. Rather, the two variables are related, with no claim of causation.

³Note that the dependent variable is simply the square root of wage income. The age is the age of the worker, and the square of age is the square of the age of the worker. All of the other variables have a value of 0 or 1. For example, the FEMALE variable takes a value of 1 if the person in the study is a woman, and takes a value of 0 if the person is a man.

⁴Actually, for technical reasons, the dependent variable is the square root of the level of wage income. This is a simple transformation of income, and does not alter its meaning in any way. In order to save words, in the regression analysis discussion the reference to wage income will really be a reference to the square root of income, unless stated otherwise.

⁵The means (averages) of age and income are simply the sums (each) of age and income divided by the number of people. Since all of the other variables on the list have a value of 0 or 1, their means can be interpreted as percentages of the population. The mean values of the variables used in the regression (and of some population characteristics not used in the regression, but which might be of interest) are shown in table A8 in the appendix.

⁶The table shows the calculated coefficients of each variable and a value called the T-Statistic. The discussion focuses on the coefficient of each variable, since it reflects the effect of that variable on wage income. The T-Statistics are a statistical measure, normally reported when presenting regression results, but are not discussed in this report. The F-Statistic also is presented for information, but is not discussed.

⁷The contribution of the variables is determined by stepwise regression techniques. In this technique, the regression is run by adding one variable at a time, and observing each variable's impact on the adjusted r square. The age variables were the first variables to enter the regressions, and contributed the largest share of the overall adjusted r square, after all variables were entered.

⁸In the stepwise regressions, while the industry and occupation variables as a group contribute more to explaining the variation in income, the sex variable is more important than most of them individually. For example, in regression #4, it is the fifth variable, out of a total of twenty-five variables, to enter the regression.

⁹To answer that question, separate regressions could be run for men and women. Then the coefficients of the regressions for men could be used with the means of the variables for women. The difference in the forecast of income would reflect the differences in the age, location, industry group, and occupational group distributions between men and women. It is likely that the industry and occupational differences are more important than location and age differences. For this report, however, the objective is to see if women earn less than men, even when such differences are eliminated.

¹⁰These must be factors other than age, location, industry and occupational groups, which were used in the regression analyses.

Pending Cases Related to HB99

State of Alaska, Department of Administration, and Department of Health and Social Services v. Alaska State Commission for Human Rights Ex Rel. Janet Bradley, Executive Director, et al
1JU-86-448 CIV, on remand from the Alaska Supreme Court (Alaska State Commission for Human Rights, Janet L. Bradley, Executive Director, ex rel. et al v. State of Alaska, Department of Administration, and Department of Health and Social Services, No 3619-July 27, 1990). This case is commonly referred to as the "public health nurses case."

Alaska Public Employees Association v. State of Alaska, and Alaska State Employee Association, S-3583. This case, on appeal to the Alaska Supreme Court, deals with whether the State's classification system as required by AS 39.25.150(1) is a general policy describing the function and purpose of a public employer and therefore not a "term or condition" of employment for the purpose of collective bargaining.

Following are open and active Alaska Commission for Human Rights cases alleging sex discrimination in wages against the State. The complainant's names are confidential under AS 18.80.115.

C-88-141	C-88-134	C-89-114
C-88-133	C-88-132	C-89-072
C-88-126	C-88-137	C-88-117
C-88-162	C-89-112	C-88-124
C-88-118	C-88-135	C-88-130
C-88-145	C-88-121	C-88-143
C-89-113	S-86-020	S-86-021
C-88-227	C-88-136	C-88-122
C-88-123	C-88-119	

**Analysis of Scope of Comprable Worth Laws in the Twenty-one states that
have Comprable Worth Laws**

State	State Employees	Municipal employees	Private sector
California	x		
Georgia	x	x	x
Hawaii	x		
Idaho	x	x	x
Iowa	x		
Kentucky	x	x	x
Maine	x	x	x
Maryland	x	x	x
Massachusetts	x	x	x
Minnesota	x	x	
Montana	x	x	x
Nebraska	x	x	x
North Dakota	x	x	x
Oregon	x		
South Dakota	x	x	x
Tennessee	x	x	x
Washington	x		
West Virginia	x	x	x

PAY EQUITY: THE MINNESOTA EXPERIENCE

First Printing, June 1985

Second Printing, August 1985

Third Printing, Revised November 1987

Fourth Printing, Revised February 1988

Fifth Printing, Revised December 1989

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INTRODUCTION

Minnesota is in the forefront of pay equity efforts in the nation. This state was the first to implement pay equity legislation for state employees. In addition, Minnesota was the first state to require local governments to establish pay equity. Minnesota's experience shows that pay equity can be implemented smoothly and at a reasonable cost.

Pay equity is also called "equal pay for work of equal value" or "comparable worth." Pay equity efforts usually involve a job evaluation system which allows a comparison of jobs with different duties but similar levels of skill, effort, responsibility and working conditions. Although laws requiring equal pay for equal work have helped many women, most women remain in occupations which cannot be directly compared to jobs performed by men. Eighty percent of employed women perform "women's work," such as teaching, nursing, library science, clerical and service work.

"Women's work" continues to be low paid. In 1987, employed women working full-time year-round had average earnings that amounted to only 65 percent of the average earnings for their male counterparts. Studies have shown that differences in education, work experience and other factors account for only about half of the wage gap.

One consequence of low earnings for women is poverty or near-poverty. Women account for more than 60 percent of adult Minnesotans living in poverty. Over 36 percent of women have incomes below 150 percent of the poverty level. Recent years have seen dramatic increases in the number of female-headed single-parent families and almost one-third of these families in Minnesota are poor.

This printing is based on the following: information from "Pay Equity in Public Employment," a report published by the Council on the Economic Status of Women (now the Commission on the Economic Status of Women) in 1982; previous editions of "Pay Equity: the Minnesota Experience;" and other public information. It includes: a review of pay equity efforts in the United States; an analysis of pay equity in Minnesota state government employment; and information about pay equity in Minnesota's local governments. Data from previous editions are included in this report. An appendix includes technical information and a list of resources.

QUESTIONS & ANSWERS ON PAY EQUITY

Why is pay equity a women's issue? Because an estimated 80 percent of employed women work in "women's jobs" which are undervalued and underpaid.

Why is pay equity a union issue? Because unions have historically fought against exploitation of particular groups of workers. The existence of a cheap labor pool, whether it be immigrants, minorities or women, lowers wages for all workers. Women are becoming a large union constituency.

How does pay equity affect the bargaining process? Under the Minnesota state government pay equity law, funds were earmarked for pay equity adjustments. Bargaining unit members then negotiated the allocation of these funds to eligible classes, just as they have negotiated cost of living increases and other contract provisions.

If women want to earn more, why don't they take "men's jobs"? In order to integrate the labor force, more than 10 million women would have to trade places with more than 10 million men nationally. Most new jobs will be in clerical and service work, not in traditional male fields. And finally, most women enjoy their work in traditional female fields.

How can you compare jobs which are as different as apples and oranges? Job evaluation techniques have been widely used throughout this century. Job evaluation identifies factors common to all jobs (for example skill, effort, responsibility and working conditions) and assigns weights to each factor. Point factor systems assign points to each factor and points are totalled to arrive at a measure of job value.

Aren't wages set according to the laws of supply and demand? Wage-setting is determined by many factors other than supply and demand: collective bargaining; minimum wage laws; and stereotypes about what certain jobs are worth. Despite recent decreases in the supply of clerical workers and nurses, wages did not increase automatically for these jobs.

Won't pay equity destroy the economy? This fear was often expressed when Congress was considering equal housing opportunities for minorities, the Equal Pay Act and many other changes which did not destroy the economy. The cost of implementing pay equity in Minnesota state government was less than four percent of payroll. The estimated average cost of pay equity for Minnesota local governments is less than three percent of payroll.

Won't pay equity require the creation of a new bureaucracy? This has not happened in Minnesota state government. Jobs are evaluated by existing personnel staff and increases are determined by the usual collective bargaining process.

How can the government require all employers to pay the same for various jobs? Pay equity refers to equity within an organization, not across organizational lines. Employers may use any job evaluation system they choose, but they must eliminate sex bias within their workforce.

Does comparable worth eliminate pay based on performance and years of service? Pay comparisons for purposes of comparable worth are based on the maximum of a pay range. Employers may continue to provide for movement within a pay range based on performance and/or seniority.

PAY EQUITY IN THE UNITED STATES

Pay equity is a policy that requires eliminating sex bias from an employer's compensation structure. It is sometimes called "equal pay for work of equal value" or "comparable worth." Nationally, pay equity efforts have included legislation, litigation, collective bargaining and education.

Legislation

In many cases, pay equity is being implemented as a result of legislation at the state level. Such legislation may establish a pay equity policy. In some cases, the legislation requires that a job evaluation study be conducted.

Most legislation addresses pay equity for state government employees, although pay equity studies are now in process or completed in hundreds of public and private organizations across the country. Such studies, whether mandated or voluntary, can be the first step toward implementing pay equity.

In August 1989, the National Committee on Pay Equity surveyed states with respect to pay equity for state government employees. According to that survey, 45 of the 50 states (all but Alaska, Arkansas, Delaware, Georgia and Idaho) and the District of Columbia have taken some action on the issue:

- * 22 states were conducting pay equity studies;
- * 20 states had appropriated funds to begin correcting pay inequities; and
- * 6 states - Minnesota, Iowa, Washington, Oregon, New York and Wisconsin - have achieved broad-based implementation of pay equity.

For more information about pay equity in other states contact the National Commit-

tee on Pay Equity, listed with other resources in Appendix VIII of this report.

At the federal level, Congress asked the General Accounting Office (GAO) to conduct a major pay equity study of federal employees. The GAO preliminary study showed that female federal employees earn an average of 63 cents for each dollar earned by their male counterparts in the federal civil service. Final results of the GAO study are expected in January 1991.

In addition, Congress is now considering a bill which would require the U.S. Department of Labor to provide assistance to employers seeking to implement pay equity. The bill is authored by Congresswoman Mary Rose Oakar and Senator Alan Cranston.

Litigation

The history of pay equity in the United States begins with passage of two laws: the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964.

The Equal Pay Act prohibits employers from paying men more than women for doing the same job. Title VII contains broad prohibitions of discrimination in employment, including sex-based discrimination.

The legal question posed by pay equity has been, "Does Title VII prohibit sex discrimination in pay for jobs performed mostly by women ('female' jobs) even when the jobs are not identical to those performed mostly by men ('male' jobs)?"

There have been a number of significant court decisions on this issue. Among them are two 1981 U.S. Supreme Court cases, *Gunther v. County of Washington* and *International Union of Electrical Workers v. Westinghouse*.

The U. S. Supreme Court cases interpreted Title VII to allow for comparison of dis-

similar jobs, although the courts stopped short of endorsing the concept of comparable worth. In both of these cases, substantial monetary settlements were awarded.

Some employers fear that they will be vulnerable to legal action if a study is done. Therefore, they do not undertake studies. However, in at least one court case, *Taylor v. Charley Brothers*, refusal to conduct a job evaluation study was considered evidence of an intent to discriminate.

In 1974, the State of Washington identified pay inequities very similar to those identified for the State of Minnesota in 1981. The cost of implementing pay equity according to that study was only five percent of payroll. However, the State of Washington did not take action to address the problem. In 1981 AFSCME (American Federation of State, County & Municipal Employees), representing employees in that state, filed sex discrimination charges under Title VII of the Civil Rights Act (see Appendix I).

In 1983, a federal district court found the State of Washington guilty of discrimination against employees in predominantly female jobs. The judge awarded immediate wage corrections and back pay to these employees, at an estimated cost of 25 percent of the state's payroll. The state appealed this decision and the Court of Appeals overturned the lower court's decision. The state and the union then agreed to a financial settlement of \$106 million over a five-year period. The union agreed not to appeal the decision to the U.S. Supreme Court. The settlement represented about five percent of payroll.

Pay equity has been achieved for state employees in the State of Minnesota and the State of Washington. However, in Washington this result was reached only after years of divisive and costly litigation. It appears that voluntary action such as that undertaken in Minnesota is less costly than

litigation. Numerous lawsuits similar to the State of Washington case have been filed against public or private employers in many states in the past several years.

Collective Bargaining

Pay equity has also been an important topic in union negotiations in recent years. A few examples of pay equity contract settlements include:

- * In May 1985, AFSCME negotiated comparable worth increases of 10 to 15 percent for employees of the City of Los Angeles.
- * The National Union of Hospital and Health Care Employees negotiated a contract with the State of Connecticut that provided a pay equity fund equal to one percent of payroll.
- * In 1981, the Service Employees International Union (SEIU) negotiated a 19 percent increase for entry level clerks in Santa Clara County, California.
- * SEIU employees in the City of Sacramento School District negotiated a 7.5 percent comparable worth adjustment.
- * AFSCME of Thurston County, Washington, negotiated a comparable worth plan based on a study required by a previous contract.

There have also been pay equity settlements as a result of strikes. A case in point was the 1979 strike in the City of San Jose, California. After a nine-day strike the city agreed to provide pay equity adjustments as well as other salary adjustments to city workers.

Most pay equity activity to date has been in the public sector, probably because public employees are more likely to be unionized and because personnel information is more accessible. However, pay equity has been

an issue for a number of large private employers, including Yale University and American Telephone & Telegraph.

A pay equity strike occurred at Yale University in 1984. Members of Local 34 of the Federation of University Employees, mostly clerical and technical workers, were on strike for four months. In January 1985, a settlement was reached that provided average salary increases of 35 percent for these workers.

The Communications Workers of America negotiated a contract with AT&T which established a joint labor management job evaluation committee at each telephone

These studies have negotiated for pay studies which are then used in bargaining increases. Such studies have been conducted by AFSCME, District 65 for Auto Workers, the Maine Teachers Association, the Civil Service Association in New York, and others.

Education

Women's groups and unions have been active in educational efforts to increase public awareness of the pay equity issue.

The AFL-CIO has passed several resolutions in support of pay equity. A 1981 resolution states that "The AFL-CIO urges its affiliates to recognize fully their obligations to treat pay inequities resulting from sex discrimination like all other inequities which must be corrected and to adopt the concept of 'equal pay for comparable work' in contract negotiations; the AFL-CIO will take all other appropriate action to bring about true equality in pay for work of comparable value and to remove all barriers to equal opportunity for women."

The National Committee for Pay Equity conducted a national public attitudes survey in November 1984. Among the respondents, 69 percent said that women are not paid as fairly as men and that discrimination is the primary cause of the wage gap. Four-fifths of respondents said they support equal pay for jobs of equal value.

HISTORY OF PAY EQUITY IN MINNESOTA

- 1975 AFSCME contract includes a provision that the state study jobs and salaries in clerical versus non-clerical classes of state government employees.
- 1976 "The Position of Women as a Disadvantaged Group in Minnesota Government Employment" is published by Twin Cities National Organization for Women.
- Council on the Economic Status of Women (CESW) conducts two public hearings on women as state government employees.
- 1977 CESW publishes "Minnesota Women: State Government Employment".
- 1979 Minnesota Department of Finance completes a "Public Employment Study", including evaluation of state and local jobs using the Hay job evaluation system.
- 1981 CESW establishes a Task Force on Pay Equity to examine salary differences between male and female jobs.
- 1982 The CESW task force completes its report, "Pay Equity & Public Employment".
- Legislature enacts a state government employee pay equity law which establishes a pay equity policy and establishes a procedure for making pay equity salary increases.
- 1983 Legislature earmarks \$21.7 million for pay equity increases for state employees over a two-year period, an amount equivalent to 1.25 percent of payroll per year.
- Minnesota Department of Employee Relations negotiates contracts with the state's 16 bargaining units. Contracts include pay equity increases for female-dominated classes.
- 1984 Legislature enacts a local government pay equity law which requires cities, counties and schools to undertake pay equity efforts.
- 1985 Legislature allocates \$11.7 million to complete pay equity implementation for state government employees by 1987.
- 1986 Final pay equity adjustments are made to eligible state employees in female-dominated job classes. Total cost to the state is 3.7 percent of payroll.
- 1987 Legislature establishes a financial penalty for school districts not in compliance with the reporting requirements of the pay equity law.
- Local government pay equity reports become public information and legal protections for local governments expire.
- 1988 Legislature establishes financial penalties for cities and counties not in compliance with reporting requirements. All jurisdictions must complete implementation by December 31, 1991. By October 1, 1988, all local governments had completed reports. Average estimated cost for implementation is 2.6 percent of payroll.

MINNESOTA STATE GOVERNMENT

In 1984, Minnesota state government had about 34,000 full-time employees working in more than 1,800 job classifications. State employees are covered by the Public Employment Labor Relations Act, which defines 16 bargaining units based on occupational groups. Eleven unions represent these units, with six of the units represented by AFSCME. About 86 percent of the employees in state government are covered by collective bargaining contracts.

Contracts are negotiated between the unions and the Department of Employee Relations on a biennial basis. When negotiations are completed, contracts must be approved by the Legislative Commission on Employee Relations and by the full legislature.

The table on this page shows bargaining units as of October 1984. Women represented a majority of employees in four

units: office clerical workers, health care non-professional workers, health care professionals (primarily nurses) and commissioner's plan (personnel) employees. Men accounted for the majority of employees in all other bargaining units.

Class Structure of State Employment

State employees are grouped into job classes according to the kind of work they perform. A "class" means one or more positions sufficiently similar in duties and responsibilities that the same descriptive job title may be used for all positions in the class. A class is based on the characteristics of the job, not on the characteristics of the job-holder.

In October 1984, there were 1,830 job classes in state service, ranging in size from one-person classes to classes with over 1,000 incumbents. The chart on page eight illustrates these classes according to their size and composition.

TOTAL EMPLOYEES OCT. 1984	BARGAINING UNIT	PERCENT FEMALE
505	Health Care Professional	92.5 %
5,715	Office Clerical	91.0 %
3,538	Health Care Non-Prof.	72.1 %
1,990	Commissioner's Plan	63.2 %
214	Prof. Resid. Instructional	43.9 %
445	Other Units	38.0 %
2,715	Service	34.8 %
5,073	General Professional	32.8 %
2,593	Supervisory	27.1 %
2,694	Technical	20.9 %
76	Health Treatment Prof.	18.4 %
769	Managerial	16.0 %
853	Correctional Guards	13.4 %
689	Professional Engineers	5.8 %
669	Law Enforcement	2.2 %
2,250	Craft, Maint., Labor	0.8 %

More than one-third of state job classes had only one incumbent employee. Of these, the large majority were occupied by male employees. Male-dominated classes accounted for about three-fifths of all classes and outnumbered female-dominated classes by 3 to 1. Classes segregated by sex outnumbered integrated classes by 4 to 1.

The five largest classes were Highway Maintenance Worker Senior, Human Service Technician Senior, Clerk Typist 2, Janitor and Highway Technician Senior.

Although there were 1,830 classes, just 20 classes accounted for more than one-fourth of all state employees (see Appendix II).

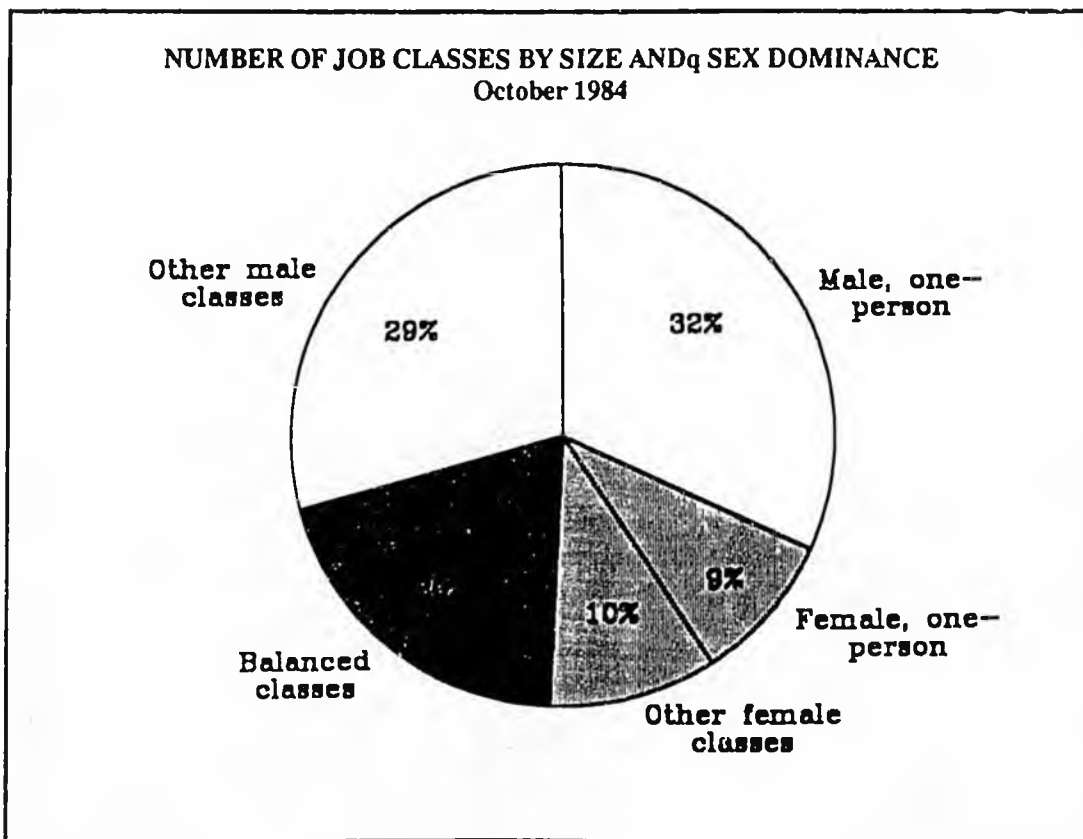
Throughout this report, a "male" class is one in which over 80 percent of the incumbents are men, and a "female" class is one in which over 70 percent of the incumbents are women. All other classes are defined as "balanced." A higher percentage is used for the definition of male classes than for

female classes because there are more men than women in state employment and in the labor force generally. Therefore, a male class must be more segregated than a female class in order to be equally out of balance.

Another way to examine job segregation in state employment is to calculate how many employees would need to change jobs in order to obtain balance in each occupational group. At a conservative estimate, more than 6,000 women would have to change jobs with an equal number of men, together accounting for 35 percent of the entire state workforce.

The Hay Job Evaluation System

The State of Minnesota uses a system developed by Hay Associates, a management consulting firm, to evaluate jobs. This system is similar to other point factor systems used for most job evaluations nationally.



Most systems consider four factors, though terminology varies widely: skill, effort, responsibility and working conditions. Points are assigned to a particular job for each of the four factors. The points for each factor are totalled to provide a measure of overall job value.

Job evaluation is not the same as performance appraisal. The purpose of job evaluation is to measure job requirements, not the characteristics of a particular jobholder.

Factors and subfactors used in the Minnesota Hay job evaluation are outlined at the bottom of this page, with examples of jobs ranked relatively high and relatively low for each factor.

In 1984, the Hay system was modified by the state in response to charges that the system did not fairly evaluate working conditions typical for women's jobs. Additional points were added to the system for jobs requiring repetitive small muscle movements, such as the motion needed to operate a video display terminal.

A detailed examination of the relationship between Hay points and pay for male-

dominated and female-dominated classes is presented in Appendix III of this report.

Women in State Government Employment

Over the past decade, a number of studies have been conducted to determine the status of women employed by the state. The first report of the Council on the Economic Status of Women, "Minnesota Women: State Government Employment", noted that women were under-represented in most of the higher-aid job classes. Steady improvement has occurred in the intervening years.

In April 1989, women were 27 percent of managers, up from four percent in 1976. Thirty-eight percent of professional employees were women, a significant increase from 25 percent in 1976. These changes have resulted from the state's affirmative action programs.

Despite these improvements, about one-half of the women who work for the state have clerical or health care non-professional or professional jobs. These bargaining units account for 49 percent of female state workers.

FACTORS

Know-How, the sum total of knowledge and skills needed for acceptable performance.

Problem-Solving, the amount of original, self-starting thinking required for analyzing, evaluating, creating, reasoning and arriving at conclusions.

Accountability, answerability for actions and consequences.

Working Conditions.

SUBFACTORS

Substantive know-how, managerial know-how and human relations know-how.

Degree of structure, degree of challenge or difficulty of problems.

Degree of discretion, magnitude measured by dollars affected and directness of impact.

Physical effort, disagreeableness of environment and hazards.

SAMPLE RATINGS

Assistant Commissioner - 700
Clerk 1 - 66

Medical Director - 264
Food Service Worker - 8

Income Tax Asst. Dir. - 230
Mail Handler - 12

Bridge Worker - 29
Accounting Technician - 0

From 1976 to 1983, earnings of female employees increased from 69 percent to 73 percent of earnings for male employees. This improvement can be attributed to progress in the state's affirmative action program, including increases in the number of women in traditionally male occupations. However, much larger gains were made in the period from July 1983 to July 1986, when pay equity was implemented and affirmative action efforts continued. Women employed by the state now average 83 percent of the earnings of their male counterparts. The gap which remains after full implementation of pay equity is due to continued under-representation of women in higher-rated, higher-paid jobs.

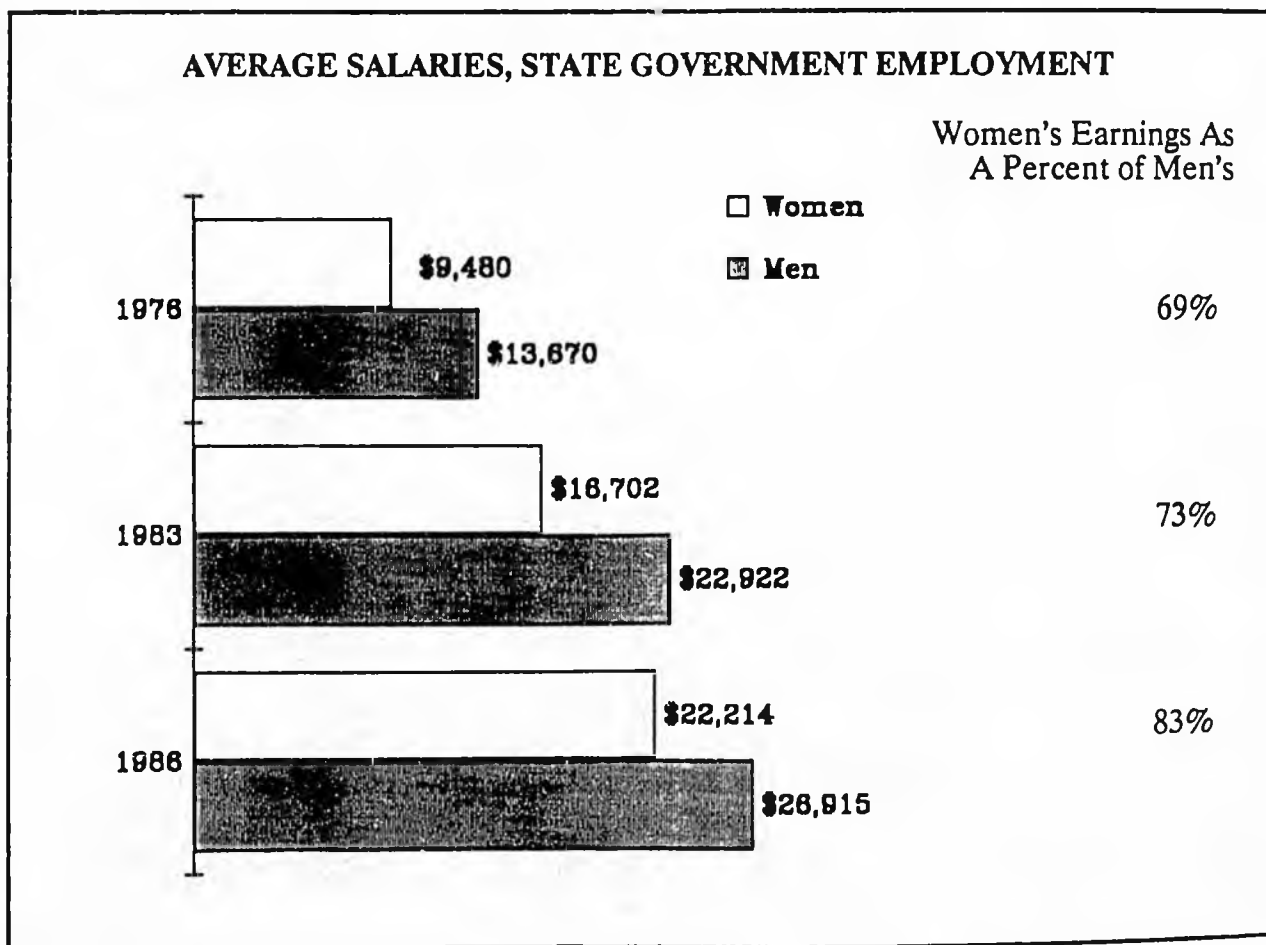
When the Council on the Economic Status of Women established a Pay Equity Task Force in 1981, the original earnings gap was examined.

Task force members questioned why there was a persistent pattern of salary differences, since the Equal Pay Act requires equal pay for equal work. The gap was largely explained by occupational segregation in state employment. In other words, there were relatively few cases where men and women were doing the same ("equal") work.

The task force then analyzed pay for work of equal value, by comparing pay with points assigned to state jobs under the Hay job evaluation system.

Pay Equity Analysis

Using the Hay points assigned to state jobs, the Council's task force compared points and pay for male-dominated and female-dominated jobs in state service. The "before" scattergram on page 12 shows the results of that analysis.



Each asterisk on the scattergram represents one male job class, while each "F" represents one female job class. The salary figures used to plot the scattergram represent the maximum monthly salary for each job class. This refers to the maximum of the pay range, not the pay for individual employees. This means that the pattern is not affected by individual pay differences caused by factors such as seniority, which affect the actual pay within the pay range.

For the system as a whole, there is a positive correlation between evaluation points and pay -- that is, jobs with higher point values generally receive higher pay than jobs with lower point values.

However, the scattergram shows a consistent pattern of lower pay for female-dominated jobs than for male-dominated

jobs -- even when the two jobs are at the same point level.

The list below provides some examples of this pattern as it affected individual state jobs in 1981.

In each of these examples, the pay for female jobs is consistently lower than the pay for male jobs at the same point value. Appendix II of this report includes a list of the ten largest male classes and the ten largest female classes in state government in 1981, with point ratings and pay rates for each class. Appendix III is a listing of all state job classes which were either male-dominated or female-dominated at that time, with point ratings and pay rates.

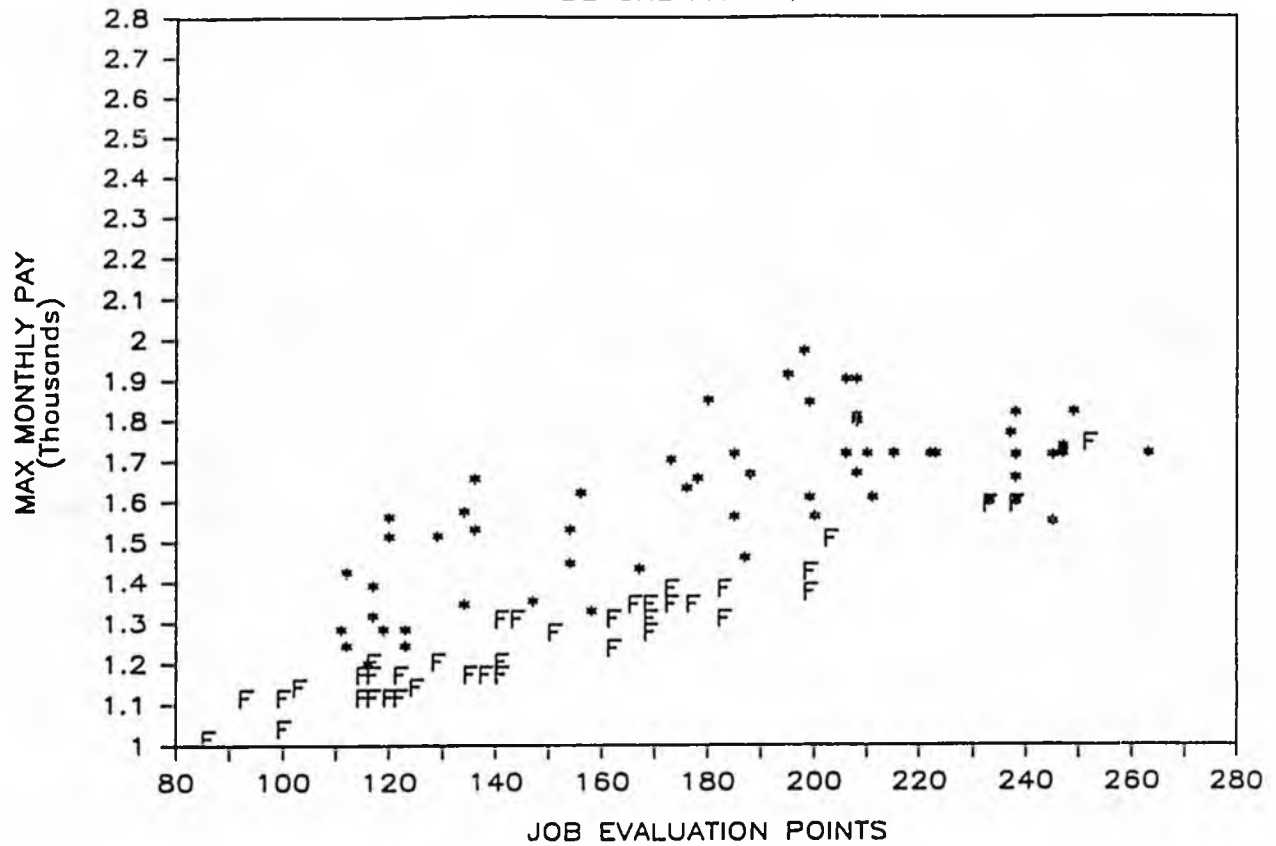
Pay inequities can also be analyzed using a series of schematic scattergrams.

Hay Point Ranking of State Government Jobs, 1981

Class Type	Class Title	Hay Points	Maximum Monthly Salary	
			"Male" Jobs	"Female" Jobs
M	Delivery Van Driver	117	\$ 1,382	
F	Clerk Typist 2	117		\$ 1,115
M	Grain Sampler 1	120	\$ 1,552	
F	Microfilmer	120		\$ 1,115
M	Automotive Parts Technician	129	\$ 1,505	
F	Dining Hall Coordinator	129		\$ 1,202
M	Grain Inspector 2	173	\$ 1,693	
F	Administrative Secretary	173		\$ 1,343
M	Radio Communication Supervisor	199	\$ 1,834	
F	Typing Pool Supervisor	199		\$ 1,373

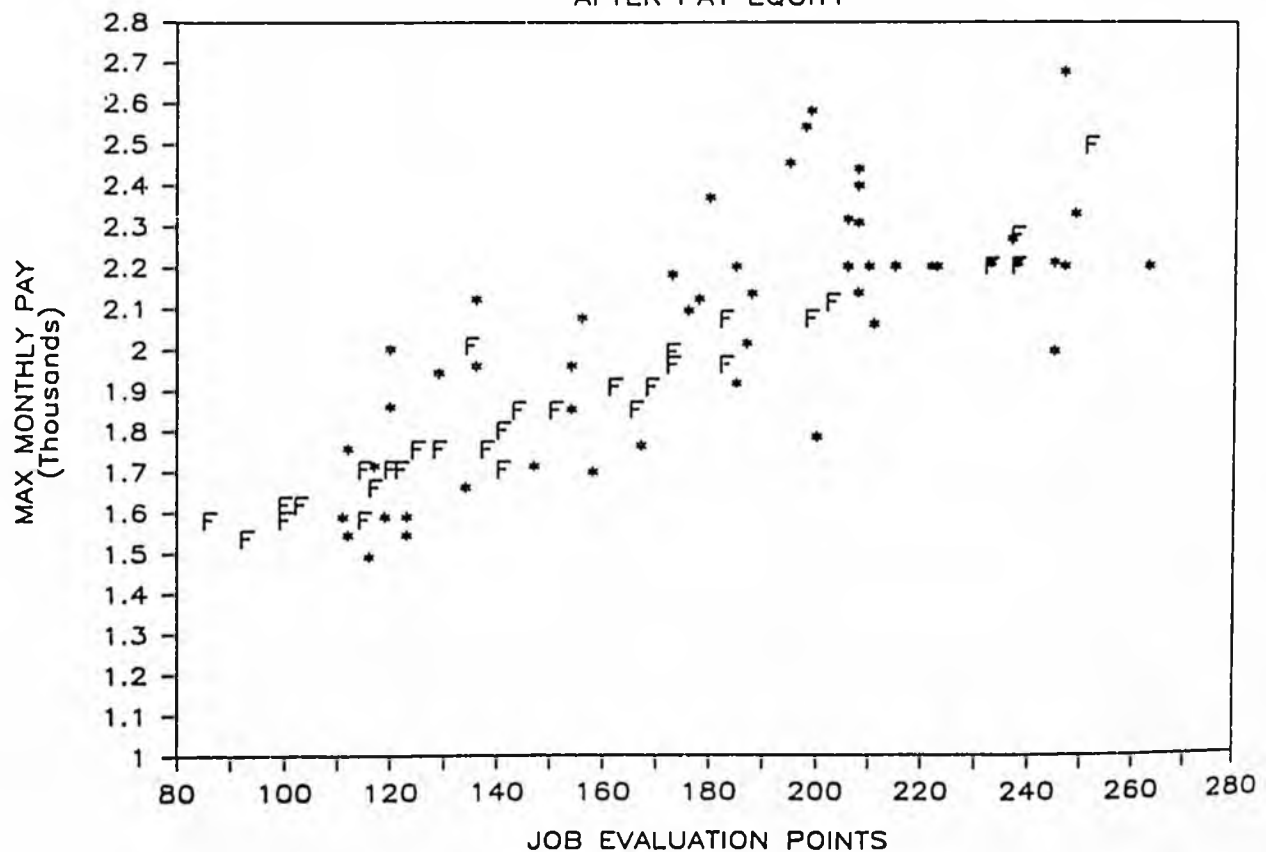
MINNESOTA STATE GOVERNMENT

BEFORE PAY EQUITY



MINNESOTA STATE GOVERNMENT

AFTER PAY EQUITY



In the first scattergram on this page, male-dominated jobs are plotted using the letter "M". This forms a "line of central tendency" which shows the average pay for male jobs at any given point level. This average male pay line is shown in the second scattergram.

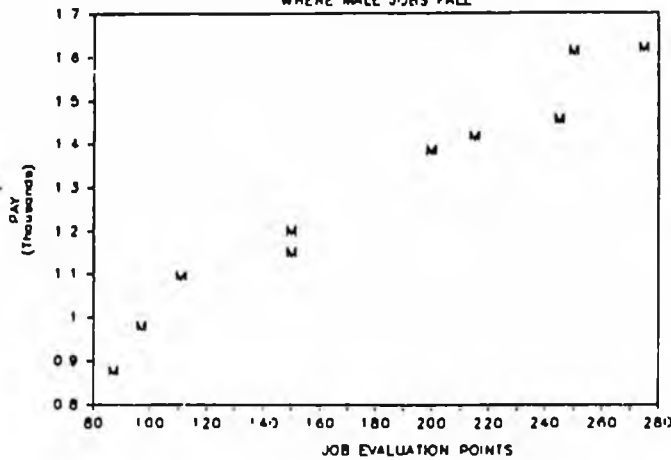
The third scattergram shows the typical pattern of pay for female jobs in comparison to this average pay line. In the analysis of state employees conducted in 1981, there were no female jobs above the average male salary line.

The goal of pay equity is to eliminate the

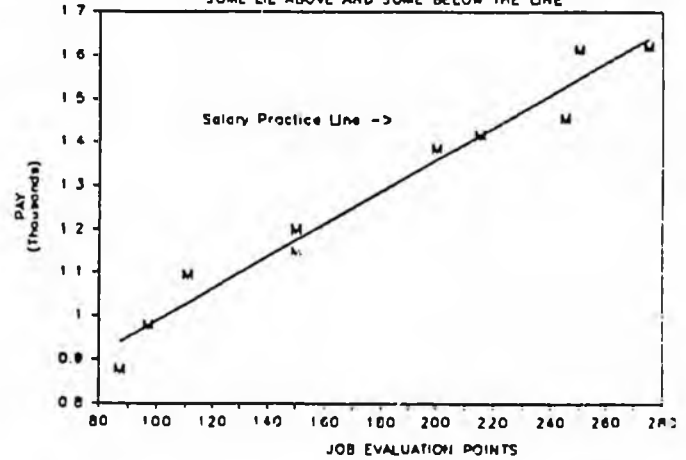
dual wage structure. This would mean that both male and female jobs are scattered around the line. This theory is shown in the fourth scattergram. The second scattergram on page 12 shows this achieved with the implementation of pay equity in state government.

Pay equity does not require that all jobs be paid according to a formula based on points. Jobs may be above or below the line because of factors such as recruitment, collective bargaining or for other reasons. However, when pay equity is fully implemented there will no longer be a pattern of consistently lower pay for female jobs.

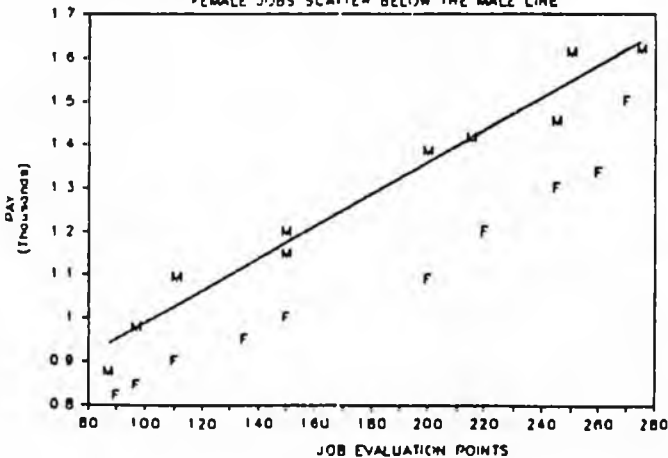
SCATTERGRAM OF MALE JOBS
WHERE MALE JOBS FALL



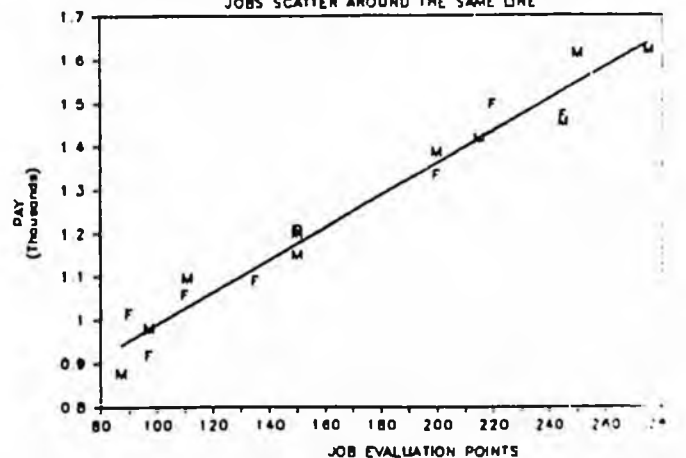
LINE OF CENTRAL TENDENCY FOR MALE JOB
SOME LIE ABOVE AND SOME BELOW THE LINE



MALE, FEMALE AND MALE SALARY LINE
FEMALE JOBS SCATTER BELOW THE MALE LINE



IDEAL SITUATION: ONE PAY PRACTICE
JOBS SCATTER AROUND THE SAME LINE



State Government Employees Pay Equity Act

As a result of this analysis the Council on the Economic Status of Women recommended legislative action. Legislators from both parties supported the pay equity bill and no testimony was offered in opposition. The initial legislation was supported by Republican Governor Albert Quie. Subsequent implementation was supported by Democratic Governor Rudy Perpich.

In 1982, the legislature passed the State Employees Pay Equity Act (see Appendix IV) in the form of amendments to the state personnel law, Minnesota Statutes Chapter 43A. The bill was authored by Senator Linda Berglin, then Chair of the Council on the Economic Status of Women, and by Representative Wayne Simoneau.

The new law included a policy and a procedure to provide pay equity for state government employees. The policy statement made "comparability of the value of the work" the primary consideration in state salary-setting:

"It is the policy of this state to attempt to establish equitable compensation relationships between female-dominated, male-dominated and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch."

The law also established the following procedure for implementation:

- * By January 1 of odd-numbered years, the Commissioner of Employee Relations submits a list of female-dominated classes which are paid less than other classes of comparable value.

Also submitted is an estimate of the cost of full salary equalization.

- * The Legislative Commission on Employee Relations recommends to the House Appropriations Committee and the Senate Finance Committee an amount to be appropriated for comparability adjustments.
- * Funds are appropriated through the usual legislative process. These funds are part of the salary supplement which also includes funds for other increases. However, the pay equity funds are earmarked for salary equalization for the job classes on the list submitted by the commissioner. Pay equity funds not used for this purpose revert to the state treasury.
- * Appropriated funds are assigned to the different bargaining units in proportion to the total cost of implementing pay equity for the persons in the job classes represented by that unit. The actual distribution of salary increases to eligible classes is negotiated through the usual collective bargaining process.

Implementation for State Employees

The procedure outlined in the 1982 legislation went into effect for the first time in 1983. (The Minnesota legislature appropriates funds on a biennial basis, with major appropriations made in odd-numbered years.)

In 1983, the Commissioner of Employee Relations submitted the required list of underpaid female-dominated classes and estimated overall implementation costs at \$26 million. This represented four percent of the total annual state payroll.

The legislature approved the list of eligible classes and appropriated 1.25 percent of payroll per year for the first biennium of pay equity implementation. This represented an appropriation of \$21.7 million.

The money was allocated to bargaining units based on the cost for each unit to achieve pay equity.

The \$21.7 million was enough to eliminate about \$14 million of the total inequity of \$26 million, as follows:

- * \$7 million spent to reduce inequities in the first year of the biennium;
- * \$7 million spent to maintain this level of funding in the second year of the biennium; and
- * \$7 million spent to further reduce inequities in the second year of the biennium.

Union contracts were negotiated with each bargaining unit. These contracts included the distribution of pay equity funds as well as general wage adjustments. The contracts were for the period beginning July 1, 1983, and ending June 30, 1985.

- * In the first biennium of implementation, 8,225 employees in 151 female-dominated job classes received pay equity increases.
- * About 90 percent of these employees were women, while ten percent were men in female-dominated classes.
- * The major beneficiaries were: clerical workers, all of whom received pay equity increases; and health care employees, about half of whom received pay equity increases.

In the 1985 legislative session the procedure continued. The Department of Employee Relations submitted the revised list of underpaid female-dominated classes and a revised cost estimate. The legislature earmarked pay equity funds of \$11.7

million. This amount allowed for full implementation of pay equity for Minnesota state employees by the end of the biennium (June 30, 1987).

With the signing of collective bargaining agreements in 1985, the state and its unions ensured full implementation. Some of the overall results of the program include:

- * The total cost of pay equity was 3.7 percent of payroll.
- * Approximately 8,500 employees in 200 female-dominated classes received pay equity increases.
- * The major groups affected were clerical workers and health care workers; about 10 percent of those receiving increases were men.
- * The estimated average pay equity increase was \$2,200.
- * No state employee had wages cut as a result of pay equity and there were no employee layoffs.

The program is strongly supported by state employees. Minnesota has achieved a national reputation as a state where pay equity works.

It has sometimes been suggested that pay equity might discourage women from seeking jobs in traditionally male fields, since pay equity leads to higher pay for traditionally female fields. The Minnesota experience shows that this fear is unfounded. During the period the state implemented pay equity, the numbers of women working for the state increased by 6 percent. In the same period, the numbers of women in non-traditional jobs increased by 19 percent.

MINNESOTA LOCAL GOVERNMENTS

There are an estimated 163,000 employees in the 1,600 local governments in Minnesota, primarily cities, counties and school districts. Local government employees in the state outnumber state government employees by about 3 to 1. About half of the employees in local government jurisdictions are women, although women's representation varies widely by jurisdiction.

Women in Local Governments

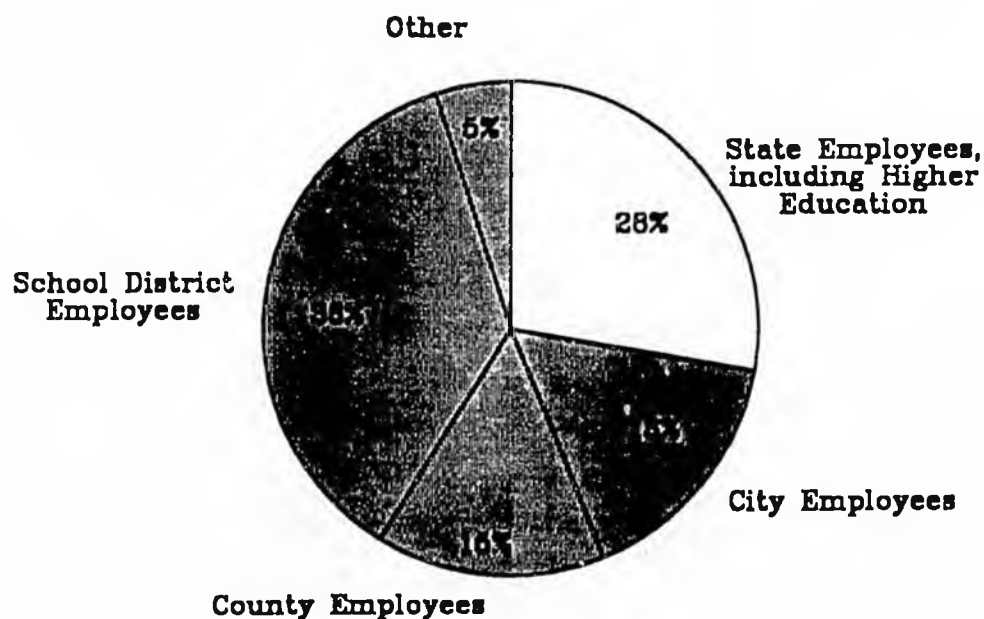
The state has 855 cities. However, only 677 cities are covered by the pay equity law because the others have only one employee and therefore no pay equity comparisons are possible. Cities provide police and fire protection, street maintenance, sewer and water services. In addition, cities may choose to provide utility services, operate municipal liquor stores, operate hospitals and maintain airports. Probably because most of these functions have historically

been performed by men, the large majority of city employees are men. Women represent only about one-fifth of city employees.

Minnesota has 87 counties. Each has authority for a wide range of social service activities, as well as property assessment, maintenance of roads and bridges and other functions. Perhaps because of their role in public welfare programs, counties employ many more women than do cities. Overall, about half of county employees are women.

There are 435 school districts in Minnesota. About 60 percent of school district employees are women. Overall, about three-fourths of school district payrolls are made up of certified staff (teachers and administrators), while one-fourth of school district payrolls are made up of non-certified staff. Women account for more than three-fourths of elementary school teachers, although they are only about one-third of secondary teachers. Most school

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1980**



administrators are men, but women account for the majority of food service workers, office and clerical workers and teacher aides.

Local Government Pay Equity Act

In 1984, the Minnesota legislature passed a bill requiring local governments to undertake pay equity activities (see Appendix V). The bill was authored by Senator Linda Berglin and Representative Phil Riveness.

Two factors were important in passage of the new law: (1) the ease of pay equity implementation at the state level; and (2) the court decision in the State of Washington lawsuit.

The Local Government Pay Equity Act is now codified in Minnesota Statutes 471.991 - 471.999. Like the state government pay equity law, the local government law includes a basic policy statement as well as a procedure for implementation. The policy statement is:

"Every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees." (471.992) "Equitable compensation relationship' means that a primary consideration in negotiating, establishing, recommending, and approving total compensation is comparable work value in relationship to other employee positions within the political subdivision." (471.991)

The law required each local government jurisdiction to use a job evaluation system to determine comparable work value. Local governments were required to meet and confer with exclusive representatives of their employees on the development or selection of a job evaluation system. Jurisdictions could design their own system, hire a consultant and use the consultant's system or borrow a system used by some other public employer in the state.

Local governments were required to submit a pay equity report to the Department of Employee Relations by October 1, 1985. Each report was to include the following information:

- (1) The title of each job class in the jurisdiction;
- (2) for each job class, the following information as of July 1, 1984:
 - (a) the number of incumbents;
 - (b) the percentage of the incumbents who were female;
 - (c) the comparable work value of the class, as defined by the job evaluation; and
 - (d) the minimum and maximum monthly salary for the class;
- (3) a description of the job evaluation system used;
- (4) a plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including:
 - (a) identification of classes for which compensation inequity existed based on the comparable work value;
 - (b) a timetable for implementation of pay equity; and
 - (c) the estimated cost of implementation.

The law provided local governments with limited legal protections while the process of implementing pay equity was underway. The results of the job evaluation could not be used as evidence in state courts or in administrative actions before the state Human Rights Department. This protection expired on August 1, 1987. In addition, the law prohibited any cause of action before August 1, 1987, for failure to comply with the requirements.

In 1987, the legislature approved an amendment to the Omnibus Education Act which established a financial penalty for schools which did not submit pay equity reports by October 1, 1987 (see Appendix VI). For those school districts, a freeze would be imposed on administrative costs for the 1987-88 school year and a five percent

reduction would be made in the district's state funding for the 1988-89 school year. All state school districts submitted pay equity reports by the deadline, so no financial penalties were imposed. In 1988 the legislature required schools to achieve full pay equity implementation by December 31, 1991, or sooner, or face the five percent aid reduction penalty. This amendment also clarified that no market studies are required.

In 1988, the legislature imposed similar penalties for cities and counties. A limit on the amount of taxes which could be levied would have applied to jurisdictions which failed to report by October 1, 1988. However, all jurisdictions reported by that date so no penalties were imposed. The law also established a five percent aid reduction for those jurisdictions which failed to complete implementation of pay equity by December 31, 1991 - more than seven years after passage of the original local government law. All of the penalty provisions are limited to jurisdictions with ten or more employees.

Technical Assistance

The Department of Employee Relations was required to provide technical assistance to local governments to help them in complying with the law. The department published a series of booklets for this purpose. "A Guide to Implementing Pay Equity in Local Government," published in August 1984, contained basic information about the law and options for local governments in conducting a job evaluation study. Other publications included supplements for counties, schools, cities, hospitals and a special supplement for very small cities with ten or fewer employees. Each supplement contained the reporting form and instructions for completing the report.

Each of these supplements also included a "job match list" appropriate for the type of jurisdiction, with a list of state jobs and evaluation points which the jurisdiction

could match with local jobs. This allowed local governments to "piggy-back" on the existing state job evaluation system without incurring the costs of hiring consultants.

The Department of Employee Relations also developed computer software for pay analysis and conducted training seminars for local governments across the state.

Finally, the department prepared a report to the legislature in January of 1986, as required by the law. The report included information gathered from local governments, including a list of local governments which did not comply with the law's reporting requirements.

All of the materials listed in this section are available on request from the Department of Employee Relations.

Local Government Reports

The Department of Employee Relations has now received 1,522 pay equity reports from local governments. This represents 100 percent of the jurisdictions with 10 or more employees and a large proportion of the smaller jurisdictions.

All 435 school districts have at least 10 employees and all have filed complete pay equity reports. All 87 counties also have at least 10 employees and all have reported. Of the cities and townships, 645 have reported - a figure which includes 26 cities and townships with fewer than 10 employees. The remaining cities and townships have fewer than 10 employees and did not report. Finally, 355 other jurisdictions have reported - hospitals, libraries, utilities, housing authorities, soil and water districts and others.

Evaluation Systems

- * About 40 percent of all reporting jurisdictions used the state job match system to evaluate jobs.

- * An estimated 45 percent used a consulting system.
- * Five percent designed their own job evaluation system or borrowed another employer's system.
- * About 10 percent did not use a system because they had only one employee or all employees were of the same sex.
- * All of the evaluation systems showed similar results and the cost of correcting inequities was similar regardless of the system used.

Inequities

- * Fifty-eight percent of those reporting identified inequities in their workforce. Most of those without inequities were small employers.
- * An estimated 30,000 employees are eligible for pay equity increases. The average amount of pay equity increase is estimated at \$200 per eligible employee per month.
- * Occupational groups with the largest numbers of employees eligible for pay equity increases are clerical workers, food service workers and school aides.

Implementation Plans

- * The average cost of pay equity for the 1,090 local governments reporting as of January 1986, was 2.6 percent of payroll -- 1.7 percent of payroll for schools, 4.1 percent of payroll for cities and 3.8 percent of payroll for counties. This means the costs are generally similar to the cost in state government, at 3.7 percent of payroll.
- * Local governments planned to implement pay equity over an average of 2.3 years. Again, the local government process is similar to that used in state government, with increases phased in at

a rate of about one percent of payroll per year.

These data are based on the estimates submitted by local governments. No detailed analysis has been made of costs for those reporting later, but the Department of Employee Relations believes these averages are generally accurate for late reporters as well. Actual implementation will be achieved through the collective bargaining process for those jurisdictions where employees are represented by a union.

Local government pay equity reports for each jurisdiction are public information and available to anyone who requests it. To request a copy, contact the local government directly or the Department of Employee Relations. There may be a fee to cover the cost of copying the report.

Current Status

Minnesota has made enormous progress toward achieving pay equity. Information has been gathered, plans have been made and in many cases implementation has been achieved or is underway. However, some issues have not yet been fully resolved.

Some jurisdictions have misinterpreted pay equity to require wage adjustments for reasons other than sex bias. This can confuse the issue and lead to inappropriately high cost estimates. Others have failed to make a comparison between female jobs and male jobs. In these cases an averaging or discounting process has been used. This method establishes a lower average pay rate for female jobs than the average pay rate for male jobs - thereby institutionalizing pay inequities.

In 1989, Senator Linda Berglin and Representative Wayne Simoneau introduced legislation to clarify the definition of pay equity and strengthen enforcement. This bill includes:

- * A statement identifying the purpose of pay equity: to eliminate sex-based wage discrimination.
- * A definition which can be used to determine whether equity has been achieved. The original law includes a procedural definition: that pay equity must be a primary consideration in establishing pay. Now that implementation has begun and penalties may be assessed for non-compliance, a results-oriented definition is needed.
- * A process for determining compliance after the deadline date of December 31, 1991. The process includes: (1) a brief implementation report to be prepared by each jurisdiction and submitted to the Department of Employee Relations; (2) a review by the depart-

ment, including notice and consultation with any jurisdiction not in compliance; and (3) an appeals process for any jurisdiction which is determined to be out of compliance.

The legislature did not act on the bill during the 1989 session. However, several hearings were conducted during the interim and action is expected in the 1990 session.

While some clarification is needed, most local government employers appear to be making a good faith effort to comply with both the letter and the spirit of the Local Government Pay Equity Act. With continued cooperative efforts on the part of all those concerned, pay equity will soon be a reality for all public sector employees in Minnesota.

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APPENDIX I. COMPARISON OF PAY EQUITY ACTIVITIES IN THE STATE OF WASHINGTON & THE STATE OF MINNESOTA

The following information is excerpted from "Fair Pay - What's the Real Cost?" published by the National Committee on Pay Equity.

WASHINGTON: INACTION/ LITIGATION

Study Shows Pay Gap

In 1974, the State of Washington, with a total workforce of 30,000, performed a job evaluation study. The study showed that jobs held mostly by women were underpaid.

State Does Not Act

No steps were taken to correct the gap.

Inaction Prompts Lawsuit

AFSCME filed charges under Title VII of the Civil Rights Act. Only after the lawsuit was filed did the legislature begin correction. In 1983, nine years after the original study, the state passed legislation committing the state to pay equity by 1993.

Cost Would Have Been 5% of Payroll

The cost of correcting the gap was estimated at 5% of payroll.

Court Rules State Discriminated

In late 1983, a U.S. district court found the state guilty of discrimination.

Back Pay Awarded, Cost Rises

The judge awarded immediate wage corrections to employees in female jobs and back pay going back 5 years. The back pay award resulting from the state's refusal to make corrections voluntarily would have increased the cost for Washington State to over 25% of state payroll.

MINNESOTA: VOLUNTARY ACTION

Study Shows Pay Gap

In 1979, the State of Minnesota, with a total workforce of 30,000, performed a job evaluation study. The study showed that jobs held mostly by women were underpaid.

State Acts

The Minnesota Legislature responded by requiring pay equity in the state workforce.

Cooperative Process Established

In 1981, the Council on the Economic Status of Women established a Task Force on Pay Equity.

The Task Force issued a report showing the undervaluation of female jobs.

Cost is 4% of Payroll

The total cost of the correction was identified to be 4% of the state's payroll.

Legislature Phases In Correction

In March 1982, a bill passed which provided for a 4-year phased-in correction of inequities.

Increases Bargained

The first installment of the appropriation for wage increases was made in January 1983: \$21.7 million to cover the first two years of the phase-in. The actual distribution of this amount was negotiated through the usual collective bargaining process.

WASHINGTON: INACTION/ LITIGATION

Litigation Continues

The state appealed the court decision and the U.S. Circuit Court of Appeals overturned the lower court's decision.

Settlement Reached

AFSCME and the State of Washington agreed to a financial settlement of \$106 million over a five-year period, rather than continuing litigation with an AFSCME appeal to the U.S. Supreme Court.

MINNESOTA: VOLUNTARY ACTION

Final Implementation

The final installment of the appropriation for pay equity adjustments was made in the spring of 1985: \$11.7 million to complete pay equity implementation. These were negotiated and adjustments were made to eligible employees in July 1986.

The total cost of pay equity was 3.7 percent of payroll.

A University of Minnesota study of pay equity implementation found that more than 80 percent of the state employees surveyed strongly supported the pay equity program.

APPENDIX II. TEN LARGEST MALE & FEMALE JOBS, 1981

Listed below are the largest male and female job classes in Minnesota state government as of 1981, when the initial pay equity study was done. These jobs accounted for about one-fourth of state government employees. The list showed a consistent pattern of lower pay for female jobs, even when these jobs required the same or higher levels of skill, effort and responsibility than male jobs, according to the Hay evaluation points.

CLASS TYPE	JOB CLASS	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
			MALE	FEMALE
F	Clerk Typist 1	100		1,039
F	Clerk 2	117		1,115
F	Clerk Typist 2	117		1,115
M	General Repair Worker	134	1,564	
F	Clerk Stenographer 2	135		1,171
F	Clerk Typist 3	141		1,171
F	Human Services Technician Senior	151		1,274
M	Highway Maintenance Worker Senior	154	1,521	
F	Clerk Stenographer 4	162		1,307
F	Clerk Typist 4	169		1,274
F	Human Services Specialist	177		1,343
M	Highway Technician Intermediate	178	1,646	
F	Licensed Practical Nurse 2	183		1,382
M	Correctional Counselor 2	188	1,656	
M	Highway Technician Senior	206	1,891	
M	Heavy Equipment Mechanic	237	1,757	
M	Natural Resources Spec-Conservation	238	1,808	
M	Principal Engineering Specialist	298	2,347	
M	Engineer Senior	382	2,619	
M	Engineer Principal	479	2,923	

APPENDIX III. HAY POINT RANKING OF JOB CLASSES, 1981

The following is a complete listing of Minnesota state government employee job classes which were either male-dominated or female-dominated, which had been assigned Hay points, and which had at least 10 incumbents as of October 1981. Data sources are listed in Appendix IX.

NO. OF INCUM BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				MALE	FEMALE
140	85.0%	Clerk 1	86		1,014
157	87.3%	Food Service Worker	93		1,115
448	97.8%	Clerk Typist 1	100		1,039
100	96.0%	Data Entry Operator	100		1,115
98	76.5%	Laundry Assistant	103		1,141
64	3.1%	Security Guard 2	111	1,274	
12	0.0%	Automobile Service Attendant	112	1,235	
10	0.0%	Materials Transfer Driver	112	1,416	
101	98.0%	Data Entry Operator Senior	115		1,171
150	100.0%	Clerk Stenographer 1	115		1,115
46	13.0%	General Maintenance Worker 2	116	1,190	
14	0.0%	Automobile Service Attendant Sr	117	1,307	
50	0.0%	Delivery Van Driver	117	1,382	
411	88.1%	Clerk 2	117		1,115
805	98.8%	Clerk Typist 2	117		1,115
15	93.3%	Pharmacy Technician	117		1,202
13	100.0%	Employment Services Assistant	117		1,171
24	0.0%	Building and Grounds Worker	119	1,274	
43	2.3%	Grain Sampler 1	120	1,552	
15	0.0%	Livestock Weigher 2	120	1,505	
11	81.8%	Microfilmer	120		1,115
48	95.8%	Switchboard Operator	122		1,115
10	100.0%	Dictaphone Operator	122		1,171
16	0.0%	Groundskeeper	123	1,235	
19	10.5%	Groundskeeper Intermediate	123	1,274	
17	100.0%	Sewing Machine Operator	125		1,141
48	0.0%	Automotive Parts Technician	129	1,505	
47	95.7%	Dining Hall Coordinator	129		1,202
11	9.1%	General Maintenance Worker 4	134	1,336	
135	0.7%	General Repair Worker	134	1,564	

NO.OF INCUM- BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	1981 SALARY (MONTHLY MAXIMUM)	
			HAY PTS	MALE FEMALE
303	99.7%	Clerk Stenographer 2	135	1,171
21	0.0%	Grain Sampler 2	136	1,646
53	0.0%	Laborer 2	136	1,521
13	100.0%	Medical Records Clerk	138	1,171
143	84.6%	Account Clerk	141	1,171
60	93.3%	Clerk 3	141	1,171
192	99.5%	Clerk Typist 3	141	1,171
83	90.4%	Driver and Vehicle Service Aide	141	1,202
20	90.0%	Medical Claims Technician 1	141	1,202
14	78.6%	Medical Claims Technician 2	141	1,307
20	100.0%	Data Entry Operator Lead	144	1,307
22	18.2%	Baker	147	1,343
485	74.6%	Human Services Technician Senior	151	1,274
65	6.2%	Highway Maintenance Worker	154	1,437
1335	0.1%	Highway Maintenance Worker Senior	154	1,521
13	0.0%	Steam Boiler Attendant	156	1,611
77	11.7%	Correctional Counselor 1	158	1,319
184	99.5%	Clerk Stenographer 4	162	1,307
14	100.0%	Employment Services Technician	162	1,235
11	90.9%	Financial Aids Assistant	162	1,307
39	94.9%	Library Technician	166	1,343
12	0.0%	Groundskeeper Senior	167	1,423
177	87.0%	Account Clerk Senior	169	1,343
171	91.8%	Clerk 4	169	1,274
10	90.0%	Health Program Aide	169	1,307
71	94.4%	Unemployment Claims Clerk	169	1,274
310	100.0%	Clerk Typist 4	169	1,274
39	0.0%	Grain Inspector 2	173	1,693
92	100.0%	Administrative Secretary	173	1,343
64	100.0%	Legal Secretary	173	1,382
11	0.0%	Heavy Equipment Mech. Apprentice	176	1,623
402	72.1%	Human Services Specialist	177	1,343
16	0.0%	Engineering Aide Intermediate	178	1,646
462	6.3%	Highway Technician Intermediate	178	1,646
21	0.0%	Weights & Measures Investigator 1	180	1,839

NO. OF INCUM BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				MALE	FEMALE
125	96.8%	Licensed Practical Nurse 1	183		1,307
282	94.7%	Licensed Practical Nurse 2	183		1,382
63	7.9%	Attendant Guard	185	1,552	
60	0.0%	Painter	185	1,707	
13	7.7%	Building Service Foreman	187	1,451	
393	15.8%	Correctional Counselor 2	188	1,656	
58	0.0%	Correctional Counselor 3	195	1,902	
12	8.3%	Buyer 2	198	1,961	
11	0.0%	Radio Communications Supervisor	199	1,834	
12	16.7%	Reimbursement Officer Senior	199	1,599	
166	89.8%	Executive 1 Supervisory	199		1,423
13	92.3%	Data Processing Coordinator 1	199		1,423
11	100.0%	Typing Pool Supervisor	199		1,373
30	13.3%	Law Compliance Representative 1	200	1,552	
72	81.9%	Accounting Technician	203		1,505
67	0.0%	Carpenter	206	1,707	
518	2.1%	Highway Technician Senior	206	1,891	
16	0.0%	Mason	206	1,707	
24	0.0%	Automotive Mechanic	208	1,658	
23	0.0%	Electronics Technician Senior	208	1,787	
12	0.0%	Engineering Aide Senior	208	1,891	
13	0.0%	Radio Technician Senior	208	1,787	
14	0.0%	Signing Supervisor	208	1,801	
17	0.0%	Welder	210	1,707	
12	0.0%	Driver Evaluator Senior	211	1,599	
108	0.0%	Plant Maintenance Engineer	215	1,707	
31	0.0%	Plumber	215	1,707	
127	0.0%	Stationary Engineer	215	1,707	
11	0.0%	Refrigeration Mechanic	222	1,707	
91	0.0%	Bridge Worker	223	1,707	
14	14.3%	Auditor	233	1,590	
47	70.2%	Tax Examiner	233		1,590
128	0.0%	Heavy Equipment Mechanic	237	1,757	

NO. OF INCUM BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				MALE	FEMALE
18	16.7%	Pollution Control Specialist	238	1,590	
132	0.8%	Natural Resources Spec 2-Conser	238	1,808	
31	0.0%	Natural Resources Spec 2-Fisheries	238	1,703	
15	0.0%	Natural Resources Spec 2-Park Spec	238	1,703	
17	11.8%	Unemployment Tax Examiner	238	1,590	
38	2.6%	Veterans Employment Representative	238	1,646	
11	72.7%	Health Program Representative	238		1,590
10	80.0%	Behavior Analyst 1	238		1,590
52	9.6%	Natural Resources Spec 1-Forester	245	1,538	
125	1.6%	Natural Resources Spec 2-Forester	245	1,703	
48	0.0%	Electrician	247	1,707	
11	0.0%	Grain Inspection Terminal Super	247	1,724	
36	0.0%	Heavy Equipment Field Mechanic	249	1,810	
70	85.7%	Executive 2	252		1,740
13	7.7%	Prison Industrial Foreman General	263	1,707	
17	17.6%	Graduate Engineer 1	275	1,768	
11	9.1%	Corrections Agent	275	1,590	
51	17.6%	Pollution Control Spec Intermed	275	1,891	
23	8.7%	Chemist Intermediate	275	1,891	
12	0.0%	Land Supervisor	275	1,964	
24	8.3%	Public Health Sanitarian 2	275	1,891	
42	0.0%	Right of Way Agent Intermediate	275	2,031	
17	0.0%	Vocational Education Field Instr	275	2,260	
38	18.4%	Corrections Agent Senior	275	1,961	
11	9.1%	Hydrologist	275	1,763	
21	19.0%	Unemployment Tax Examiner Intermed	275	1,961	
16	93.8%	Registered Nurse 1	275		1,723
14	85.7%	Registered Nurse 2	275		1,723
107	88.8%	Registered Nurse	275		1,723
11	9.1%	Architectural Drafting Tech Sr	282	2,102	
13	0.0%	Driver Evaluator Supervisor	282	1,710	
17	0.0%	Natural Resources Spec 3-Aquatic	289	1,891	
14	71.4%	Librarian	291		1,825
10	0.0%	Boiler Inspector	298	2,342	
16	0.0%	Natural Resources Spec 3-Conserv	298	2,020	
30	0.0%	Natural Resources Spec 3-Fisheries	298	1,891	
47	0.0%	Natural Resources Spec 3-Wildlife	298	1,891	
169	0.6%	Principal Engineering Specialist	298	2,347	
31	3.2%	Safety Investigator Senior	298	2,104	
20	0.0%	Bridge Foreman	301	2,088	
84	0.0%	Highway Maintenance Foreman	301	2,088	
47	8.5%	Correctional Counselor 4	307	2,116	

NO. OF INCUM BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				MALE	FEMALE
25	0.0%	Building Maintenance Foreman	308	1,810	
45	15.6%	Graduate Engineer 2	314	2,109	
99	14.1%	Tax Examiner 4	314	2,104	
18	0.0%	Heavy Equipment Mechanic Foreman	315	2,333	
12	0.0%	Highway Maintenance Supervisor	319	2,248	
23	8.7%	Appraiser Senior	323	2,182	
19	0.0%	Right of Way Agent Senior	323	2,182	
19	94.7%	Nursing Evaluator 2	323		1,911
23	4.3%	Business Manager 1	332	2,041	
22	4.5%	Correctional Security Caseworker	332	2,031	
26	7.8%	Corrections Agent Career	332	2,182	
15	0.0%	Land Surveyor 2	332	2,619	
41	17.1%	Management Analyst Senior	332	2,104	
12	16.7%	Planning Grants Analyst Senior	332	2,104	
84	14.3%	Rehabilitation Counselor Career	332	2,104	
11	100.0%	Public Health Nursing Advisor	332		2,050
22	0.0%	Pollution Control Specialist Sr	342	2,104	
37	5.4%	Crime Investigator 2	352	2,533	
12	16.7%	Pharmacist	353	2,297	
131	94.7%	Registered Nurse 3 Senior	353		1,911
20	0.0%	Building Maintenance Supervisor	366	1,902	
21	0.0%	Chief Power Plant Engineer	366	1,970	
16	6.3%	Corrections Specialist	382	2,354	
165	2.4%	Engineer Senior	382	2,619	
11	18.2%	Planning Grants Analyst Principal	382	2,271	
34	0.0%	Tax Examiner 5	382	2,260	
44	6.8%	Systems Analyst Senior	404	2,612	
10	10.0%	Planner 3 Transportation	404	2,271	
24	91.7%	Registered Nurse 4-Principal	404		1,911
12	8.3%	Correctional Supervisor	406	2,116	
33	12.1%	Rehabilitation Counselor Super	406	2,192	
10	0.0%	Pharmacist Senior	406	2,565	
19	89.5%	Registered Nurse Admin-Supervisory	406		2,041
16	12.5%	Accounting Officer Principal	417	2,192	
15	6.7%	Hydrologist Senior	417	2,612	
22	9.1%	Job Service Area Manager 2	421	2,192	
13	15.4%	Institution Educational Supervisor	432	2,725	

NO. OF INCUM BENTS	PERCENT WOMEN	JOB CLASS OR TITLE	HAY PTS	1981 SALARY (MONTHLY MAXIMUM)	
				MALE	FEMALE
16	0.0%	Highway Maintenance Superintendent	449	2,514	
180	0.0%	Engineer Principal	479	2,923	
17	11.8%	Accounting Director	479	2,354	
47	17.0%	Psychologist 2	479	2,427	
25	0.0%	Physical Plant Director	516	2,439	
16	6.3%	Dentist	551	3,417	
18	5.6%	Compensation Judge	588	3,000*	
32	0.0%	Engineer Administrative	588	3,130	
35	17.1%	Education Specialist 3	611	3,010	
15	13.3%	Mediator	654	3,010**	
13	15.4%	Chief of Service	864	3,473	

* Salary set by statute.

**Salary is part of the Commissioner's Plan for unrepresented employees.

APPENDIX IV. MINNESOTA PAY EQUITY LAW FOR STATE EMPLOYEES

Chapter 43A

Department of Employee Relations

43A.01 Policies.

Subd. 3. **Equitable compensation relationships.** It is the policy of this state to attempt to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch.

43A.02 Definitions.

Subd. 6a. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the incumbents are male and no more than 70 percent of the incumbents are female.

Subd. 11. **Class.** "Class" means one or more positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used with clarity to designate each position allocated to the class and that the same general qualifications are needed for performance of the duties of the class, that the same tests of fitness may be used to recruit employees, and that the same schedule of pay can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of employee relations.

Subd. 14a. **Comparability of the value of the work.** "Comparability of the value of the work" means the value of the work measured by the composite of the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 22a. **Female-dominated class.** "Female-dominated class" means any class in which more than 70 percent of the incumbents are female.

Subd. 27a. **Male-dominated class.** "Male-dominated class" means any class in which more than 80 percent of the incumbents are male.

43A.05 Policies and Responsibilities Through the Personnel Bureau.

Subd. 5. **Comparability adjustments.** The commissioner shall compile, subject to availability of funds and personnel, and submit to the legislative commission on employee relations by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established pursuant to section 43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the legislative commission on employee relations, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify, the list and proposed appropriation. The commission's action shall be submitted to the full legislature in the same manner as provided in sections 3.855 and 43A.18 or 179A.22, subdivision 4, provided that the full legislature may approve, reject, or modify the commission's action. The commission shall show the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A.18. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments divided by the total cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments. Distribution of any appropriated funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Subd. 6. **Allocation.** The amount recommended by the legislative commission on employee relations pursuant to subdivision 5 to make comparability adjustments shall be submitted to the full legislature by March 1 or each odd-numbered year. The legislature may accept, reject, or modify the amount recommended. The commissioner of finance, in consultation with the commissioner of employee relations, shall allocate the amount appropriated by the legislature, on a pro-rata basis, if necessary, to the proper accounts for distribution to incumbents of classes which have been approved for comparability adjustments.

Funds appropriated for purposes of comparability adjustments for state employees shall be drawn exclusively from and shall not be in addition to the funds appropriated for salary supplements or other employee compensation. Funds not used for purposes of comparability adjustments shall revert to the appropriate fund.

Subd 7. **Human Rights.** The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under subdivision 5 and the reports compiled under subdivision 5 in any proceeding or action alleging discrimination.

43A.18 Total Compensation; Collective Bargaining Agreements; Plans

Subd. 8. **Compensation relationships of positions.** In preparing management negotiating positions for compensation which is established pursuant to subdivision 1, and in establishing, recommending and approving total compensation for any position within the plans covered in subdivisions 2, 3 and 4, the commissioner shall assure that;

- (a) Compensation for positions in the classified and the unclassified service compare reasonably to one another;
- (b) Compensation for state positions bears reasonable relationship to compensation for similar positions outside state service;
- (c) Compensation for management positions bears reasonable relationship to compensation of represented employees managed;
- (d) Compensation for positions within the classified service bears reasonable relationships among related job classes and among various levels within the same occupations; and
- (e) Compensations bear reasonable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable, skill, effort, responsibility, and working conditions is comparable and if compensation for positions which require differing skill, effort, responsibility, and working condition is proportional to the skill, effort, responsibility, and working conditions required.

Laws 1982, Chapter 634, sections 1-8

APPENDIX V. LOCAL GOVERNMENT PAY EQUITY ACT

Chapter 471

Rights, Powers, Duties: Several Political Subdivisions

71.991 Definitions.

Subdivision 1. **Terms.** For the purposes of Laws 1984, chapter 651, the following terms have the meanings given them.

Subd. 2. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the members are male and no more than 70 percent of the members are female.

Subd. 3. **Comparable work value.** "Comparable work value" means the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 4. **Class.** "Class" means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

Subd. 5. **Equitable compensation relationship.** "Equitable compensation relationship" means that a primary consideration in negotiating, establishing, recommending, and approving total compensation is comparable work value in relationship to other employee positions within the political subdivision.

Subd. 6. **Female-dominated class.** "Female-dominated class" means any class in which 70 percent or more of the members are female.

Subd. 7. **Male-dominated class.** "Male-dominated class" means any class in which 80 percent or more of the members are male.

Subd. 8. **Position.** "Position" means a group of current duties and responsibilities assigned or delegated by a supervisor to an individual.

471.992 Equitable Compensation Relationships.

Subdivision 1. **Establishment.** Subject to sections 179A.01 to 179A.25 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees.

Subd. 2. **Arbitration.** In all interest arbitration held pursuant to sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation relationship standards established in this section, the standards established under section 471.993 together with other standards appropriate to interest arbitration. The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study.

Subd. 3. **Effective date.** This section will become effective August 1, 1987.

471.993 Compensation Relationships of Positions.

Subdivision 1. **Assurance of reasonable relationship.** In preparing management negotiation positions for compensation established through collective bargaining under chapter 179A and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179A, the respective political subdivision as the public employer, as defined in section 179A.03, subdivision 15, or, where appropriate, the Minnesota merit system, shall assure that:

- (1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;
- (2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and

(3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2. **Reasonable relationship defined.** For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

(1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and

(2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work-related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work-related criteria required.

471.994 Job Evaluation System.

Every political subdivision shall use a job evaluation system in order to determine the comparable work value. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

471.995 Report Availability.

Notwithstanding section 13.37, every political subdivision shall submit a report containing the results of the job evaluation system to the exclusive representatives of their employees to be used by both parties in contract negotiations. At a minimum, the report to each exclusive representative shall identify the female-dominated classes in the political subdivision for which compensation inequity exists, based on the comparable work value, and all data not on individuals used to support these findings.

471.996 Private Data.

Except as provided in section 471.995, the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 shall be considered personnel data as defined in section 13.43, subdivision 1, and treated as private data under section 13.43, subdivisions 4 and 5, until July 31, 1987. The commissioner of mediation services is authorized to release the job evaluation system results and reports to labor organizations as provided under section 13.43, subdivision 6.

471.9966 Effect on Other Law.

Notwithstanding section 179A.13, subdivision 2, it is not an unfair labor practice for a political subdivision to specify an amount of funds to be used solely to correct inequitable compensation relationships. A political subdivision may specify an amount of funds to be used for general salary increases. The provisions of section 471.991 to 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

471.997 Human Rights Act Evidence.

The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action alleging discrimination.

471.9975 Suits Barred.

No cause of action arises before August 1, 1987 for failure to comply with the requirements of Laws 1984, chapter 651.

471.998 Report to Commissioner.

Subdivision 1. **Report on implementation plan: contents.** Every political subdivision shall report to the commissioner of employee relations by October 1, 1985, on its plan for implementation of sections 471.994 and 471.995. Each report shall include:

(1) the title of each job class which the political subdivision has established;

(2) the following information for each class as of July 1, 1984:

- (a) the number of incumbents;
 - (b) the percentage of incumbents who are female;
 - (c) the comparable work value of the class, as determined under the system chosen under section 471.994; and
 - (d) the minimum and maximum monthly salary for the class;
- (3) a description of the job evaluation system used by the political subdivision; and
- (4) a plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including:
- (a) identification of classes for which a compensation inequity exists based on the comparable work value;
 - (b) a timetable for implementation of pay equity; and
 - (c) the estimated cost of implementation.

Subd. 2. **Technical assistance.** The commission of employee relations shall, upon request of a political subdivision, provide technical assistance in completing the required reports.

471.9981 Counties and Cities: Pay Equity Compliance.

Subdivision 1. **1988 report.** A home rule charter or statutory city or county, referred to in this section as a "governmental subdivision," that employs ten or more people and that did not submit a report according to section 471.998, shall submit the report by October 1, 1988, to the commissioner of employee relations.

The plan for implementing equitable compensation for the employees must provide for complete implementation not later than December 31, 1991, unless a later date has been approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner. The plan need not contain a market study.

Subd. 2. **Penalty for noncompliance.** Notwithstanding sections 275.50 to 275.56, for taxes levied in 1988, payable in 1989 only, a governmental subdivision that does not submit the report required in subdivision 1 shall be subject to the levy limits provided in subdivisions 3 to 5.

Subd. 3. **Cities.** For a home rule charter or statutory city, the levy limit base for taxes payable in 1989 is the sum of (1) the city's total levy for taxes payable in 1988, excluding the amount levied in that year for debt service and the amount for unfunded accrued pension liabilities under Laws 1987, chapter 268, article 5, section 12, subdivision 4, clause (2); and (2) the amount received in 1988 as described in section 275.51, subdivision 3i. This sum shall be increased by a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived under section 275.51, subdivision 6. The resulting amount for the home rule charter or statutory city multiplied by 103 percent is the city's levy limit base for taxes payable in 1989. The payable 1989 levy limitation for the city shall be equal to the levy limit base determined under this section reduced by the aids for 1989 enumerated in section 275.51, subdivision 3i.

Subd. 4. **Counties.** For a county, the levy limit base for taxes payable in 1989 is the sum of (1) the county's total levy for taxes payable in 1988, excluding the amount levied in that year for (i) debt service; (ii) levied for unfunded accrued pension liabilities under Laws 1987, chapter 268, article 5, section 12, subdivision 4, clause (2); (iii) income maintenance programs except for the administrative costs associated with those programs; and (iv) social services programs, including the administrative costs associated with those programs, plus (2) the amount received in 1988 as described in section 275.51, subdivision 3i. This sum shall be increased by a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived under section 275.51, subdivision 6. The resulting amount for the county multiplied by 103 percent is the county's levy limit base for taxes payable in 1989. The

payable 1989 levy limitation for the county shall be equal to the levy limit base determined under this section reduced by the aids for 1989 enumerated in section 275.51, subdivision 3i.

Subd. 5. **Exceptions.** For taxes payable in 1989, the amounts levied for the following costs are not subject to the limitation under subdivision 3 or 4:

- (1) levies for debt service;
- (2) levies for unfunded accrued pension liabilities as specified in section 275.50, subdivision 5, clause (o);
- (3) levies for income maintenance programs, net of any aid payments received under section 273.1397, and excluding the administrative costs associated with those programs; and
- (4) levies for social service programs including the administrative costs associated with those programs.

The amount levied by the county for taxes payable in 1989 to pay the costs of programs described in clauses (3) and (4) shall be subject to the percentage limitations provided in section 275.50, subdivision 5, clause (d).

Subd. 6. **Penalty for failure to implement plan.** If the commission of employee relations finds, after notice and consultation with a governmental subdivision, that it has failed to implement its plan for implementing equitable compensation by December 31, 1991, or the later date approved by the commissioner the aid that would otherwise be payable to that governmental subdivision under sections 477A.011 to 477A.014 in calendar year 1992 shall be reduced by five percent; provided that the reduction in aid shall apply to the first calendar year beginning after the date for the implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. The commissioner may waive the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship.

471.999 Report to Legislature.

The commissioner of employee relations shall report to the legislature by January 1, 1986 on the information gathered from political subdivisions. The commissioner's report shall include a list of political subdivisions which did not comply with the reporting requirements of this section.

Laws 1984, Chapter 651, sections 1-11
(Amended) Laws 1986, Chapter 459, sections 1-3
(Amended) Laws 1988, Chapter 702, section 15

APPENDIX VI. Law Establishing a Financial Penalty for Non-reporting by Schools

Laws of Minnesota 1987 Chapter 398 Article I

Sec. 25. Non compliance with Pay Equity.

Subdivision 1. **1987 Report.** A school district that employs ten or more people and that did not submit a report according to Minnesota Statutes section 471.998, shall submit a report by October 1, 1987, to the commissioner of employee relations. The report must include:

- (1) a summary of the result of the district's study of its need to establish equitable compensation for its employees;
- (2) the amount of the total annual payroll of the district, and the annual cost of implementing equitable compensation; and
- (3) the plan for implementing equitable compensation for the employees, including a timetable for stages of implementation. The plan must provide for complete implementation not later than December 31, 1991. The plan does not have to contain a market study.

Subd. 2. **Total Cost Freeze.** Any district that does not comply with subdivision 1, must not expend for the total costs of district administration and supervision more during the 1987-1988 school year than it did during the 1986-1987 school year.

Administration and supervision costs include all costs related to the school board, office of the superintendent, central office, district support services, and administrative and supervisory staff. It includes all costs related to the administration and supervision of elementary education, secondary education, special education, vocational education, community education, food service, transportation services, building operations and maintenance, and other programs.

It does not include principals, assistant principals, direct costs of classroom teaching, and professional support services for pupils such as library, social work, health, and counseling.

The costs shall be determined according to the uniform financial accounting and reporting categories of district and school administration, district support services, and all executive and managerial salaries and their related expenditures. Expenditures related to principals and assistant principals must not be included in any category.

Subd. 3. **Aid Reduction for Administration Costs.** By October 1, 1987, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied with subdivision 1. For each of these school districts, the commissioner of education shall reduce foundation aid for the 1988-1989 school year by an amount equal to five percent of the district's administration costs for the 1986-1987 school year. If the reduction exceeds the district's foundation aid, the reduction shall be made from other aids paid to the district.

APPENDIX VII. Law Establishing a Financial Penalty for Non-compliance of Schools

Chapter 124A

General Education Revenue

124A.31 Equitable Compensation Penalty.

Subdivision 1. Implementation. A school district subject to sections 471.991 to 471.999 shall implement the plan to establish equitable compensation relationships set forth in its report to the commissioner of employee relations. The plan shall be implemented by December 31, 1991, unless a later date is approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner.

Subd. 2. Aid reduction for administration costs. By October 1, 1992, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied with subdivision 1. For each of these school districts, the commissioner of education shall reduce general education aid for fiscal year 1993 by an amount equal to five percent of the district's administration costs for the 1990-91 school year. If the reduction exceeds the districts's general education aid, the reduction shall be made from other aids paid to the district.

Subd. 3. Adjustment of years. The commissioners of employee relations and education shall adjust the years designated in subdivision 2 for school districts with implementation dates after December 31, 1991.

Subd. 4. Extensions. The commissioner of employee relations must extend an implementation date upon a finding that failure to implement was attributable to severe hardship to circumstances beyond the control of the district.

Laws 1988, Chapter 718, Article 7, section 34

APPENDIX VIII. RESOURCES

The following organizations can provide information and assistance on pay equity in Minnesota:

Commission on the Economic Status of Women, 85 State Office Building, St. Paul MN 55155, 612/296-8590 (Twin Cities and other states) or 800-652-9747 (toll-free line for non-metro locations in Minnesota)

Minnesota Department of Employee Relations, 520 Lafayette, St. Paul, MN 55155, 612/296-2653 (Twin Cities and other states) or 800-652-9747 (toll-free line for non-metro locations in Minnesota)

League of Women Voters of Minnesota, 550 Rice, St. Paul, MN 55103, 612/224-5445. "Pay Equity: A Monitoring Guidebook" is available from the League office.

Minnesota Pay Equity Coalition, 550 Rice, St. Paul, MN 55103, 612/228-0338.

The following organization is a clearinghouse of information on pay equity activities nationally:

National Committee on Pay Equity, 1201 Sixteenth Street Northwest, Room 420, Washington, D.C. 20036. (202)822-7304.

APPENDIX IX. TECHNICAL NOTES

Sources for information and descriptions of the data in this report are cited below by page number.

Page 7. The composition of bargaining units by size and sex is as indicated in a computer printout prepared by the Department of Employee Relations, based on Department of Employee Relations data for October 1984. Bargaining unit names are specified by state law and are not comparable with occupational groups designated by the U. S. Department of Labor.

Page 8. The number of state employee job classes and their composition by size and sex are based on a computer printout prepared by the Department of Employee Relations. Included are full-time unlimited employees in the executive branch, excluding academic employees at the University of Minnesota, state universities and community colleges.

Page 9. Sample ratings for state jobs assigned relatively high and relatively low Hay points are based on a Department of Employee Relations printout entitled "Summary of Evaluations, Report HSO9", prepared as part of the Hay study in 1979. Since that time, a number of job classes have been split into supervisory and non-supervisory components, some classes have been eliminated, and some Hay point evaluations have been changed.

Pages 9 & 10. Data about state employees occupational groups and average salaries by sex are from a Department of Employee Relations computer printout entitled "Accession Analysis, Report CZ10", based on the state payroll. Occupational groups listed are those defined by the U.S. Department of Labor and should not be confused with bargaining unit names. Included are all executive branch employees except academic employees at the University of Minnesota, state universities and community colleges. Unclassified employees are included in the chart on page 10.

Page 12. The scattergrams are computer representations from the listing of male-dominated and female-dominated state employee job classes in Appendix III.

Page 16. Estimates of the numbers of employees of local governments are from 1980 Census data. Estimates of women in local governments are from the Commission's 1980 publication "Minnesota Women: City and County Employment."

Pages 18 and 19. Data from local government pay equity reports are from the Department of Employee Relations report "Pay Equity in Minnesota Local Governments" (January 30, 1986) and from unpublished data from the department.

Appendix I. The information is excerpted from "Fair Pay - What's The Real Cost?" published by the National Committee on Pay Equity.

Appendix II. The top ten male and female jobs are excerpted from the full listing of male-dominated and female-dominated state employee job classes in Appendix III.

Appendix III. This listing includes all job classes for full-time unlimited executive branch employees except those at the University of Minnesota, academic and instructional employees of the state university system, and instructional employees of the community college system. The list is limited to classes which had at least 10 incumbents as of October 1981, which had been assigned Hay points and which were either male-dominated or female-dominated.

Information about number of incumbents and percent female is based on the printout described in the note for page 8. Information about number of Hay points assigned is based on the Department of Employee Relations printout described in the note for page 9, and does not account for any positions which have been re-evaluated. Information about salaries is based on bargaining contracts in effect on July 1, 1981, for all bargaining units except those represented by AFSCME, where salaries were in effect as of August 11, 1981.

The **COMMISSION ON THE ECONOMIC STATUS OF WOMEN** is a legislative advisory commission established by the Minnesota legislature in 1976. Commission members include state senators and representatives. The Commission studies all matters relating to the economic status of women in Minnesota, publishes reports and makes recommendations to the legislature and to the governor. Commission members are:

Senator Linda Berglin
Senator Gary DeCramer
Senator Pat Piper, Chair
Senator James Ramstad
Senator Ember Reichgott

Representative Karen Clark
Representative Connie Morrison
Representative Katy Olson, Vice-Chair
Representative Howard Orenstein
Representative Gloria Segal

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COMMISSION ON THE ECONOMIC STATUS OF WOMEN