

HB qq

SENATE FINANCE COMMITTEE REPORT

DATE: 5/11/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered CS FOR HOUSE BILL NO. 99 (FINANCE)

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

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____ (_____)
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

DO PASS:

1. _____

Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

2. _____

Co-Chair: Signature/Recommendation

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 5/12/92
Referred: Finance

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

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

2 ARTICLE 3. PAY EQUITY.

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

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

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

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

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

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

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

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

1 the beginning of that fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 incumbents are female;

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

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

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

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

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

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

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

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

15 (9) "public employer" means

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

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

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

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

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

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

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

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

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

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

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

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

*Note -
MacLean & Juan
removed their
Names*

CS FOR HOUSE BILL NO. 99 (FINANCE)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/25/92

Referred: Rules

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

A BILL

FOR AN ACT ENTITLED

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

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

4 * Section 1. AS 23.40.070 is amended to read:

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

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

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

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

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

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

12 ARTICLE 3. PAY EQUITY.

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

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

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

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

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

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

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

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

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

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

24 (f) If a public employer finds that pay inequity exists in a class that is part of a collective
25 bargaining unit, the employer shall notify the collective bargaining organization representing the
26 bargaining unit when the employer submits the compensation equity plan to the legislature.

27 (g) Notwithstanding AS 23.40.110, it is not an unfair labor practice for a public employer
28 to specify an amount of money to be used

29 (1) solely to correct inequitable pay relationships;

30 (2) for general salary increases.

31 (h) Notwithstanding (d) of this section, it remains the policy of the state to negotiate pay

1 rate adjustments through the collective bargaining process in all areas covered by bargaining
2 agreements.

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

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

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

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

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

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

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

19 (1) comparable skill, effort, responsibility, and working conditions is comparable;
20 and

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

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

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

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

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

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

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

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

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

11 (B) determining overall objectives, priorities, and policies within a
12 program area;

13 (C) handling significant and involved relationships with governmental
14 leadership; or

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

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

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

19 (9) "public employer" means

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

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

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

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

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

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

1 chosen under AS 39.90.210, enacted by sec. 2 of this Act;
2 (C) the minimum and maximum monthly salary authorized for each job class;
3 (2) a description of the job evaluation system used by the public employer;
4 (3) a plan for establishing equitable pay relationships between female-dominated and
5 male-dominated job classes, including
6 (A) identification of classes for which a pay inequity exists based on the
7 comparable work value of the class;
8 (B) a timetable for implementing pay equity; and
9 (C) the estimated cost of implementing pay equity.
10 (b) If requested by a public employer, the commissioner of administration shall provide technical
11 assistance in completing the report required by this section.