

**ALASKA LEGISLATURE**

**2349**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002**

Tony Knowles, Governor

*Alaska* Department of Community  
and Economic Development

**Division of Occupational Licensing**

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: [license@dced.state.ak.us](mailto:license@dced.state.ak.us) • Website: [www.dced.state.ak.us/occ/](http://www.dced.state.ak.us/occ/)

January 19, 2001

RECEIVED  
FEB 07 2001  
Senate Finance  
Committee

*Ed Hall, PA-C, President  
Alaska Academy of Physician Assistants  
3651 LaTouche Street  
Anchorage AK 99508*

*Mr. Hall, I am pleased to advise you that at its meeting of January 18, 2001, the Alaska State Medical Board voted unanimously to support the Academy in its effort to provide for the inclusion of a physician assistant to the membership of the board.*

*The board appreciates the efforts of the members of the Academy and wishes you every success in pursuing this change to the board*

*Sarah A. Isto, M.D.*

Sarah A. Isto, MD

Chair

Alaska State Medical Board



**DON DOKKEN**  
President

**FAIRBANKS BUILDING  
& CONSTRUCTION TRADES COUNCIL  
AFL-CIO**

60 Hall Street  
Fairbanks Alaska 99701  
(907) 456-4248  
(907) 452-3064



**JAY QUAKENBUSH**  
Secretary/Treasurer

January 30, 2001

The Honorable Governor Tony Knowles  
P.O. Box 110001  
Juneau, Alaska 99811

**RECEIVED**

**FEB 07 2001**

Senate Finance  
Committee

Dear Governor Knowles,

We have become aware that the Alaska Academy of Physician Assistants are lobbying for a Physician Assistant to be appointed to the State Medical Board. The Fairbanks Building and Construction Trade Council would like to express our endorsement of this idea.

Physician Assistants provide valuable medical care to thousands of our Union members and to the public at . They will provide fair representation of their patients that reside through out the state, and contribute valuable knowledge and opinions to the State Medical Board

Thank you in advance for your consideration.

Respectfully,

Don Dokken  
President  
Fairbanks Building & Construction Trades Council

SENATE FINANCE COMMITTEE

SIGN-IN

SB 58-ADD PHYSICIAN ASST TO STATE MEDICAL BOARD

NAME: Catherine Feardon Subject/Bill No: SB 58  
Co./Dept./Title: Division of Occupational Licensing Phone: 465-2538  
Address: DO Box 110806 Tucson Zip: 99811  
Do you wish to testify?  Yes  No  Respond To Questions  
*dept. and Medical Board support*

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

**SB**

**59**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/20/01

REPORTED OUT

APR 02 2002

SENATE FINANCE COMMITTEE

FURTHER:

DATE TURNED IN TO OFFICE: 4/03/02

funding  
 in  
 transfer of federal funding  
 in  
 discouraging investment  
 in  
 Alaska living in Anchorage.

Finance Committee considered **SENATE BILL NO. 59**

*FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS*

"An Act relating to awards of federal funds to municipalities for road projects; and providing for an effective date."

and recommends:

- be replaced with CS SB 59 (FIN)
- adopt previous CS CS Forthcoming
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
FN Forthcoming				

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>		X		
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>		X		
COCHAIR: <i>[Signature]</i>			✓	

Continues the unfair discrimination against 42% of Alaska living in Anchorage.

APR 02 2002

SENATE FINANCE  
COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSSB59(FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 4/23/2002 Dept. Affected: DOT&PF  
Title: An Act relating to awards of federal BRU DOT&PF Capital Budget  
funds to municipalities for road projects... Component: DOT&PF Capital Budget  
Sponsor: Senator Torgerson Component No. \_\_\_\_\_  
Requester: Senate Rules

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>(1,500.0)</b>	<b>(1,500.0)</b>	<b>(1,500.0)</b>	<b>(1,500.0)</b>	<b>(1,500.0)</b>	<b>(1,500.0)</b>
-----------------------------	------------------	------------------	------------------	------------------	------------------	------------------

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

SB59 requires that the local government sponsor provide the local match for their project. This will have the effect of reducing state local general fund match need by approximately \$1.5M per year.

Key points: the state cannot "grant" Federal Highway funds; DOT&PF remains "on the hook" and responsible for the satisfaction of federal requirements. The state can obligate the local sponsor to meet those requirements through a project agreement, but cannot transfer the ultimately responsibility for the proper use of the funds. The engineering capability of most Alaska communities is very modest; the federal requirements are substantial. Our experience is that local staff have little experience meeting federal environmental (NEPA) and federal right-of-way acquisition requirements.

The result is that both the local sponsor and DOT must exercise project oversight which expands the cost of the project administration and construction engineering. For projects that have problems, this duplication of oversight is substantial, leaving less of the project funds to be used for actual construction than would be the case if DOT&PF administered the project.

Prepared by: Dennis R. Poshard, Assistant to Commissioner Phone 465-3904  
Division: Commissioner's Office Date/Time 4/23/02 3:40 PM  
Approved by: Joseph L. Perkins, Commissioner Date: 4/23/2002  
Agency: Alaska Department of Transportation and Public Facilities



SENATE FINANCE COMMITTEE  
 / / 2002 COMMITTEE ACTION

<b>Bill Number</b>	59		
<b>Amendment</b>			
<b>Motion</b>	Move from Committee		
<b><u>Motion by</u></b>	WARD		
<b><u>Objection by</u></b>	DONLEY		
<b>Removed</b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b>Vote</b>	<b>N</b>
Senator Olson	✓		
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman			✓
Senator Leman	✓		
Co-Chair Donley			✓
Co-Chair Kelly	✓		
<b><u>Tally</u></b>			
Yea	7		
Nay	2		
Absent			
<b><u>MOTION</u></b>	PASSED		



**CS FOR SENATE BILL NO. 59(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/20/01

Referred: Finance

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to awards of federal funds to municipalities for road projects; and  
2 providing for an effective date."

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

4 \* Section 1. AS 19.05 is amended by adding new sections to read:

5 **Article 4. Awards of Federal Funds to Municipalities for Road Projects.**

6 **Sec. 19.05.150. Municipal road projects.** (a) Each fiscal year, the  
7 department shall award federal funds to municipalities for road projects. The total  
8 amount awarded statewide in a fiscal year may not exceed \$20,000,000. The  
9 maximum amount awarded to a single municipality may not exceed \$3,000,000.  
10 Awards are subject to state appropriations of federal funds for municipal road projects.

11 (b) Appropriations for awards under this section are not one-year  
12 appropriations and do not lapse under AS 37.25.010.

13 **Sec. 19.05.155. Project applications.** A municipality with the power to  
14 construct and maintain roads may apply to the department for an award of federal

1 money for a road project. The project application must contain all information  
2 regarding the road project that is requested by the department. The municipality must  
3 agree to provide money to match federal funds if a match is required by federal law,  
4 and the municipality must agree to comply with all other federal requirements for  
5 receipt and expenditure of the federal funds for the road project. The department may  
6 not accept an application for a road project until the department determines that the  
7 project will qualify for federal funding.

8 **Sec. 19.05.160. Priorities for road projects.** (a) The department shall set  
9 priorities for all municipal road projects for which it accepts an application under  
10 AS 19.05.155. In setting priorities for projects, the department shall assign a higher  
11 priority to road projects involving the reconstruction or rehabilitation of a state  
12 maintained road where the municipality also agrees to accept maintenance  
13 responsibility for the road upon completion of the project.

14 (b) Unless prohibited under federal law, the department shall include the  
15 municipal road projects that it accepts under AS 19.05.155 in a statewide  
16 transportation plan in the order of priority established under (a) of this section and in a  
17 manner that ensures that municipal road projects qualify for federal funding each  
18 fiscal year.

19 \* Sec. 2. This Act takes effect July 1, 2001. July 1, 2002

#3

SENATE FINANCE COMMITTEE

1 / 2002 COMMITTEE ACTION

Bill Number	59		
Amendment	#4		
Motion	Change effective date		
<u>Motion by</u>	Leman		
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			

No objections

Proof

Amendment #1

22-LS04661F

OK'd  
By  
Laura  
2PM  
4/3/02

CS FOR SENATE BILL NO. 59(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to awards of federal funds to municipalities for road projects; and  
2 providing for an effective date."

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

4 \* Section 1. AS 19.05 is amended by adding new sections to read:

5 Article 4. Awards of Federal Funds to Municipalities for Road Projects.

6 Sec. 19.05.150. Municipal road projects. (a) Each fiscal year, the  
7 department shall award federal funds to municipalities for road projects. The total  
8 amount awarded statewide in a fiscal year may not exceed \$20,000,000. The  
9 maximum amount awarded to a single municipality may not exceed \$3,000,000.  
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15 municipal road projects that it accepts under AS 19.05.155 in a statewide  
16 transportation plan in the order of priority established under (a) of this section and in a  
17 manner that ensures that municipal road projects qualify for federal funding each  
18 fiscal year.

19 \* Sec. 2. This Act takes effect July 1, 2002.

Amendment to the Amendment #2  
Green

22-LS0466C

(FAILED)

**CS FOR SENATE BILL NO. 59(CRA)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION**

**BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered: 3/20/01  
Referred: Finance**

**Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to awards of federal funds to municipalities for road projects; and**  
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3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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6 **Sec. 19.05.150. Municipal road projects.** (a) Each fiscal year, the  
7 department shall award federal funds to municipalities for road projects. The total  
8 amount awarded statewide in a fiscal year may not exceed ~~\$20,000,000~~ <sup>\$40,000,000</sup> #3. The  
9 maximum amount awarded to a single municipality may not exceed ~~\$3,000,000~~ <sup>\$6,000,000</sup>.  
10 Awards are subject to state appropriations of federal funds for municipal road projects.

11 (b) Appropriations for awards under this section are not one-year  
12 appropriations and do not lapse under AS 37.25.010.

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16 transportation plan in the order of priority established under (a) of this section and in a  
17 manner that ensures that municipal road projects qualify for federal funding each  
18 fiscal year.

19 \* **Sec. 2.** This Act takes effect July 1, 2001.



SENATE FINANCE COMMITTEE  
4/21/2002 COMMITTEE ACTION

<b>Bill Number</b>	59		
<b>Amendment</b>	# 3		
<b>Motion</b>	Amend Amendment # 2		
<b><u>Motion by</u></b>	Green		
<b><u>Objection by</u></b>	Kelly		
<b><u>Removed</u></b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b>Vote</b>	<b>N</b>
Senator Ward	✓		
Senator Wilken			✓
Senator Austerman			✓
Senator Green	✓		
Senator Hoffman			✓
Senator Leman			✓
Senator Olson			✓
Co-Chair Donley			✓
Co-Chair Kelly			✓
<b><u>Tally</u></b>			
Yea	2		
Nay	7		
Absent			
<b><u>MOTION</u></b>	FAILED		

Amendment # 2  
Donley

22-LS04661C

FAILED

CS FOR SENATE BILL NO. 59(CRA)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/20/01

Referred: Finance

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

A BILL

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8 amount awarded statewide in a fiscal year may not exceed \$20,000,000. The  
9 maximum amount awarded to a single municipality may not exceed \$<sup>#2</sup>7,000,000.  
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16 transportation plan in the order of priority established under (a) of this section and in a  
17 manner that ensures that municipal road projects qualify for federal funding each  
18 fiscal year.

19 \* Sec. 2. This Act takes effect July 1, 2001.

SENATE FINANCE COMMITTEE  
4/2/2002 COMMITTEE ACTION

<b>Bill Number</b>	<del>2</del> 39		
<b>Amendment</b>	# 2		
<b>Motion</b>			
<b><u>Motion by</u></b>	Donley		
<b><u>Objection by</u></b>	r		
<b><u>Removed</u></b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b><u>Vote</u></b>	<b>N</b>
Senator Wilken			✓
Senator Austerman			✓
Senator Green			✓
Senator Hoffman			✓
Senator Leman	✓		
Senator Olson			✓
Senator Ward	✓		
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<b><u>Tally</u></b>			
Yea	4		
Nay	5		
Absent			
<b><u>MOTION</u></b>	FAILED		

SENATE FINANCE COMMITTEE  
~~2000 COMMITTEE ACTION~~

3/27/01

Bill Number	SB 59		
Amendment			
Motion	Move from Committee		
<u>Motion by</u>	G		
<u>Objection by</u>	D		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffmann			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	WITHDREW		

Amend #1  
(Failed)

22-LS0466\C

CS FOR SENATE BILL NO. 59(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/20/01

Referred: Finance

Sponsor(s): SENATORS TORGERSON, Taylor, Therriault, Cowdery

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16 transportation plan in the order of priority established under (a) of this section and in a  
17 manner that ensures that municipal road projects qualify for federal funding each  
18 fiscal year.

19 \* **Sec. 2.** This Act takes effect July 1, 2001.

SENATE FINANCE COMMITTEE  
~~2000~~ COMMITTEE ACTION

8/27/01

Bill Number	5859		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Green		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Wilken			✓
Senator Austerman			✓
Senator Green			✓
Senator Hoffman			✓
Senator Lemman	✓		
Senator Olson			✓
Senator Ward			✓
Co-Chair Donley	✓		
Co-Chair Kelly			✓
<u>Tally</u>			
Yea	2		
Nay	6		
Absent	1		
<u>MOTION</u>	FAILED		





# ALASKA STATE LEGISLATURE

## SENATOR JOHN TORGERSON

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE

Session:

State Capitol, Room 427, Juneau, AK 99801  
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy.; Suite 101B, Soldotna, AK 99669  
Telephone 907/260-3042 Fax 907/260-3044

## **SB 59 – FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS**

### Sponsor Statement

SB 59 establishes a new Municipal Road Projects Program (MRPP) that directly awards up to \$20 million of federal funds to municipalities for re-construction or construction projects that are eligible for federal funding.

The Department of Transportation is responsible for developing a project application that sets out all information that will be requested by the Department. The municipality is required to provide the federal match and the project must qualify for federal funding. The municipality must comply with all federal requirements for receipt and expenditures of the funds.

The department also develops priorities for all municipal road projects, but is required to assign a higher priority to projects that involve reconstruction of current state maintained roads when the municipality agrees to accept maintenance responsibility at the completion of the project. The municipality becomes responsible for all aspects of the project, including the match requirements for the federal funding. This will also reduce the state's road maintenance costs when roads are transferred to a municipality.

The bill provides for a system so a municipality can be the recipient of federal funds and provide necessary improvements for local roads. This process is currently in place in many states and in fact, Alaska is one of very few states that do not provide for pass through funding to local governments.

I urge your support for this bill.

JT/mj: SB 59 (S-FIN) SS 3-20-01

### **REPRESENTING THE KENAI PENINSULA**

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo  
Kasilof Lowell Point Moose Pass Nunwalek Nikolaevsk Ninilchik Port Graham Ruzdolna Seward Seldovia Soldotna Startski Sterling Voznesenka*



# ALASKA STATE LEGISLATURE

## SENATOR JOHN TORGERSON

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE

### Session:

State Capitol, Room 427, Juneau, AK 99801  
Telephone 907/465-2728 Fax 907/465-4779

### District:

45457 Kenai Spur Hwy.: Suite 101B, Soldotna, AK 99669  
Telephone 907/260-3042 Fax 907/260-3044

## SB 59 – Federal Funds to Municipalities for Roads Sectional Analysis

Sec. 1: This adds a new Article 4 – Awards of Federal Funds to Municipalities for Road Projects to AS 19.05.

### New 19.05.150

- (a) Authorizes a program for federal fund awards, maximum \$20 million, to municipalities for roads, subject to appropriations.
- (b) Language that the awards do not lapse under AS 37.25.010.

### New 19.05.155

Sets out the process by which a municipality applies to the department for the federal money for a road project. Requires that the municipality provide the matching funds and that they agree to comply with all federal regulations. Requires the department to not accept applications unless the project qualifies for federal funding.

### New 19.05.160

- (a) Authorizes the department to set a priority process for projects, but requires a higher priority be assigned to reconstruction/rehabilitation of a road that will be transferred to a municipality for maintenance.
- (b) Requires the department to include the municipal road projects in the STIP in priority order establish above, unless a project is prohibited under federal law.

Sec. 2: Effective date of the bill.

JT/mj: SB 59(S-FIN) SA: 3-20-01

### REPRESENTING THE KENAI PENINSULA

Anchor Point Bear reek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo  
Kasilof Lowell Point Moose Pass Nunwalek Nikolaevsk Ninilchik Port Graham Razdolna Seward Seldavia Soldotna Stariski Sterling Voznesenku



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-5480

February 21, 2001

Senator John Torgerson  
State Capitol  
Juneau, AK 98111

Re: SB 59 "relating to awards of federal funds to municipalities for road projects"

Dear Senator Torgerson,

Today the Alaska Municipal League Legislative Committee Public Works and Infrastructure Subcommittee **voted unanimously to support SB 59**. Members commented that they are often frustrated by the State process to set local road construction priorities and that this bill provides an optional tool for a municipality to better serve the needs of its citizens.

This bill was discussed as part of a general devolution of responsibilities to municipalities that may improve local service, but may also contribute toward increased local taxes. The subcommittee suggested that the legislature also consider increasing road revenue sharing back to its statutory level of \$2500 per mile (currently it is less than \$500), creation of a municipal dividend, or similar measure to provide additional resources.

Thank you for your efforts on behalf of municipalities.

Sincerely,

Kevin Ritchie  
Executive Director

# SENATE COMMITTEE REPORT

DATE: 3/14/01

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 3-20-01

Community and Regional Affairs Committee considered

SENATE BILL NO. 59

*FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS*

"An Act relating to awards of federal funds to municipalities for road projects; and providing for an effective date."

and recommends:

- be replaced with CS SR 59 (CRA)
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title
- House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
NOTE PT	3/15/01	✓		1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<b>CHAIR:</b> <i>[Signature]</i>	✓			

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/30/01

FURTHER: CRA  
Finance

Date of 5-Day Notice: 2-15-01  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3/13/01

Transportation considered      SENATE BILL NO. 59

"An Act relating to awards of federal funds to municipalities for road projects; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title  
**House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>		✓		
<b>CHAIR:</b> <i>[Signature]</i>	✓			

SB 59-FEDERAL FUNDS TO MUNICIPALITIES FOR ROADS  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Jeff Ottosen Subject/Bill No: SB 59  
Co./Dept./Title: DOT/PF Phone: 465-6971  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Tim Rogers Subject/Bill No: SB 191  
Co./Dept./Title: Municipality of Anch Phone: 2291-1577  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

**SB**

**64**

SFIN

FILE



# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
FEB 26 2001  
SENATE FINANCE  
COMMITTEE

DATE: 2/8/01

FURTHER:

DATE TURNED  
IN TO OFFICE: 02/26/01

Finance Committee considered SENATE BILL NO. 64

"An Act relating to the award of a high school diploma to certain World War II veterans."

and recommends:

- be replaced with CS SB 64 ( FIN )
- adopt previous CS CS forthcoming (        )
- attached amendment(s)
- adopt Letter of Intent by        committee
- further referral to        ttee

- Senate Bill:**  
 same title  
 new title
- House Bill:**  
 same title  
 technical title  
 new: SCR #

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
EDUCATION			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Green</i>	✓			
<i>William [unclear]</i>	✓			
<i>[unclear]</i>	✓			
<i>[unclear]</i>	✓			
<i>[unclear]</i>	✓			
<i>[unclear]</i>	✓			
<i>[unclear]</i>	✓			
COCHAIR: <i>[unclear]</i>	✓			
COCHAIR: <i>[unclear]</i>	✓			

# FISCAL NOTE

REPORTED OUT

FEB 26 2001

SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 64  
(S) Publish Date: 1/31/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Dev.  
Title: High School Diploma for WWII BRU: Education/Special Projects  
Veterans Component: \_\_\_\_\_  
Sponsor: Rules Committee  
Requester: Governor Component Number: 173

## Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

## POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Barbara Thompson Phone 465-8727  
Division: Teaching & Learning Support Date/Time 11/14/00 4:00 PM  
Approved by: Commissioner Rick Cross Date Nov. 14, 2000  
Agency: Department of Education & Early Development

For distribution information, call the Governor's Legislative Office

COMMITTEE COPY

22-GS1011U  
Ford  
2/15/01

**CS FOR SENATE BILL NO. 64( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the award of a high school diploma to certain World War II  
2 veterans."

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

4 \* Section 1. AS 14.03 is amended by adding a new section to read:

5 **Sec. 14.03.077. High school diploma for certain veterans. (a)**

6 Notwithstanding other provisions of this chapter, the commissioner shall award a high  
7 school diploma to a person who

8 (1) makes application under (b) of this section; if a person is deceased  
9 or incapacitated, an immediate family member may apply on behalf of the person;

10 (2) attended high school and left that high school in order to join the  
11 United States armed forces or the Alaska Territorial Guard;

12 (3) never received a high school diploma; and

13 (4) actively served in the United States armed forces or the Alaska  
14 Territorial Guard during the period of August 7, 1940, through July 25, 1947, and

1  
2  
3  
4  
5  
6  
7

- (A) died in active service;
- (B) was honorably discharged; or
- (C) was released from active duty because of a service-related disability.

(b) The commissioner shall provide a form or electronic format for a person to apply under this section. The commissioner may accept an affidavit to support the award if documentation is not readily available from the military or other sources.

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF MILITARY & VETERANS AFFAIRS  
OFFICE OF THE COMMISSIONER

P.O. BOX 5800

FT. RICHARDSON, AK 99505-5800

PH: (907) 428-6003

## SPONSOR STATEMENT

CSSB 64 (HES)

### AN ACT RELATING TO AWARD OF A HIGH SCHOOL DIPLOMA TO CERTAIN WORLD WAR II VETERANS.

This bill recognizes that many 17 year-olds left school to join the United States armed forces or the Alaska Territorial Guard in order to fight in a war that threatened the stability of the world. When they returned home, many did not return to high school and did not receive a high school diploma.

In order to recognize their service to this country, many states have joined together to pass legislation similar to the bill now in your committee. This effort is aptly named "Operation Recognition".

The Department believes there are less than 150 veterans that would fall within the guidelines of this bill.

Veterans or their families will need to apply to the Department of Education for the diploma.

Department of Military and Veterans Affairs  
Sectional Analysis CSSB 64 (HES)  
An Act relating to award of a high school diploma to  
certain World War II veterans

**Section 1.** Requires the Commissioner of the Department of Education to award a high school diploma to a veteran or a family member if the veteran is deceased, if certain stipulations are meant. The person must have served during August 7, 1940 through July 25, 1947.

DMVA  
2/21/01  
cc

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

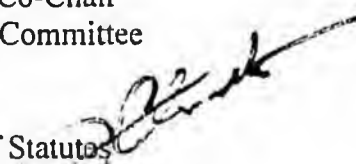
## MEMORANDUM

February 8, 2001

**SUBJECT:** World War II service periods identified in SB 64/CSSB 64(HES)  
(Work Order No. 22-GS1011\A)

**TO:** Senator Dave Donley, Co-Chair  
Senator Pete Kelly, Co-Chair  
Senate Finance Committee

**FROM:** Jack Chenoweth  
Assistant Revisor of Statutes



RECEIVED  
FEB 08 2001  
Senate Finance  
Committee

Senate Bill 64 and its first proposed committee substitute, CSSB 64(HES), legislation introduced by the Rules Committee by request of the governor to award high school diplomas to certain veterans of World War II, have been referred to the Senate Finance Committee for consideration. The purpose of this memo is to direct attention to the period of service in the United States armed forces or Alaska Territorial Guard described in the measure that would qualify the veteran for the high school diploma.

The measure proposes to set "the period of August 7, 1940, through July 25, 1947," as the active duty military service qualifying period. The merits of the legislation aside, the committee may want to consider conforming these dates to the beginning and ending dates otherwise set out in state statute that qualify veterans of World War II military service for other programs.

*The beginning date:* The reference to "August 7, 1940" varies from other similar reference dates usually used in state law. State statutes have commonly set the earliest date for a veteran's qualifying for a state program at "September 16, 1940." So, for example, the veterans preference for occupancy of certain housing projects under the "Moderate Cost and Rental Housing" program of AS 18.55.300 - 18.55.470, recognizes, in the definition of "veteran" set out in AS 18.55.470(4), military service for the period beginning "September 16, 1940 . . . ." Similarly, the "Veterans Loans" programs of the Department of Community and Economic Development (AS 26.15) describes eligibility for loans in AS 26.15.130(1) and (2) with reference to the September 16, 1940 date. Finally, the "veterans preference" allowed for state civil service employment under AS 39.25.159(d)(4) defines "veteran" with reference to the person's military service beginning on the September 16, 1940, date.

Senator Dave Donley, Co-Chair  
Senator Pete Kelly, Co-Chair  
Senate Finance Committee  
February 8, 2001  
Page 2

I can't find that the August 7, 1940, date used in the measure has been applied in any other state statute or regulation as the beginning date for identifying a period of qualifying military service.<sup>1</sup>

*The ending date:* Each of the first two of the three statutory programs mentioned in the paragraph above--the housing preference and the veterans loan programs--uses a "July 25, 1947" ending date, matching the qualifying ending date set out in the measure. The third, the veterans preference provided for state employment under AS 39.25.159, uses "December 31, 1947." If, as I understand, the intent is to allow a claim based on the widest possible period relating to World War II-related service, the committee may want to consider substituting the latter as the ending active duty military service date that would qualify.

Thank you for your consideration.

JBC:glc  
01-114.glc

cc: Deborah E. Behr, Assistant Attorney General and  
Legislation Attorney, Department of Law

---

<sup>1</sup> Choice of qualifying dates in the preparation of the administration bill, as I understand, was strongly influenced by a Wisconsin Statute, Wisc. Stat. sec. 45.35(5)(e), setting, within the definition of the term "veteran," the dates for qualifying for certain veteran-related programs in that state a beginning date for World War II military service of "August 27, 1940" and an ending date of "July 27, 1947." In retyping the bill for introduction, the "August 27" reference inexplicably became "August 7."



# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF MILITARY & VETERANS AFFAIRS  
OFFICE OF THE COMMISSIONER

P.O. BOX 5800  
FT. RICHARDSON, AK 99505-5800  
PH: (907) 428-6003

## SPONSOR STATEMENT

CSSB 64 (HES)

### AN ACT RELATING TO AWARD OF A HIGH SCHOOL DIPLOMA TO CERTAIN WORLD WAR II VETERANS.

This bill recognizes that many 17 year-olds left school to join the United States armed forces or the Alaska Territorial Guard in order to fight in a war that threatened the stability of the world. When they returned home, many did not return to high school and did not receive a high school diploma.

In order to recognize their service to this country, many states have joined together to pass legislation similar to the bill now in your committee. This effort is aptly named "Operation Recognition".

The Department believes there are less than 150 veterans that would fall within the guidelines of this bill.

Veterans or their families will need to apply to the Department of Education for the diploma.

Department of Military and Veterans Affairs  
Sectional Analysis CSSB 64 (HES)  
An Act relating to award of a high school diploma to  
certain World War II veterans

Section 1. Requires the Commissioner of the Department of Education to award a high school diploma to a veteran or a family member if the veteran is deceased, if certain stipulations are meant. The person must have served during August 7, 1940 through July 25, 1947.

DMVA  
2/21/01  
cc

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/31/01

FURTHER: Finance

Date of 5-Day Notice: 02/01/01  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/8/01

Health, Education and Social Services Committee considered SENATE BILL NO. 64

"An Act relating to the award of a high school diploma to certain World War II veterans."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 64 (HES)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title  
**House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
Education - Early Dev	11/14/00		X	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Arwen E. Hennings</i>	✓			
<i>Henry Wilson</i>	✓			
<i>Gene Bee</i>	✓			
<i>Bettye Davis</i>	✓			
CHAIR: <i>Arwen E. Hennings</i>	✓			

TONY KNOWLES  
GOVERNOR  
governor@gov.state.ak.us

P.O. Box 11000  
Juneau, Alaska 99801-0000  
Phone 907-465-3500  
Fax 907-465-3552  
www.governor.ak.us

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 30, 2001

The Honorable Rick Halford  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Halford:

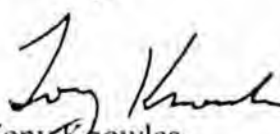
This bill I transmit today brings a long-overdue recognition to those World War II veterans who left Alaska's high schools before graduating in order to serve their country. These veterans would be awarded high school diplomas.

Alaska would join other states in the national "Operation Recognition" program designed as society's gesture of gratitude towards World War II veterans. Many of these veterans never received high school diplomas because they chose, rather, to serve in the military at a crucial time to ward off a genuine threat to world stability. When they returned home in the post-war economic and baby boom, they went straight to work and pursued careers rather than go back to school.

Under this bill, the Department of Education and Early Development would award a diploma upon application by, or on behalf of, a person who served in the military between August 7, 1940 and July 5, 1947. Those veterans with a Graduation Equivalency Diploma could also apply.

Out of respect and recognition of Alaska's World War II veterans, I urge your prompt and favorable action on this measure.

Sincerely,

  
Tony Knowles  
Governor

SENATE FINANCE COMMITTEE

SIGN-IN

SB 64-HIGH SCHOOL DIPLOMA FOR CERTAIN WWII VETS

NAME: CAROL CARROLL Subject/Bill No: SB 64  
Co./Dept./Title: Dr Admin DMVA Phone: 4730  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

SB 64

Mary Ellen Cunningham

KENAI

)

**SB**

**65**

HFIN

FILE





# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

**What The Study Required by SB 65 Will Do  
An Explanation of the Difference Between:  
Equal Pay for Same Work; Comparable Worth; Equal Pay for Equal Work  
(3/2/01)**

SB 65 proposes the state do a pay equity study. The intent of the sponsor is that this study specifically examine the question of "equal pay for equal work" among Alaska State Employees. Following is an explanation of the difference between "equal pay for same work," "comparable worth" and "equal pay for equal work."

**Equal Pay for Same Work:** Under federal and state law a female worker is entitled to be paid the same as a male worker of the same job classification. We currently follow this practice in Alaska.

**Comparable Worth:** This term refers to the theory that jobs of equivalent overall value to the employer or to society ought to be compensated equally, even if the jobs are dissimilar in content. The comparable worth issue has tended to focus on the existence of the male/female pay gap and the desire that it be eliminated, rather than on the causes of the gap and the best methods for dealing with those causes.

**Equal Pay for Equal Work:** This principle requires equal compensation for jobs that require substantially the same skills, effort and responsibility and are performed under similar working conditions. This is the where the study should be focused. We need to be sure our process for classifying positions is not influenced by gender.

For instance, a recent pay equity study conducted for the State of Vermont found that terminology was a factor in determining job classifications. The "dirty" aspects of work were typically recognized in male jobs such as garbage collector or mechanic but missed in female jobs such as nurse or maid. The danger that meter readers face going into people's homes was recognized, but not the danger faced by public health nurses who go into those same homes (and stay longer). They felt terms should be used which are equally valid to female and male jobs (e.g., "tools" is more typically associated with male jobs while "equipment" is more likely to be associated with both men's and women's work). Overall, the Vermont study determined their system was not "broken" but merely needed to be updated and modified.

DD/kk

Co-Chair: Senate Finance Committee

Vice-Chair: Senate Judiciary Committee

Member: Legislative Budget and Audit Committee • Legislative Council

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 17, 2001

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The FINANCE Committee considered:

CSSB 65(FIN)

CS FOR SENATE BILL NO. 65(FIN)

PAY EQUITY FOR STATE EMPLOYEES

"An Act requiring a study regarding equal pay for equal work of certain state employees."

Recommends it be replaced with \_\_\_\_\_ CS \_\_\_\_\_ ( )  Same Title [ ] New Title  
 For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR \_\_\_\_\_

- [ ] attach amendments
- [ ] add new referral to \_\_\_\_\_ Committee
- [ ] Letter of Intent \_\_\_\_\_ Committee

- List of Abbrev. For Depts.:
- ADM
  - CED
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - HSS
  - LAA
  - LAW
  - LWF
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN #	Fiscal	Indet.	Zero
SRIS/ADM	2	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Al Bunde</i>	Bunde	✓			
<i>John L. Harris</i>	Harris	✓			
<i>John L. Harris</i>	Harris	✓			
<i>Mike Croft</i>	CROFT	✓			
<i>Charles G. Moses</i>	MOSES	✓			
<i>Ken Lancaster</i>	Lancaster	✓			
<i>Bill Hudson</i>	Hudson	✓			
<i>[Signature]</i>	Foster	x			
Chair: <i>[Signature]</i>					
Chair: <i>W.B. Williams</i>		✓			

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSSB 65(FIN)  
(S) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Administration  
Title "An Act requiring a study to determine if gender BRU Centralized Admin Svcs  
is a determinant in state employee compensation" Component Personnel  
Sponsor Senator Donley  
Requester Senate Rules Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY99) cost: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The FY 02 costs are estimated for a contracted study to independently review the state's pay formula and its application.

If the study reveals (a) source(s) of bias, the Department of Administration estimates a full-scale study will cost between \$500,000 and \$750,000

Prepared by Senate Rules Committee Phone 465-4993

Approved by: Senator Drue Pearce, Chair Date 3/20/01



# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## Senate Bill 65 OVERVIEW OF BACK-UP INFORMATION

- 1) ALASKA ECONOMIC TRENDS published a study in its February 1999 issue entitled *The Gender Gap in Earning*. Utilizing information provided by the Department of Labor, the study found that on average women employed in Alaska earned 35% less than their male counterparts in terms of real wages in spite of the fact that women worked minutely more calendar quarters than men. The last date for which data was available for this particular study was 1997. Unlike the study SB65 proposes, the 1999 study did not seek to ascertain the potential causes for the wage discrepancies and only noted their existence.
- 2) The Washington v. Minnesota comparison is included to illustrate the dangers incurred by a state by not acknowledging that it may have an inequitable pay system. Note the concluding statements of both columns. The failure of Washington's legislature to proactively address the state's gender biased pay inequities led not only to expensive litigation but the substantial fiscal shock of forced wage rectification. Minnesota, on the other hand, voluntarily changed its state employee wage system through legislation and had the opportunity to smoothly implement the necessary corrections at a more reasonable cost.
- 3) This graph is included only to show that the discrepancy between male and female wages in both the public and private sectors is a situation that persists. The gaps in income within state and local government did close between 1997 and 1999 (in state government by 0.7% and in local government 2.2%) but it is unlikely that the sexes have reached wage-parity in the past year.

DD/jlps

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Member: Legislative Budget and Audit Committee • Legislative Council

# The Gender Gap in Earnings

By Jeff Hadland  
Economic

## Females earned 65 cents for every dollar males earned in 1997



Women in Alaska earn less than men, on average. In 1997 Alaska females had wage and salary earnings only 65 percent as much as Alaska males, earning \$19,070 versus average male earnings of \$29,339. (See Exhibit 1.) Females make up 47 percent of total workers. They earned less than males in every geographic area of the state, in every major industry, in every age group, and most occupations.

Why is there a discrepancy in earnings? Within the same occupation, annual earnings differentials between the sexes may be the result of differences in training and experience, likelihood of seeking full-time versus part-time work, and even discrimination. None of these factors can be quantified or measured at this time and are not examined in this report. What we do know is that the average number of calendar quarters worked for males and females is virtually identical—3.24 quarters for males, 3.25 quarters for females.

Some females may improve their earnings by training for or searching for jobs in higher paying occupations currently dominated by males. Of course, career decisions must be made while considering the overall job outlook, number of positions currently filled and an assessment of the job seeker's ability.

Alaska's gender gap unchanged from 1995

From 1990 to 1995, Alaska's gender gap narrowed from 61.2% to 65.6%, a significant

improvement. This trend did not continue into 1997. The overall income and worker percentages for male and female workers remained relatively stable from 1995 to 1997 despite a strong economy, low unemployment and an increase in employment opportunities. Although the percentage of workers that were female increased slightly and females kept a slightly greater percentage of total earnings, average earnings for females declined in both absolute and relative terms from 1995 to 1997.

(Continued on page 6)

## Employment and Earnings By gender, 1990-1997



		1990	1995	1997
Employment Distribution (Percent)	Male	52.7	53.0	52.8
	Female	47.3	47.0	47.2
Total Wage Distribution (Percent)	Male	64.5	63.3	63.2
	Female	35.5	36.7	36.8
Average Annual Earnings	Male	\$27,655	\$29,261	\$29,339
	Female	16,934	19,182	19,070
	All Workers	22,580	24,527	24,490
Ratio Female to Male Avg. Wage		61.2	65.6	65.0

## 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.

#### 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

#### 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.

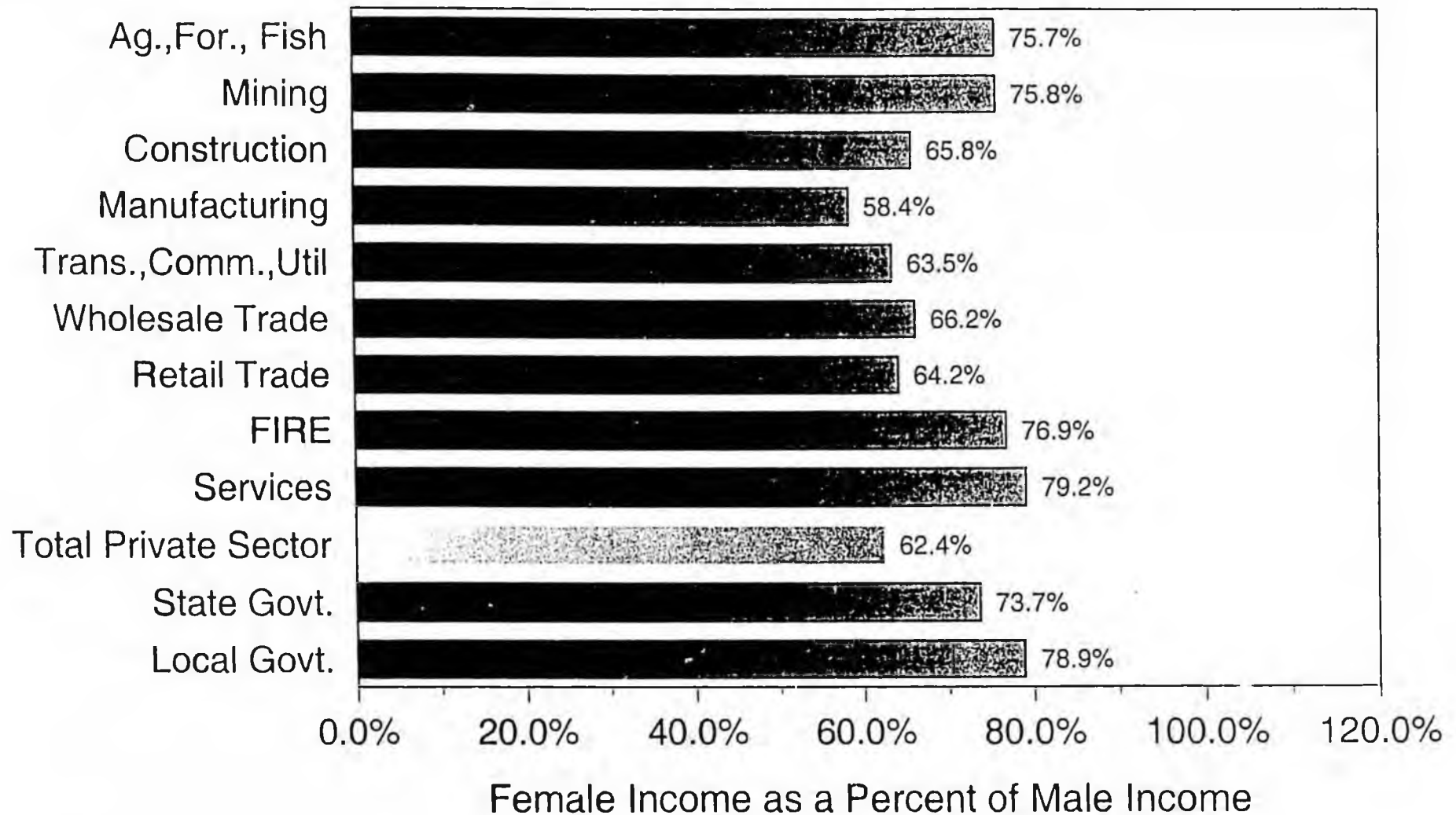
#### Final Implementation

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.

# Female/Male Average Annual Wage Income Ratios by Industry, Alaska, 1999



Source: Alaska Dept. of Labor and Workforce Development, Research and Analysis



# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT COMMITTEE SUBSTITUTE FOR SENATE BILL 65 (FIN) (3/14/01)

"An Act requiring a study regarding equal pay for equal work for certain state employees."

SB 65 requires the State of Alaska to conduct a study to determine if gender plays a role in state employee compensation. The State of Alaska has never performed a pay equity study. SB 65 provides a mechanism to assure the state is in compliance with federal law. If two workers do the same or similar job, it is illegal under federal law to pay each different wages based solely on their gender. Unfortunately, there is research showing that wage disparities between the sexes may exist in Alaska state government today. We know that on average Alaskan women working for the state are being paid less than men are. What we do not know is why. Only a pay equity study can answer that question. Only a pay equity study can determine where pay discrepancies may exist.

State employees should be paid based on the value of the work they perform, not based on whether they are men or women. Equal pay for equal work requires equal compensation for jobs that require substantially the same level of skills, effort and responsibility and are performed under similar working conditions. This is the where the study should be focused. We need to be sure our process for classifying positions is not influenced by gender.

"Equal Pay for Equal Work" should not be confused with "Equal Pay for Same Work", where a female worker is entitled to be paid the same as a male worker of the same job classification, or "Comparable Worth", the theory that jobs of equivalent overall value to the employer or to society should be compensated equally, even if the jobs are dissimilar in content.

Passage of SB 65 is, in itself, the right thing to do. But for those who are concerned about the costs to the state, there is another reason to support SB 65. Failure to address this situation could expose the state to expensive, time-consuming and divisive litigation.

Alaska should learn from mistakes made in other states. In Washington, legislators ignored evidence that women in state government were paid less than men and refused to enact legislation to correct this injustice. After years of litigation, Washington state

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Page 2

SB 65 - Sponsor Statement

employees achieved pay equity through court action. The ultimate cost to the state was much higher than it would have been if the legislature had dealt with the problem.

Other states have been successful in voluntarily dealing with the problem of women being paid less than men for equal work. The approach used by other states, and set out in SB 65, is to first identify if there are instances in which the state is illegally paying women less than men. If the study finds such instances, then the state can develop phased strategies to eliminate gender discrimination.

The Division of Personnel has attached a \$50,000 Fiscal Note to SB 65 for FY02. This is the estimated cost for a contracted study to independently review the state's pay formula and its application.

SB 65 promotes fairness in the workplace and recognizes the valuable work that is being performed by the men and women in our state government. In the long run, the passage of SB 65 could save the state a great deal of money.

DD/kk



# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## SECTIONAL ANALYSIS Senate Bill 65 (Pay Equity) (3/9/01)

"An Act requiring a study regarding equal pay for equal work for certain state employees."

**Section 1.** Sets out legislative findings and purpose.

**Rationale:** Explains existing state law and explains the parameters of the proposed study as being equal pay for equal work.

**Section 2.** Requires the Department of Administration to conduct a study to determine whether gender is a determinant in setting compensation for state employees. It also sets a time limit for the study to be completed by January 15, 2003.

**Rationale:** It is currently illegal under federal law to pay two workers who do the same or similar job different wages based solely on their gender. There is research showing that women working for state government are, on average, paid less than men. This legislation will require the state to conduct a pay equity study so that we may be sure our process for classifying positions is not influenced by gender. SB 65 also provides a time frame for completing the study.

Failure to enact this legislation could leave the state vulnerable to expensive, time-consuming and divisive litigation.

DD/kk

Co-Chair: Senate Finance Committee  
Vice-Chair: Senate Judiciary Committee  
Member: Legislative Budget and Audit Committee • Legislative Council

**SB**

**65**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
**MAR**  
 FEB 13 2001  
 SENATE FINANCE  
 COMMITTEE

DATE: 2/14/01

FURTHER:

DATE TURNED IN TO OFFICE: 13 March 31

Finance Committee considered **SENATE BILL NO. 65**

"An Act requiring a study to determine if gender is a determinant in state employee compensation."

and recommends:

- be replaced with CS SB 65 (FIN)
- adopt previous CS forthcoming ( )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DofT	2/14/01	500		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Green</i>			✓	
<i>Bob Crutcher</i>			✓	
<i>James H. ...</i>			X	
<i>Donald C. Olson</i>			✓	
<i>Greg Wilkins</i>	✓			
<i>...</i>	✓			
<i>...</i>			✓	
COCHAIR: <i>...</i>	✓			
COCHAIR: <i>...</i>	✓			

MAR  
FEB 13 2001

SENATE FINANCE  
COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 65  
(S) Publish Date: 2/14/01

Revision Date/Time (Note if correction): 2/14/01 Dept. Affected: Administration  
Title: "An act requiring a study of pay equity for state employees." BRU: Centralized Admin Svcs.  
Sponsor: Senator Donley Component: Personnel  
Requester: S(STA) Component Number: 56

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual	50.0	500.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0	500.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>50.0</b>	<b>500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The FY 02 costs are estimated for a contracted study to independently review the state's pay formula and its application. If the study reveals (a) source(s) of bias, we estimate a study to cost between \$500,000 to \$750,000.

Prepared by: Dave Stewart Phone 465-4431  
Division: Division of Personnel Date/Time 2/14/01  
Approved by: Jim Duncan, Commissioner Date 2/14/01  
Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

CS FOR SENATE BILL NO. 65(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS DONLEY, Taylor, Ward, Cowdery, Davis, Ellis, Therriault, Elton, Lincoln

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring a study regarding equal pay for equal work of certain state  
2 employees." #1

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

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 LEGISLATIVE FINDINGS AND PURPOSE. (a) Under AS 18.80.220(a)(5), an  
7 employer, including the state, may not discriminate in the payment of wages as between the  
8 sexes, or employ a female in an occupation in this state at a salary or wage rate less than that  
9 paid to a male employee for work of comparable character or work in the same operation,  
10 business, or type of work in the same locality.

11 (b) The Alaska Supreme Court held in Alaska State Commission for Human Rights  
12 ex rel. Beamer v. State, Department of Administration, 796 P.2d 458 (Alaska 1990) that the  
13 proper interpretation of the phrase "comparable character" is as an equal pay for substantially  
14 equal work provision. The court further stated that the requirement in AS 18.80.220(a)(5) for

1 equal pay for work of a comparable character was not meant to apply only to jobs that are  
2 identical but also to jobs that are substantially equal in terms of composite skill, effort,  
3 responsibility, work conditions, and other material aspects.

4 (c) A study to determine whether gender is a determinant in setting compensation will  
5 assist the state in evaluating its compliance with the requirement set by statute and help ensure  
6 equal pay for equal work.

7 \* Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9 GENDER PAY EQUITY SURVEY. The Department of Administration shall conduct  
10 a study to determine whether gender is a determinant in setting compensation for state  
11 employees in compliance with equal pay for equal work laws. The department shall present #2  
12 the study to the legislature no later than January 15, 2003.





Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 3/13/01 TIME: 11:15

TO: Legal attn: Terry Cramer

NUMBER OF PAGES, INCLUDING COVER SHEET: 3

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please CS SB 65 (FIN) 22-L50060\

NOTE: Page 1 - use "J" version

Page 2 - use "L" version

plus 2 amendments attached.

Call w/ questions

☺

Mindy

Amend #1

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS0060J  
Cramer  
3/5/01

CS FOR SENATE BILL NO. 65(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS DONLEY, Taylor, Ward, Cowdery, Davis, Ellis, Therriault, Elton, Lincoln

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring a study ~~to determine if gender is a determinant in state employee~~  
2 ~~compensation.~~ regarding equal pay for equal work  
of certain state employees."

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

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 LEGISLATIVE FINDINGS AND PURPOSE. (a) Under AS 18.80.220(a)(5), an  
7 employer, including the state, may not discriminate in the payment of wages as between the  
8 sexes, or employ a female in an occupation in this state at a salary or wage rate less than that  
9 paid to a male employee for work of comparable character or work in the same operation,  
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12 ex rel. Beamer v. State, Department of Administration, 796 P.2d 458 (Alaska 1990) that the  
13 proper interpretation of the phrase "comparable character" is as an equal pay for substantially  
14 equal work provision. The court further stated that the requirement in AS 18.80.220(a)(5) for

Amend #1

"An Act requiring a study regarding equal pay for equal work, for ~~of~~ certain state employees."

SENATE FINANCE COMMITTEE  
2000 COMMITTEE ACTION

Bill Number	HB SB 65		
Amendment	#1		
Motion	adpt		
<u>Motion by</u>	D		
<u>Objection by</u>	None		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Green			
Senator Hoffman			
Senator Leman			
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Passed		

Title Change

1 equal pay for work of a comparable character was not meant to apply only to jobs that are  
2 identical but also to jobs that are substantially equal in terms of composite skill, effort,  
3 responsibility, work conditions, and other material aspects.

4 (c) A study to determine whether gender is a determinant in setting compensation will  
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9 GENDER PAY EQUITY SURVEY. The Department of Administration shall conduct  
10 a study to determine whether gender is a determinant in setting compensation for state  
11 employees. The department shall present the study to the legislature no later than January 15,  
12 2003.

↑ insert:  
in compliance with equal pay  
for equal work laws

SENATE FINANCE COMMITTEE  
2000 COMMITTEE ACTION

Bill Number	SB 65		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Hoffman			
Senator Leman			
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<b>MOTION</b>	<b>Pass</b>		

adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS0060J  
Cramer  
3/5/01

CS FOR SENATE BILL NO. 65(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATORS DONLEY, Taylor, Ward, Cowdery, Davis, Ellis, Therriault, Elton, Lincoln

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11 (b) The Alaska Supreme Court held in Alaska State Commission for Human Rights  
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10 a study to determine whether gender is a determinant in setting compensation for state  
11 employees. The department shall present the study to the legislature no later than January 15,  
12 2003.





# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT COMMITTEE SUBSTITUTE FOR SENATE BILL 65 (FIN) (3/9/01)

"An Act requiring a study to determine if gender is a determinant in state employee compensation."

SB 65 requires the State of Alaska to conduct a study to determine if gender plays a role in state employee compensation. The State of Alaska has never performed a pay equity study. SB 65 provides a mechanism to assure the state is in compliance with federal law. If two workers do the same or similar job, it is illegal under federal law to pay each different wages based solely on their gender. Unfortunately, there is research showing that wage disparities between the sexes may exist in Alaska state government today. We know that on average Alaskan women working for the state are being paid less than men are. What we do not know is why. Only a pay equity study can answer that question. Only a pay equity study can determine where pay discrepancies may exist.

State employees should be paid based on the value of the work they perform, not based on whether they are men or women. Equal pay for equal work requires equal compensation for jobs that require substantially the same level of skills, effort and responsibility and are performed under similar working conditions. This is the where the study should be focused. We need to be sure our process for classifying positions is not influenced by gender.

"Equal Pay for Equal Work" should not be confused with "Equal Pay for Same Work", where a female worker is entitled to be paid the same as a male worker of the same job classification, or "Comparable Worth", the theory that jobs of equivalent overall value to the employer or to society should be compensated equally, even if the jobs are dissimilar in content.

Passage of SB 65 is, in itself, the right thing to do. But for those who are concerned about the costs to the state, there is another reason to support SB 65. Failure to address this situation could expose the state to expensive, time-consuming and divisive litigation.

Alaska should learn from mistakes made in other states. In Washington, legislators ignored evidence that women in state government were paid less than men and refused to enact legislation to correct this injustice. After years of litigation, Washington state

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SB 65 - Sponsor Statement

employees achieved pay equity through court action. The ultimate cost to the state was much higher than it would have been if the legislature had dealt with the problem.

Other states have been successful in voluntarily dealing with the problem of women being paid less than men for equal work. The approach used by other states, and set out in SB 65, is to first identify if there are instances in which the state is illegally paying women less than men. If the study finds such instances, then the state can develop phased strategies to eliminate gender discrimination.

The Division of Personnel has attached a \$50,000 Fiscal Note to SB 65 for FY02. This is the estimated cost for a contracted study to independently review the state's pay formula and its application.

SB 65 promotes fairness in the workplace and recognizes the valuable work that is being performed by the men and women in our state government. In the long run, the passage of SB 65 could save the state a great deal of money.

DD/kk



# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## SECTIONAL ANALYSIS Senate Bill 65 (Pay Equity) (3/9/01)

**"An Act requiring a study to determine if gender is a determinant in state employee compensation."**

**Section 1.** Sets out legislative findings and purpose.

**Rationale:** Explains existing state law and explains the parameters of the proposed study as being equal pay for equal work.

**Section 2.** Requires the Department of Administration to conduct a study to determine whether gender is a determinant in setting compensation for state employees. It also sets a time limit for the study to be completed by January 15, 2003.

**Rationale:** It is currently illegal under federal law to pay two workers who do the same or similar job different wages based solely on their gender. There is research showing that women working for state government are, on average, paid less than men. This legislation will require the state to conduct a pay equity study so that we may be sure our process for classifying positions is not influenced by gender. SB 65 also provides a time frame for completing the study.

Failure to enact this legislation could leave the state vulnerable to expensive, time-consuming and divisive litigation.

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# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

**What The Study Required by SB 65 Will Do  
An Explanation of the Difference Between:  
Equal Pay for Same Work; Comparable Worth; Equal Pay for Equal Work  
(3/2/01)**

SB 65 proposes the state do a pay equity study. The intent of the sponsor is that this study specifically examine the question of "equal pay for equal work" among Alaska State Employees. Following is an explanation of the difference between "equal pay for same work," "comparable worth" and "equal pay for equal work."

**Equal Pay for Same Work:** Under federal and state law a female worker is entitled to be paid the same as a male worker of the same job classification. We currently follow this practice in Alaska.

**Comparable Worth:** This term refers to the theory that jobs of equivalent overall value to the employer or to society ought to be compensated equally, even if the jobs are dissimilar in content. The comparable worth issue has tended to focus on the existence of the male/female pay gap and the desire that it be eliminated, rather than on the causes of the gap and the best methods for dealing with those causes.

**Equal Pay for Equal Work:** This principle requires equal compensation for jobs that require substantially the same skills, effort and responsibility and are performed under similar working conditions. This is the where the study should be focused. We need to be sure our process for classifying positions is not influenced by gender.

For instance, a recent pay equity study conducted for the State of Vermont found that terminology was a factor in determining job classifications. The "dirty" aspects of work were typically recognized in male jobs such as garbage collector or mechanic but missed in female jobs such as nurse or maid. The danger that meter readers face going into people's homes was recognized, but not the danger faced by public health nurses who go into those same homes (and stay longer). They felt terms should be used which are equally valid to female and male jobs (e.g., "tools" is more typically associated with male jobs while "equipment" is more likely to be associated with both men's and women's work). Overall, the Vermont study determined their system was not "broken" but merely needed to be updated and modified.

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# SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT SENATE BILL 65

"An Act requiring a study to determine if gender is a determinant in state employee compensation."

SB 65 requires the State of Alaska to conduct a study to determine if gender is a determinant in state employee compensation. The State of Alaska has never performed a pay equity study. SB 65 provides a mechanism to bring the state into compliance with federal law and to put an end to any wage-based sex discrimination in state employment. If two workers do the same or similar job, it is illegal under federal law to pay each different wages based solely on their sex. Unfortunately, there is research showing that wage disparities between the sexes exists in Alaska state government today. We know that on average Alaskan women working for the state are being paid less than men. What we don't know is why. Only a pay equity study can answer that question. Only a pay equity study can determine whether the pay discrepancies are legal or illegal.

State employees should be paid based on the value of the work they perform, not based on whether they are men or women. If two jobs require a high school diploma, a year of experience, and have comparable hazards and responsibilities, both jobs should be paid equally.

Passage of SB 65 is, in itself, the right thing to do. But for those who are concerned about the costs to the state in achieving pay equity, there is another reason to support SB 65. Failure to address this situation could expose the state to expensive, time-consuming and divisive litigation.

Alaska should learn from mistakes that have been made in other states. In Washington, legislators ignored evidence that women in state government were paid less than men and refused to enact legislation to correct this injustice. After years of litigation, Washington state employees achieved pay equity through court action. The ultimate cost to the state was much higher than it would have been if the legislature had dealt with the problem.

Other states have been successful in voluntarily dealing with the problem of women being paid less than men for equal work. The approach used by other states, and set out in SB 65, is to first identify if there are instances in which the state is illegally paying women less than men. If the study finds such instances, then the state can develop phased strategies to eliminate such sex discrimination.

SB 65 promotes fairness in the workplace and recognizes the valuable work that is being performed by the men and women in our state government. In the long run, the passage of SB 65 could save the state a great deal of money.

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