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BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Pouch AG
Juneau, Alaska 99811
465-4442

TO: Blue Ribbon Commission Members

FROM: Teresa B. Cramer, Administrative Assistant

DATE: January 21, 1979

RE: Issues Summary, Certification, Classification & Recruitment Subcommittee

CENTRALIZATION OR DECENTRALIZATION OF PERSONNEL ADMINISTRATION

1. A thread throughout many of the issues presented below is whether the personnel functions of the state should be centralized in the Division of Personnel or decentralized to the separate departments. Decentralization of the certifying of eligibles for unique job classes could result in more accurate classification of positions and evaluation of applicants and take less time than Division of Personnel now requires, leaving the Division with more time to handle the general job classes and fulfill its audit and service roles. The audit role would be more important under a decentralized system because there would be need of insuring consistency among departmental decisions.

Decentralization could result in confusion for applicants if there were no central locations for applying for jobs. It would be possible to have the Division of Personnel serve the public by establishing offices for information about jobs. These offices could be coordinated with Department of Labor's Job Service Centers and could accept applications and forward them to the appropriate departments.

On the other hand, it would be possible to have all personnel officers be employees of the Division of Personnel. This might insure better communication between the Division and the departments, and better control by the Division over personnel decisions within the departments. Testimony was presented to the commission indicating that a centralized system could result in considerable friction between the Division and the department in question and that this friction could hinder the effectiveness of the personnel officer.

Some departments have statutory authority for hiring their own personnel officers who are also empowered to adopt regulations for those classes of employees which are unique to that department. The departments include the departments of highways, fish and game, education, labor and health and social services. AS39.25.160.

QUESTIONS:

a) Is communication and control of personnel functions increased if personnel officers are employed by the Division of Personnel?

b) Does centralization create more problems than it solves by creating friction between departments and the Division?

c) Will the state be able to find and hire better people faster if the departments are responsible for all phases of the filling of positions in unique job classifications? Components of filling jobs include recruitment, application evaluation, writing exams, evaluating exams and establishing registers.

d) Will having personnel decisions decentralized lead to greater abuses of the merit principles? Can the Division audits prevent such abuses?

e) Will there be added expense in a decentralized system resulting from having to increase departmental personnel staffs? Could the money involved (if any) be better spent increasing the staff of the Division of Personnel or its operational budget?

f) If unique job classifications are decentralized, how should the system of applying for a state job be structured to insure that applicants receive knowledge of vacancies for which they might wish to apply?

g) Would job classifications be combined so as to be unique to each department, or would a single list be maintained by all of the departments using that general classification? For example, would engineering classes be made unique to the departments and separate lists maintained according to the type of engineering skills involved: Department of Environmental Conservation (Environmental Engineer), Department of Transportation and Public Facilities (Civil and Architectural Engineers), Health and Social Services (Sanitary Engineers); or would there be a single list for all engineers through which departments would search for those with specialties in the areas required for a particular vacancy?

CLASSIFICATION

2. Classification process. The process used for classifying new positions differs little from the process used for reclassifying existing positions. Testimony has indicated that both can be slow and cumbersome. The process includes:

- a) Preparation of job descriptions (P402's) describing the duties of the position and justifying the requested title and salary range. For new positions, the P402 is prepared by the immediate supervisory of the position. For reclassifications, the present job holder prepares the form.
- b) Departmental review varies widely among the departments.
- c) Review and approval by the Division of Budget and Management, if the classification or reclassification requires an increase to departmental budget.
- d) Classification study by the Division of Personnel and Labor Relations, including a comparison to similar positions in other departments, other states, and in private industry.

While most time is spent in the classification study, the process of classifying positions can develop delays at any of the steps. The time required leads program managers, who must meet legislative deadlines for programs and handle the normal work of the department, to hire temporary employees, which often leads to circumvention of the controls of the merit system.

REMEDY: Does the Commission wish to recommend that responsibility for handling classification of positions in unique job classifications be delegated to the user departments? If so, do the departments have adequate staff in their personnel offices to accept the responsibilities delegated? What would be the net cost difference?

Discussion: New job classification or existing positions' reclassification could be done by the user department's personnel section. The department would prepare Budget and Management forms and submit them directly to the Division of Budget and Management for budget authorization. The Division of Personnel would be given a copy of the entire submittal and would have a limited time to approve or veto the proposed classification action. If no response were received from Personnel within the time set, then the action would stand, subject to post-audit review, which would be limited to changing actions found to be contrary to established rule or law.

This concept makes the classification time responsive to

management at the departmental level, which can set priorities for action by its personnel section. Division of Personnel would retain an oversight role to insure consistency in classification standards throughout the state. This process could also be more responsive to applicants.

3. Division of Personnel recommendations to Division of Budget and Management on reclassifications. Testimony received indicates that the Division of Personnel evaluates and makes recommendations on proposed reclassifications only after the Division of Budget and Management has authorized funding for the change.

Federal law requires that employees be paid on the principle of equal pay for equal work, as does state law. Under federal law, employees who have been underpaid may be entitled to back pay with interest and attorney's fees in case of litigation. The present system of approving reclassifications gives Budget and Management a veto over reclassifications before Personnel has established the merit of the proposed change.

REMEDY: 1. Does the Commission wish to propose that the Division of Personnel place more emphasis on initiating reclassification studies? 2. Does the Commission wish to propose that where the Division has found that a reclassification should be made, that those positions must be reclassified, regardless of funding available? If funding is not available, and if the legislature decides against a supplemental appropriation to the departmental budget, then this policy would require a decrease in the number of positions to pay for the higher salaries of those remaining. 3. Should the Division of Personnel perform evaluations on all reclassification requests before Budget and Management makes recommendations and authorizes funding?

4. Structure of classes of positions. The Commission heard testimony on several components of the structure of the state's job classes.

a) Consolidation of job classifications. At present, there are 1,600 job classifications in the state, which is a larger number than other states with similarly-sized work forces. Reducing the number could speed the classification process and could help to prevent some of the inequities in salaries assigned to different classifications. At the same time, the consolidation could help to develop rational career ladders within classes.

b) Minimum qualifications for positions. Testimony was presented that minimum qualifications for some positions overemphasize educational requirements, which then eliminate candi-

dates who could perform the work satisfactorily but who lack the educational background specified. This is a particular problem for filling positions in the bush. On the other hand, one witness thought that more stringent educational standards should be required for social workers employed by the state.

STATUTE: AS39.25.155 requires establishment of vocational standards as alternatives for education or experience levels now required for non-professional occupational areas. Applicants will be placed on eligible lists for the vocational classification indicated on their applications, ranked by assessment of their technical ability and place of residence, without written examination. The purpose of the vocational substitution program is to establish a liberal system under which Alaskan residents not employed by the state may demonstrate their abilities and be hired. It is intended for use primarily in remote or underemployed areas where there is a local need for employees with certain vocational skills.

c) Career ladders. Two problems with career ladders were brought to the Commission's attention:

1) In the Public Health Nurse class, there is no viable career ladder system. There are a number of PHN-I's in the state, only a handful of PHN-II positions and a few PHN-III positions. PHN-III's are itinerant health nurses, located in rural areas and traveling throughout a wide area. Nurses working as PHN-I's have no realistic opportunity of remaining with the state in their field and receiving a promotion to another job classification.

2) In the Chemist class, there is no position available to chemists just out of college. The Chemist I position requires the applicant to have a master's degree or one year's experience as a chemist. There is no typical entry-level chemist classification which requires a college degree in chemistry and no additional experience.

REMEDY: Does the Commission wish to recommend that a comprehensive review of the present job classifications be undertaken by the Division of Personnel and the departments to reduce the number and provide consistency between positions; to provide career ladders within all classes; and to provide for entry level positions with minimal educational requirements in each field? Should the policy set out in AS39.25.155 be extended? Should experience substitute for education except where educational requirements are necessary for licensing in that occupation? What are the equal employment opportunity implications?

CERTIFICATION

5. Certification process. The process for certifying applicants and placing them on registers takes in the majority of cases between three to eight weeks which is too long. There are several components to this problem:

a) Open Recruitment. The state's policy of open recruitment of applicants has led to a substantial increase in the number of applications submitted to the Division of Personnel. This increased workload has added to the time taken for evaluation, testing (where required) and placement on the register. The Legislative Auditor suggests in Recommendation No.2 of his report of January 27, 1977, that the Division should accept applications based on forecasted turnover of positions rather than continue accepting all applications submitted. The Division replied that the state would have to have a greater pool of employees before it could accurately forecast future staffing needs.

Applicants may be encouraged by the fact that the state has accepted an application to believe that there is expected to be a vacancy in that position. If no vacancies occur for a considerable time, the applicant may become frustrated and feel that he is being unfairly treated by the Division of Personnel. On the other hand, if recruitment is closed for a period of time, then the state could not accept applications for any position within that classification. This could present a severe handicap particularly for classes with a number of specialized positions.

b) Unreasonable departmental requirements. One applicant found the application process for the position of Correctional Officer I to be unduly cumbersome and overly technical. The Division required that he be fingerprinted at a particular state office within a limited time, although fingerprints do not change and there were other more convenient state locations for being fingerprinted.

c) Evaluation of applicant's experience. It can take longer for the Division of Personnel to evaluate an applicant's experience than to administer an examination, even though the testing process is lengthy. For unique job classes and for professional level positions, the personnel analyst in the Division may lack the knowledge of the field necessary to perform an accurate evaluation. If the responsibility for filling positions in unique job classifications were delegated to the user department, this problem would be avoided.

d) Location. All application evaluation is done in the Juneau office. Applications from people in other areas of the state must be delivered to Juneau. Mail delivery time and frequent mail delays add to the time before action can be taken on the application. Applicants in other locations do not have ready access to the person making the evaluation and therefore are less able to challenge the results, should they feel that the evaluation is incorrect. The Division's field offices in Anchorage and Fairbanks are not authorized to process applications submitted to them.

e) Data Processing. The Legislative Auditor, in his report, recommended that the Division adopt an automated application processing system. The Division indicated in its response that progress was being made on the implementation of that system. The Auditor also recommended that files be kept by social security number and that employee records should be automatically interfaced with the Payroll Section for immediate and constant updating. The Division replied that because of considerable public and legislative concern about the expanding use of social security numbers as identity numbers, a social security based filing system did not appear advisable.

REMEDY:

a) Open recruitment. Should the state's policy of open recruitment be limited?

b) Experience evaluation. Should the department's be responsible for the evaluation of applications for positions in job classes unique to that department?

Could the application be structured differently to assist the applicant in directly presenting his or her skills, training and experience to assist the rater in making an accurate evaluation?

c) Location. Does the Commission wish to recommend that regional offices of the Division of Personnel in Anchorage and Fairbanks be authorized to evaluate applications and grade examinations and maintain regional master personnel records?

Should eligible lists for positions assigned to salary range 10 or below be kept on a regional basis according to the location in which the applicant will accept work? If so, how should the regional boundaries be drawn? (See also discussion on Lists of Eligibles, issue number 9, page 9).

d) Data processing. Does the Division of Personnel have sufficient funds to fully implement the data processing of appli-

cations? Should the Commission recommend additional funding for that purpose?

If the Commission chooses not to recommend decentralization of the classification process for unique job classifications, does it wish to recommend that the user departments evaluate the training and experience of applicants for unique job classifications?

6. Multiple applications within a job series. The Division of Personnel now requires an application for each job classification within a series. Applicants are therefore required to file several applications and to take several tests if they wish to apply for different levels within the series.

For example, accountants must take different examinations for the different levels within the accounting field. The Division of Personnel has found that giving multiple examinations within a job series is necessary since different levels of a series may require different kinds of skills. Furthermore, performance on an examination for one level does not accurately predict the applicant's performance on an exam for a different level.

REMEDY: Does the Commission wish to recommend that the Division of Personnel require a single application for several classifications within a series - e.g. a Clerk Typist application would cover the positions of Clerk Typist I, II and III - or that the Division require only one application for all positions for which an applicant wishes to be considered?

7. Veteran's preference. One witness testified that he and his subordinate each applied for a vacancy outside the classification series of their present positions, but closely similar to them. His subordinate received the job because he was slightly higher on the register as a result of the five points added to his score because he was a veteran.

STATUTES: AS39.25.150(23) provides for the granting of preference to veterans each time they apply for non-promotional employment. In determining the qualification of applicants for entrance into the classified service under the merit system examination, five points are added to the passing grade of a veteran and ten points are added to the passing grade of a disabled veteran.

REGULATIONS: PR3 07.3 implements that statute.

REMEDY: Does the Commission wish to recommend that the employment preference given to veterans be limited by requiring

that it be available only within a limited time after separation from the service (e.g. 10 or 15 years) or that each veteran may receive a bonus a specific number of times?

8. Promotional lists. Because the state's policy is to fill vacancies from promotional lists whenever possible, applicants who are on the competitive (rather than the promotional) register may never be considered for vacancies. This may lead to the applicant on the competitive register becoming frustrated with the state's hiring system.

In being considered for promotion, one correctional officer learned after the fact that his experience outside of the state's employment was not considered in his evaluation. He was advised that he should have specifically requested that it be considered, but such advice was given only after he questioned the rating he received.

STATUTES: AS39.25.150(4) provides that vacancies be filled by promotion whenever practicable and in the best interest of the state service.

REGULATIONS: PR3 01.3 provides for promotional examinations.

PR5 02.3 When hiring from a promotional list, selection shall be from among the top five available eligibles.

REMEDY: Does the Commission wish to recommend that the policy of the state be changed to eliminate the preference for hiring from promotional lists?

Does the Commission wish to recommend that the Division of Personnel audit the use of promotional lists to insure that no abuses occur?

9. Hiring from the list of eligibles. Both program managers and applicants have concerns about the lists of eligibles.

a) Program managers. Program managers have found that some eligibility lists are not current. This occurs sometimes because of regional preferences of applicants and sometimes because the applicant has become unavailable for work or has accepted another position with the state and is no longer seeking the same level of placement.

An applicant may remain on an eligibility list for a period of two years. There are procedures for supervisors to indicate that an eligible should be removed from the register, but apparently, there is some confusion about how to do so. The Division of

Personnel puts a lower priority on updating the eligible list for this kind of information.

b) Qualifications of top five applicants on registers compared with qualifications of those following. For regions with a large number of applicants, the top five eligibles may not be significantly more qualified than those who follow. Federal regulations used to require that the state hire from the top five interested eligibles for programs funded by federal money, but that may have been changed by federal civil service reforms.

c) Interviews for top five applicants. Departments are required to hire within the top five on the register (except where they justify not doing so) but they are not required to interview each applicant within the group.

Supervisors may be prejudiced against an applicant because he or she has been on the register for a considerable length of time, and be less willing to hire him or her for that reason. The failure to interview all of the members of the group rewards those who are aggressive in seeking interviews with program managers and those who are in the location in which there is a vacancy. A prospective employer will have much better knowledge of an applicant after an interview than he or she could glean from reading the written application.

The Department of Administration is in the process of preparing regulations for a pilot project which would require that all of the top five interested applicants have an opportunity for a meaningful interview before a position was filled. The interviews should be scheduled long enough in advance to insure that the applicant will receive notice and be able to attend. Supervisors may wish to ask departmental staff in the applicant's area to conduct the interview, if the applicant prefers not to travel to the office with a vacancy. Interviews might also be conducted by telephone. Either of these methods is less desirable than an interview between the applicant and the person hiring.

The applicant would be responsible for any transportation costs to the interview.

REGULATIONS: PR4 02.0 Eligibility lists are statewide in scope except where Rules or action of the Director call for establishment of lists by geographical area, agency, or organizational unit.

PR4 03.0 Duration of eligibility lists (not to exceed 2 years)

PR4 04.0 Removal of names for specified reasons

PR4 05.0 Eligibles' right to restrict the conditions under which he will be available for employment

PR5 03.14 If an eligible is passed over three times by a department for the same classification, that department can request that the eligible's name not be certified to them again.

PR5 03.3 Concurrent certification of eligibles. The Rules do not require the simultaneous certification of the same name on different certifications made concurrently. This means that even though two certification lists (registers) are issued at the same time for the same classification, they will not necessarily contain the same names.

RECOMMENDATIONS: 1. Does the Commission wish to recommend that eligible lists for positions assigned to salary range 10 or below be kept on a regional basis according to the area in which the applicant will accept work? (See also discussion on Location of Certification, issue number 5, page 7). 2. Does the Commission wish to recommend that the state adopt a different merit system selection process? In his memorandum on "Merit Systems in Other Jurisdictions", Ken Humphreys provides a list of some of the options:

a) Rule of the List. Under this method, eligibles are certified on a pass/fail basis. All who pass are certified as eligible for appointment. This is the most open alternative.

b) Zone or Category Scoring. Individuals are ranked within specified ranges. Such categories might be called outstanding, well qualified, qualified or not qualified. Selections would be from the highest category unless the number of eligibles in it fell below a certain level, in which case the next category would become eligible. This is the method under the new federal law. It is worth noting that zones or categories may be tailored to suit different job classes.

c) Block Scoring. All candidates within a specified block of scores are certified.

d) Rule of _____. Any arbitrary number such as one, seven or ten may be inserted.

3) Does the Commission wish to recommend that in filling a vacancy, departmental staff be required to provide the top five applicants on the register with the opportunity for a meaningful interview? If so, should the Commission recommend that this requirement be accomplished by statutes or by regulations

only?

AUDITING ROLE OF DIVISION OF PERSONNEL

10. If the Division of Personnel increased its review of personnel actions taken by departments, abuses of the personnel system would decrease. Testimony has indicated that one of the major areas of abuse is in departmental hiring practices. In order to avoid unfair treatment of individuals who are hired because of improper departmental actions, the division should be able to respond quickly upon notification of a problem. To insure that the division learns of improper actions, applicants for state employment should be provided with the name of the person responsible for investigating and resolving abuses.

REMEDY: Does the Commission wish to recommend the creation of a position of trouble-shooter within the Division of Personnel who would be responsible for investigation and resolution of problems? If so, what authority should the trouble-shooter have for requiring departmental compliance with his or her findings in each case? What authority should the trouble-shooter have for initiating investigations prior to receipt of a complaint?

AUDITS OF THE DIVISION OF PERSONNEL

11. At the October 3 meeting of the Commission, the Commission voted to "recommend legislation which would provide for periodic external audits of the personnel system like the one carried out (by) the (sic) Division of Legislative Audit in 1977." Minutes, Full Commission, October 3, 1978, page 2.

The Commission should consider who it wishes to recommend to perform this audit - Legislative Audit, Internal Audit or an outside firm? In addition, who would the auditor report to and who would establish the scope of each audit?

PERSONNEL ADMINISTRATION - OTHER

12. Violation of the personnel rules. There is no workable system to penalize supervisors who circumvent the personnel rules or who disobey equal employment opportunity laws in the decisions they make. In the Prohibitions and Penalties section of the rules, there is a provision making any person who violates the personnel rules guilty of a misdemeanor and providing that any state employee who is convicted of that misdemeanor shall immediately forfeit his office or position. PR13 18.0. This is a harsh remedy, and therefore likely to be used only in extreme circumstances.

REMEDY: Does the Commission wish to recommend that an

Ethics Committee be established to hear obvious abuses by supervisors and other state employees of the Personnel Rules and state and federal statutes?

Composition of committee - criteria for selection, who selects
Scope of authority
Powers to compel testimony, authority to obtain records, etc.
Effect of decision - recommendation to department or mandatory upon department
Remedies available

13. Training programs. The Division of Personnel has limited staff to provide training programs to state employees. Training needs might include introduction to new state employees on the state's unique ways of doing things, EEO and Affirmative Action information, better management practices, introductory budget and financial management information to non-fiscal program managers, explanation of state's personnel system - classification and reclassification processes and standards, the hiring system, labor relations information and the like.

One problem identified was the reluctance of supervisors to fire unsatisfactory employees. This reluctance may result from lack of training in the state's standards, processes and some skill developments. But there may be other obstacles or reasons why supervisors fail to fire employees, such as concern with union procedures, which training will not address. (Local 71 representatives testified that they always file a grievance when an employee is fired, but that they dismiss those grievances where their investigation indicates that the action was justified).

14. Personnel Rules. There are a number of problems with the Personnel Rules. For example, there is no specific rule on whether temporary employees may use the appeal procedures set out in the rules. The Division has analogized from the rule for probationary employees that temporary employees may not use the appeal procedures except in limited circumstances, but it would be clearer if there were a specific provision in the rules concerning the rights of temporaries.

Little or no attempt has been made to reconcile the Personnel Rules with the several bargaining unit agreements; the rules and the standard operating procedure and memoranda implementing or changing them are not cross-indexed, and there is no one source for all the standards which need be applied to resolve a question: Personnel Rules are in some instances vague, leading to different applications by departments and inconsis-

tent treatment of state employees, depending only on which department they work in;

STATUTE: AS39.25.140 sets out the procedures for amendment of the rules and AS39.25.150 sets out the scope of the rules.

REMEDY: Does the Commission wish to recommend that the Department of Administration prepare a comprehensive revision of the rules for submission to the personnel board?

Does the Commission wish to recommend that the Division of Personnel study the rules and establish personnel rules which would apply to all employees, regardless of whether or not they were members of a union? Should the state have personnel rules beyond the scope of those general rules which would complement each union contract?

Since the Personnel Rules are out-of-date, does the Commission wish to recommend that there be a periodic review of the rules? Should the Personnel Board retain jurisdiction over the rules or should this function be given to an Ethics Committee?

15. Use of employees in tasks above job specifications. Supervisors are unwilling to document the performance by their staff of duties above the job classification to which the employee is assigned. This denies to the employee credit for work done - either when being considered for promotion or for employment elsewhere - as well as for extra pay for the task in question. There are procedures available for documenting work above grade.

QUESTION: Does the Commission wish further review of this problem?

16. Flex time. The use of flex time should be encouraged as a way of responding to individual employee needs while also better meeting the public's needs for services during lunch hours and after regular state hours. PROBLEM: Experience has shown that having people work at odd times will result in unions demanding extra pay for those odd hours, increasing the cost to the state.

QUESTION: Does the Commission wish further review of this problem?

17. Job performance evaluations. At the October 3 meeting, this topic was raised. The Commission decided to leave development of it to the individual members.

1. Excellence or substandard performance
2. EEO
3. Dress codes
4. Training and job performance assessment

18. Personnel Act. As indicated in issue number 2 of the Merit System/Collective Bargaining Committee Summary, there has not been a comprehensive review of the Personnel Act since the adoption of the Public Employees Relations Act in 1972. This has led to considerable confusion about how the two systems should be integrated. Furthermore, the Personnel Act is considered by some to be poorly constructed.

REMEDY: Does the Commission wish to recommend that the Code Revision Commission be directed to recodify the Personnel Act so that it is well structured and written in plain language?

19. Criminal history check. The application form for state employment asks applicants to indicate whether they have been convicted of a felony within the past ten years. Federal law may now prohibit requiring that an applicant respond to that question. The only way to check the truth of an applicant's answer, should one be provided, is to make a personal complaint with the Department of Public Safety. They will then search their computers to learn whether there has been a conviction.

Some supervisors believe that it is important to know about an employee's criminal background when hiring for positions in which the employee would have access to funds or to supplies which might prove to be too tempting to resist.

QUESTION: Does the Commission wish to pursue this topic further?

CERTIFICATION, CLASSIFICATION & RECRUITMENT
Capitol Building, Juneau
October 17, 1979

MINUTES

Senator Bill Ray, Chairman, called the meeting to order and referred to the memo on partially exempt employees prepared by Terry Cramer. She explained that partially exempt employees do not belong to collective bargaining unions because they have never petitioned for representation. Under current statutes, all employees in the Governor's Office are in the partially exempt service, unless their positions are federally funded.

The subcommittee reviewed the list of partially exempt positions in the memo and raised questions on the following:

DEPARTMENT OF REVENUE

Revenue Hearing Examiners
Investment Officers I-III

DEPARTMENT OF HEALTH & SOCIAL SERVICES

Staff Psychiatrist

DEPARTMENT OF COMMERCE

Executive Officer of the Nursing Board
Executive Secretary of the Real Estate Commission
Regional Loan Manager

DEPARTMENT OF FISH & GAME

Special Assistant

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Administrative Officer I

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Special Assistant

Senator Ray stated that he would discuss with Governor Hammond the possible removal of some partially exempt positions from his office and the addition of policy-making supervisors to the partially exempt service. Pat Murphy pointed out that it is possible for employees to have the protection of the classified service while being excluded from collective bargaining. Employees in this special class are not subject to termination each time a new Governor is elected. Mr. Murphy added that he is sure there will be a bill introduced next session to remove Deputy and Assistant Directors from bargaining units. Senator Ray pointed out that Deputy and Assistant Directors should be in the par-

tially exempt service because they make policy decisions. If they were placed in the classified service as career employees, they would be less sensitive to implementing the Governor's policy.

Lois Jund cited her experiences in being offered a partially exempt position and her reluctance to accept it because of the possibility of making unpopular policy decisions and the unsure tenure of the partially exempt service. She believes that Deputy and Assistant Directors should be part of the career ladders in the classified service, but should not be part of the collective bargaining process. Ms. Jund recommended that these employees be moved into the special class Mr. Kareen referred to. Ken Kareen explained that the Governor has already proposed that these positions be removed from the collective bargaining process.

Senator Ray mentioned that he had received a complaint regarding APEA representatives being employed in policy-making positions with the state. Pat Murphy commented that this has not been a problem, but John Pugh, for example, resigned as President of APEA because the Commissioner of the Department of Health and Social Services felt that the office might conflict with his job responsibilities.

Ken Kareen stated that because of unique requirements, he feels that the Governor's staff should remain in the partially exempt service. However, there is a question about why some agencies are placed in the Governor's Office. Lois Jund pointed out that the public sector often applies pressure to have certain functions placed under the Governor's Office for visibility purposes. Ken Kareen added that there are instances when there is no logical place to put agencies other than in the Office of the Governor.

Senator Ray addressed the issue of auditing the personnel system. Lois Jund commented that audits of state agencies should be a role of the Division of Personnel. Senator Ray asked whether there is an internal audit function in the Department of Administration, and Ken Kareen responded that the internal audit function was deleted from the department's budget and reestablished under the Office of the Governor. The Department of Administration does have some audit responsibilities. Senator Ray suggested that a departmental ombudsman position might be created to handle such studies. Lois Jund mentioned that the Civil Service Commission's Personnel Branch performs personnel audits in agencies, examines specific positions, training and EEO functions, and writes reports containing recommendations for improvement. Ken Kareen elaborated that the Personnel Branch is then audited by the General Services Administration, which has a similar function.

Senator Ray moved that the subcommittee recommend that audits be performed in agencies by the Division of Personnel and that the Legislative Budget and Audit Committee determine the scope of the audits and be the recipient of reports. There were no objections.

Lois Jund asked who would be responsible for auditing the Division of Personnel, and Ken Kareen suggested that the study be performed jointly by the Division of Legislative Audit and the Department of Administration. Senator Ray pointed out that current legislative audit methods are time consuming, and reviews are not performed annually. Presently, the Legislative Audit Division reviews the system and reports findings to the Legislative Budget and Audit Committee, which submits the report to the department involved. The department then considers the report and submits a reply to the Legislative Audit Division. Mr. Kareen stated that legislative audits performed on the Division of Personnel are extremely time consuming. Mr. Murphy asserted that the Division of Personnel would be capable of handling performance audits on agencies if other functions were decentralized and the Division was responsible for administering the personnel system. Senator Ray moved that the subcommittee recommend that there be annual audits of the personnel system performed either by the Division of Personnel, the Legislative Audit Division or a combination of both. Lois Jund amended the motion by deleting reference to "annual". There were no objections.

On the issue of creating more effective disciplinary measures for violation of Personnel Rules, Senator Ray observed that supervisors are apparently lacking selfdiscipline. Ms. Jund stated that the U.S. Civil Service Commission has rules on offenses and publishes a table of penalties covering each offense. Mr. Kareen commented that under the present system, violations of Alaska's Personnel Rules are considered misdemeanors. He remembered only one prosecution in the history of the state.

Senator Ray cited an example of problems arising when the desire to prosecute is lacking. Ms. Jund commented that employees found violating the Personnel Rules should have an opportunity for hearing or appeal. Pat Murphy explained that collective bargaining unit representatives are responsible for representing employees in all disciplinary actions. All employees are responsible for abiding by the Personnel Rules, and if it is proved that they are willfully violating them, management has the right to take disciplinary action. Senator Ray asked whether the subcommittee agreed that the present disciplinary system is ineffective. Pat Murphy did not concur. Ms. Jund asserted that disciplinary measures are not applied consistently, because they are left to the supervisor's discretion and because there are no established guidelines. Ken Kareen stated that there are many parties involved when violations occur who are concerned with assisting the employee. He advocates uniform application of disciplinary measures and penalties less severe than misdemeanors. Senator Ray suggested that the subcommittee recommend an amendment to the Personnel Act to provide disciplinary action commensurate with the seriousness of violations. There were no objections.

Senator Ray brought up the issue of recommending comprehensive revision of both the Personnel Act and the Personnel Rules. The subcommittee had already voted affirmatively on recodifying the State Personnel Act. Senator Ray suggested that the decision on who should conduct the recodification process be left to the legislature's discretion. Members concurred, and suggested that the Personnel Rules be redrafted following revision of the statutes.

Senator Ray adjourned the meeting at 11:45.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Lynda McCurry
Lois Jund
John Pugh
Sandra Withers

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen
Bob Mourant
Pat Murphy

CERTIFICATION, CLASSIFICATION & RECRUITMENT
Capitol Building, Juneau
October 11, 1979

MINUTES

Senator Ray, Chairman, called the subcommittee meeting to order and invited Ron Lehr, Director of the Division of Budget and Management, to address questions on the role of his division in the classification and reclassification processes. Karen Corey was also present, representing the Governor's Office.

In the classification of new positions, the Division of Budget and Management is responsible for preparing position authorization forms, known as SA 21's. The agency requests that the division authorize the creation of a new position. This form is returned to the agency, which submits it with a position description (P402) to the Division of Personnel for their action on the proposed classification. The role of Budget and Management is to verify that funds are available for the position and to insure that the position is in accordance with the operations plan of the agency.

Senator Ray commented that the subcommittee has heard testimony regarding frequent delays in the classification process that was attributed to Budget and Management. Mr. Lehr responded that in most instances, SA21's are prepared by the division in May or June, well before the beginning of the fiscal year. Senator Ray mentioned the subcommittee's concern over Budget and Management's veto powers. Mr. Lehr explained that the Division of Budget and Management staff acts as the staff of the Governor's Budget Review Committee during the preparation of the Governor's budget, just as the Legislative Finance Division serves as staff of the Legislative Finance Committees during their review. In neither case do the staff members have decision-making powers. He added that there were some delays this year, since the legislative cut-back on the proposed budget required agencies to revise their operational plans. To insure that this was done, the division held up processing other documents for each agency, including authorizing expenditures for new positions, until the operations plan of the agency had been cleared.

Lynda McCurry commented that in the Department of Labor, the establishment of new positions doesn't present a problem. However, there have been problems in reclassifying positions, from seasonal to part-time for example. Ms. McCurry cited delays in the delete/reestablish process of up to several weeks. She was informed by Budget and Management analysts that reclassification actions were low on the division's list of priorities. She does not feel that agencies should be respon-

sible for calling the division to expedite the process. Mr. Lehr stated that reclassification actions should not take more than a few days. The division only has to verify that funding is available and that the reclassification is in accordance with the operation plan intended in the budget.

Ms. McCurry stated that from the program manager's point of view, it is difficult to obtain answers to questions over which Budget and Management and the Division of Personnel have authority. Mr. Lehr responded that the division revised its procedures manual, in August or September, and it may help in identifying the source for answers.

Senator Ray pointed out that there are some who feel that the Division of Budget and Management consists of a group of elitists who give everyone a bad time. Apparently, some staff members act as though they have more authority than is actually the case. Mr. Lehr replied that he would have to hear specific complaints to respond to the accusation.

Senator Ray asked whether each analyst in the division is assigned to one department. Mr. Lehr explained that each analyst works on a budget category, and there is one category for each department, with the exception of Natural Resources. He added that the division's task is quite simple, and it is easy to complete authorization forms, which are not very complex.

Senator Ray noted that personnel officers and agencies do not care to call the division whenever they have difficulties, because this often leads to being labeled as a trouble-maker. Mr. Lehr stated that the division has a control function responsible for exercising the Governor's authority. Some friction is inherent, given that role. Lynda McCurry observed that one of the problems appears to be a lack of communication between the division and the user agencies.

There are only certain instances when the division has to get involved in the classification process, such as in the delete/reestablish actions and when reclassifications require additional money. Doryce Eggleston stated that there are no clear operating procedures outlined for personnel officers, thus there is confusion as to the role of the division. Senator Ray suggested that the first step in the process, submitting the forms to the Division of Personnel, could be eliminated. Thus, P402's and SA21's could be sent directly to the Division of Budget and Management for authorization. Mr. Lehr stated that the Division of Personnel serves as a screening function, and his division would be overrun with requests if that step were eliminated.

Senator Ray recommended that the division write a handbook outlining procedures for all entities coming in contact with the division.

Mr. Lehr stated that the division has been writing a procedures manual for internal use, but it is a time consuming task and not a high priority. Senator Ray suggested that a short-form manual be prepared in the meantime in collaboration with the Division of Personnel and some of the agencies experiencing difficulties. There were no more questions for Mr. Lehr. Senator Ray expressed the commission's thanks for his participation in the meeting and offered congratulations on his recent promotion to the position of Director. Mr. Lehr and Ms. Corey left.

Lois Jund suggested that agencies could expedite the process by preparing position descriptions prior to receipt of SA21's. Ms. McCurry noted that APEA representatives have referred to problems in the process of upgrading classifications. Ken Kareen explained that their problems are results of grievances over position reclassifications. When the Division of Budget and Management receives requests for upgrading, they have to verify that funds are available and in accordance with legislative intent. Often, funds have not been appropriated for the elevated classifications, and the Division must delay authorization until funds have been approved.

Senator Ray addressed subcommittee members, stating his hopes that the commission can remain objective on issues that members are personally involved with. He informed the subcommittee that he had made a report to the Legislative Council on the commission's activities and their lack of action on the merit system/collective bargaining issues. The council indicated that the collective bargaining issue is a priority for commission consideration. Senator Ray assured the council that all information researched and all public testimony heard on the topic will be placed in the final report to the legislature. He invited members to prepare their own reports on any of the issues discussed during meetings. Senator Ray asserted that the commission is a legislative entity that is responsible for disseminating whatever information it acquires to the legislature.

On the issue of multiple applications, Ms. Jund commented that in the civil service system, an application may be submitted for all levels in a job series. Sandra Withers stated that the Division of Personnel operates with a limited number of employees and is designed to utilize their time and effort in the most productive manner. Senator Ray asked whether it would be possible to save time by accepting one application for a series, and then if an individual passed a test for the highest level, he or she could be scored for the lower levels accordingly. Ken Kareen explained that the Division of Personnel is working on computer backup that would allow for this in some instances. However, different values are assigned to experience and skills at different levels. Final scores are based on a combination of experience and knowledge of applicants, and individuals with both should be the best candidates for the job.

Senator Ray commented that individuals from academic backgrounds fare better on tests than those who have had more actual on-the-job experience. Mr. Kareen pointed out that the Division of Personnel is trying to develop a detailed questionnaire to evaluate experience in a more efficient manner. Evaluating experience described on applications and resumes can be difficult. Some applicants write autobiographies, and some scribble only a few lines. The recruitment responsibilities of the Division of Personnel are becoming more complicated because of state and federal regulations. The division cannot, at this time, interview an applicant for a position unless there is statistical documentation that the interview is nondiscriminatory.

Senator Ray moved that the subcommittee recommend that the Division of Personnel be encouraged to get away from the necessity of multiple applications, provided that the process doesn't become more labor intensive than it is presently. There were no objections.

The issue of test validation was addressed, and Ken Kareen asserted that the commission should not address the issue because of the complexity of state and federal regulations. Presently, a competent professional is required to study jobs and then construct validated tests. There are many alternatives, such as multiple choice, essay and combination tests. The Division must show statistically that people performing well on tests will perform best on the job. Lois Jund asked if there is an agency that validates tests nation wide. Mr. Kareen explained that there are a number of consulting firms that do, but there is no one agency involved. The leader in this area is the U.S. Civil Service Commission. Ms. Jund asked whether it would be possible to obtain validated tests to be used in Alaska. Mr. Kareen replied that the test couldn't be used unless it was validated for use in Alaska. The test on which the Civil Service Commission (Office of Personnel Management) spent the most money is currently being challenged in the courts because there is some question of its validity. The state is required by federal regulation to validate tests, but only some have been at this time. Ms. Jund asked if additional funding is necessary to complete the task. Mr. Kareen stated that he has mixed feelings on requesting additional funds because he doesn't believe that the state will ever be able to validate all tests. The subcommittee took no action on the issue.

On the issue of the veteran's preference system, Senator Ray suggested that it be abolished. Mr. Kareen stated that the Division of Personnel receives applications from career military people who are drawing retirement benefits from the federal government, and they expect to receive preference in state employment as well. Senator Ray suggested that the subcommittee recommend that veterans be given preference when applying for positions within a three-year period following discharge from the service. He believes that the present ten-point preference system for disabled veterans should not be changed. There was general agreement on the issue.

Referring to the topic of regional registers, it was pointed out that limiting registers to applicants from one region would restrict competition. Applicants presently have the option of choosing the area in which they are willing to accept employment on application forms. Ken Kareen pointed out that certification of some registers are handled in Anchorage. However, individuals indicate on applications that they are willing to work anywhere in the state but frequently turn down interviews for openings in rural areas. The state is required to hire from among the best available applicants, and limiting applicants to just one area would conflict with equal employment opportunity policies. Mr. Kareen stated that the U.S. Civil Service Commission (Office of Personnel Management) has regional registers requiring one application for each region. This type of system would increase the influx of paperwork in the Division of Personnel drastically. Lois Jund suggested that the state might be able to give hiring preference to residents in some rural areas. Senator Ray moved that the issue be noted in the commission's report and identified as a problem. There were no objections.

Members addressed the issue of interviewing the top five interested applicants on a register. Senator Ray suggested that requiring a cursory interview could alleviate some grievances from individuals who believe that they should have such opportunities. Lois Jund stated that appointing authorities work under time constraints, and a requirement would present difficulties. The procedure for requiring interviews for those on block scored registers was discussed. On some registers using block scoring, there are as many as 70 applicants in the top group. Terry Cramer commented that an individual had presented his views to her on an interview at the University of Alaska. He had been told that the position might be filled by promotion, and he felt that the interview was a waste of time. Senator Ray moved that the subcommittee recommend that the top five interested applicants be notified of position openings and given an opportunity to request a meaningful interview. The recommendation does not address registers using block scoring. There were no objections.

Senator Ray mentioned that the commission's recommendations on filling authorized permanent positions with only permanent employees had been taken care of in the new nonpermanent hiring law. He made a presentation on the new law to the Council of State Government's meeting, and it has been printed in their publication as a model for other legislatures. The staff is preparing a memo on the changes being implemented by the state.

On the issue of training, Senator Ray stated that the staff is preparing a report designed to inform the legislature of the commission's views.

There was general agreement that the issues of promotion and equal employment opportunities are matters for Division of Equal Employment

Opportunity consideration. Ken Kareen elaborated that the subcommittee is sympathetic to EEO philosophies and believes that the Division of Equal Employment Opportunity provides adequate representation of the issues.

Senator Ray commented that on the topic of documenting tasks performed above class specifications, there are sufficient means for promotional advancement and compensation. Documentation procedures are available, which are the responsibilities of supervisors and managers. The issue is also a bargainable item. Senator Ray moved that the subcommittee recommend that this continue to be a bargainable item. Mr. Kareen added that it is management's responsibility to insure that the position description of their employees are current. There were no objections.

Senator Ray adjourned the meeting at 11:50.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Lois Jund
Lynda McCurry
Sandra Withers

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen

CERTIFICATION, CLASSIFICATION & RECRUITMENT SUBCOMMITTEE
Capitol Building--Juneau
October 5, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order and referred to the September 26 issues summary as an agenda for discussion. Items IIA1 (creation of a Department of Employee Relations) and IIA2 (adopting the Personnel Rules in compliance with the Administrative Procedures Act) were reviewed by members. Under language drafted into SB256, Personnel Rules would no longer be exempted from Administrative Procedure Act requirements. Under the present law, the Personnel Board has discretion as to whether a public hearing is held on proposed changes.

On the issue of a block scoring system (IIA3), Ken Kareen explained that the subcommittee's previous recommendation was viewed by the Division of Personnel as an encouragement to continue moving in that direction. He stated that currently, almost all clerical examinations are block scored. There are numerous federal requirements for compliance with examination regulations, and it is possible that further subcommittee refinements would not be in compliance. The federal government permits the use of block scoring in its own system where there is sufficient statistical information available.

Sue Greene stated that the "rule of five" is restrictive for some classes and not so for others. There are certain types of positions that require employee qualities that do not show up through testing. Ken Kareen commented that to meet this need, there are provisions in the Personnel Rules where an appointing authority has discretion to hire below the top five. When an exception is made, the burden is placed on the appointing authority to supply a reasonable explanation for such action.

Senator Ray stated that people's expectations of getting hired when within the top five are being thwarted, written examinations are ambiguous, experience is erroneously evaluated and "buzz words" are the most significant factors in evaluations. Darlene Livermore responded that final ratings are usually based 60% on experience and 40% on test scores. There are inherent difficulties in classifying people, and there is always a question of subjectivity. On another topic, it was noted that after an individual is tested and hired, the emphasis on training is dependent upon the position. If a classification is for training purposes, the examination is created to predict which individual has the greatest learning potential.

John Pugh pointed out that the Division of Personnel has improved certain classifications by consolidating them into larger classes. When his department needs a program coordinator, it requests the specific qualifications necessary. The Division of Personnel provides an eligible list of those persons on the general program coordinator list who meet the specific qualifications requested. However, this can be very time consuming for the Division of Personnel, and generalizations cannot always be made in classifications.

Senator Ray elaborated on existing classification problems, such as requests for accountants, when a position only requires an accounting clerk. Sue Greene responded that the Division of Personnel relies on information from supervisors, who are required to review each of their employees' position descriptions during the annual performance evaluations. There is a need to improve the system. Ken Kareen pointed out that a recommendation to create a stronger audit function in the Division of Personnel would make the division even less popular than it is now. Members discussed some possibilities for reviewing the classification system. Washington contracts with a consulting firm on an ongoing basis. Alaska has previously contracted with a firm to examine and make recommendations on the system. Although the firm was well respected, their recommendations were unpopular and not acted upon. Ken Kareen agreed with Sue Greene that a study performed by an outside firm would be more objective, but credibility would be better from the Division of Personnel. If a study were to be done, it would be important for the current division staff to work with the firm conducting the study because they would be responsible for maintaining the revised system.

Lynda McCurry stated that several agencies have highly developed classification review plans. However, there is a lack of resources for all departments to do so. Departments and personnel sections should be more responsible for position classifications. John Pugh suggested that register ranking could be better handled by departmental personnel, especially unique classes which some departments are responsible for now. Some classification problems can be attributed to the departmental employees who write evaluations and minimum qualifications. How much authority for independent action should personnel officers have? Personnel officers in some departments are classifying positions. In various agencies, employees are responsible for writing their own job descriptions and evaluations, which are reviewed by supervisors and then sent to personnel sections. Lynda McCurry stated that if an incumbent is familiar with the work, he or she will usually be able to write a very honest job description. In the Word Processing Center, for example, it was found that almost universally, the staff rated its work with fewer points than actually earned. John Pugh mentioned his belief that "padding" is more prevalent for positions in Juneau offices than those located in other parts of the state. Positions with a higher level of decision-making authority are better paid in the state than are those with less authority but more daily responsibilities.

Senator Ray asked the subcommittee whether personnel officers should be centralized or decentralized. Darlene Livermore replied that it would appear to be easier to have them congregated in one central location. However, good logic dictates a decentralized system to the maximum degree possible, where the personnel officers have a great amount of authority and some type of uniformity in regulation application. John Pugh commented that there are some functions that need to remain in the Division of Personnel. He recommends a centralized system to establish and maintain policies and procedures, with a strong audit function. Lynda McCurry added that the Confidential Employees Association recommends that personnel officers with classification authority be located in each department and that there be a strong audit function in the Division of Personnel.

Sue Greene said that there are two points of concern in maintaining a cohesive system of equitable application. In the long term, fragmentation can occur in a decentralized system. She recommends that personnel officers be hired and managed by departments and be delegated different levels of authority, depending upon their capabilities. Presently, each department has a personnel section, and the Division of Personnel employs individuals to service all the departments. Employees in the division distribute some activities to departments and ask for assistance in various tasks. Ms. Greene advocates moving in the direction of greater delegation of tasks to the departments at the discretion of the Division of Personnel.

Senator Ray observed that the decentralization of personnel officers appeared to be favored by members and that the biggest argument against such an action would be the veto power of the Division of Personnel. Classification procedures could be performed by personnel officers in agencies, but the Division of Personnel would have the final word. Ken Kareen explained that there are many variables that must be taken into consideration when delegating tasks to departments such as different management skills, personalities, general abilities and knowledge of procedures of personnel officers and their staffs. The Division of Personnel responds in proportion to the input and performance qualifications of departments.

Senator Ray commented on complaints the commission has received regarding reclassifications that originate in departments, are approved by personnel officers and then denied by the Division of Personnel. Ken Kareen responded that this problem relates to control at the commissioner's level. How much authority should they have in the process? Even if personnel officers were employed by the Division, they would still be subjected to pressure from commissioners and would have to consider priorities. Darlene Livermore recommended the delegation of functions from a centralized division, responsible for overseeing rules

and regulations on how to distribute tasks. That is how the Department of Labor is working now. Ms. Livermore stated that delegation of responsibilities could work on a performance basis to the benefit of all. Those personnel offices incapable of performing could be dealt with by providing training to the staff or by whatever action became necessary.

John Pugh cited the prompt classification of new positions as being a major problem. New positions are assigned to a class in the budget enacted by the legislature and should be handled by departments so that programs can start on time. Ms. Livermore stated that the problem in classification of new positions is created by the Division of Budget and Management. In a study initiated by Senator Croft two years ago, it was found that delays are most often due to delays in receiving position descriptions or in Budget and Management's authorization process. Once a department has written a job description (P402), after the budget has been authorized by the legislature and signed by the Governor, the entire mass of paperwork must be submitted to Budget and Management so that the source of funding can be identified and documents can be coded into the budget process.

Senator Ray asked why Budget and Management is involved in the process. It was explained that they must verify the existence of funds appropriated to agencies for their classifications and that the use of funds is consistent with the legislature's intent. The staff was directed to request that a representative of the Office of Budget and Management attend the next subcommittee meeting.

On the question of reviewing all existing classifications, Senator Ray stated that he would prefer to have someone other than the Division of Personnel perform the study. It was noted that there is presently insufficient staff in the division to perform a comprehensive review. Darlene Livermore commented that she had been in contact with other states that had hired personnel consulting firms to investigate the feasibility of utilizing their services. The responses she received on some of the most respected firms were not favorable. The state or municipalities involved experienced extreme difficulties with the recommendations of the firms that were implemented.

Senator Ray suggested to the subcommittee that it recommend that the legislature fund a comprehensive review of existing classifications to identify troubled areas. Ms. McCurry stated that dealing with outside consultants had been disastrous in the past and that funds could be better spent by giving the Division of Personnel additional resources. Other options such as utilizing the Civil Service Commission (Office of Personnel Management), the Legislative Audit Division or the Division of Personnel were mentioned. Senator Ray modified his recommendation: A study should be performed by either the Division of Personnel, Legislative Audit, the Civil Service Commission, an outside consulting firm or a combination of the above. A vote was taken. Two were in favor and two opposed. The motion failed.

John Pugh moved that the subcommittee recommend that the Division of Personnel head towards broader classifications. There were no objections, and the motion passed.

On the topic of closing eligibility registers, Ken Kareen stated that the issue has gone to arbitration, and a decision has not been made. The grievance is based on the fact that once registers are closed, unionized employees are precluded from promotional openings because they cannot get on registers. John Pugh stated that open recruitment on all positions is ridiculous. The grievance arose when permanent employees were denied access to promotional lists. Mr. Pugh added that it makes sense to limit recruitment because of the insufficient amount of employees in the Division of Personnel.

Ken Kareen pointed out that the Division of Personnel is trying to schedule recruitment and staff workloads so that every job classification will be open for a minimum of 30 days per year. Senator Ray observed that applicants might be allowed to test for closed positions at any time. From the public standpoint, testing should be available at all times. Lynda McCurry pointed out that there are instances where only four positions exist in one classification, yet the Division of Personnel receives 185 applications annually. Ken Kareen stated that the state is spending funds on recruitment that is unnecessary. Last year, the Division of Personnel processed 60,000 applications from approximately 28,000 individuals. Mr. Kareen stated that the present Division of Personnel policy is to close recruitment for a maximum of 11 months when there are sufficient numbers of eligibles on registers to meet the state's needs for one year. Mr. Pugh asserted that registers should not be closed to permanent employees. Senator Ray asked why a present employee should be treated better than a citizen.

Senator Ray moved that the subcommittee recommend the continuation of open registers in a modified form. There were no objections, and the motion passed.

Members agreed to hold a meeting next week to receive testimony from Ron Lehr of Budget and Management and possibly from a representative of the Governor's Office.

Senator Ray adjourned the meeting at 12:10.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Lynda McCurry
John Pugh
Ken Kareen (for Sandra Withers)

OTHERS IN ATTENDANCE

Doryce Eggleston
Sue Greene
Darlene Livermore
Bob Maurant

CLASSIFICATION, CERTIFICATION & RECRUITMENT SUBCOMMITTEE
Governor's Conference Room, Juneau
April 17, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order and invited testimony from individuals present. He stated that the Commission requires information from people regarding all sides of the issues it is considering. The commission feels strongly that people should be able to speak freely without fear of repercussions from their supervisors or others. Members will weigh all information and opinions expressed in making their decisions.

TESTIMONY

Lynda McCurry presented testimony on the question of centralization/decentralization. In her estimation, it would be possible to decentralize personnel functions to some departments without additional cost to the state. Many unique job classes are presently examined and classified by personnel officers who are experienced in working with departmental job classifications.

Ms. McCurry believes that personnel officers should be employed by departments rather than by the Division of Personnel to assure access to departmental commissioners. Regarding the placement of personnel officers in departments, Ms. McCurry recommended as her personal opinion either placement in the commissioners' offices or at least as supervisors in offices of directors of administrative services one level below. It is essential for personnel officers to have a direct line of communication with the commissioners' offices in order to keep the chief executives up-to-date.

Senator Ray asked if there are instances when there is not ready access to the commissioners. Ms. McCurry responded that this is the case in some instances, and she does not believe that commissioners are fully aware of the problem.

Senator Ray questioned whether changing the statutes to require that personnel officers be administrative assistants for labor relations in order to have direct access to commissioners would eliminate this problem. Ken Kareen asked if a law stating that personnel officers shall have access to the commissioners would improve the situation. He added that there are a wide variety of commissioners and that the Personnel Rules are subject to different interpretations by them. Ms. McCurry stated that it is not uncommon for division directors to take action without the knowledge of personnel officers.

Senator Ray inquired if a change in the law would lessen the number of problems and complaints received by the Ombudsman's Office. Frank Flavin responded that if it were the specific intent of the law, commissioners would be more likely to give the personnel officer's position the responsibility needed. Pat Hunt said that the responsibilities of the positions are diminished in some instances. If positions were put into the law, they would become partially exempt because of policy role. Ms. McCurry stated that this could upset the personnel officers' departmental status if positions were placed in law as part of the commissioner's office. The change in the law might not have the desired effect.

Senator Ray commented that he could not comprehend a personnel officer not having access to the department's commissioner. Ms. McCurry recommended that centralization/decentralization should be based on the cooperation of the Division of Personnel and agencies, depending on the abilities of the individual department. Personnel officers who abuse the authority given them should be held accountable for their actions, and the delegation of authority should be removed to correct the situation if necessary. This would require a strict audit system to be developed by the Division of Personnel and Labor Relations.

Ken Kareen elaborated that in the State Personnel Act, delegation of this authority is discretionary rather than mandatory. Testimony from Wisconsin indicated that when their Department of Employment Relations withdrew delegation of authority, they also withdrew funding for departmental personnel office staff. Should the same thing be possible in Alaska?

Senator Ray pointed out that the non-permanent employee bill is moving through the legislature and that the section on punitive damages is an innovative approach to discouraging abuses of rules and regulations. He has recently been appointed to the Council of State Governments. If the Commission so wishes, he will present this approach to the Council so that other states may consider it.

Doryce Eggleston, Personnel Officer for the Department of Public Safety, presented testimony regarding her department's Personnel Office, which is in the Division of Administrative Service. The office does have access to the commissioner, deputy commissioner and division director.

The question of centralization vs. decentralization can be broken down into two separate issues: personnel officers and personnel functions. These two aspects may have direct

impact on the general public, applicants and on the departments.

On the centralization or decentralization of personnel officers, Ms. Eggleston stated that there would be great impact on departments if personnel officers were made employees of the Division of Personnel. As indicated in the Commission's report, the goals of this move include better communication between the Division of Personnel and departments, uniformity of application of the Personnel Rules and control by the Division of Personnel. These can be achieved within the present structure. The Personnel Rules need to be clarified and redrafted in accordance with changes in the statutes to limit the many different interpretations within departments. There is no reason why regular meetings cannot be held between the Division of Personnel and the departmental personnel officers to discuss various aspects of labor relations and personnel administration such as arbitration proceedings, union contracts, negotiation results and ambiguous Personnel Rules. These meetings would insure better communication and more uniform interpretation of the Personnel Rules by the departments.

Possible problems for personnel officers moved into the Division of Personnel would include loss of credibility and trust of employees within departments and difficulties in remaining part of departmental management teams. Personnel officers would be considered outsiders, and this might lead to departmental staff circumventing them on some matters. For example, she would not have been included in the Director's staff meeting where strategy and planning were discussed with the new Commissioner if she had been an employee of the Division of Personnel. No one can successfully serve two masters. It would be possible to be caught in the middle of problems between the two. Problems could also arise in funding for the position, performance evaluations, training, approval of leave, etc. Impact upon applicants would be minimal, but user agencies would be affected by the change.

On the centralization or decentralization of personnel functions, Ms. Eggleston agrees with Ms. McCurry that functions cannot be decentralized across the board. She believes that this type of program should be optional for each department, depending on the feasibility of operating the system with present staff. There would be a significant impact on applicants and the general public as well as on the departments if functions were decentralized.

Recruitment and advertising could be performed by departments with information, assistance and review provided by the Division of Personnel. These could be made more selective, especially for regional positions. This would also be an advan-

tage for rural areas.

Ms. Eggleston advocates the review of unique job applications by user departments. The Division of Personnel reviewed over 55,000 applications in 1978. If this responsibility was shared with departments, more time could be spent on those applications, and better judgements could be made. The departmental staff have more technical knowledge on the positions unique to their departments. The register process, placement on eligible lists and hiring would also be expedited. The Division of Personnel could provide guidance and oversight when necessary.

Classifications could be performed by departments with guidance and oversight from the Division on general job classes. The departments could work directly with the Office of Management and Budget on funding. The processes could be speeded up through departmental participation.

There should be no adverse impact on the number of staff in the Division of Personnel. Staff functions could be changed to guidance and oversight roles by the Division, and studies could be done on employee turnover, career ladders, classification, counseling, minority recruitment, etc. One of the reasons for the lengthy delays in the Division of Personnel is the time needed for examination and recruitment. The result of decentralization would be less frustration on the part of applicants, the general public and the departments. All must work together to resolve time problems.

Senator Ray suggested a hypothetical situation. What if a department decided to reclassify its Personnel Officer positions to some other classification and to ask the Division of Personnel to handle all its personnel functions for it. That would provide the department with two positions for other work and yet insure that the necessary personnel functions were performed without using departmental funds. This possibility is one reason why he favors providing for personnel officers in departments by statute.

Pat Murphy pointed out that each department should have a personnel officer. The Commission has already put together a bill on the Department of Employee Relations. Problems can develop when trying to be too specific in legislation. Each department in the bill will have a personnel officer. Not all departments are ready for decentralization. He leans towards an audit function within the Department of Employee Relations.

Pat Hunt added that he wouldn't mind seeing jobs in the statutes and that it would be important to specify the level of responsibility as well as the titles. Frank Flavin asked

if the intent was for the departmental personnel officers to have the responsibility of recruiting, advertising and examining for unique positions. Would the departments be in a position to do this better than the Division of Personnel? Ms. Eggleston replied that an employee in her office could handle the paperwork faster in regard to unique job classes. Mr. Flavin rephrased his question to general terms: Is a personnel officer in a department more capable of making decisions? Ms. Eggleston responded affirmatively.

Pat Murphy stated that the Commission has received a number of complaints in the area of rating education and training where people believe they have been judged erroneously. The Division of Personnel has no time to check these areas. If unique job classes were handled through the departments, more time would be spent on these evaluations. Technical job classes cannot be handled by generalists. Mr. Murphy asked how applicants would be routed to the correct departments in a decentralized system. Ms. Eggleston replied that the Division could act as a receiving agency for applicants and direct forms to the proper agencies. Ken Kareen pointed out that this is being done now in the Department of Education.

Senator Ray pointed out that the Commission has received testimony regarding the difficulties of "fighting city hall" and the adverse results this may bring about. One concern is the "black marks" individuals receive for speaking out about problems encountered within the state system. Frank Flavin elaborated that he does receive cases of this type, but that they are difficult to verify. Senator Ray referred to previous testimony before the Commission where one individual's score had been changed noticeably by the Division of Personnel after she complained to them.

Ken Kareen countered that in the central office of the Division of Personnel, everything is documented. Those individuals responsible for rating applicants have practically no influence over selection of applicants. There is little chance that the hiring authority will know about problems in the Division. Therefore, problems in ratings will not influence final hiring decisions. Senator Ray asked if this meant that there is no communication between the Division and departments. Mr. Kareen stated that this type of communication would not be tolerated in his office.

Mr. Flavin questioned what role personnel officers play in the evaluation of merit violations. Ms. Eggleston responded that personnel actions, such as selection from eligible lists, are reviewed before they are returned to the Division of Personnel for placement of the person selected on the state payroll.

All material is checked before it is sent out by personnel officers. Advice may be sought from the Division of Personnel and commissioners, deputy commissioners or directors where questionable circumstances appear.

Senator Ray asked what happens if a commissioner or deputy commissioner asks a personnel officer to break the rules. Ms. Eggleston replied that there are legal implications, and steps may be taken. She gave an example of one individual who was fired because he refused to do what the director requested. Through a grievance procedure, he was reinstated. Personnel officers can and do refuse to certify anything illegally. The commissioner and deputy commissioner are each certifying officers and can sign positions authorizations (PA's) thereby taking responsibility for any impropriety if they insist on pursuing the matter over the objections of the personnel officer. Frank Flavin asked if Ms. Eggleston's personnel files have ever been audited. She replied that there is a post-audit procedure. Lynda McCurry commented that the Department of Labor has been subject to numerous federal audits. Ken Kareen stated that there are certain review procedures handled by the Division of Personnel, but there are no audits in that sense.

Wells Gabier, a state employee for over seven years and current employee of the Alaska Occupational Information Coordination Committee (AOICC) testified regarding his experiences with the committee, the Department of Health and Social Services, the Department of Labor and the state Manpower Service. He addressed the topic of his PCN and gave a brief description of his background.

In 1970, Mr. Gabier was hired out of Colorado for a position in Alaska, and his relocation expenses were paid by the state. Upon arrival, he was classified as an Employment Counselor III. One year later, he was reclassified as State Counseling Supervisor for the Department of Labor, and spent five years in that capacity. During this time, he communicated with the Division of Personnel frequently on the subject of upgrading the Counselor-level positions by one range. He worked with Lee Antrim (the Departments of Labor's representative in reviewing tests for employment interviewers) on the reclassification.

Mr. Gabier then took a voluntary demotion of one range step to go to work for the Department of Health and Social Services. One year later, he retired from state employment and moved to Mississippi for a short period of time. Upon his return to Alaska, he experienced the trials and tribulations of applying for state employment and of having his experience rated. He was subsequently placed on 18 registers, and was asked to interview with the AOICC for his present position. The following

is description of events that took place after his initial interview:

March 10, 1978--The position description was first written by committee member Phyllis Woodman, Personnel Officer for the Department of Education which controls the funding of the state AOICC.

March 14, 1978--The position description was transmitted to Mike McMullen in the Classification Section of the Division of Personnel as that of a Social Research Coordinator at range 20. Both Ms. Woodman and committee members supported this classification level.

April 6, 1978--A decision was returned to the department that the classification should be at the Research Analyst III level. It appears that the Social Research Coordinator class was being eliminated, and this was considered an equitable substitute. Wishing to get started on the program, the committee decided to accept the classification given by the Division of Personnel and requested the Analyst III register. Unable to find a qualified applicant for the position on this register, the committee requested parallel registers which required approximately the same range and job functions. Mr. Gabier was within the top five on two of these and was hired for the position.

Mr. Gabier pointed out he had qualified for these registers without receiving employee credit or veteran's preference points. Prior to his appointment, he had applied for the Research Analyst II and III registers. His examination results came back as below passing. The committee had hired him for a position that the Division of Personnel had deemed him to be ineligible for. Entering the position, Mr. Gabier realized that the responsibilities were not consistent with the Research Analyst III level. The committee had indicated during a meeting that they would push for a reclassification of the position at a later date.

November 20, 1978--The committee submitted a reclassification request to the Division of Personnel.

December 28, 1978--The delete/establish form was sent to Budget and Management by the Division of Personnel.

February 9, 1979--Mr. Gabier checked with the Division of Personnel on the status of his reclassification, after having waited for a response for a number of months. The Division advised him that the request would be signed within a week by the Office of Budget and Management.

The position description and authorization came back listed as a Project Coordinator. Again, the advice of Phyllis Woodman

had been ignored, although she had supplied first-hand information on the job functions. It had been stated on the request that if the position came back as anything other than a Program Coordinator, a desk audit would be requested. Ms. Woodman was advised that more detailed paperwork would have to be supplied to justify a desk audit performed by the Division of Personnel.

April 12, 1979--A request was submitted for a desk audit.

Due to the fact that the position remains classified improperly after a period of over one year, Mr. Gabier felt that the matter should be brought to the attention of the commission.

Ken Kareen spoke from the vantage point of the classifier. The personnel officer came to him seeking advice and assistance on the best way to get the job filled. In this instance, the classification of Research Analyst III was not appropriate, and alternate lists were suggested by Mr. Kareen, such as Project Coordinator.

Mr. Flavin asked for the definition of a desk audit. Mr. Gabier explained that a classification specialist actually goes to the place of employment and gets a verbal description of the job. In his experience, Mr. Gabier feels that the Division of Personnel has difficulty in interpreting anything that is not in writing. Ken Kareen responded that the demand for desk audits cannot be satisfied by the Division of Personnel, given the limited amount of staff available. There is a reluctance on the Division's part to conduct an audit unless the need is perceived. Quite often, the Division receives inadequate position descriptions.

Pat Murphy stated that the commission has heard a lot of testimony along similar lines, where employees and technical authorities have different opinions. It is very difficult to ascertain who is right and who is wrong.

Mr. Kareen pointed out that there is also a third party involved in this type of dispute: the collective bargaining union. Mr. Gabier commented that he has never felt that this is a problem for grievance procedures. It should have been handled when it was initially brought to the Division's attention. If the system were decentralized, this responsibility would be given to the personnel officers who are more qualified to make judgements.

Fred Cook, Personnel Officer with the Department of Fish and Game, testified on the question of centralization/decentralization. He believes that personnel officers should be a part of the management teams of departments. Fisheries Biologists

are convinced that the Department of Administration is a regulatory agency rather than a service-oriented agency. This is consistent with the feeling of the troops in the field.

Mr. Cook feels that personnel functions should be delegated to the departments if they are willing to accept the responsibility. Personnel officers would not be able to supervise their staff members if they were centralized in the Division of Personnel. If there were instances where opinions differed, it would be difficult to argue with supervisors in the Division of Personnel.

Mr. Cook does not see any way that centralization would make the personnel system more efficient. If a person is not employed by a department, they are left out of policy-making decisions and information is then relayed down to them. The Division of Personnel should have more positions assigned to them, and he urged the Blue Ribbon Commission to make that recommendation.

One suggestion Mr. Cook presented was to have personnel officers exchange positions with staff in the Division of Personnel intermittently. This is something that has been discussed in the past and seen by many as workable. This might relieve the schism between Personnel and the departments by increasing the awareness of each others' problems.

Frank Flavin asked which functions personnel officers in departments could perform better than the Division of Personnel, assuming adequate resources exist. Mr. Cook suggested that the Department of Fish and Game could rate applicants for positions in technical areas generally above range 16. In the case of biometricians, for example, a committee consisting of other specialists in that field would be better qualified to make evaluations than generalists in the Division of Personnel.

Mr. Flavin pointed out that past testimony has revealed problems on the rating of biologists: Is an adequate job being done? Mr. Cook responded that in higher-level classes, the departmental personnel officers could do a better job, assuming the department has the staff to do so.

Mildred Zenger, Personnel Officer with the Department of Natural Resources, concurred with testimony presented. She expressed the following, representing her personal opinions:

Ms. Zenger stated that the Division of Personnel could better handle rating and examinations if they were given additional funding. Her department lacks staff to handle decentralization, but is in a better position to handle certain unique

job classes. Ms. Zenger does not believe that qualified judgments are made by the Division of Personnel examiners in those cases. The Department of Natural Resources specialists used to help the Division of Personnel rate applications in the more technical fields.

Over the years, personnel officers' access to the commissioner has varied. At present, access is more limited than in the past. Access and support are essential for providing back-up to personnel officers when program managers disagree with their decisions. Ms. Zenger also made it clear that though the Department of Natural Resources is under fire for many reasons, some accidental and some intentional, she is not defending those who hire illegally. She has never certified a document illegally in her 30 years of state service.

Ms. Zenger believes that some functions handled by the Division of Personnel could be delegated to the individual departments. A better means of communication between personnel officers and the Division is one solution. Removing personnel officers from departments would cause problems. It would then be difficult to convince employees in the department that personnel officers are actually working for them and trying to help the department. This might also lead to the belief that personnel officers were regulatory oriented.

Frank Flavin asked if the problems within the department were geographical in nature, due to the large number of staff in field offices. Ms. Zenger answered they are due to the influx of new employees who don't understand the system and lack education in the standards of the system rather than poor intent. Ms. McCurry concurred that cycles do run good and bad depending on who's who in the zoo. Ms. Zenger reiterated that there are many new people who do not understand what they are supposed to do. Senator Ray pointed out that this might call for some type of statutory identification.

Mr. Flavin asked Ms. Zenger if she has access to personnel files in departmental field offices as a personnel officer. Ms. Zenger answered that her travel is limited. She did not have a large staff until the past year. The central office does perform a monthly audit on departmental personnel actions.

Senator Ray commented that this is ample reason to have a trouble shooter to take care of these matters. As an example, he mentioned two Public Safety officers who are responsible for presenting informational programs in schools to juveniles.

Frank Flavin stated that in his experience, problems were more prevalent in agencies where personnel officers do not have

high status. There are significantly fewer personnel problems in those departments with strong personnel officers. Pat Murphy agreed that certain departments have more problems than others. The departments of Health and Social Services, Transportation and the Division of Corrections have strong commissioners or directors who typically insist on independence, which can lead to union grievances. APEA has been able to resolve problems before they develop into major crises by negotiating with personnel officers with stronger positions in their departments. Another aspect of the problem is that in departments with high turnover rates, the management staff is less well informed about the requirements of union contracts and the Personnel Rules.

Senator Ray pointed out that the reorganization of the secretarial staff of the Department of Administration into a typing pool is a topic which the commission has overlooked. Pat Murphy commented that there is general agreement that the program has created a mess.

Ken Kareen responded that a previous commissioner of Administration thought that if the equipment were upgraded and typists were combined in one location, there would be more work performed at less cost to the state. Many of the people in the pool have fallen behind on the typing requirements set by the program. Mr. Kareen also asked about Don Fisher's report to the commission on the subject. Pat Murphy replied that APEA is doing investigative work on the matter and that information will be available at a later date.

Senator Ray requested a resume of the information available to date and said that he was interested in pursuing the matter personally. Experimenting with state employees is not an acceptable procedure. Pat Murphy commented that the coordinator of the typing pool program has been on contract with the state for two or three years. He believes that this should be a permanent position.

Frank Flavin requested that the staff prepare a breakdown of where personnel officers are located in each department and to whom they report. Lynda McCurry offered to supply this information to him. Senator Ray directed the staff to write to each department advising them that attempts to keep individuals from testifying at commission meetings or to punish them for speaking will not be tolerated.

Lois Wingo, Personnel Officer for the Department of Military Affairs, concurred with testimony heard. She stated that employee/personnel officer relationships are stronger when the personnel officer is in the department. Ms. Wingo acts as Training Coordinator, EEO Officer and Payroll Supervisor in addition

to her functions as the department's personnel officer. She does have access to the commissioner's office and receives support from high-level management. She is not expected to circumvent the Division of Personnel in fulfilling her duties. The department was audited once, about a year ago, by the Legislative Audit Division. Leave records were checked against the files, and employee records were spot-checked.

Senator Ray asked whether Ms. Wingo had ever been in a catch-22 situation where her superior asked her to do something contrary to her beliefs. Ms. Wingo replied that this happens very rarely.

Frank Flavin asked if there was any conflict of interest in being an EEO Officer and a Personnel Officer. Ms. Wingo answered that some perceive a conflict between the two functions, and some don't. It depends on who is the Director of EEO. Lynda McCurry pointed out that there is a problem with adding EEO functions to the duties of personnel officers in departments. However, this function must be placed in a position where the person will do the job. When EEO functions were taken out of the Personnel Office of the Department of Labor and given to someone else, no progress was made on the reports required to be filed. Eventually, the EEO responsibilities returned to the personnel officer. Ms. Wingo stated that she doesn't have hiring authority, so there is not a direct conflict. She does encourage the hiring of women and minorities. Frank Flavin asked if she has "double clout" with the additional EEO responsibilities. Ms. Wingo said that this did give her additional authority.

Senator Ray asked for input from commission members on the continuation of additional meetings. He stated that they will have to be after the legislative session is over.

Ken Kareen offered his thoughts on the decentralization issue. An employee starts his employment by pledging his loyalty and credibility to a department. The supervisor giving direction may severely test the loyalty of the employee to do the job and advance his career vs. state rules and compliance with the laws. Elements of regulation and compliance should be built into Personnel. This would serve to limit the flexibility, but would avert capricious and arbitrary proceedings. At what cost should the state encourage dedication to the department? What is the cost to the state for decentralization? In some cases, 18 departments could be working on 18 different systems. There has to be some uniform application of rules to give employees constants. Employees do not know where these lines are. Mr. Kareen offered an observation: There are tremendous variations based on the personality of the personnel officers and person-

ality of their supervisors. Senator Ray elaborated that it is a question of either having a cut and dried or a flexible system. Ken Kareen stated that an employee starts with an investment in state employment. If a new boss gives a questionable direction, that will severely test the loyalty of the employee to his or her career vs. the state rules. Some stand up to the tests, and some don't. The problem does exist.

Mr. Kareen expressed his feelings that examination and review boards do not work well, judging by his past experiences. One of the most frequent problems encountered is in rating applications. For example, his staff is instructed not to make assumptions in rating applicants. What is judged is the information provided in writing. A review board may be tempted to consider information not on the record, thereby favoring applicants they know over those they do not. This could cause problems if the decision were ever audited. There will always be errors and mistakes.

Responding to Mr. Gabier's testimony, Mr. Kareen stated that Mr. Gabier has two options open to him: to go through the union or through supervisory channels. Bob Maurant commented that as a former union negotiator, he has had problems with the Division of Personnel. There are no checks made on the ethics of the Division of Personnel staff. There is no assurance that a check will be made if there is no violation of union contract. An individual has no assurance of ethics in force.

Mr. Gabier addressed the philosophical difference between himself and Mr. Kareen. He observed that the attitude seems to be "If you don't like it, fight it". What happened to settling these matters fairly? If he followed the proper channels, he would be told in two months that his complaint is not a grievable matter. He believes that this is an example of violation of merit principles. In his opinion, the Division of Personnel thinks only in terms of dollars rather than in terms of people.

Senator Ray asked commission members if they would agree to his making a personal investigation into the word processing center problems. There was no dissent.

Senator Ray suggested another meeting in Anchorage following the end of the session. Pat Murphy commented that issues might best be dealt with in subcommittee meetings on particular problems, followed by a full commission meeting to review subcommittee suggestions. Meetings to receive public testimony are also necessary. No decision was made on a future schedule.

IN ATTENDANCE

Senator Bill Ray, Chairman
Frank Flavin
Patrick Hunt
Lynda McCurry
Bob Maurant (for John Pugh)
Ken Spray

OTHERS IN ATTENDANCE

Darlene Howard
Ken Kareen
Pat Murphy

CLASSIFICATION, CERTIFICATION & RECRUITMENT SUBCOMMITTEE
February 23, 1979

MINUTES

Don Fisher chaired the meeting in the absence of Senator Ray.

Ken Spray provided information to the subcommittee on SB194, an act relating to public employment. The bill would disallow payment of differentials based on geographic location in the state or cost-of-living differences in an attempt to increase the appointment of residents in rural locations where there is relatively severe unemployment in jobs which are located in their home locations. The bill proposes amendments to the Vocational Substitution Program.

Mr. Thomas suggested that a better way to accomplish the goals of Senator Sumner's bill would be to invigorate recruitment taking place in rural areas for positions in rural areas. The state's selection processes are questionable in evaluating the skills of applicants, but they do appear to be effective in screening out native Alaskans.

Mr. Spray suggested that the Blue Ribbon Commission might wish to consider the problem and propose a committee substitute to the present bill.

CERTIFICATION OF ELIGIBLES

MOTION: Frank Flavin moved that the subcommittee recommend to the commission that a pass/fail certification system be adopted until a reliability based broad band certification system could be developed.

Subcommittee discussion followed. The fundamental idea of the merit system is to select the best qualified applicant for the position, not simply to select someone meeting minimum qualifications. Ms. McCurry said that a pass/fail system would present problems in meeting constitutional requirements for a merit system and could jeopardize federal funding. Mr. Thomas responded that the broad band certification system is acceptable to the federal government.

John Pugh asked how this system would affect the system which the commission had recommended of requiring interviews for the top five applicants.

Ken Humphreys pointed out that while the tests given by the Division of Personnel may not be wholly accurate, they do have a considerable degree of accuracy in ranking the skills of those who achieve first place on the list versus those who place last. He suggested that the subcommittee might wish to consider a system of five grades, in which all those who scored within a range on the test would receive an equal score; for example, A-B-C-D-E.

Mr. Pugh added that he has worked for five years as a supervisor, and during that time has hired approximately 150 to 200 employees. Initially, he had thought that the top five was not meaningful, but experience has demonstrated that the system does test with accuracy for the kinds of skills needed to fill the position. (Verbal skills are a necessity for the positions he recruits for.) However, some tests are irrelevant and need to be updated.

Mr. Thomas replied that this belief in the system may be misplaced. The troopers were required, two years ago, to use a rule of the whole list in order to remedy past discriminatory practices. Hiring has been done from all parts of the list, and no one has yet argued that the standards or efficiency of the services of the employees hired under this system have been lower. The commission should not be closed to the idea of change.

Mr. Murphy suggested that if the object of Mr. Flavin's motion was to increase the openings for women and minority applicants, the the commission could consider adopting the kinds of systems of Wisconsin or Minnesota without doing away with the state's rating system.

Mr. Spray pointed out that this dilemma is one reason why his members favor a seniority system.

Ken Kareen defended the concept of the top five. It is an integral part of the merit system. There is a misapprehension among some that the top five is limited to five individuals. In fact, all of those whose score equals that of the fifth person on the list are included in the group. The majority of appointments made in state service are, in fact, made from the top five eligibles, so there is less tampering with the system than testimony may have indicated.

Mr. Kareen added that the majority of job classes do not require written testing. There are 147 state tests of which only seven or eight have been validated. Validating tests has been slow because the process is time consuming and there are only two staff members available to do the work.

The question of whether a pass/fail system would increase possible political abuses in hiring decisions was raised. Ms. McCurry warned that the system might lead to no control and utter chaos. There will always be some instances in which who you know will be instrumental in obtaining employment. Just because there are laws against such preferential hiring does not mean that violations are not going to occur.

Mr. Humphreys pointed out that while it would be much more difficult to justify not hiring within the certified group if

a pass/fail system were implemented, there would be fewer controls and less opportunity to review and regulate who was selected from that group.

VOTE: A vote was taken. Four were in favor, and four opposed. The motion failed.

MOTION: Niel Thomas moved that the subcommittee recommend to the commission that some alternative be adopted which would broaden the rule of the top five. There was brief discussion.

VOTE: A vote was taken. The motion passed unanimously.

Discussion followed on alternative systems. Mr. Flavin suggested that the subcommittee consider the structure used by the court system. Applicants are evaluated and placed in one of three categories: outstanding, acceptable or unacceptable.

In answer to Mr. Spray's question of what's wrong with hiring the first person on the list, and if that person is found unacceptable, then requiring that the second person be hired, and so on, Mr. Kareen explained that the broad classifications used for many classes prohibit that sort of system. For example, if the state wants to hire a medical examiner, it is probably looking not just for someone qualified to be a medical examiner, but someone with a specialty in a particular field and background in the same. That person best qualified might well appear below the top five on the list of those qualified to be medical examiners.

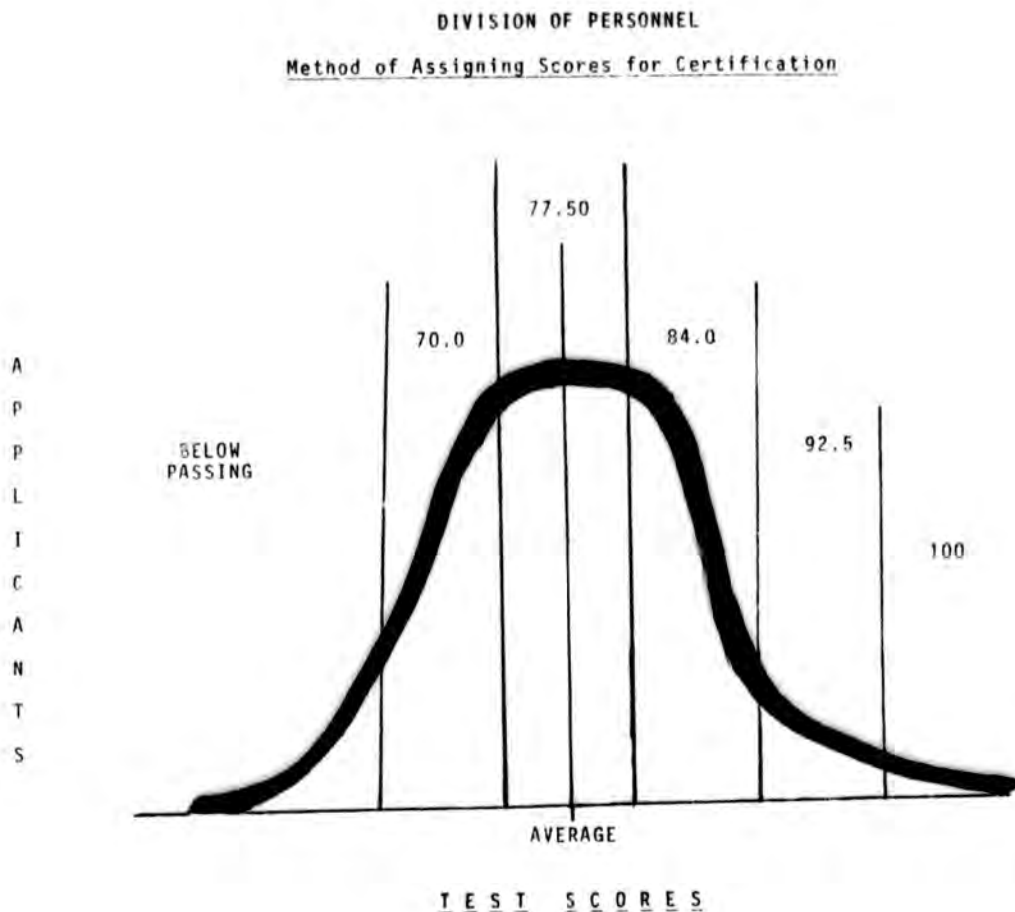
Mr. Thomas added that because the selection devices are inaccurate, the best person on the list might actually appear at number 16 instead of number one.

Mr. Flavin reviewed the types of evaluation systems which Ken Humphreys enumerated in his memorandum. The rule of the whole list was rejected by previous action of the subcommittee. The rule of ___ number is the present system, and has been found wanting. The other two alternatives presented are zone or category scoring, and block scoring. Mr. Humphreys explained that zone scoring occurs when a list is created from the ranked applications and then divided into zones. All those within a zone are then treated as having performed equally on the evaluation device. Block scoring, on the other hand, is a system in which blocks of scores are pre-established without regard to the new list, but based on prior experience with the performance of previous applicants. The new applicants are evaluated and placed in one of the groups or blocks based on the raw score they receive.

All those within a particular block are treated thereafter as having secured identical scores.

Mr. Murphy reminded the committee that the lists which the state uses are not solely ranked in order of performance, but include preference points for prior state service, for previous service in the military, and for being a resident of the state.

Mr. Kareen explained the system which the state now uses in evaluating applicants for those classes in which it has sufficient experience in testing to be able to establish averages. Once the average is established, general score ranges are determined. All applicants who fall within that range receive the same score on the register. If there are six who fall within the top range, they are all considered number one, and their names all appear as such on the register. The next name on the register would be number 7, and all of those who appeared within the second range of scores would appear as number 7. This system can be represented here graphically.



The bell-shaped curve represents the number of applicants who achieve a particular score on their evaluation of experience, training and any written test given. The numbers above the line represent, in the example, the converted scores given to all applicants whose score falls within the range indicated. Those who receive an average score, for example, receive 77.50 points. The average for that particular class may have been 80 or it may have been 60, but all who tested as average will be credited with 77.50 points.

MOTION: Frank Flavin moved that the commission recommend to the Department of Administration that they move away from a rule of five system towards a system of block scoring. He indicated that his motion intended to leave the question of the number of blocks to the discretion of the department.

VOTE: A vote was taken. The motion pass unanimously.

Mr. Fisher adjourned the meeting.

IN ATTENDANCE

Don Fisher
Ken Humphreys (for Myrt Charney)
Frank Flavin
Pat Hunt
Lynda McCurry
John Pugh
Niel Thomas
Ken Spray

OTHERS IN ATTENDANCE

Darlene Howard
Ken Kareen
Bob Mourant
Pat Murphy

CLASSIFICATION, CERTIFICATION & RECRUITMENT SUBCOMMITTEE
Work Session Summary, February 5, 1979

Don Fisher chaired the work session in the absence of Senator Ray.

ISSUES DISCUSSED (See Issue Summary, dated January 21, 1979)

1. Centralization or decentralization of Personnel Administration.

There was general discussion on this topic and of the questions raised in the issue summary. Some of the points mentioned follow:

Collective bargaining has acted as a centralizing force in personnel matters. Where disputes arise, the grievance procedure which, in step IV, results in a decision by the Commissioner on the question, creates uniformity of application for all members of that bargaining unit.

Decentralization would further diversify the state's personnel practices. The state must be concerned with providing fair and consistent treatment for all of its employees. Decentralization increases the likelihood of abuse by departmental staff. Increased auditing would be required of the Division of Personnel. Decentralization may also require an increase in departmental personnel staff and therefore be more expensive. A decentralized system could result in a more cumbersome application process if each department maintained its own application files.

In a centralized system, there will be fewer checks on the authority of the head of that system. The Division of Personnel and Labor Relations has unclear authority to set uniform policies in some areas of personnel procedure which has been delegated to departments, leading to a diversity of practices among the departments.

Some of the problems which have been identified in the personnel system (for example, the time required to evaluate applications) result from inadequate staffing and budget within the Division of Personnel. Providing increased funding to the Division would resolve a number of these.

It is possible to decentralize the authority to perform certain tasks while leaving the policy setting and interpretation role in a centralized agency.

The question of whether to centralize or to decentralize

should be resolved after the Commission makes its decisions on what kind of system it wishes to recommend. For example, if the Commission recommends that the state adopt a broad-band classification system and a Department of Employee Relations, then those decisions would lean towards a centralized system. The Commission needs to recognize in its debate that parts of the personnel system are people oriented (examination and application processes) and that parts are management oriented (classification and pay).

The Commission should analyze personnel functions and ask for each whether the present vehicle works well or whether changes are needed. If changes are indicated, is the problem a result of understaffing or do the methods need to be stream-lined or the priorities re-defined?

Departmental Personnel Officers. Whether the system is centralized or decentralized, there will still have to be departmental personnel officers, either employed by the department or by the central agency. The kinds of tasks they do and the skills they need will depend upon the decisions the Commission reaches on the question of centralization or decentralization.

At present, personnel officers can be caught in a battle between the departmental commissioners, who may want to do something in conflict with the rules, and the Director of the Division of Personnel and Labor Relations. A centralized system, with personnel officers as employees of the Division, would require the commissioners to argue directly with the Director instead of placing the personnel officer in the middle.

Wherever the personnel officers are employed, they will still be subject to two sources of authority, and between those two will still be an undefined area, the limits of which will have to be resolved in a case-by-case manner.

The question of who should employ departmental personnel officers deserves a full subcommittee hearing to which each of the personnel officers of the departments should be invited.

Department of Employee Relations. There was general agreement that the subcommittee should recommend the creation of a new Department of Employee Relations for Commission consideration. Some of the points raised in discussion follow:

The Commissioner of the new department should be required by statute to have labor relations experience, either in the public or private sector. The Commissioners of Administration of the state have not understood the intricacies of labor relation prior to assuming their posts, which required that there

be a time spent in gaining the necessary background.

Functions of the new department:

1. Labor Relations
2. Personnel
3. Benefits - The negotiation of benefits would be part of the labor relations functions of the new department. The running of the Public Employees Retirement System would remain the responsibility of the Department of Administration, as would the details of the Blue Cross-Blue Shield contract and the record keeping for credit under the retirement programs of the state.
4. Safety and training programs - See discussion in the Merit System/Collective Bargaining issue summary.
5. Equal Employment Opportunity. The subcommittee suggested that the new department would be a logical place to house the state's EEO office.

The Human Rights Commission has adopted a position that wherever the state EEO office is located, it should receive the prestige, support, budget and technical advisors it needs to be effective. It has been recommended that the office be located in the Office of the Governor. Given the increased status that a Department of Employee Relations would have when compared to a division within the Department of Administration, the Human Rights Commission might be receptive to the placement of the EEO office within the new department, provided that its importance and effectiveness were recognized and maintained.

The Department of Administration would be left with the following divisions: Data Processing, Finance, General Services and Supply, Pioneer's Benefits, Retirement and Benefits, and Internal Audit.

Ken Kareen doubted that there is any other state where government employment has as great an impact on the state's economy as is the case in Alaska, and where the state is as deeply involved in collective bargaining. What rank should the person in charge of these functions hold in state government?

Cost of the new department. The existing staff of the Division of Personnel and Labor Relations would be transferred, as would the staff of the EEO office, should that office be placed within the new department. A commissioner's salary would have to be added to the budget.

When the Department of Transportation and Public Facilities was created, there was a zero increase fiscal note accompanying the legislation.

It is possible that ultimately, the state would save money by creating the new department, since the increased authority and access to the Governor by the Commissioner of the department would result in a more consistent application of the terms of the collective bargaining agreements and lead to fewer arbitrations.

Some federal programs in which the state participates identify a portion of the funding to be used for administrative services. The state's practice is to charge the department for support services provided by the Department of Administration but to place those portions of the federal funds into the general fund rather than to transfer them directly to the Department of Administration.

Ken Humphreys was requested to review statutes of other states (such as Hawaii and Pennsylvania, as well as Wisconsin) when drafting the statutes for the Department of Employee Relations.

2. Audits of the personnel system. There was general agreement that annual audits of the system would be useful. Discussion revolved around who should perform the audit, what the scope should be, and to whom the auditor should report.

Scope

1. Audit against the goals adopted by the Division of Personnel and Labor Relations.

2. The Blue Ribbon Commission should set goals of the audit, identifying different functions for different audits.

3. The Blue Ribbon Commission should set the scope for review of its recommendations so that there would be identification of problems or non-compliance with its proposals.

4. Audit according to the standards established in the Personnel Rules and the labor contracts.

By Whom

1. Legislative Audit - There would need to be guidelines for the audit clearly stated so that Legislative Audit would know the intent of the audit.

2. Internal audit office within the department.

3. An outside CPA firm.

Report to Whom

1. The legislature.

2. A special committee of the legislature, for example, composed of the commissioner from another department and the chairperson of the State Affairs Committee. This committee should have the authority to define the annual audit as they felt necessary and to delegate audit responsibilities accordingly. They should have an adequate budget for this purpose.

There was general concern that the audit be non-political and be performed against standards that were valid for the conditions in Alaska. The scope should be defined to make the topic manageable and useful. As the Commission adopts recommendations, it should consider defining the results it expects so that these would be the basis for future audits.

The subcommittee decided to hold the questions of the audit until the Commission has decided what it wishes to recommend on other topics. It was generally agreed that some provision should be made for audits to evaluate the effectiveness of the Commission's recommendations and the effectiveness of the personnel system as a whole.

Committee consideration of EEO matters. The subcommittee will invite Karen Cory, the Director of the state's EEO office, to join in discussions when it is ready to consider the state hiring practices in detail. Her comments will be most useful and important in that context.

Word processing matters. The subcommittee will also arrange for a later meeting with John Mitchell, Coordinator of Word Processing, on the question of the word processing centers and the selection of supervisors for those centers.

WORK SESSION SUMMARY
CERTIFICATION, CLASSIFICATION & RECRUITMENT SUBCOMMITTEE
Anchorage, January 26, 1979

1. There was discussion on the decentralization of responsibilities for unique job classifications to departments.

a) Staff was instructed to arrange a "walk through" showing the process for classifying a position in a chosen department, Division of Personnel and Budget and Management.

2. Three subcommittee members, Ken Humphreys, Lynda McCurry and John Pugh, will examine the Department of Labor's Standard Operating Procedures Manual and advise the subcommittee on how that department has interpreted Personnel Rules.

3. Staff was instructed to find out how difficult it would be to identify unique job classes within departments.

4. The subcommittee proposed (not by formal motion) that the Commission should recommend that topics covered by Personnel Rules be negotiable through the collective bargaining process.

The subcommittee work session was chaired by Don Fisher.

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Certification, Classification & Recruitment
Subcommittee Meeting
North Star Public Library
December 13, 1978

MINUTES

The Certification, Classification and Recruitment Subcommittee was called to order by Representative Buchholdt, in the absence of Senator Ray, Chairman.

PUBLIC TESTIMONY

Will Conwell, a Mining Engineer with the Department of Natural Resources, spoke of several state practices which he finds objectionable. The first items he brought to the committee's attention were the inequities in the hiring system and the mismanagement within individual departments rather than in the Division of Personnel. Specifically, he mentioned the lack of equal pay for equal work for similar job classifications and misuse of temporary hires. The guidelines set by the Governor are not being followed by departmental management.

Mr. Conwell gave examples of similar positions with quite broad salary range differences. Studies of these positions had been done by departmental employees, comparing them to similar positions in private industry. The findings confirmed that the jobs were similar and salary ranges should have been equal. After submitting the study to the commissioner of the department, Mr. Conwell was told that it would have to be disregarded because it should have been conducted by the Division of Personnel. The matter was taken to Ed Styer, an employee of the Division, for a desk audit. The results were never made available, nor were the recommendations on classifications. The P402's for the department had not been done since 1971.

Mr. Conwell also described an experience he had in applying for a promotion to a new position. After receiving a very high rating when tested by the Division of Personnel, he received no further indication of an opening being available. Mr. Conwell felt that he was overlooked, probably because of misuses of the register, and someone else filled the position.

Other examples Mr. Conwell presented in regard to temporary employment were of up-grading or down-grading positions to appoint favored applicants, misuse of evaluation forms and the hiring of temporaries who lack minimum qualifications. He believes that there are sufficient names on the registers to hire permanent employees. The temporaries being hired stay in the positions long enough to enable them to gain minimum qualifications, and thus be hired in permanent status.

Niel Thomas stated that there is a tendency within the state to place newly created classes of positions at higher salary ranges than similar long-standing positions. This has resulted in the large number of similar classifications at different pay ranges.

Kathy Carr-Lundfelt, Assistant Director of the Human Rights Commission for the Northern Region, testified that the northern region and rural communities are neglected by the state personnel system. Employee concerns about terms of employment are constantly delayed because they have to be answered by Juneau or Anchorage. The staffing of the Personnel Department in Fairbanks is inadequate, being limited to two employees. For this reason, recruitment is insufficient, especially in the case of minorities and Alaskan natives. Program managers are not trained in recruitment, and registers do not contain people interested in working in rural areas. When the top five or ten names on the register are not available, program managers become frustrated and hire temporaries as an alternative.

One particular problem Ms. Carr-Lundfelt encountered was in organizing a Better Writing Workshop, a program given by the Division of Personnel. For a period of 18 months, she constantly arranged for classes which were then cancelled by the instructor. The delay was due to the instructor's having to be flown out of Juneau. Ms. Carr-Lundfelt suggested that the Division of Personnel should station instructional staff in Fairbanks or should contract with firms there to provide resources to state employees.

Also not to be overlooked are the range classification problems, Ms. Carr-Lundfelt asserted. "Secretaries" are made available only to supervisors at the Director level or above. Others below that level are allowed to hire only clerk typists even though the responsibilities may be equal to those of a secretary. The Division of Personnel has three secretarial classifications: Secretary I, II and III. Directors are allowed to have Secretary I's, Deputy Commissioners can hire Secretary II's and Commissioners are assigned Secretary III's. Ms. Carr-Lundfelt has had to hire temporaries in the clerical class to maintain office functions. Clerical employees are reluctant to fill permanent positions in clerk classifications when their actual duties are secretarial in nature. Ms. Carr-Lundfelt's classification and salary range were established a long while ago, and Division of Personnel is reluctant to reclassify. There appears to be more control over classifying new positions than reclassifying old.

Ms. Carr-Lundfelt pointed out the discrepancies between requirements for entry level clerical positions, where a high

school degree is required, and entry level draftsman positions, where only a year of experience is required. Despite the greater educational requirement for clerical positions, draftsman positions are classified at higher salary ranges. Minimum qualifications don't accurately reflect skills necessary for the job. Artificial minimum qualifications discourage both women and minorities.

Ms. Carr-Lundfelt expressed the belief that the unions are as responsible as the Division of Personnel in taking action on these matters. Career ladders are not available to many individuals and across-the-board percentage increases in salary provide less compensation for clerical employees than for employees in different classifications at higher salary ranges. Ms. Carr-Lundfelt suggests cost-of-living increases be concentrated at lower salary ranges to compensate for this effect.

Ron Galbraith, a former Assistant Professor of English with the University of Alaska, commented on the register system. He has been seeking state employment since last summer and is on 15 registers. After being placed on the registers, he followed instructions by keeping in touch with the Personnel Department. When a program manager is filling a position, only one call is made to an applicant. If the individual is not reached at that time, no further effort is made to contact him or her.

Lynda McCurry asked whether Mr. Galbraith had ever been contacted as a result of being on a register. Mr. Galbraith answered that only once within the last few months had he been contacted, and that was a call to ask whether he wished to remain on the register.

David Giles, a Field Representative of APEA, brought to the committee's attention four distinct problems that he feels should be addressed. He sees these problems as typical within the state's recruitment, examination and hiring processes.

- 1) Temporary Hire. Program managers have a tendency to hire temporary employees over permanent employees and use the temporary period as an addition to the probationary period required. During their temporary employment, these individuals are encouraged to get on registers so that they may be hired and placed in the permanent position.

- 2) Notification of Job Openings. Individuals listed on registers are supposed to be notified of openings. Mr. Giles gave an example of one individual who was removed from a register because he had not replied to a notification of a position open in his classification. In actuality, the notification was never sent. The department claimed to have sent an RCA night

but RCA indicated that no letters had been sent on the date specified.

3) Bush Positions. Within the Department of Community and Regional Affairs, individuals applying for "bush" positions are submitting applications and being interviewed, but no action is being taken in hiring. The registers are being requested repeatedly. The people interviewed from the first register were not notified that a second register had been requested. The department indicated that the position requires someone with experience in the bush, and that therefore, they were unable to hire from the first register. However, not only did one of the applicants on the first register have bush experience, but Mr. Giles also does not believe there could be any need for bush experience in these positions.

4) Applying for New Positions. One person tried to apply for a particular position for a period of two years, submitting applications to Juneau every three months. He was continually informed that they were lost. The application was finally sent by registered mail, and the individual was informed that there would be a delay in processing the application because of an overload in paperwork. Mr. Giles believes this is a typical problem experienced in the Fairbanks region.

Niel Thomas asked Mr. Giles whether he was familiar with the personnel rule of justifying hire of an applicant below the top five on the register in unique and unusual circumstances. He replied that he was not familiar with any department having used that practice in Fairbanks.

George Morrisson, a Personnel Assistant with the Department of Health and Social Services, asked that the commission not recommend tightening of rules so much that he and other supervisors cannot accomplish their duties. He has experienced many difficulties in finding qualified individuals for positions both in Fairbanks and the bush areas. Many applicants desire to relocate out of Fairbanks to Anchorage or Juneau. Many times after working an entire register, Mr. Morrisson has been unable to find an applicant qualified for a permanent position and willing to work in the bush. The only alternative left to him is to hire temporaries who may not meet minimum qualifications but who can do the job. These temporaries often cannot pass the examinations to be placed on registers, because the examinations do not test for the skills needed.

Niel Thomas inquired about the recruiting practices in the Health and Social Services Personnel Office. Mr. Morrisson indicated that he is the only personnel employee in Fairbanks. In an aside, he indicated that has salary range problems also. Because his position is classified by the number of employees

dealt with, he stated that he is at a lower salary range than he should be. Mr. Thomas also asked if Mr. Morrisson was instructed to actively recruit because of the lack of applicants. Recruitment is handled by the personnel office in Juneau. Only after discovering people are not available on registers is he instructed to recruit applicants.

Representative Buchholdt questioned whether testing administered orally would be a possible solution to written tests that must be processed through Juneau. Mr. Morrisson replied that it would be difficult to administer the tests in certain areas, because there would be a problem in finding qualified people to give the tests.

Ms. Lucille Owen, a Supervisor in the Unemployment Insurance Section of the Department of Labor, testified regarding the problems in using the register in hiring permanent employees. She has a total of 21 employees in her office. Ms. Owen once sent out 49 telegrams to applicants on a register, receiving replies from only a very few. Many were already working and did not want the position, but wished to remain on the register in case a better opportunity became available. The entire process took ten days. Ms. Owen would like to see applicants removed from the register if they are holding equivalent classifications or above. She stated that names are not being removed from the register when applicants are hired.

Niel Thomas asked when she would be permitted by Personnel to request removal of a name from a register. Ms. Owen circles "failure to respond" on the register after unsuccessful attempts to reach applicants. Lynda McCurry stated that that should be sufficient reason for a name to be removed from the register, but it is not unusual for a name to be sent out a number of times when a department requests registers for the same classification for several vacancies.

Pat Hunt explained that updating the data base within the Division of Personnel is secondary to other functions such as recruitment, certification and payroll. Eligible lists are certified for 60 days, and before one is returned, others may be sent out.

Another complaint Ms. Owen presented to the committee was that Division of Personnel no longer tests applicants for proficiency in typing and shorthand. She has had to give her own tests to applicants, and they have not met the requirements for the job classifications despite their claims on applications. Ms. Owen suggested that applicants be investigated more thoroughly by Personnel, both by experience and testing.

In hiring temporaries, Ms. Owen would like to have some means of changing the classifications to permanent once the temporary has been trained. Lynda McCurry asked how many permanent seasonal classifications were authorized within the department. Ms. Owen replied there are 18, and an additional five or six would be needed for peak workload periods if the department were to avoid hiring temporaries.

Ms. Owen also expounded on the incomplete information supplied on bulletins describing positions. They do not accurately reflect the type of work experience needed, nor the duties to be performed. She must rely on the registers when hiring, and only recruits when seeking temporaries.

Niel Thomas asked what the percentage for minority hire was within the department. Ms. Owen replied approximately 20% of her employees are minorities who have been hired from a register.

Darlene Howard asked if there is sufficient interest in the Fairbanks region to fill seasonal positions. Ms. Owen replied that because of the availability of temporaries, she assumes that seasonal positions would also be filled. The lay-off time would be in summer, which is considered a desirable time to be out of work. Ms. Howard asked if seasonal position programs were generally understood by the public. Ms. Owen answered affirmatively. Ms. Howard also asked if a cost model report on productivity based on volume versus staffing had been done. Ms. Owen replied that she can anticipate yearly lay-offs, and in the past, the attrition of temporaries handled the necessary decrease in staff.

Ms. Owen also pointed out that security checks are not made by the Division of Personnel, although she thought it a necessity when the employee would be handling cash flow. Shiela Gottehrer asked whether she meant more than verification of references. Ms. Owen answered that a total security check of an applicant's background would not be difficult. Representative Buchholdt asked for statistics on how many people were found to create problems which could have been avoided by security checks. Ms. Owen responded that there have been only a very few; only three cases where an employee was dishonest. In one instance this resulted in termination of an employee. She felt very uncomfortable with the situation and had to be very careful in handling it. Ms. Owen also stated that non-performance had never been a problem in her office.

Bob Mourant questioned her procedures in checking backgrounds: Is the employee given a chance for rebuttal? Ms. Owen answered that she had been successful in contacting former employers either by phone or correspondence to determine and employee's past performance. Pat Hunt stated that the

the Division of Personnel does not require a security check, except when the position requires that the employee be bondable.

Mr. Leo Winegar, a resident of Fairbanks for three years, presented testimony on his dissatisfaction with the state's hiring procedures. Since his arrival in the state, Mr. Winegar has put in many applications for positions he qualifies for. He is on nine or ten registers and holds a B.A. and a Master degree in Business Administration and Economics. He also has one year of study towards a Ph.D. On many of the registers, he is listed number one. Mr. Winegar has been notified only once of an opening. A number of the positions he had been registered for have been abolished over the past three years, leaving him discouraged by the system.

IN ATTENDANCE

Representative Thelma Buchholdt
Pat Hunt
Lynda McCurry
Ken Spray
Niel Thomas
Shiela Gottehrer (for Frank Flavin)
Ken Humphreys (for Myrt Charney)
Bob Maurant (for John Pugh)
Darlene Howard (for Pat Murphy)

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
CERTIFICATION, CLASSIFICATION & RECRUITMENT SUBCOMMITTEE
December 1, 1978

The meeting was called to order by Don Fisher. Public testimony was invited. A summary of the testimony follows.

PUBLIC TESTIMONY

1. Personnel Systems in Private Industry

Upon the invitation of Niel Thomas, three personnel officers employed in private Alaskan industry presented their views on personnel functions and offered suggestions to resolve state problems.

Lee Valwalt, an Employee Relations Supervisor with the Alaska Gas & Service Company, attested to her belief in a centralized personnel department. However, she emphasized the absolute necessity of an operable communication system between individual department heads and personnel officers within the personnel department. Ms. Valwalt's company is relatively small, with 100 unionized employees (technically skilled) and 45 exempt employees (management and supervisory). The union contract applies to promotions, evaluations and merit increases. The company has three categories of employment: regular (full-time), part-time (20-30 hours weekly) and casual (limited duration of six months employment). After the six month period has ended, casual help has the option of being hired on a regular employee basis (depending on vacancies) or of being laid off.

All non-exempt employees are required to become members of the union within one month of their initial hire, in accordance with contract provisions. All benefits are available to regular employees; part-time employee benefits are pro-rated. Casual help is not eligible for benefits.

Employees do receive annual increases and are subject to annual reviews. A committee of department heads evaluates the company employees in conjunction with personnel officers and decides on promotions and merit increases. Contract interpretations support a centralized control for promotions and merit reviews.

The union can request that a group of jobs/positions be reclassified. It is not clear whether a failure of the company to reclassify as requested is a grievable issue. In practice, the company consults with the union shop steward before initiating a reclassification on its own. To date, the union has been satisfied with the grade system, so the issue has not been raised.

Notice of vacant positions is posted on a bulletin board for 72 hours to give employees the opportunity to apply for promotions or transfers. If no employees are interested in the vacancy, then the personnel officer looks through the applicant files. Applications are retained for a period of two years grouped

by skill level without numerical rank designations, which is similar to the register concept. If the files do not produce a qualified applicant, the company recruits from outside sources such as referrals and employment agencies.

The personnel office interviews all applicants for a position and eliminates those who fail to meet the minimum requirements. All qualifying applications are submitted to the department head, who conducts his or her own interview. The personnel officer and the department head discuss the candidates prior to the department head's decision to hire an applicant. There are no written tests for applicants--they are evaluated through a personalized interviewing system which has apparently been effective for Alaska Gas & Electric Company.

The authority to hire, fire, evaluate and promote employees is coordinated between the personnel officers and the department heads. A department cannot create, reclassify or abolish a position without personnel's consent. The decision-making process is a combined effort, where both must be aware of all activities.

Dave Eubanks, a Personnel Director with an oil and gas production and exploration company which has corporate offices in Ohio, expressed his belief that a non-structured personnel system is a major contributing factor to employee motivation. In private industry, employee productivity directly relates to the company's profit. Thus, incentives such as merit increases and promotion have an effect upon the overall budget. It is important to have ample ways and means of evaluating and providing incentives. Ms. Valwalt also mentioned that a certain percentage of her company's budget would be allocated for merit increases after discussion with department heads.

Jerry Thorn, the third witness, concurred with the other's opinions. He also added that as a Personnel Director with the Cargosteen Company (approximately 300 employees throughout Alaska), he interfaces with many established unions from time to time. His bargaining thrust is to maintain management prerogatives to retain control over operation of the business.

Mr. Thorn does not have job descriptions for every job, but does have them for management positions. The issue on classification of positions is grievable, and he checks with unions prior to classification of new positions. Standards used for determining qualifications for positions are accomplished through job analysis and qualitative evaluation. Promotions are based on proven performance and merit increases are considered upon request. The company gives a cost-of-living increase every six months and fringe benefits are taken into consideration.

2. State Employees

Mr. Albert Carson, Deputy Director of the Division of Lands, Department of Natural Resources, had four major areas of concern:

- 1) Class specification categories are too broad in definitions of minimum qualifications. Because of this, applicants on registers do not possess the skills necessary for positions open to them. Departments use preferential recruitment methods to avoid the process of eliminating these unsatisfactory applicants.
- 2) Pay levels are inconsistent for comparable positions.
- 3) Division of Personnel's evaluations and point systems are inaccurate in measuring experience, skills and qualifications. Professional skills are often not recognized and may be misjudged.
- 4) The forms used for analysis do not identify areas of expertise.

Carmen Price an employee with the Department of Transportation, testified that the performance of duties above an assigned job classification is not credited to the employee. Supervisors have the ability to document the functions being performed by an employee in order for the employee to be given credit for this experience when applying for promotions or increases. Apparently, it is not common for supervisors to verify an increase of duties and responsibilities being handled by an employee. In many cases, this is because of personality clashes and extensive amounts of time and paperwork involved.

Jo Fenety, a Leasing Officer with the Department of Transportation, had a few additional comments: Applications phrased in personnel language receive higher evaluations than applications not using those terms. She believes that the Division of Personnel presently appears to employees as a regulatory body and that it should increase its emphasis on the provision of services.

Irene Price, Right-of-Way Assistant with the Department of Transportation, agreed with prior testimony regarding the lack of interaction between departments and Division of Personnel. One problem not previously brought to the Committee's attention is the unwillingness of supervisors to fire unsatisfactory employees. There is a tendency to pass these employees from department to department, causing frustration for both the employee and the departments in addition to hindering departmental performance.

Cecilia Kleinhoff, a Social Worker with the state, offered additional testimony to the problems within Division of Personnel. She opposed the substitution of experience for accredited degrees, especially in regard to Social Workers. She feels that generalizing qualifications in that instance is objectionable and that testing is not adequate to determine professional skills.

3. Flex Time

Ms. Kleinhoff also suggested that flex time and job sharing were two methods of providing better service to the state. Darlene Howard stated that some departments are using a flex-time system and that each program manager can decide whether to allow the employees to shift their work hours. Ms. Howard also suggested that the Commission research the response to flex time and study the pros and cons of operations in other states. Senator Ray

pointed out that the convenience of having offices open during lunch time and after hours would be of benefit to the public.

IN ATTENDANCE

Senator Bill Ray
Donald Fisher
Representative Richard Eliason
Darlene Howard (for Pat Murphy)
Ken Humphreys (for Myrt Charney)
Ken Kareen (for Pat Hunt)
Lynda McCurry
Greg O'Claray
John Pugh
Ken Spray
Niel Thomas
Representative Thelma Buchholdt

MINUTES

CLASSIFICATION, CERTIFICATION & RECRUITMENT SUBCOMMITTEE HEARING

November 15, 1978

The Subcommittee on Classification, Certification & Recruitment met at 1:30 p.m. on Wednesday, November 15, 1978. Chairman Bill Ray opened the meeting to public testimony.

CENTRALIZED PERSONNEL OFFICERS

Fred Cook, a member of the Confidential Employees Association, spoke on behalf of the Association. A poll of its membership showed that the personnel officers of the state believe that the personnel functions of the state should not all be placed in the Division of Personnel. Reasons given were that the Division of Personnel regulates rather than provides services and that personnel officers employed directly by the Division of Personnel would be seen by the departments in which they worked as outsiders, owing no loyalty to the department. They would therefore be less effective in working with the departmental planning process and meeting departmental staffing needs.

Lynda McCurry spoke of her experience as a personnel officer employed by the Division of Personnel and placed in a department from 1973 to 1975. She found that there was considerable friction between the commissioner of her department and the Director of Personnel about her role. Others in her department looked upon her as an outsider, and the expectations about her duties were unclear. The stormy relationship between her department and personnel, partly caused by personality problems, led to an extensive contract being written about her position.

Under the existing system, personnel officers should be placed directly under the head of the agency in which they are working, so that they have the base of authority to operate effectively. The relationship between Personnel and personnel officers needs to be changed.

Senator Ray asked Mr. Kareen for the Division's problems with the decentralization of personnel officers. The problem is in having a personnel officer provide adequate information to the Division for the action which needs to be taken. Although the Division tries to rely on personnel officers, sometimes they have to meet with program managers to get accurate information. If the information is inadequate or incorrect, then the personnel analyst may have to return the forms to the department in question to be redone, causing considerable delay. In response to a question of whether the Division of Personnel entered into the departmental grievance collective bargaining process, Ms. McCurry's answer was negative. They had overturned an agreement which she had negotiated, however.

TEMPORARY HIRING

Mr. Kareen explained that each department has the authority to establish job qualifications and to hire whomever they wish, provided

that the employee meets the minimum qualifications for that job class, and that Alaska hire laws are complied with. Division of Personnel audits a certain number of the temporary positions after the department has acted to ensure compliance.

CLASSIFICATION

Ms. McCurry told the committee that at present the final decision on the classification of a particular position is made by the Division of Personnel. Normally, the Division can process the papers to create a new position within two days after receiving them from the department. The classification is made by a personnel analyst after reviewing the department's recommendations. She suggested that decisions about classification of unique job classes and recruitment for open positions within them become the responsibilities of the department concerned. All decisions should be made in full compliance with the merit principles of the state. General job classes should remain the responsibility of Personnel.

The commissioner of a department has the authority to abolish a particular job within the department and contract out the work, without review by the Division of Personnel. Should the commissioner decide to increase the salary range of an employee of the department, then the Division of Personnel has and should retain a reviewing and controlling role.

The Division of Personnel puts first priority on the classification of new positions, and second on reclassifications of existing jobs. Last upon their list is the updating of duties on existing jobs. All departments should review the requirements of each job every two or three years to determine whether the position should be reclassified because the duties have changed.

Frank Flavin told the committee that the Ombudsman's office has found two major problem areas: isolated instances of individual abuse which need attention, and frustration with the time consumed in going through the Division of Personnel which leads program managers to cut corners. In addition, the Division is so occupied with day to day functions, it is incapable of devoting time to its audit functions.

DELEGATION OF PERSONNEL FUNCTIONS TO DEPARTMENTS

Phyllis Woodman, Personnel Officer for the Department of Education, told the committee of the system her department uses. Staff from the department worked with the Division of Personnel to learn how to evaluate applications for the unique job classes within their department. Division of Personnel collects applications for those job classes and then sends them to the department. It takes a day or two for the department to evaluate, score and rank them. They are then returned to the Division of Personnel for inclusion on the eligibility register. New listings appear on the division's computer within five to seven days. Division of Personnel audits the department's work to ensure compliance with the merit system. Mr. Kareen pointed out that this system is available to other departments, should they choose to learn how to do it, but that Division of Personnel is responsible for insurance that the merit system principles are adhered to, and therefore that training is necessary.

Ken O'Donnell, Personnel Officer from the Department of Health & Social Services, told the committee that when Health & Social Services tried handling classification and certification for the 150 unique job classes, they found that they did not have the staff to properly handle the volume of paper and therefore they no longer use that system, except for a few laboratory and nursing assistant positions. Health & Social Services has a large number of employees and a high rate of turnover in some classes. The system used in the Department of Education would only work if the staffing in Health & Social Services was increased. The department has not had problems in making changes in its 150 unique job classes through the Division of Personnel.

Mr. O'Donnell stated that he believes that the job of personnel officer belongs within the departmental structure and that it is important for the personnel officer to have ready access to the commissioner of the department. Otherwise, too much pressure can be generated by program managers.

Roger Thayer, Personnel Officer with the Department of Transportation and Public Facilities, spoke. He indicated that Commissioner Harris of the Department of Transportation and Public Facilities favors the complete decentralization of personnel functions, with all decisions left to the individual department. Mr. Thayer, himself, favors decentralization of some personnel functions. The Department of Transportation and Public Facilities presently handles recruitment, examination and certification in more than 50 job classes which are unique to that department. Division of Personnel establishes minimum qualifications for those positions. If experience shows that the minimum qualifications either screen out all applicants by being too stringent, or fail to screen out applicants who lack the necessary skills, then the department asks the Division of Personnel to change the minimum qualifications, and the department regrades those applications in the job class. Some controls need to be kept on a department's use of redefinition of minimum qualifications to avoid abuse.

ELIGIBILITY LISTS

Ms. McCurry indicated that the major problem with the hiring process is the time it takes an applicant to get on the eligibility list. Mr. Kareen said that being put on a register can take from 10 days to 8 or 9 weeks. Evaluation of work experience and education takes longer than grading the tests given by the department, although time for notification of examinations adds to the time required for those positions tested.

The Ombudsman's office receives complaints that the eligibility lists sent to departments are irrelevant--either the list is too long to be useful or it lacks people with the qualifications to do the job.

Ms. McCurry said that the time that it takes a department to receive a list of eligibles is short, although in the case of clerical registers, the lists are usually out of date, due to failure of the people on the list to advise the Division of a change in address or status.

Mr. Thayer said that because the Division of Personnel lacks ade-

quate staff, there is little coordination between program managers and the Division on establishing criteria to analyze the applications for a particular position. That problem would be resolved by delegating responsibility for hiring in unique job classifications to the individual departments. Ms. McCurry added that even if the department did not become solely responsible for rating applicants, that when there is a difference between the department and the division about the rating for a particular candidate in a unique job class, the department should make the final decision.

Mr. Spray stated that if an applicant uses the "magic words" in detailing his past experience, the Division of Personnel will rate that applicant much higher than someone with the same experience who hasn't used those key words.

The Ombudsman's office receives complaints from people who have been in the top 5 on the register for some time and have never been considered for a position.

The Human Rights Commission has found that minority applicants for state jobs have been having difficulty in actually being hired. Minority applicants are frequently found in the middle of the register and therefore, departments who are required to hire from the top five do not have an opportunity to consider them for open positions.

Mr. Flavin asked whether there was a meaningful distinction between the top five and the top ninety-five on the common job class registers. Mr. Thayer indicated that for the most part, the distinction is artificial. Mr. Flavin suggested that the Division of Personnel should select those applicants who are generally qualified, without ranking, so that more time could be spent on other division functions. Mr. Kareen pointed out that where a particular job takes unique skills, the supervisor can select someone from below the top five, provided that a written justification is filed. For example, in data processing there are a number of different machines, languages and systems. If the top five on the register do not have a background in the particular system in use, the the supervisor can look lower on the list for someone who does. Mr. Thomas pointed out that this system can also be used to address affirmative action, where a department has been found to have a problem in that area.

Mr. Thayer related that the Department of Transportation and Public Facilities does not use this selective certification system, although it had been used in the past. There had been problems, and the practice was dropped. Most of the department's positions are filled through promotions rather than through hiring new people, so the limitation on considering the top five has not been a problem. People on the promotional list are not counted when the top five are indicated.

Mr. Flavin suggested that the Division of Personnel should audit the use of promotional lists for hiring to ensure compliance with the merit principles of the state.

There was discussion about the requirement that applicants take

the examinations for each level in a job class such as secretary or accountant. Mr. Kareen explained that one reason the state requires tests at each level is to provide a fair system for ranking candidates at lower level positions. Studies have shown that when switching to different levels, there is no consistent grouping of higher-level applicants. Further, lower levels in a job class may require more extensive technical knowledge, while the higher, supervisory level will require more managerial and supervisory skills. This is true, for example, with the positions of Accountant III and Accountant IV.

Many job applicants with the state expect to eventually be hired, once they have been placed on a register. They become upset when others, lower on the list, receive jobs before they do. Confusion may result from thinking of the register as a union-hall hiring list, although the Division of Personnel provides information explaining what being on the register means. In addition, a number of the higher level jobs within a class are filled by promotion, limiting those people who are considered and hired from the register.

RURAL RECRUITMENT AND HIRING

Representative Sally Smith addressed the committee from Fairbanks through the teleconferencing system. She pointed out that, at the regional level, the state personnel system functions even less quickly than in Juneau. Some personnel actions are routed through Anchorage offices before reaching Juneau for a decision. Job specifications may not reflect the skills needed to do the work in the regional office and therefore, the list of eligibles provided will be inappropriate.

For filling positions in the bush areas, the minimum qualifications become a more severe problem. Frequently, the educational requirements in the minimum qualifications preclude hiring someone who could do the work lacking the formal education specified. More emphasis should be placed on knowledge of the immediate community and its needs, with less emphasis on education in writing specifications for rural jobs. Recruitment of candidates for particular jobs could be handled on a decentralized basis, provided the Division of Personnel maintained an active auditing role to guard against favoritism.

Rep. Smith also said that being removed from central departmental decision-making causes other problems. While she was working for the Department of Community and Regional Affairs, she tried to fire an unsatisfactory employee. She was required by the department to schedule an interview between the employee and the department's personnel officer. The personnel officer did not come to Fairbanks until after the employee's probationary period had ended.

ALASKA PUBLIC SERVICE EMPLOYEES HIRING

The APSE contract with the state affects the procedures for hiring their members. When there is a vacancy, the union is notified of the position and the skills required. They search their membership list and then send over the next person on their list who is qualified for

that particular job. If the department does not hire that person, then they send over a second and so on. The union is required to abide by the Department of Labor's policy of Alaska hire and of local hire.

EFFECT OF FEDERAL REQUIREMENTS

Federal regulations governing how states must hire for programs which are funded in part by federal money limit the options which Alaska can consider without losing that source of money. Originally, Alaska used a Rule of Three when hiring for a position. That proved too restrictive, and the state tried a system in which applicants were tested and ranked without limit to the numbers provided to the department. Then the U.S. Civil Service Commission stated that such a system was not consistent with the merit system required for hiring with federal monies and therefore, the state adopted a Rule of Five, with modifications permitted through selective certification for unique requirements of a particular position. The state must conform to federal regulations on hiring in any program which receives federal money for its operation. The federal regulations have recently been changed.

Don Fisher moved that the committee request an Attorney General's opinion on the definition of "merit system" and the conflicts that arise from various federal regulations. The motion was adopted without objection. An opinion will also be obtained from the Legislative Affairs Agency.

IN ATTENDANCE

Senator Bill Ray, Chairperson
 Don Fisher, Vice Chairperson
 Myrt Charney
 Lynda McCurry
 Ken Kareen (for Pat Hunt)
 Ken Spray
 Representative Dick Eliason
 John Pugh
 Bob Mourant (Alternate for John Pugh)
 Frank Flavin
 Niel Thomas

ABSENT

Representative Thelma Buchholdt