SCOMM

#51:1

MINUTES OF

Categories of Employees Subcommittee

Certification, Classification & Recruitment Subcommittee

Merit System/Collective Bargaining Subcommittee

Full Blue Ribbon Commission

MINUTES FROM

September 15, 1978 through January 9, 1980

AND

Membership Lists

MINUTES OF THE
BLUE RIBBON COMISSION ON THE
STATE PERSONNEL ACT

September 15, 1978	Personnel Act Review Commission
October 3, 1978	Personnel Act Review Commission
November 15, 1978	Classification, Certification & Recruitment Subcommittee
November 16, 1978	Categories of Employees Subcommittee
November 16, 1978	Full Commission - Addenda
November 16, 1978	Personnel Act Review Commission
November 30, 1978	Merit System/Collective Bargaining Subcommittee
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January 10, 1979	Full Commission
January 26, 1979	Merit System/Collective Bargaining Subcommittee
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February 5, 1979	Merit System/Collective Bargaining Subcommittee
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February 15, 1979	Full Commission Meeting
February 23, 1979	Merit System/Collective Bargaining Subcommittee
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October 17, 1979	Certification, Classification & Recruitment Subcommittee
October 17, 1979	Categories of Employees Subcommittee
October 17, 1979	Full Commission Meeting
November 15, 1979	Merit System Collective Bargaining Subcommittee
November 28, 1979	Full Commission Meeting
December 12, 1979	Full Commission Meeting
January 9, 1980	Full Commission Meeeting

MEMBERSHIP ON THE SUBCOMMITTEES OF
BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

1978:

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
B. B. Allen, Administration (Robert Gates)
Representative Thelma Buchholdt (Rep. Mike Miller)
Myrt Charney, Admin. Serv. LAA
Representative Dick Eliason
Frank Flavin, Ombudsman (Paddy Moriarty)
Patrick Hunt, Personnel & Labor Relations
Lynda McCurry, Labor
Representative Joe McKinnon (Rep. Sally Smith)
Patrick Murphy APEA (Darlene Howard)
Greg O'Claray, Inlandboatmens Union (Homer Sarber)
John Pugh, APEA (Robert Mourant)
Ken Spray, Local #71
Niel Thomas, AK Human Rights (Janet Bradley

November 6, 1979:

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
Representative Thelma Buchholdt, (Rep. Mike Miller)
Myrton Charney, Executive Director LAA
Representative Richard Eliason
Frank Flavin, Ombudsman (Paddy Moriarty)
William R. Hudson, Administration (Sue Greene)
Lois Jund
Lynda McCurry, Labor (Doryce Eggleston)
Representative Sally Smith (for former member Rep. Joe McKinnon)
Patrick Murphy, Executive Director APEA (Darlene Livermore)
Greg O'Claray, Inlandboatmens Union (Homer Sarber)
John Pugh, APEA (Robert Mourant
Sandra Withers, Personnel & Labor Relations (Ken Kareen)

SUBCOMMITTEE

CLASSIFICATION, CERTIFICATION & RECRUITMENT
MINUTES

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
Representative Thelma Buchholdt
Myrt Charney
Representative Richard Eliason
Frank Flavin
Lois Jund
Lynda McCurry
John Pugh
Sandra Withers

Meetings:

November 15, 1978
December 1, 1978
December 13, 1978 ~~1978~~ JAN. 26, 1979 (Work Session Summary)
February 5, 1979
February 23, 1979
April 17, 1979
October 5, 1979
October 11, 1979
October 17, 1979

SUBCOMMTTEE
CATEGORIES OF EMPLOYEES

BLUE RIBBON COMMISSION
ON THE
STATE PERSONNEL ACT

Frank Flavin, Chairman
Lois Jund
Lynda McCurry
Pat Murphy
Sandra Withers
Senator Bill Ray, Ex Officio

Meetings:

November 16, 1978
November 30, 1978
December 12, 1978
January 4, 1979 ~~January 26-27, 1979~~ (Work Session Summary)
February 23, 1979 ~~Feb 6, 1979~~ (Work Session Summary)
October 5, 1979
October 11, 1979
October 17, 1979

SUBCOMMITTEE

MERIT SYSTEM/COLLECTIVE BARGAINING MINUTES

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Representative Thelma Buchholdt, Chairperson
Greg O'Claray, Vice Chairman
Bill Hudson
Lois Jund
Lynda McCurry
Pat Murphy
John Pugh
Sandra Withers
Senator Bill Ray, Ex Officio

Meetings:

November 30, 1978
December 13, 1978 Jan. 26, 1979 (Work Session Summary)
February 5, 1979
February 23, 1979
October 5, 1979
October 11, 1979
October 17, 1979
November 15, 1979

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Capitol Building, Juneau
January 9, 1980

MINUTES

Senator Ray, Chairman, called the meeting to order at 1:35 p.m. He asked for testimony from the public. Connor Sorenson addressed the commission on the issue of how the Division of Personnel computes credit for graduate study when evaluating applicants. The individual for whom he was concerned applied for a position which required 7 years of experience. The job announcement indicated that graduate study could be substituted for the experience on a year for year basis. Although the person had more than 7 years of graduate study, the Division of Personnel indicated that a formula must be applied to the education which resulted in education being worth less than the 7 years of experience. The division therefore found that the person did not qualify for the position.

Ken Kareen explained that the division does evaluate the amount of graduate study an applicant has on a semester or quarter hour basis. To be credited with one year of undergraduate study, an applicant must have either 28 semester hours or 45 quarter hours. To receive credit for one year of graduate study, an applicant must show 24 semester hours. Mr. Sorenson replied that this was not the policy which had reduced his friend's credited years of education.

Senator Ray asked Mr. Sorenson to provide the staff with additional information on the situation and directed the staff to find out whether there were any discrepancies and to establish what the division's practices are in rating the educational background of applicants.

The commission considered the second revised draft of the report and made changes. The commission voted without objection to release the report as amended.

Senator Ray adjourned the meeting at 2:40 p.m.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
Bruce Cummings
Lois Jund
Ken Kareen
Bob Mourant
Pat Murphy

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Capitol Building, Juneau
December 12, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order at 1:30 p.m.. The members reviewed the draft of the Introduction and the first chapter of its report to the Alaska State Legislature. The commission also considered the revised draft of the report. Changes and corrections were made.

The commission decided to meet on Wednesday, January 9th at 1:30 p.m. for a final consideration of the report.

If possible, the staff should be notified of any changes which the members wish to suggest before then.

Senator Ray adjourned the meeting at 2:45 p.m..

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
Doryce Eggleston (for Lynda McCurry)
Frank Flavin
Ken Kareen (for Sandra Withers)
Pat Murphy
Greg O'Claray
John Pugh

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
State Office Building, Juneau
November 28, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order and introduced Alexander "Bill" Gillespie, a Finance Officer employed by the Department of Education. Mr. Gillespie was invited to the meeting to address a complaint filed by Lillian Austin regarding a "not recommended for rehire" evaluation she received from the Department of Education.

Ms. Austin filed a complaint with the Human Rights Commission stating that: "I have applied and am eligible for Accounting Clerk II & III positions with Respondent (the State of Alaska), Tlingit & Haida Central Council, Sealaska, and the Bureau of Indian Affairs but have not been hired. I believe that my last evaluation by Respondent which rated me as unsatisfactory and not recommended for rehire is the reason that I am not being hired. I hereby certify that Respondent has violated AS 18.80.220 by unfairly providing me with an unsatisfactory evaluation. I have been employed in different capacities by Respondent for nine years and was rated as satisfactory until the last evaluation which occurred four months after a transfer. I was criticized for not getting along with co-workers, two Caucasian females; but to my knowledge the co-workers were not criticized for not getting along with me. These same co-workers also did not get along with an Oriental co-worker who eventually transferred to another department. I am an Alaska Native female."

Senator Ray stated that the commission is interested in receiving an explanation of the situation because a "black mark" such as not recommending for rehire is a very severe action that usually precludes any chance of being rehired - either in private or state employment.

Mr. Gillespie explained that he is familiar with Ms. Austin as a former employee of the Department of Education. Although he was not Ms. Austin's immediate supervisor, Mr. Gillespie believed that the recommendation had been phrased differently: Ms. Austin was recommended for rehire in a less complex job. Senator Ray responded that if this could be proven with documentation, the problem would be alleviated. Mr. Gillespie elaborated that this information could be found on Ms. Austin's evaluation in Department of Personnel files.

Senator Ray instructed the staff to obtain Ms. Austin's personnel file from the Department of Personnel. Terry Cramer explained that this would be possible if Ms. Austin signed an authorization form to release such confidential material. Senator Ray asked whether the personnel files could be altered. Mr. Gillespie replied that this would be highly unlikely once they are in the personnel system.

Senator Ray pointed out that Ms. Austin had supplied sworn testimony about her evaluation. He asked how she terminated her employment. Mr. Gillespie responded that one day, Ms. Austin became very agitated, told him that she was leaving, and walked out of the office, without supplying a letter of resignation.

Greg O'Claray asked whether Ms. Austin's evaluation was written after she left, or if it was discussed with her. Mr. Gillespie responded that it was written following her termination in 1978. She received a copy

of the evaluation and could have discussed it with her supervisor, Merle Flemming, or could have placed a rebuttal in her personnel file.

Ken Kareen asked if there had been any difficulties or complaints about Ms. Austin prior to her termination. Mr. Gillespie replied that she had never spoken with him about any problems and, to his knowledge, had never spoken with anyone else. Mr. Kareen asked how her resignation was recorded on the final evaluation and personnel action. Mr. Gillespie did not recall. Mr. Kareen stated that an employee is normally expected to give 14 days notice, although the requirement can be waived.

Senator Ray again commented that the commission's concern is whether Ms. Austin was not recommended for rehire. Mr. Gillespie stated that everyone must fill out a termination form when leaving, and Ms. Austin's form must be in her personnel file. In order to receive her last paycheck, Ms. Austin would have had to return to the office, although she probably went to see the departmental personnel officer.

Senator Ray stated that the staff would contact Ms. Austin and investigate the situation. He added that black listing is a very drastic step to take against an individual, especially in Juneau. Ms. Austin must have had a good working relationship with someone after being employed by the state for nine years. Ms. Austin points out that her coworkers were never criticized for not getting along with her. Senator Ray concluded that it is easy to ignore this type of situation. He thanked Mr. Gillespie for attending the meeting, and Mr. Gillespie departed.

Senator Ray recessed for an executive conference, and the staff left the room.

Senator Ray called the meeting to order. Mr. O'Claray moved that the commission extend permanent employee benefits to the staff effective with the hiring of new personnel. There were no objections, and the motion passed.

The commission reviewed the Certification, Classification and Recruitment section of the draft report and corrected errors, made other changes, and added sections on review of recommendations against rehiring terminating state employees and on comprehensive classification guides.

The commission decided to meet next on Wednesday, December 12 at 1:30. Senator Ray adjourned the meeting at 4:00.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
Lois Jund
Greg O'Claray
Frank Flavin
Ken Kareen (for Sandra Withers)

OTHERS IN ATTENDANCE

Alexander Gillespie

MERIT SYSTEM/COLLECTIVE BARGAINING &
BLUE RIBBON COMMISSION MEETING
Capitol Building, Juneau
November 15, 1979

MINUTES

Senator Bill Ray, Chairman, called the meeting to order and introduced Steve Halfling, Chairman of the Alaska State Personnel Board and Labor Relations Agency, and member of the Retirement Board.

Mr. Halfling briefly described his background as a 40-year Alaska resident and presented a summary of his views on the functions of the three boards. He believes that the Labor Relations Agency (LRA) is one of the most misunderstood operations in the state. It is effective and very frugal. A summary of the LRA's activities in 1979 was handed out to members.

Mr. Halfling was first appointed to the Personnel Board in 1960, when the agency met only three or four times annually to handle final steps in employee grievances. Following the adoption of the Public Employment Relations Act (P.E.R.A.) in 1972, the members of the Personnel Board were given additional duties as members of the LRA. The LRA has been meeting 30 to 35 times annually ever since. The first major task of the LRA was action on petitions to place positions in bargaining units. Since then, it has been responsible for refereeing disputes between the administration and collective bargaining units, hearing unfair labor practice allegations, monitoring strike votes, and generally performing functions similar to those of the National Labor Relations Board. In 1976, the agency heard over 250 disputes and held 60 hearings to make determinations. The LRA now spends an average of two days each month on hearings, investigations and research. Six or seven LRA decisions have been challenged in court, and all of them have been upheld.

Pat Murphy commented that the three members of the boards are volunteers who are not reimbursed for their assistance and that the subcommittee had questioned whether the agency should be given the support of a full-time staff or have full-time members. Mr. Murphy added that the present members have always impressed him with their performance. Mr. Halfling explained that the boards are funded by the state, but members don't work for any department. Therefore, members and staff can remain absolutely objective. The other two members of the boards, Morgan Reed of Skagway and Ron Henry of Fairbanks, and Mr. Halfling are longtime Alaskan residents and volunteers. The agency has a part-time secretary who handles office functions and who works on a contract basis for $2,000 monthly. A consulting attorney in Anchorage, who is a former Assistant Attorney General, Mark Ertichek, is also contracted on an hourly basis. He receives approximately $24,000-30,000 annually, which is half the cost of the former agency attorney, who lived out of state.

Mr. Halfling asserted that there is insufficient work on a continuing basis to justify having full-time agency members or staff. He doesn't believe that offices should be encouraged to justify their existence by creating work. As an example of this problem, Mr. Hafling cited the Labor Relations Office in the Municipality of Anchorage as a full-time office that appears to have created a lot of labor turmoil. The only unsolved business before the LRA for this year is the dispute between the University of Alaska and community college teachers. The LRA does not look for problems, and the law is written in such a way as to allow the agency to refuse cases that are frivolous.

Lois Jund commented that the members wear three hats. Mr. Halfling elaborated that as Personnel Board members, they have practically no workload since the advent of collective bargaining. The board holds semi-annual meetings to review changes to the Personnel Rules. The Retirement Board meets only occasionally to hear appeals. Their only real workload is as members of the LRA, and it is difficult to predict what the future volume might be. If all contracts are administered properly, the volume will decrease. Mr. Murphy stated that all states with numerous public employee unions have full-time labor relations agencies. He added that these positions are extremely vulnerable to political appointments and preconceived ideas and asked what will happen when present members choose to resign. Mr. Halfling responded that the boards must remain neutral--neither pro-union nor pro-administration.

Senator Ray asked whether the LRA's attorney's fees were excessive. Mr. Halfling replied that the Commissioner of Administration has questioned the expense of the legal consultant. Mr. Halfling believes that the finished product must be able to stand up in court, and the cost of a professional with experience in labor relations is therefore justifiable. Any inexperienced employee would be incapable of handling the demands of the position, and anyone on the state's payroll would have to be loyal to her or his employer. The LRA's secretary is also on contract for this reason. The total cost of services provided by the agency last year totalled under $40,000.

Ms. Jund asked how members of the boards are presently appointed. Mr. Halfling replied that the Governor appoints members for six-year terms, although he wasn't sure what criteria are used in the selection process. The appointments are confirmed by the legislature. Ms.. Jund asked what the duties of the Personnel Board include, and Mr. Halfling explained that the board did promulgate the initial Personnel Rules and acted as an appeals board in employee disputes. Senator Ray questioned whether the Personnel Board functions are obsolete. Mr. Halfling replied that the board hears only two or three appeals per year but must still act on changes to the Personnel Rules and changes in employee status from the partially exempt service to the classified service or vice versa.

Ms. Jund asked whether the Personnel Board or the Department of Administration would be responsible for a comprehensive revision of the Personnel Rules. Mr. Halfling replied that the Personnel Board only has authority to accept or reject Personnel Rule changes proposed by the Commissioner. The Board cannot write them nor modify them.

Senator Ray questioned whether the LRA has received inquiries or complaints regarding the hire of applicants from outside of Alaska. Mr. Halfling explained that in the early part of statehood, the Personnel Rules gave a five-point preference to anyone who had been an Alaskan resident for at least one year. Senator Ray commented that he has heard complaints about agencies and commissions hiring outside of the state without considering Alaskan applicants. Mr. Halfling stated that there is a Superior Court ruling that preferential treatment of state residents is in violation of the interstate commerce clause of the constitution. Senator Ray cited a written complaint he received from a long-time Alaskan who was not considered for a position with the Renewable Resources Corporation, even though he was extremely qualified. Mr. Kareen stated that the Renewable Resources Corporation is exempted by statute from the merit system hiring practices set out in the Personnel Rules. Mr. Halfling asserted that if the legislature could reenact the residential preference hiring system in Alaska, the Personnel Board would adopt it immediately if it were legal.

Mr. Halfling added that the Personnel Board must approve positions being placed in the partially exempt service, and the agency has turned down requests in the past which were unjustified. The board has also witnessed cases where partially exempt employees were dismissed without any appeal rights. He hopes that the commission can review these appointments to the exempt and partially exempt services.

Mr. Murphy asserted that preference for Alaskans might be provided for in collective bargaining contracts. Senator Ray stated that for strictly state-funded positions, the legislature might require a hiring preference towards individuals who had paid a state income tax during the previous year. Mr. Kareen commented that the argument for a preferential hiring system was turned down by the state's own Supreme Court, and federal funding did not enter into the question or the final decision. He added that he would be in favor of such a system, but there are exceptions when it is necessary to hire out-of-state applicants. He also pointed out that federal law requires that any minimum qualifications for positions be job-related. Ms. Jund stated that she would also favor the system when state applicants are better qualified. She proposed that agencies be required to justify the hire of out-of-state applicants in writing. Mr. Halfling asserted that employee turnover rates are increased when applicants are recruited from outside of the state. Mr. Kareen commented that this argument was raised in the state's unsuccessful court case.

Mr. Halfling concluded his discussion by reiterating his opinion that the LRA can maintain its neutrality by keeping its present structure. Mr. Kareen asked whether the agency would want additional staff if their workload increased. Mr. Halfling responded affirmatively, but said that he would not want the employees placed in the classified or partially exempt service. He also commented that an ideal candidate for board member would be someone who is retired, financially independent (to resist temptations) and objective.

Since the LRA formed, it has reached 55 formal decisions which were almost all unanimous. The most controversial of its decisions have gone to court and have been upheld.

Senator Ray summarized the situation of the LRA: The agency can work satisfactorily with its present contract attorney and part-time office staff as long as members are and continue to be completely neutral. He thanked Mr. Halfling for being candid in testifying before the commission and extended the commission's appreciation for his service on the boards.

The commission proceeded to review the Merit System/Collective Bargaining section of its draft report to the legislature, discussed changes, and added a section on positions in the partially exempt and exempt services which might be more appropriately placed in the classified service.

Senator Ray scheduled the next meeting for November 26 at 1:30 and adjourned the meeting.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Lois Jund
Lynda McCurry
Pat Murphy
Ken Kareen (for Sandra Withers)

OTHERS IN ATTENDANCE

Doryce Eggleston
Steve Halfling (guest speaker)

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Capitol Building, Room 124, Juneau
October 17, 1979

MINUTES

Senator Bill Ray, Chairman, called the meeting to order. He said that the commission's report to the legislature should contain recommendations on which there is a consensus. He added that each member is welcome to submit a minority report on any issue. The staff was directed to prepare a draft of the report to be reviewed by the commission at its next meeting.

Senator Ray asked if any conclusions had been drawn on the issue of the partially exempt and exempt services. He was advised that the Categories of Employees subcommittee is waiting for additional information on positions in the exempt service before making any recommendations.

Senator Ray asked whether there is evidence of problems with the nonpermanent law. Lynda McCurry stated that it will be difficult to implement the procedures set out in the law, but it will force action that should have been taken long ago. John Pugh added that it will alleviate the problem of by-passing the registers by hiring temporaries and will increase equal opportunity amongst applicants.

Senator Ray stated that there should be a section in the report addressing problems with maintaining open registers. He added that he hopes the commission will be able to make some recommendations on the issue. Pat Murphy pointed out that the Certification, Classification and Recruitment subcommittee voted in favor of recommending that the Division of Personnel receive additional funding for recruitment and examination functions. Senator Ray stated that the report should also recommend that departments request only needed positions in the budget submitted to the legislature. Legislators require more input from agencies on their operating needs.

Members discussed other topics, including: the veteran's preference system, conflicting roles of supervisors who are also union representatives, meeting equal employment opportunity goals, and providing aggrieved employees with protection from those implicated in grievances.

Senator Ray scheduled the next commission meeting for Thursday, November 15. He adjourned the meeting at 4:10.

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Bob Mourant

CATEGORIES OF EMPLOYEES
Capitol Building, Juneau
October 17, 1979

MINUTES

In the absence of Representative Buchholdt and Frank Flavin, Lynda McCurry chaired the meeting. Ms. McCurry referred to the issue of contractual services and employees discussed at the last meeting. Terry Cramer pointed out that the legislative resolution creating the commission specifically directs members to address the feasibility of establishing "a method for regularizing the hiring of specialists who, because of higher comparable salaries in the private sector for the skills involved, must be paid at levels in excess of the salary schedule".

Ken Kareen explained that the state is supposed to use Internal Revenue Service guidelines to distinguish between employees and contractors. Exceptions are made for attorneys and for part-time medical doctors. Teacher contracts are covered by special provisions, and they are technically the only contract employees in the state. All others are considered contractors.

Pat Murphy described his experiences with state contracts used by the Department of Education. In 1971, the Department of Education was delegated the authority to contract out for teacher services, and this privilege was abused when employee services were contracted even though they did not fulfill teaching requirements. Mr. Murphy commented that it took four or five months to straighten out the problem after bringing it to the Commissioner's attention. He added that there are also problems arising in the Division of Data Processing. There are 35 PCN's in the Division, and 16 are vacant because they are being filled with contract employees. There appears to be a question of contracting for services that can be performed by classified employees.

Mr. Kareen explained the procedure for justifying the need for contractual services: When an agency intends to contract for services, it must fill out a form requesting authorization. The request is submitted to the Division of Finance for presentation before a committee of three individuals for consideration. No contract is binding until approved by the Division of Finance. Construction contracts let on bids are exempted from this process. Mr. Kareen added that Mr. Murphy's concerns are universal between any management and union, whether private or public. Mr. Murphy asserted that the issue should be reviewed, citing the Department of Education as an example of 40-45 positions being placed back in the classified service following the 1971 review of contracts. The issue is not necessarily a union/management question, and it should be considered by the commission.

Ms. McCurry pointed out that data-entry services were contracted out for some time by the Division of Data Processing. She asked if there is a cost analysis done prior to contracting. Lois Jund stated that the Department of Administration makes a determination on whether they will approved contracting from what agencies submit. The problem in the Division of Data Processing became evident when that division could not finish a project in time to meet federal deadlines. There was insufficient staff to get the job done, and the division recommended contracting for services. Pat Murphy responded that at least some of the Data Processing contractors were state employees who were terminated and immediately place under contract with the Division.

Ken Kareen explained that development and modification of soft-ware is also considered a contractual job in the Division of Data Processing. John Pugh commented that contracting has also increased recently in the Department of Health and Social Service's Medicaid Program. Mr. Pugh added that he believes there should be some procedure for determining whether contracting is in the best interests of the state. Mr. Kareen commented that contractual services are identified in agency budgets, and inquiries on such expenditures vary from one legislative session to the next. However, the issue is never really ignored because the costs must be justified in the budget process. The subcommittee decided to ask the Director of the Division of Finance to address members on his division's practices in approving contracts. There was no further discussion on the topic.

Referring to the memos on partially exempt positions, Terry Cramer stated that the last memo distributed showed positions placed in that service. There was general agreement that a list of exempt positions would contain the positions on which the subcommittee has questions. Lois Jund commented that the partially exempt list did not appear to be complete. She knew of additional Division Directors in the Department of Health and Social Services who did not appear on the list. Mr. Kareen pointed out that Directors, Deputy Directors and their secretaries are in the partially exempt service by statutory definition. There are criteria set out in the statutes giving the Personnel Board authority to extend the partially exempt service. Positions responsible for the formulation or implementation of policy and those whose duties are not susceptible to normal methods of recruitment and examination may be placed in the partially exempt service.

Pat Murphy mentioned that changes to the classified and partially exempt services handled by the Personnel Board are performed without any advance notice to either the bargaining units or to incumbents. He objected to the methods in which positions are being moved from the classified to partially exempt service. When the Older American Program General Government Unit positions in the Department of Health and Social Services were placed in the partially exempt service, APEA wasn't notified of the action until two weeks after it was taken. Mr. Kareen

explained that the Division of Personnel received verbal directions from the Personnel Board following the incident to notify unions and incumbents of such actions in the future. Mr. Murphy pointed out that the Personnel Board consists of volunteers who have no formal staff to perform such functions. Mr. Kareen stated that the statutes were written from a model over 20 years old which did not anticipate collective bargaining in the state. The allocation of positions to the classified or partially exempt service is treated by the Act as a management prerogative. The Commissioner of Administration is petitioned for changes in services, and he/she submits the proposal to the Personnel Board, which has discretion as to whether a notice of the change is posted. The Division of Personnel has always understood that hearings are held at the Personnel Board's discretion. In a few instances, Mr. Kareen mentioned that the Personnel Board has called an incumbent in a position being changed, but that has not been an established procedure. Mr. Murphy commented that in one situation, a Director was moved from the classified to partially exempt service and was then terminated the following day. The procedure can be used to the detriment of state employees.

Lynda McCurry suggested recommending that a procedure manual be written for the Personnel Board. Mr. Murphy stated that it would be helpful to have guidelines for everyone to follow. Terry Cramer pointed out that the Personnel Board has the authority to adopt its own rules of procedure, which are exempt from the Administration Procedures Act. John Pugh stated that the Personnel Board has the authority to adopt its own procedures.

Mr. Kareen asserted that there is another area in the service which is recognized by the federal government as partially exempt: employees who don't promulgate or interpret policy but who must advocate existing policy. There is no provision in the statutes for placing these employees in the partially exempt service. Mr. Pugh responded that the subparagraph permitting positions with responsibility for policy implementation would include those required to advocate the policy.

Mr. Pugh stated that it is critical to reconcile the clash between rights granted to management under the Personnel Act with rights granted to unions under the P.E.R.A. Unions have a right to those positions which fall within their units as established by the Labor Relations Agency. Therefore, they have an interest in changes of positions within each unit from classified to partially exempt. Mr. Kareen commented that in comparison to other states, Alaska has a very low percentage of partially exempt employees. He added that there is concern about excluding career employees with major responsibilities in administering contracts from collective bargaining practices. Mr. Pugh commented that he doesn't believe that this mid-level management group should be removed from the classified service, although it should be prohibited

from collective bargaining. Those employees are career service employees. There are dangers to politicizing those positions--they need protection from removal every time a new boss comes in. They should therefore remain in the classified service. In addition, incumbents in positions whose service is changed by the legislature should have appeal rights to the Personnel Board. Ms. Jund asserted that there is a need for another service providing the benefits of the classified service but not collective bargaining. Terry Cramer commented that Mike McMullen in the Classification and Pay Section had informed her of five state employees who are in this situation. However, their right to bargain has not been affected: The Labor Relations Agency held that they were not within any existing units, but they were not forbidden from organizing a separate bargaining unit.

The subcommittee decided to examine the list of exempt positions before making a recommendation on the partially exempt service. There were no objections. Ms. McCurry adjourned the meeting.

MEMBERS IN ATTENDANCE

Lynda McCurry
Pat Murphy
Lois Jund
Ken Kareen (for Sandra Withers)

OTHERS IN ATTENDANCE

Doryce Eggleston
Bob Mourant
John Pugh

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 Assitant 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

MERIT SYSTEM/COLLECTIVE BARGAINING
Capitol Building, Juneau
October 17, 1979

MINUTES

Senator Bill Ray, Chairman, called the subcommittee meeting to order and raised questions on the topic of merit increases. Lynda McCurry explained that merit increases are provided to employees in accordance with step-increase plans. For most state employees, merit increases (steps B-F in the pay plan) constitute the only raises provided by the state. Once the top step has been reached, there are no raises except for the longevity increments provided by statute. Pat Murphy commented that raises are provided in a number of ways by collective bargaining contracts. APEA has incorporated merit increase steps into its contracts. Mr. Murphy distributed copies of another union's pay plan which has two steps (APEA has six) and a service bonus plan as an alternative to the statutory longevity increments. The two steps provided for in the other union's contract represent salary increases equivalent to APEA's six steps (A-F). However, the other union contract provides it's members with a lump-sum increase after six months of employment, and APEA's are available on an annual basis at management's discretion.

Lois Jund asserted that concerns over merit increases arise when the system is abused. She added that merit increase awards should be based on specific performance criteria. Ken Kareen elaborated that agencies have no performance-based standards established. Even if there were, each supervisor would interpret them differently. Senator Ray stated that present practices are unfair, and merit increases are being applied indiscriminately. Mr. Kareen stated that he is in favor of developing performance standards and maintaining the merit increase system, although he is skeptical of the results.

Ms. Jund commented that it is easier to evaluate employees who have lower-level functions than those in the higher echelons. There is nothing precluding supervisors from setting up performance standards, and the Division of Personnel encourages agencies to do so. Mr. Kareen observed that there will always be a certain amount of subjectivity involved in the evaluation of employees.

Senator Ray stated that the legislature is dissatisfied with the lack of uniformity in the granting of merit increases and is convinced that it is not the best way to reward employee performance. Unions can bargain about providing their members with raises. He added that the merit system is not compatable with collective bargaining on the

issue of merit increases. Senator Ray asserted that if an employee's performance is exemplary, that employee should receive an annual bonus at the discretion of the employer. Bob Mourant pointed out that a state supervisor cannot grant a bonus. Ms. Jund asked whether the legislature would be in favor of merit increases if some method could be devised for granting increases for meritorious service only. Senator Ray responded that the legislature apparently does not care for the terminology and would be more receptive to a system of rewarding longevity or seniority.

Senator Ray commented that few legislators are actually familiar with collective bargaining contracts, and they don't understand why the state provides raises to employees based on both the cost of living clause in contracts and merit increse provisions of the merit system. Mr. Kareen stated that there are not very many employees who advance through the final merit increase step. There is a 60% turnover rate of employees in the first three steps. Senator Ray responded that the turnover rate is decreasing as state employment becomes more popular because of benefits provided by both the merit system and collective bargaining unions.

Ken Kareen explained that merit increase steps A through F were originally provided for in Title 39, and steps J through M were added to provide for longevity in state service. Not all employees are hired at the initial step because there are instances when it is difficult to recruit for positions. Positions beginning at advanced steps are used as inducements to recruit valuable skills from the private sector. Ms. Jund commented that merit increases are necessary for recruiting and retaining valuable employee services, as well as for rewarding exceptional performance. She recommended that performance-based standards be mandatory for granting merit increases. Mr. Kareen asserted that a multi-step pay plan is better than granting a flat rate. Senator Ray stated that he doesn't believe employees should be hired at anything other than the beginning step. Ms. Jund added that if an employee in the private sector is earning more than step A, the state must compete with private industry for professional skills.

Senator Ray pointed out that although the economy in Juneau is dependent upon state and federal job income, government employees are minorities in other parts of Alaska. Mr. Murphy responded that government employees make up about 40% of Alaska's workforce, and 60-65% of the state's economy is impacted by government expenditures.

Senator Ray repeated that the legislature believes merit increases to be incompatable with collective bargaining. Ken Kareen stated that merit increase plans are presently negotiated, and changing the Personnel Act will not affect most classified state employees. Pat Murphy added that the only employees who would be affected by legislative

changes to the Personnel Act, unless collective bargaining is restricted, would be partially exempt and exempt employees. Mr. Murphy pointed out that although some believe that merit increases are automatically granted on an annual basis, they have not been funded by the legislature for the past year. Therefore, departments have been applying them inconsistently depending upon how much is left in the budget because of vacancy factors, etc. Some departments are better able to supply merit increases than others. Senator Ray suggested that the subcommittee list the alternatives in the commission's report to the legislature and that current practices be explained. The report will address: a bonus for meritorious service, collective bargaining impact, step increase plans, performance standards, etc. There was no further discusssion of the issue.

On the topic of amplifying the merit principles in the Public Employment Relations Act (P.E.R.A.), Senator Ray commented that one essential principle is the concept of basing merit on ability and performance. Mr. Kareen elaborated that the evaluation of employees and retention in state service are also essential merit principles. He pointed out that although merit increases are not specifically defined under the merit principles, almost every state provides employees with increases for meritorious service. Alaska's problems with the system are not unique to state government. Terry Cramer commented that a memo from Commissioner Hudson states that merit increases are almost universally granted to public employees and include graduated pay plans.

Senator Ray asked what principles are essential to Alaska's personnel system. Mr. Kareen replied that the five principles outlined in Terry Cramer's memo (selection and retention of employees based on ability, including examination for positions; equal treatment of those seeking employment; regular integrated salary programs based on the nature of the work to be performed; selection or retention of one's position to be secure from political influences; and tenure during the time that employees perform well) should be applied to all public employees. Senator Ray observed that equal treatment of applicants seeking state employment is especially important according to recent testimony.

Senator Ray stated that the five merit principles should be defined in the Personnel Act. Mr. Kareen explained that collective bargaining impacts merit principles by implementing alternative provisions for each unit. The state does not comply with the principle of equal pay for equal work, for example, given that each unit bargains for a different pay plan. Unless the Collective Bargaining Act is revised, statutory changes to the Personne Act will cover only partially exempt and exempt employees. Senator Ray and Mr. Murphy agreed that merit principles should be statutority defined.

Senator Ray was advised that the Categories of Employees subcommittee had discussed the issue of statutory changes to the membership of the Labor Relations Agency, Retirement and Personnel Boards. Mr. Murphy pointed out that the Personnel Board meets only occasionally, and members do not have enough time to get the job done. An executive assistant has been holding hearings for members. Senator Ray asked whether there is a need for the boards. He was informed that the Personnel Board is the only agency authorized to adopt changes to the Personnel Rules, and it consists of three voluntary members. Terry Cramer explained that the statutes provide for the same three volunteers to be members of both the Personnel Board and the Labor Relations Agency. The Retirement Board consists of five members, three of whom must be the members of the Personnel Board and the Labor Relations Agency. Mr. Kareen commented that it is difficult for the Division of Personnel and Labor Relations to provide staff support for the boards, because of their involvement in labor relation disputes.

Senator Ray suggested that statutory requirements on the membership of the Labor Relations Agency, the Personnel Board and the Retirement Board be reevaluated, and recommended that the Legislative Budget and Audit Committee review the overall functions of the Boards to consider whether they should continue. There was a consensus that the Labor Relations Agency should be provided with a staff of classified employees.

Senator Ray directed the staff to prepare additional information on the topic of adopting Personnel Rules in accordance with the Administrative Procedures Act.

Senator Ray adjourned the meeting at 2:40.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Lynda McCurry
Pat Murphy
Bob Mourant (for John Pugh)
Lois Jund
Ken Kareen (for Sandra Withers)

CATEGORIES OF EMPLOYEES
Capitol Building, Juneau
October 11, 1979

SUMMARY

The Categories of Employees subcommittee was scheduled to meet at 8:30 to discuss positions in both the exempt and partially exempt service. Due to a lack of members present, it was decided that the report prepared by the staff would be put on the agenda for the next scheduled meeting on October 17 at 8:30.

MEMBERS IN ATTENDANCE

Lois Jund
Doryce Eggleston (for Lynda McCurry)
Sandra Withers

OTHERS IN ATTENDANCE

Ken Kareen

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 proccesses. 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 attri--buted 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 excercising the Governor's authority. Some friction is inherent, given that role. Lynda McCurry observed that one on 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 tc EEO philosophies and believes that the Division of Equal Employment Opportunity provides adequate representation of the issues.

Sentor Ray commented that on the topic of documentiny 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 thi, 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

MERIT SYSTEM/COLLECTIVE BARGAINING
AND BLUE RIBBON COMMISSION
Capitol Building, Juneau
October 11, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order and referred to Senate Bill # 256, creating a Department of Employee Relations. He suggested that the commission consider recommending the separation of labor relations and personnel functions from others in the Department of Administration as an alternative to the creation of a new department. A Deputy Commissioner would be appointed to head each division. If the structure showed an improvement, the argument for a separate department would be substantiated. The commission could recommend to the legislature that it provide funding for the separation of functions to alleviate problems evidenced in the operation of the personnel system. Senator Ray moved that the commission include the recommendation in its report to the legislature. There were no objections.

On the issue of the legislature's involvement in collective bargaining, Senator Ray stated that the legislature doesn't appear to want to be directly involved in the bargaining process at this time. However, it must meet constitutional requirements of appropriating money to fund the contracts, and legislators want some form of veto power over unreasonable contracts in the name of the public. Senator Ray asserted that there should be some provision for legislative action on negotiated contracts within a specific time frame. A deadline for legislative action has been proposed, and if contracts are not acted upon within the time allotted, unions would be able to take any steps they believe are necessary.

Greg O'Claray stated that a legislative veto would be preferable to no legislative action. He added that he does not believe the legislature should be given two chances at approving or rejecting contracts. Sandra Withers pointed out that it is not uncommon for a government body to review contracts and order renegotiations. Mr. O'Claray responded that he doesn't believe contracts should be looked at piecemeal because the legislature would then be able to procrastinate in making a decision.

Sandra Withers commented that unions would have two opportunities to strike if the legislature had the authority to order renegotiations. Presently, all state contracts contain "no strike" clauses which provide that there will be no work stoppages during the life of the contracts. Therefore, when negotiations reach an impasse, unions are precluded from petitioning the Labor Relations Agency for striking authority until the existing contracts expire. If all contracts were to expire on December 31, and negotiations reached an impasse, unions would be able to strike

if mediation was unsuccessful. If negotiations resumed and an agreement was reached, it would then be submitted to the legislature. Unions would again be able to petition for a strike vote if the contract was not funded, unless the agreement had some legal force during the interim and also contained a "no strike" clause.

Senator Ray stated that agreements should be negotiated and transmitted to the legislature by a date convenient to the parties. The legislature would then have 30 days to either accept or reject the negotiated contract. If all contract expiration dates were changed to June 30, the unions would not be able to petition for a strike vote until after adequate time for renegotiations. The Department of Administration would thus only be responsible for handling negotiations, and strikes would have to be handled by the legislature. Mr. O'Claray questioned how a strike would be resolved. Senator Ray replied that either the Governor or the legislature would call a special session. Ms. Withers suggested that the commission research other state statutes that address legislative procedures for funding negotiated contracts. Senator Ray responded that public employee strikes are not uncommon, and they should be accepted as a possibility when the legislature does not approve the monetary terms.

Senator Ray asserted that the legislature is only interested in the monetary terms of the contracts. Mr. O'Claray reiterated his belief that the legislature should not be able to exercise a line-item veto over contracts. Ken Kareen commented that there are two large cost items: wages and benefits. Senator Ray stated that the legislature is only interested in the total price tag. Mr. O'Claray suggested that the commission recommend that the legislature be required to vote on negotiated contracts between the 90th and 120th day of the session. Senator Ray suggested that the legislature be required to take action by March 15 or within 30 days after receipt of contracts or before adjournment.

Ms. Withers pointed out that the expiration dates of contracts are currently considered bargainable items. Senator Ray stated that the commission should recommend that contracts coincide with the fiscal year. He added that language could be drafted to provide for multi-year contracts.

Senator Ray moved that the commission recommend that a time limit be set for legislative action on negotiated contracts. There were no objections. He added that the discussion should include alternatives to the procedure such as: negotiations being handled by the legislature, by a private negotiator hired by the legislature, or by the Department of Administration.

Mr. O'Claray stated that there should be a mechanism in the law for resolution of disputes if the legislature rejects a negotiated agreement. The method presently provided in the statutes is a strike. However, Mr. Kareen pointed out that some bargaining units are precluded from striking by statute. Lois Jund commented that if the timetable for legislative action was early enough, it could allow for renegotiation of contracts prior to the end of the session. Ms. Withers asserted that the legislature's role in collective bargaining is not unique to Alaska, and she suggested that other statutes be examined to get ideas on timetables. Mr. O'Claray stated that if the Finance Committee can give consideration to contracts in 30 days, then a negotiated agreement should be submitted by February 15. Mr. Kareen voiced concerns about the transition period on contracts, and Senator Ray responded that special provisions have to be made for implementing any new law.

On the issue of excluding policy-making supervisors from collective bargaining, Senator Ray commented that the partially exempt service appears to be another classification problem. Ken Kareen responded that some supervisors are responsible for policy making and others are required to enforce policy and collective bargaining contract terms. Mr. O'Claray mentioned that APEA representatives had testified at a House Committee meeting that they were willing to remove 90 supervisors from collective bargaining units. Senator Ray directed the staff to call the Governors Office to find out which classifications were proposed for removal from collective bargaining.

Senator Ray addressed the topic of a non-negotiable management rights clause and asked what would be included in such a clause. Terry Cramer explained that statutes in other states include hiring, promotion, tranfer, and the establishment of personnel rules as management rights. Mr. Kareen elaborated that the issue relates to problems that arose when the Department of Administration negotiated with a collective bargaining union on hiring hall practices, which do infringe upon management's ability to recruit and examine applicants. He added that merit principles must be adhered to by both parties. The fundamental question is what should and what should not be bargainable. Ms. Withers stated that the Commissioner of Administration is attempting to define what is bargainable. Currently, the classification, recruitment and examination processes are bargainanble, and a management rights clause would be a vehicle for setting out things that should remain consistent for all state employees. Ms. Withers added that the state negotiated an alternative to the statutory longevity system with one union. The only thing presently exempted from collective bargaining is retirement benefits. Changes to the Personnel Act are bargainable items.

Senator Ray recommended that the commission advise the legislature that certain items which are currently negotiable such as health benefits, classification, recruitment and examination might be exempted

from collective bargaining. He instructed the staff to make clear in the draft of the commission's report that collective bargaining has created inconsistencies in employee's health insurance and medical benefits. Mr. O'Claray pointed out that each union placed emphasis on different contract components. He added that IBU is tied into Taft-Hartley Act retirement trusts, and the state would have to amortize should it decide to require ferry workers to belong to the state's retirement system. Senator Ray directed the staff to point out in the commission's draft report that unions trade in different ways and place varying degrees of importance on increasing wages or benefits. This has prompted some discussion within the commission on the possibility of adopting a management rights clause to exclude certain topics from the collective bargaining process. Further investigation and study is needed before the commission will be prepared to make any definitive recommendations.

On the issue of cost of living adjustments, Senator Ray observed that there are two ways to go about it: lump sum or percentage increases. Mr. O'Claray suggested that there is no single answer to the question. The legislature is against percentage increases, but across-the-board increases create problems with compression of salaries. Senator Ray concurred that both systems have inherent problems. He suggested that this might be a topic for review each year. Ms. Withers commented that the country's economic situation will determine the continuation of such increases. Senator Ray stated that in the public's viewpoint, a hamburger costs the same amount for the guy who runs the elevator as it does for a commissioner. He does not believe that life styles should determine the allocations of increases. Lois Jund suggested that a third alternative is possible: varying percentage increases so that lower salary levels receive larger increases. Senator Ray reminded members that cost of living adjustments are not actual salary increases. They are not tied to geographical differences or anything else.

On the issue of merit increases, Senator Ray stated his belief that they should be done away with. Ken Kareen pointed out that they are currently negotiable items. Lois Jund commented that without merit increases, employee productivity is not encouraged. Senator Ray responded that a meritorious service award could be granted by a committee to deserving employees. The panel/committee could consider recommendations from supervisors and could have discretion on the amount of awards. Ms. Jund stated that it is not fair to pay a long term employee who is extremely productive the same amount that a new employee with no experience would receive. In addition, there are some positions in specialized fields where there is no career ladder and therefore no opportunity for advancement. She recommended that performance standards be created for evaluation of meritorious service, so that merit increases would not be considered "living and breathing" awards. Senator Ray asserted that

collective bargaining is not compatable with the merit system, and it is perceived as a double dip for state employees. Ken Kareen stated that he believes there should be performance evaluations, but that it would be impossible to have a uniform system of application because of the subjectivity inherent in any evaluation system. Mr. O'Claray pointed out that most labor organizations don't believe in merit increases, because it provides supervisors with a method for "playing favorites". He stated that a seniority system does not allow for favoritism. Senator Ray repeated that the legislature is seriously considering the incompatability of the merit system and collective bargaining.

Senator Ray adjourned the meeting at 4:25.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Greg O'Claray, Vice Chairman
Lynda McCurry
Lois Jund
Sandra Withers

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Capitol Building, Juneau
October 5, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order and requested reports on subcommittee recommendations.

CATEGORIES OF EMPLOYEES SUBCOMMITTEE

The Categories of Employees subcommittee voted to recommend to the full commission that all personnel sections of the Alaska Statutes be codified into a cohesive form located in one chapter. The commission voted to pass the recommendation without objection.

Ken Kareen mentioned that the implementation of the nonpermanent law initially sponsored by the commission would be delayed in some areas, but all departments would be in compliance by January 1, 1980. Previous issues relating to temporary employees were reviewed. Senator Ray elaborated that nonpermanents will not receive fringe benefits, health insurance or retroactive credit for retirement under the law and that the commission should not address those issues.

On the topic of contracting, Senator Ray asked if the commission should recommend that rules be adopted to prohibit state employees or corporations composed of state employees from subcontracting with the state while employed by the state. Frank Flavin pointed out that this is already in the Personnel Rules and is considered a "conflict of interest". Complaints have been received about how state contracting is handled and the rule that bids do not have to be solicited on jobs costing less that $2,000. John Pugh pointed out that many of the problems have been cleared up. The state's practice of contracting for services which could be performed by state employees should be left to collective bargaining between the state and the employee unions. Senator Ray stated that he would provide the staff with additional information on the subject if he receives any more complaints.

The subcommittee requested the staff to study the exempt and partially exempt classes in the state and to present a list of those positions and their locations as soon as possible.

The issue of reviewing all vacant PCN's had been brought up during subcommittee discussion. One area of concern is the legislature's "red lining" of vacant positions that have not been filled because of classification and recruitment time delays. John Pugh added that there may be a number of vacant PCN's this year because of underfunding for personal

services. Ken Kareen suggested that the problems may dwindle, because under the nonpermanent law, permanent position dollars cannot be used for hiring temporaries and therefore vacancies in permanent positions may be reduced.

CERTIFICATION, CLASSIFICATION & RECRUITMENT SUBCOMMITTEE

The Certification, Classification and Recruitment Subcommittee voted to recommend to the full commission that the Division of Personnel move towards broader classifications. Ken Kareen elaborated that the Division has been in the process of doing so since the beginning of the year. The commission voted in favor of recommending this to the Division.

Regarding the topic of closing recruitment, John Pugh stated that it was a difficult issue for the subcommittee. If there are no eligibles on registers willing to work in rural locations, appointing authorities must first work the registers and then request authority to recruit locally, which can be a time consuming process. Sandra Withers stated that there are complaints whether the registers are open or closed. To keep registers open, there must be sufficient staff to examine and test applicants in the Division of Personnel. Maintaining access to promotional lists in classes in which the registers are closed has been taken to arbitration. Ms. Withers stated that it would take another four staff members in the Division of Personnel to handle open recruitment at all times.

John Pugh suggested that the commission request that the legislature appropriate more funds to increase the Division's staff. Greg O'Claray concurred that additional staff should be funded and registers should remain open, giving the state the opportunity to choose from the most qualified when a vacancy opens. Sandra Withers pointed out that the new nonpermanent law will inundate the Division with applications from temporaries trying to get on registers for permanent positions, and nonpermanents will have to be hired off registers in accordance with the law. There was a general consensus that recruitment should remain open and that the Division of Personnel should be provided with additional staff funding.

Frank Flavin commented that there appears to be too much paper work involved in the application process and that one solution would be to reduce the submissions to one per applicant, regardless of the number of classes she or he was applying for. Ken Kareen responded that the Division has alleviated some problems by offering to give passing grades for lower classifications within a series to applicants who have passed an advanced level test. In many cases this is not possible because at various levels of classifications, different skills are required, and different tests must be used to evaluate those skills.

Applicants who want to be placed on registers by this method are placed in a single group. The division does not try to rank them with the applicants who were tested for the lower level position. Mr. Kareen elaborated that the Division has abolished 183 classes. by merging them with other similar classes or by eliminating them completely. There are now fewer than 1,300 classes in the state.

Mr. Flavin suggested that the commission design the ideal personnel system for 1981, burn everything in existence now and start out all over again. John Pugh asked if the Division has tried using a single application for multiple classifications. Ken Kareen explained that the Division had tried accepting up to five class titles on a single application. The number of positions applied for increased, and the staff still had to review each title separately. Staff members ended up making extra copies of applications themselves to avoid confusion. Sandra Withers elaborated on the ideal system, which would be computerized so that information could be keyed in, applications could be tracked, and classifications for which an individual qualified would print out. Ken Kareen commented that the Department of Transportation and Public Facilities has been working on a system for evaluating and classifying all the planner classes in the department. To date, the department has had to bring in consultants, psychologists and an expert in data processing, and they still don't have a workable system.

Senator Ray asked what role the Division of Budget and Management plays in the classification process. Sandra Withers replied that the Division of Personnel cannot work on a position before there is assurance that it has been funded. The Personnel Rules provide this method for monitoring compliance with legislative changes in the budget. The Division of Budget and Management certifies the availability of funds and has done so since the office was physically located in the Department of Administration. At that time it was an interdepartmental review. The subcommittee had directed the commission staff to invite representatives of the Budget and Management and Governor's office to attend its next meeting (October 11).

Returning to the topic of multiple applications, Ken Kareen commented that the Division of Personnel has come very close to having a production line set up in its offices to handle the large volume of applications. All applications for one classification are gathered together and evaluated at one time. Greg O'Claray observed that the public feels that there is too much paperwork and it doesn't perceive the requirements of the Division of Personnel as reasonable. Sue Greene asked how the Division should be perceived--as an employment agency or as a group of employees performing state functions. The Division's resources are restricted. Is it unreasonable to make things easier for state employees? How far should the Division go to please the public? Which is the top priority--performing services for the user departments or providing

services to the public? There have been many changes in the time needed to perform evaluations of applications in the past few years, but there have been no increases in the number of staffing services. Ken Kareen stated that the state has more records than any private industry would dream of because of it is required to account for its actions.

Senator Ray scheduled the next commission meeting for Thursday October 11, and adjourned the meeting at 4:20.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Frank Flavin
Sue Greene (for Commissioner Hudson)
Lynda McCurry
Darlene Livermore (for Pat Murphy)
Greg O'Claray
John Pugh
Sandra Withers

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen
Bob Mourant

CATEGORIES OF EMPLOYEES
Capitol Building, Juneau
October 5, 1979

MINUTES

Frank Flavin, Vice Chairman, called the meeting to order and asked members if there were issues other than those outlined in the September 26 summary they wished to address. There were no additions.

On the nonpermanent hire law, Mr. Flavin asked if part-time temporaries are limited to 120 days of employment or the equivalent in hours. He also asked if the law applies to exempt employees. The law limits part-time temporaries to 120 calendar days as it does full-time temporaries (nonpermanents). Ken Kareen responded that it does not apply to partially-exempt or exempt employees.

On the issue of state practices in obtaining services or goods by contract, Mr. Flavin pointed out that there are two components to the issue: contractual employees and contractual services. Darlene Livermore stated that the state is drastically expanding areas of contracting and cited the Division of Data Processing as an example of where this is taking place. Mr. Flavin commented that he has found instances where contracted employees should actually be employed by the state, under Internal Revenue Service regulations. Ken Kareen explained that the the Division of Finance in the Department of Administration monitors contracting practices. The procedure calls for their authorization before a contract is negotiated and again before a contract is entered. The standards for distinguishing between someone whose services are contracted for and a state employee are the same as those followed by the IRS. Mr. Kareen believes that the number of contracts entered into by the state has diminished. The Division of Personnel doesn't usually get involved in the procedure. However, in some instances, the Division of Finance does request input from the division. The Department of Education did request assistance from the Division of Personnel on teachers' contracts when there was some question as to the legitimacy of the practices.

Mr. Flavin asserted that the subcommittee could recommend that there be more enforcement of contracting regulations. Mr. Kareen explained that the Division of Personnel does not monitor contracts and not all agencies are subject to review by the Division of Finance.

Darlene Livermore stated that the Division of Finance is responsible for reviewing only monetary terms of contracts to verify that they are consistant with IRS standards. Mr. Flavin asked if the forms used by the Division of Finance question whether services could be performed by a state employee. Mr. Kareen explained that there are different forms, and one is used only by the Department of Education for teachers. At one point, the Department of Education form was used improperly for administrative employees.

Ms. Livermore pointed out that there are former employees of the Division of Data Processing who are now performing the same functions for the division under contracts. Mr. Kareen stated that these employees are now working for contractors used by the state. John Pugh asserted that the Division of Data Processing is a good example of an agency that is contracting for personnel services ineffectively. Mr. Flavin suggested that monitoring contracting practices could be another function of a Department of Employee Relations. Abusing contracting privileges is already illegal, but there is an apparent lack of monitoring and enforcement.

Ms. Livermore commented that some collective bargaining contracts contain provisions regarding contracting and subcontracting. In response to Mr. Flavin's question on the extent of state policy, Mr. Kareen stated that policies differ from agency to agency. Mr. Pugh cited a need for planning of future personnel and program requirements. This should be done on a long-term basis as a cost saving mechanism. Mr. Kareen pointed out that there is another committee studying the practices of the Division of Data Processing.

Mr. Flavin asked whether there are personnel planners to perform such functions. Ms. Livermore replied that there are people who specialize in staffing. Mr. Kareen stated that each manager in the state has responsibility for program planning. The state does not employ any manpower specialists because in addition to the knowledge of personnel planning, they must have expertise in various fields. The state is too small to support such a function. Mr. Flavin commented that there is a need in the budget process for review of new projects to justify their objectives. He asked whether the Division of Budget and Management could question personnel projections and examine the cost efficiency factors. Mr. Pugh observed that presently, only monetary terms are considered in determining what is most economical for a single fiscal year. There is no consideration given to long-term planning of staff and funding requirements. Ms. Livermore pointed out that the federal system has a personnel management office that provides specialists who consult with agencies on program objectives.

Mr. Pugh asked what type of studies are required prior to the authorization of contracts. Mr. Kareen responded that one collective bargaining contract provides that a study be performed to verify the ability of the contractor to provide services at less cost to the state than could state employees. Otherwise, there must be justification through the budget process that contracts are more economical. Mr. Kareen commented that the theory of obtaining the best and most economical services is good. However, it is difficult to identify how services can be accomplished and the costs of alternatives. The ideal would be providing the highest quality and quantity of service to the public at the least expense. He added that there will always be disagreement on whether the proper choice was made. John Pugh suggested that there needs to be more than a study of the financial aspects of contracts. The best alternative for one year isn't necessarily the best alternative in the long run. Mr. Kareen commented that many agencies operate with federal monies and therefore cannot plan for a long-term program.

The subcommittee took no position on the issue.

On the issue of excluding policy-making supervisors from collective bargaining, Ms. Livermore stated that there are many employees in the partially exempt service who have little policy-making authority, but are excluded from bargaining. A number of these positions were assigned to the partially exempt service by legislative action that was not based on policy-making criteria. In the Limited Entry Program, for example, there are 40 or 50 employees who are classified as such without those responsibilities. Mr. Flavin stated that there are some supervisors in the classified service who should be in the partially exempt service. He suggested that the subcommittee review both services. Mr. Pugh commented that any changes made in those services would require statutory revisions.

Mr. Kareen explained that there are three ways in which positions are placed in the various services. The State Personnel Act initially placed legislative and court system employees in the exempt service. Employees in the Office of the Governor, unless their positions are federally funded, are in the partially exempt service, as are attorney members of the Attorney General's Office. Commissioners are exempt, and their secretaries are partially exempt.

The second method by which positions are placed in the exempt or partially exempt service is as a result of case-by-case legislative action. The legislature enacts laws which state that a certain position (s) will be exempt or partially exempt. For example, the Director of the Division of Personnel and Labor Relations was recently placed in the partially exempt service. The legislature does not appear to follow clear standards in making its decisions about which service positions should be in.

The third method is created by the State Personnel Act. By action of the Personnel Board, following petitioning of the Commissioner of the Department of Administration, a position may be moved from the partially exempt to the classified service or the other way around. The petition must demonstrate that certain criteria are met before the Personnel Board may act. The Personnel Board has no jurisdiction to change the status of those positions which have been placed in one service by legislative action. Ms. Livermore added that the employees of the Limited Entry Commission has all been placed in the exempt service by legislative action. Mr. Flavin recommended that the subcommittee initiate a study on the numbers of positions in the partially exempt and exempt service to determine placement patterns. The staff was directed to present an overview on the subject.

On another issue, Mr. Kareen stated that someone from the Legislative Affairs Agency had searched through the statutes to isolate references to the personnel system. The results were lengthy, and he feels that the Personnel Act is not codified well. He added that the Personnel Act makes no mention of those scattered positions which are to be in the

partially exempt and exempt services. Mr. Flavin moved that the subcommittee recommend that all personnel sections in the statutes be codified into a cohesive form located in one chapter. There were no objections, and the motion passed.

The subcommittee addressed the issue of initiating a study of PCN's remaining vacant for excessive lengths of time. Mr. Pugh stated that because of underfunding in many agencies, there would be difficulty in studying vacant PCN's at this time. Lynda McCurry pointed out that vacant PCN's are going to be used when reclassifying temporaries under the nonpermanent hiring law. Mr. Flavin suggested that the subcommittee table the issue until it has seen the reaction to the new law.

Mr. Flavin adjourned the meeting at 9:30.

MEMBERS IN ATTENDANCE

Frank Flavin, Vice Chairman
Lynda McCurry
Darlene Livermore (for Pat Murphy)
Ken Kareen (for Sandra Withers)

OTHERS IN ATTENDANCE

Doryce Eggleston
Bob Mourant
John Pugh

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 Divsion 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	OTHERS IN ATTENDANCE
Senator Bill Ray, Chairman	Doryce Eggleston
Lynda McCurry	Sue Greene
John Pugh	Darlene Livermore
Ken Kareen (for Sandra Withers)	Bob Mourant

MERIT SYSTEM/COLLECTIVE BARGAINING SUBCOMMITTEE
Capitol Building, Juneau
October 5, 1979

MINUTES

Greg O'Claray, Vice Chairman, called the meeting to order and referred to the September 26 issues summary as the topic of subcommittee discussion. The meeting was recessed briefly to prioritize the issues to be addressed (issue numbers in parenthesis reflect those in the summary). Mr. O'Claray reconvened the meeting.

1. The legislative role in collective bargaining. (IIIB1)

The only place where the legislature's involvement in collective bargaining is addressed in the statutes is in AS23.40.215 of the Personnel Employment Relations Act. Presently, the legislature takes no active role in the bargaining process. The Constitution requires that the legislature enact all appropriations, including those for collective bargaining contracts. The result is that unions must deal initially with the Administration at the negotiation tables and then with the legislature to encourage appropriation of funds. John Pugh commented that the legislature appears to want more information about contracts and a better method of communication from the administration.

In discussing alternatives, Terry Cramer stated that Wisconsin has a joint committee consisting of the leadership of both houses and parties that is consulted by state negotiating teams. Sandra Withers commented that the legislature is considering taking a more active role in negotiations through a legislative employee at the bargaining table. The legislative representative could have either a moderating or approval role, but in either case it would be impossible. If the legislature sits at the table, it should take the entire responsibility for bargaining. Otherwise, the unions would be asked to bargain with people (Department of Administration staff) who do not have authority to make any committments. Ms. Withers added that in some states, an elected body passes on both monetary and contract terms.

Greg O'Claray stated that he doesn't believe that the legislature should be involved in the process at all. Right now, it is not clear what role they play, and he does not feel that they want to bargain at the negotiating table. Sandra Withers suggested that the topic is beyond the subcommittee's purview. Mr. O'Claray disagreed, stating that the legislature is seeking information and direction on the topic from the commission. Darlene Livermore recommended that legislative involvement not be changed because 95% of collective bargaining contracts do

not deal with monetary terms and could be divorced from the legislative process. John Pugh commented that this is a constitutional issue that may be resolved in the courts.

Sandra Withers stated that if it is a legislative concern, there should be a vehicle for communicating concerns. Has the commission received any directives? Ken Kareen concurred and added that this is a relationship between the legislature and the Governor. Frank Flavin suggested that the subcommittee ask some legislators how they perceive the problem if the commission is going to address this issue. Greg O'Claray tabled the issue for discussion at a future subcommittee meeting.

2. Amplification of merit principles in the Personnel Employment Relations Act. (IIIB7)

John Pugh commented that Pat Hunt, former Director of the Division of Personnel and Labor Relations, had suggested placing merit principles in the statutes. Frank Flavin suggested that the subcommittee consider what part of the merit system or what merit principles are bargainable. It had been Mr. Hunt's belief that all principles are bargainable. There is a constitutional requirement for a merit system, but it may be provided for by collective bargaining contracts.

Ken Kareen stated that neither the state Constitution nor the statutes defines the principles. In practice, Alaska generally follows those of the federal government. Sandra Withers pointed out that the Personnel Act sets out the operation of merit principles. Mr. Flavin commented that this also relates to whether Alaska should adopt a management rights clause. Greg O'Claray asked whether merit principles should be spelled out in the P.E.R.A. John Pugh stated that they have been written out in the Model Personnel Administration Law.

Greg O'Claray tabled discussion of the topic for future subcommittee deliberation.

3. Membership of the Labor Relations Agency, the Personnel Board and the Retirement Board. (IIIB8 and IIIB9)

The subcommittee is on record as recommending the establishment of a full-time Labor Relations Agency. The issue was brought about due to concerns based on accessibility to the agency. The Labor Relations Agency is established by statute as a three member board and members serve on a voluntary basis, operating on limited resources. Both John Pugh and Greg O'Claray stated that they had never experienced problems with accessibility to the agency, but Darlene Livermore stated that bargaining unit changes end up being delayed for months due to the infrequency of agency meetings. The agency has never spoken before the subcommittee on problems.

Frank Flavin questioned the interrelationship of the three boards, and it was explained that membership overlaps. The three members of the Labor Relations Agency are required by statute to be the three members of the Personnel Board. Three of the five members of the Retirement Board are required to be the Personnel Board members. Ken Kareen explained that the function of the Retirement Board is to oversee the retirement system, to make decisions on investment of retirement funds and to act as an appellate board on claims, such as early retirement. The staff was asked to invite a member of the Labor Relations Agency to attend its next meeting and to research the function of the three boards. Ken Kareen mentioned that Title 39 does outline the agencies' duties.

4. Methods of adopting Personnel Rules and standard operating procedures. (IIIB10)

Sandra Withers pointed out that the Personnel Rules are exempted from the Administrative Procedures Act review. However, SB 256 as currently drafted deletes the exemption. Ken Kareen elaborated that the issue relates to concerns that the Personnel Rules do not detail procedures for implementation, and departments have been writing their own standard operating procedures. In many instances, the procedures differ and have impacted employees differently.

Mr. Kareen added that standard operating procedures are also subjects of collective bargaining. Frank Flavin commented that there is nothing in the Administrative Procedures Act that prohibits collective bargaining on the issue. The A.P.A. requires that before rules are adopted, they must be subject to public comment. Contracts are not considered rules and are therefore not subject to the A.P.A. Mr. Flavin added that those standard operating procedures which affect the public would be required to conform to the A.P.A. Those procedures which are solely concerned with internal management are excluded. Lynda McCurry asked if there is a problem in how standard operating procedures implement the Personnel Rules. Does the subcommittee want to recommend a review of the departmental standard operating procedures to determine whether there is consistency of treatment of state employees in various departments?

Greg O'Claray tabled the issue for future subcommittee consideration.

5. Exclusion of policy-making supervisors from collective bargaining. (IIIB2)

John Pugh stated that all supervisors are involved in some form of policy making, whether it be in disciplinary actions for subordinates or actual regulation formulation. However, it is possible for supervisors

to be in the classified service and exempt from collective bargaining. They would not have to be removed from the classified service and placed in the partially exempt service. However, this exclusion from bargaining would have to be provided for in the P.E.R.A. John Pugh stated that APEA has already agreed to the removal of some supervisors from collective bargaining.

Greg O'Claray tabled the topic for future subcommittee discussion and adjourned the meeting at 2:45.

MEMBERS IN ATTENDANCE

Greg O'Claray, Vice Chairman
Sandra Withers (for Commissioner Hudson)
Lynda McCurry
Darlene Livermore (for Pat Murphy)
John Pugh
Ken Kareen (for Sandra Withers)

OTHERS IN ATTENDANCE

Doryce Eggleston
Frank Flavin
Bob Mourant

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
Public Hearing
Capitol Building, Juneau
September 12, 1979

MINUTES

Senator Bill Ray, Chairman, called the hearing to order and presented a telegram from Wasilla to commission members regarding complaints about the 120-day limit on temporary employment. It was decided by members that no action could be taken because of legislation passed on nonpermanent hire. Also presented was a letter from Catherine Hubbard concerning summer employment for students going to school outside of the state. (See attached copies of correspondence.) Don Fisher stated that the Division of Personnel permits submission of applications from students outside of the state, and therefore this shouldn't be a problem.

Senator Ray requested public testimony, and there being no response, brought up the topic of collective bargaining. Is the legislature going to continue giving the responsibility of negotiations to the Department of Administration? What will be the method for transmittal of agreements to the legislature for consideration? One proposed change involves requiring that all contracts expire on July 1. At some time prior to adjournment, there would be a deadline by which the Department of Administration and the unions would have to make a presentation to the legislature on negotiated agreements. The legislature would then have the option of approving or disapproving the contracts, and the unions would take whatever action they required to meet their interests.

Senator Ray asked whether the commission would like to make recommendations on the topic. Ken Spray responded that the problems recently encountered could be a catalyst for the establishment of a Department of Employee Relations. Senator Ray stated that the bill in question (SB256) did not receive affirmative action during the last session, and the consensus was that a separate department was unnecessary. However, the fiasco of the regular and special sessions may have changed some opinions. Mr. Spray suggested that the commission support its passage once again.

Senator Ray elaborated on the legislature's desire to take a more active role in the collective bargaining process. Alternatives under consideration include having the legislature directly responsible for the negotiations on behalf of the state, either through staff hired for that purpose or through a standing committee. However, when the legislature was responsible for negotiating with unions in the past, the outcome depended on which organization contributed the most to lobbying efforts. The system was unsuccessful at that time, and the legislature voted to opt out of direct involvement in negotiations. The current system was successful until this last year. He suggested that some legislators consider the added cost of the second and third years of multi-year contracts to be like paying for a "dead horse".

Senator Ray requested public testimony, and Maria Iverson, Leasing Officer with the Division of General Services and Supply, responded. On the topic of collective bargaining versus the merit system, Ms. Iverson stated that she believes employee unions are necessary to correct management neglect of employee needs and morale.

Ms. Iverson went on to discuss a public notice she had seen posted regarding a new APEA by-law giving the union president the right to fire members who do not honor picket lines. She said that other issues of concern to her and other state employees include the widespread discrimination and retaliation actions of management happening when employees speak out on issues. She added that there is a need for incentive programs to encourage talented state workers.

Senator Ray questioned the ability of any union to fire an individual for crossing a picket line. If this were true, management rights would be negated, as well as constitutional rights to express opinions. The state hires in accordance with the merit system, and a union has neither the right to hire nor fire employees. Senator Ray asked Pat Murphy to speak to the issue. Mr. Murphy stated that it was not true to his knowledge and that the notice may have been posted by someone other than an APEA representative. He added that in any case, by-laws have no control over an employee unless they are included in contract provisions.

Ms. Iverson stated that she has reviewed many laws on equal employment opportunity and human rights, and there is little in the Personnel Rules addressing those issues. She said provisions should be adopted to punish supervisors who willfully discriminate against women and minorities. Anyone found guilty of discrimination should be fired, be banned from further state employment for two years, and be made liable for punitive damages. She added that women in all levels of employment, from clerks to managers, are being discriminated against.

Senator Ray observed that complaints have been received stating that women are given advantages over men in the state. Frank Flavin responded that there is a lack of disciplinary actions to punish those who are proven to be discriminating against minorities. Taxpayers pay for rewards in discrimination cases, not the individuals responsible. The state needs to put a new emphasis on making those who discriminate illegally responsible for their actions.

Senator Ray pointed out that the greater percentage of personnel officers in the state are women, and they must therefore have control over discrimination in the hiring and firing of women. Lynda McCurry responded that personnel officers do not have authority to hire or fire. Ms. Iverson asserted that even top administrators often cannot do anything about discriminatory actions. Mr. Flavin pointed out that the Division of Equal Employment Opportunity only conciliates problems, and the Human Rights Commission cannot take disciplinary action. The only one who can take action is a supervisor or manager. Mr. Murphy commented

that if it is proven that an individual in engaged in discriminatory practices, and the case can be substantiated, this would be just cause for dismissal under the present Personnel Rules. The method is available, but proving discrimination is difficult. Senator Ray suggested that the women on the commission form a subcommittee to look into the matter. Ms. Iverson expressed concern over the operation of the Word Processing Center. Ms. Greene responded that both the Commissioner of Administration and Sandra Withers are reviewing the operation of the center. Senator Ray stated that the operation is successful in one department and not in the other. Ms. Iverson added that she constantly finds errors in work done by the center and that production rates and quality are poor. Ms. Iverson also objects to the piece-rate standards set by the center and the lack of monetary rewards or incentives to perform well.

Senator Ray noted that the commission has discussed the merit system and the monetary aspects of merit increases. One remedy is to award merit increases in lump sums for outstanding service as decided by a board composed of members from various agencies. The commission is still reviewing the relationship between the merit system and collective bargaining. Ms. Greene pointed out that there is incentive award legislation still in committee, but that there is a question about whether funding will be provided.

Peggie Loken addressed the commission regarding her concerns on the merit system, and suggested that pending legislation on incentive awards may resolve many problems. Senator Ray commented that the legislature considers merit increases as a double-dip for state employees. He feels that if the merit system exists, it should be directed towards hiring practices and performance incentives and suggests that performance evaluations only be submitted on below or above average employees. Requests for increases could then be submitted to an incentive board for consideration. Ms. Loken asserted that there is great concern about granting increases to "chair warmers" for average service.

Ms. Loken stated that there are too many job classifications for the state to accomodate. The system can be circumvented in numerous ways. Senator Ray pointed out that this problem is not unique to Alaska. The commission has also heard testimony that the present classifications are too broad. Ms. Loken stated that some employees are getting paid for functions they are not performing. Individuals can also be performing tasks well above what they are being compensated for. As an example of this problem, Ms. Loken said that it might take two or three months to fill a supervisory position through registers, and when the position is filled, subordinates are responsible for training the supervisor. She also mentioned that examinations do not test for skills actually needed to perform jobs. Ms. Loken concluded that the system doesn't encourage productivity and wastes time and effort in hiring employees.

Senator Ray commented that III's on registers may be willing to accept II vacancies, but they are considered over-qualified and never notified of such vacancies. He added that there are many applicants applying for as many registers as possible, thus flooding the system. Ms. Loken commented that "running" the registers is already excessively time consuming. She added that she would never succeed in hiring an individual if she had to consider all applicants on registers in a job series. Senator Ray asked Ms. Loken if she felt that there are too many classifications that are inconsistent with actual job functions. As an example, Ms. Loken said that accountants are performing work that does not meet class specifications. Senator Ray suggested that the reason behind this is that in prior years, the need for an accountant was valid. Although the duties have changed, the position has not been reclassified and the agency has maintanined this classification to justify its existence to the legislature.

Ms. Greene explained that there is a backlog in reviews of classifications and job descriptions in the Division of Personnel. Mr. Spray commented that it is disturbing to have classifiers in the Classification and Pay Section downgrading positions in which they lack elemental knowledge of the work. He added that he has heard that the problem is in funding and that employees are being demoralized.

Mr. Flavin stated that improvements can be made in the certification area. One subcommittee came up with a recommendation to have block scoring for eligible lists. He added that there is no way to prove who is more qualified within a certain range or category, and the block scoring approach would allow supervisors more flexibility in hiring eligibles.

Cynthia Butler presented testimony on her experiences in trying to get a job in the state system as a double minority--black and female. She submitted her first applications almost a year ago and is now on 26 registers. Ms. Butler suggested that this might be evidence of problems with the system, and especially with having three sets of eligibility lists used in hiring applicants: open competitive, departmental and interdepartmental. The employer has the option of hiring from any of the three lists, which makes it difficult for new people to get into state service. Ms. Withers responded that departmental and interdepartmental promotional lists are composed of persons eligible for promotion and that they are a necessary part of the merit system.

Ms. Butler gave an example of an instance where a white male with a Bachelor's degree and a test score of 85 received a job she had interviewed for, despite the fact that her score was 95 and she has a Master's degree with honors from Yale University. Ms. Butler believes that the applicant was hired over her because he had been in Alaska some three months longer than she and was not female or black. Ms. Butler's response to this episode was a feeling of abuse and frustration. She stated that she was hoping that it would not be necessary to continue waging a "civil rights battle".

Ms. Butler continued, explaining that she is currently working two jobs as a part-time administrative assistant with the state and as a full-time nurse in the evenings. Between the two jobs, she said that she is still not making enough to live and that this is a sad commentary on the personnel system. Ms. Butler added that she had testified before the commission previously regarding her difficulties with the system.

Certification of eligibles and testing are two areas cited by Ms. Butler as needing attention. Her experiences indicate that the people who evaluate an applicant's experience respond to familiar "buzz words" and lack the technical knowledge of at least some fields of work to properly score an application. For one job classification for which she applied, she was given no credit for having a masters degree in that field, because the title of her academic program was not the commonly used title, which the evaluator would have recognized. The evaluator suggested that Ms. Butler write her resume and application for the layperson, rather than using technical terms. Ms. Butler suggested that an applicant should be able to explain qualifications for technical positions with appropriate technical terms. A resume should not have to be written at an eighth-grade level to be understood by the evaluators. She added that she has also found the state tests are not job related.

Mr. Flavin asked whether she had been offered interviews during her search for a job with the state. Ms. Butler replied that she had had one or two, but of rather unusual characther. The positions she applied for were in the health field. She was told that she would be interviewed by one doctor, but received an appointment with another. During her conversation with this second doctor, he asked her a number of "baiting" questions, and the placement of chairs in which they sat suggested that he was trying to intimidate her. He made comments such as "Natives have taken over too much" and "You have three strikes against you: you're a health planner and a Yalie". She did not reply in kind.

Ms. Butler's next encounter in interviewing for a job was an invitation to dinner at the house of the first doctor. He informed her that the department had hired someone else. These were the two interviews which she had during her search for employment with the state.

Ms. Withers pointed out that being on 26 eligible lists does not mean that there are vacancies in all of those classes. There is a low turnover rate in higher salary ranges, and often a list is open for recruitment because there are so few applicants on registers. She added that the Division of Personnel does publish lists of vacancies, but because of the extensive time and work required to create the list, it is difficult to keep current. Ms. Butler presented a different opinion: She believes that she has not been hired because she had not been in Alaska long enough and employers perceive her as being an aggressive and outspoken black female.

Pearl Ancheta, an employee with the Department of Health and Social Services, presented testimony concerning eligible lists and how they discriminate against minorities. She expressed concern over Personnel Rule 4 01.3, which states that the Director of the Division of Personnel may prepare an appropriate list for a vacancy for which there are not appropriate eligible lists from one or more existing related lists. Senator Ray responded that under the merit system, incentives must be given to employees to progress in state service. Ms. Ancheta questioned whether giving preferential treatment to employees was in accordance with equal employment opportunity philosophy. Senator Ray asserted that the EEO system must given equal opportunities to people applying for positions as well as to employees within the system.

Aaron Isaacs, Director of the Division of Equal Employment Opportunity, addressed the commission. He stated that the responsibility of the Division is not only for people in government, but for those trying to get into government employment. Senator Ray responded that competitive lists as well as interdepartmental lists provide equal opportunities. Mr. Flavin suggested that discrimination problems can be attributed to lack of disciplinary measures and the attitudes of people working registers; or, in other words, the "male and pale" syndrome. He stipulated that there is nothing wrong with the lists: Personnel responsibilities of providing equal employment opportunities are being shunted aside and not given proper emphasis. Senator Ray agreed that there is apparently a weakness in supervisory personnel.

Ms. Greene stated that there is a need to monitor supervisory decisions in the hiring process. The Division of Equal Employment Opportunity offers training to supervisors on its policies and procedures which is mandatory for some and optional for others. Mr. Spray commented that the commission should meet with the Chief of the Classification and Pay Section of the Division of Personnel.

Senator Ray pointed out that there is also a problem of supervisors not recommending employees for rehire and issuing unsatisfactory evaluations, as was the case with Charles Dockery in the Division of Data Processing. Again, Mr. Flavin suggested that these problems support an the establishment of a Department of Employee Relations.

Ms. Withers observed that the downgrading of positions is considered negatively, but it is a possibility when identifying actual work being performed by employees. Senator Ray suggested that desk audits may be needed for every position in the system. Ms. Butler asked if there is any way to make sure that any eligible minority person would be considered for any vacant position. In a recent survey taken in the Department of Health and Social Services, Ms. Butler found that only one minority person is employed above range 22, and only about 15% of all departmental employees are minorities.

Marie Darlin, a member of the Juneau Intergovernmental Training Council, testified regarding employee training in state government. (See attached statement.) The Council's main concern is providing education, training and employee development within government. The Council has been in operation since 1967, and with the help of a grant from the Civil Service Commission, some attempts have been made to develop training programs in the state.

Senator Ray asked whether supervisors have guidelines and why they need additional training. Ms. Darlin explained that people need only meet minimum qualifications to be hired, but they have to be trained in the special aspects of jobs. In addition, training teaches employees new developments in their fields and makes them more capable and efficient. She also pointed out that there are no state forms to record an employee's on-the-job or special training. There is training going on, but there is no criteria established to measure results. Senator Ray cited the Word Processing Center as an example of an agency that has established forms for recognition of training and on-the-job performance. Ms. Darlin commented that these are subjective performance evaluations from supervisors.

Senator Ray stated that when the legislature, and especially the Finance Committee, looks at a request for training funds, there is a feeling that an employee should be capable of performing job functions when hired without additional training. He suggested that the staff prepare a draft position paper on the issue of the value and need for training of state employees for submission to the legislature. The commission will review it at a future meeting.

Ms. Darlin stated that training has been addressed in labor agreements and affirmative action plans, but that is the only place where upward mobility and career ladders are addressed. Lynda McCurry suggested that a subcommittee investigate the need for training further. Mr. Isaacs pointed out that the nature of EEO's responsibility is to educate supervisors and managers on the ever-changing nature of laws and regulations. New people in state government must be informed of the technical aspects of equal employment opportunity.

Mr. Fisher added that supervisors in charge of programs have to continue necessary training, even without specific allocations in the budget. He cited data processing as a good example of a field where individuals must keep up-to-date on new aspects of the job. Mr. Flavin observed that the legislature creates training needs whenever they change the laws.

Mr. Spray stated that in hiring program managers, Wisconsin places more emphasis on management skills than on knowledge of actual job functions. Ms. Greene pointed out that the question is what should be expected from supervisors and what status is intended to be given to them: What do we ask of them and how much would be expected in the private sector without additional training and instruction? Don Fisher reiterated that employees need to remain current on new skills, concepts and duties.

In answer to a question on the Intergovernmental Training Council, Ms. Darlin stated that it is composed of state, local and federal agency staff. The objective of the Council is to coordinate training resources available in government agencies. There are not very many individuals responsible for training programs, and training is normally given low priority. Once a year, the Council tries to hold a session in cooperation with the Office of Personnel Management for people in government.

Senator Ray asked what the merit system provides for and what recommendations the commission should make regarding eligible lists: Should we recommend that all lists be open competitive in light of testimony heard? Ms. Withers responded that one merit principle states that employees shall be promoted and encouraged to perform above average. The Personnel Act incorporates the merit principles into the state personnel system. Senator Ray directed the staff to research the merit system and merit principles referred to in the Constitutional Convention in Alaska.

There being no further testimony, Senator Ray adjourned the hearing at 11:30.

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Senator Ray called the afternoon session to order at 1:30 and asked if anyone wished to present testimony. There being no response, Senator Ray mentioned a vacancy or the commission and suggested inviting Lois Jund to join. There was unanimous consent.

On the issue of the role of the legislature in collective bargaining, Senator Ray invited discussion on the following recommendation:

1. All contracts should go into effect as of July 1.

2. Notice should be given to the legislature of the findings of the negotiating teams by March 15.

3. The legislature would have to act on the results of the negotiations within 30 days or by the end of the session, whichever came first. The system could provide either that a contract did not take effect unless approved by the legislature, or that the contract would become effective unless disapproved.

Ms. Greene suggested that the commission consider the administration's proposal making the monetary terms of the contract take effect as of July 1, but permit the other terms to take effect whenever the parties specified. Mr. Spray added that effective dates of contracts are a topic of negotiation. He also pointed out that this system may preclude reflection of the quarterly Consumer Price Index in the pay scales negotiated for state employees, since the CPI is figured on a calendar year rather than a fiscal year.

Mr. Spray added that if there was a sudden rise in inflation, state employees would suffer if the contracts did not provide for a pay scale which responded to the CPI. Senator Ray suggested that the legislature might be willing to approve lump sum cost-of-living increases based on figures from the previous quarter.

Mr. Flavin asked where these suggestions originated: Are they from the public or the legislature? He commented that they appear to originate from legislators, negotiators, labor organizations and the administration. Public testimony should be asked for.

Senator Ray noted other areas of legislative concern. One is the issue of cost-of-living adjustments. Many legislators feel that those increases should be in lump sums rather than in a percentage increase. In addition, there is a problem in the funding of multi-year contracts. Can one legislature bind another to continue appropriating money for the later years of a contract? The issue is being researched. Legislators are not in favor of retroactive contract terms and would prefer that all contracts take effect at the beginning of the fiscal year following legislative review.

Returning to the issue of the legislature's role in collective bargaining, Senator Ray listed other proposals which the commission might consider:

1. Return the responsibility of negotiations to the legislature, either through a legislative committee or through staff hired for that purpose.

2. Hire legislative staff to sit with the Department of Administration and the public employee unions in the bargaining process.

3. Require approval by the voters for each contract before it takes effect.

4. Do away with collective bargaining altogether.

5. Present neither recommendations nor proposed legislation on the issue.

6. Recommend that the legislature retain the present system.

Ms. Greene asked if there had been any commission meetings to receive public testimony on the issue. If not, she stated that she hoped the commission would clarify these options and solicit public opinion. Ms. Greene also stated that the administration is backing a proposal for monetary terms to become effective as of July 1, following contract negotiations. Mr. Murphy asked if the commission could work on the proposals from the administration as a starting point. Mr. Spray pointed out that the bill introduced by the House State Affairs Committee during the special session addressed these proposals.

Mr. Murphy moved: If it is the intention of the Blue Ribbon Commission to study changes in the Collective Bargaining Act to make it more compatible, that we consider the two bills proposed by the administration and the Ad Hoc Committee to use in work sessions and for public testimony to come up with a bill to make a change. A vote was taken, and the motion failed.

Ms. Greene suggested that the administration's proposals could be used as a springboard for the commission, but not to limit the discussion to those two. She was also unsure if the commission had decided to make any specific recommendations. Mr. Flavin stated that he was not in favor of presenting only two options to the public and moved that hearings be held on all of the options enumerated. Mr. Fisher spoke in favor of the motion.

Ms. Withers asked what the purpose of the Collective Bargaining subcommittee was and whether this would be within their functions. Senator Ray responded that the issue of collective bargaining is past the point of just subcommittee involvement. He stated that the legislature is appreciative of the commission's efforts and that we have been commended for our activities. The legislature has also made it abundantly clear that collective bargaining and the merit system are concerns we should address. The commission can go forward and create alternative recommendations to present to legislators who do not understand collective bargaining.

Mr. Spray asserted that the merit system should be the number one topic for commission consideration. Senator Ray replied that collective bargaining is the number one issue at the moment but that the merit system deserves attention as well. Ms. Withers pointed out that provisions for a merit system are contained in the state constitution. Senator Ray instructed the staff to research the meaning of the merit system as discussed at the Constitutional Convention.

Phil McMurry, an employee with the Department of Transportation and Public Facilities, presented testimony on the merit system. He stated that after being employed by the state for three years, he and others in the department believe that the merit system should be maintained. In his opinion, cost-of-living increases are important in keeping salaries in balance with inflation, and merit increases are supposed to provide incentives to increase employee productivity.

On the question of merit increases versus seniority ranking, Mr. McMurry stated that the seniority system does have merit. He approved of the way APEA's general government unit contract states that the merit increase and evaluation system will be modified to make it more meaningful to employees. He believes that the longer an individual remains in service, the greater her or his value. He added that a seniority system that rewards longevity makes sense, but increases should not be given without consideration of productivity. Senator Ray asked if Mr. McMurry believed that merit increases should be part of the collective bargaining

process. Mr. McMurry replied that the more contained in contracts, the better. For example, Mr. McMurry suggested that discrimination should be addressed in contracts. Then, an individual would have access to grievance procedures in case of discriminatory actions, rather than having to file a complaint with the Human Rights Commission.

Senator Ray said that the biggest opposition to the merit increase system is due to the way the statutes are presently drafted. Increases are almost automatic and left to the supervisor's discretion. Labor organizations have argued that increases should be incentives to achieve high performance standards. Mr. McMurry asserted that there is a need for better procedures and rules for supervisors to follow. Currently, supervisors discuss performance standards with employees only when writing annual evaluations. This often causes frustration on the employee's behalf, especially when the evaluation is inconsistent with the employee's views. Senator Ray stated that evaluations should be made on either unsatisfactory or above average performance. If there was disagreement on an unsatisfactory evaluation, then the matter could be referred to a commission or board for final decision. Mr. McMurry again pointed out that the only time employees receive feedback from supervisors is at evaluation time. He feels there is a need for better communication between supervisors and employees.

Mr. McMurry stated that in some instances, supervisors must receive approval of evaluations written on subordinates from their supervisors. This often leads to rewritten evaluations and hard feelings. Ms. McCurry pointed out that this relates to the real concern of the lack of funding for both training and merit increases. She stated that personal satisfaction and communication between supervisors and subordinates is needed to improve morale. The present evaluation system has its drawbacks, and we should look at expansion of the system to make it more valuable. Ms. McCurry added that the probationary period could be used more effectively to weed out unsatisfactory performers and suggested that this, as well as consistent application of personnel rules, should be priorities of the commission.

Ms. Withers commented that three terms were being discussed: merit increases, the merit system and merit principles. One of the merit principles of the federal system is that there must be systematic job-related evaluations of employees. Mr. Fisher pointed out that as bad as the evaluation system is, it does require that the employer review and discuss employee performance. However, supervisors are not prepared to do so. Senator Ray asked how employees who are average performers should be provided for. He said that it is not a question of rewarding good employees or punishing bad, but a question of where to draw the line. Mr. Fisher responded that supervisors are inconsistent in evaluations and in making determinations as to who is and who isn't outstanding. Senator Ray again questioned where the line should be drawn. Ms. Withers commented that if this were to become a bargainable item, the legislature would have to grant negotiating authority to the administration.

Ms. Greene stated that there must be concrete criteria for evaluations, which means developing agreed-upon standards of employee performance. That entails skill development in evaluating performance and giving supervisors direction on how to evaluate. Mr. Flavin commented that we could do away with the evaluation forms because they have become automatic. Thus, the process that has changed from a management responsibility to a Personnel requirement could be fitted to each agency in accordance with management needs. This would create a need for stronger audits by the Division of Personnel for enforcement. Mr. Flavin believes that evaluation forms are worthless in most instances, and a personal memo to an employee would be an improvement. Senator Ray responded that judging by personal experiences, he believes communicating with employees is a much better approach. Mr. Spray commented that there should be some method to get away from the negative aspects of the evaluation process, such as supplying better instructions on how to use them. Ms. McCurry pointed out that the probationary period evaluation of employees takes a lot of time and consideration, and it doesn't have to be negative. It can be an effective means of presenting agency objectives and the performance standards expected of an employee. Mr. Flavin thought that beefing up the evaluation of supervisors could solve some problems.

Mr. McMurry told commission members that when his supervisor gets letters of commendation from agency users, he makes it a policy to show them to employees. He also writes personal comments on evaluations, which are very helpful and informative. Supervisors perceive evaluations as a yearly task, but keeping in touch with employees requires more than an annual form. Senator Ray asked if the commission wants to recommend that each state employee get a quarterly "report card". Ms. Withers responded that each employee should have a reasonable expectation of the status on their job, and supervisors are obligated to supply this information. A "report card" or another form is not the key. She stated that the answer is in establishing better communications between people. Senator Ray noted that supervisors are not taking that facet of their jobs into consideration. Mr. Flavin suggested that this was another argument substantiating the need for a Department of Employee Relations responsible for audit functions. Mr. Murphy concurred that there is a need to improve the personnel structure with a strong audit function.

Mr. Fisher pointed out that one of the items asked on evaluation forms is whether position descriptions are correct. In his experience, he has found P402's dating back to the 1960's. He asked why the descriptions are not more current if they are being reviewed annually. Ms. Greene responded that there is a backlog on classification revisions, and it is recognized as a problem. Ms. Withers added that the reason for the position description is to show what an employee is actually doing. It is assumed that supervisors filling out evaluations will inform the Division of Personnel of changes in duties. Senator Ray suggested that the scope of audits be defined. Mr. Fisher elaborated on the different types of audits: operational, program and personnel audits. The topic was left to future consideration.

On the topic of merit increases, Don Fisher said that they are currently a management prerogative. Mr. Murphy pointed out that other unions have chosen to incorporate merit increases into longevity bonus programs. He added that APEA's membership wants to maintain merit increases, and this may mean placing the Personnel Rules into contract provisions. Merit increases are currently addressed in the contract, but if the legislature decides that there is a conflict between bargaining and granting increases, the unions should be allowed the option of bargaining on increases. Mr. Murphy asserted that Pat Hunt, when serving on the commission, agreed that the Personnel Rule provisions should be included in contracts. Senator Ray commented that neither the administration nor the Governor believe the two are compatible. It is the commission's responsibility to explore the two and define the problems that exist.

Senator Ray pointed out that conditions during next year's legislative session are ripe for changes, due to it being an election year. He added that he would like the commission to receive recommendations from the public to present to the legislature. Mr. Murphy stated that during his last meeting with Pat Hunt, they discussed Oregon and New Hampshire statutes that exclude employees who are members of collective bargaining units from the scope of the Personnel Rules. The contracts must be consistent with merit principles. He said that this is an issue that will be negotiated. Senator Ray pointed out that there are many different positions on the subject in other states.

Mr. Flavin asked how members would like to plan the next meeting. Senator Ray responded that the staff would prepare a list of proposals made by subcommittees that have not yet been acted upon. The date was set for Friday, October 5. Subcommittees will meet prior to a full commission meeting.

Ms. McCurry appointed Doryce Eggleston, Personnel Officer in the Department of Public Safety, as her official alternate.

Senator Ray adjourned the meeting.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Don Fisher, Vice Chairman
Frank Flavin
Sue Greene (for Commissioner Hudson)
Sandra Withers
Lynda McCurry
Pat Murphy
Ken Spray

OTHERS IN ATTENDANCE

Doryce Eggleston
Darlene Livermore

TELEGRAM

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PMS SEN BILL RAY[illegible]7

JUNEAU AK 99801

WE, THE UNDERSIGNED, AS TEMPORARY EMPLOYEES ARE OPPOSED TO THE 120 DAY WORK LIMIT FOR FOR TEMPORARIES. WE FEEL WE SHOULD HAVE BEEN INFORMED OF THE MEETINGS HELD CONCERNING THIS REVISION BEFORE SEPTEMBER 10, THE DATE WE FIRST HEARD OF THEM. WE ARE CERTAIN THERE ARE OTHER TEMPORARY EMPLOYEES THAT HAVE NO KNOWLEDGE OF THIS MATTER AND WOULD BE OPPOSED IF THEY KNEW. WE FEEL THAT IF THIS REVISION GOES INTO EFFECT IT WILL, REQUIRE CONSTANT RETRAINING OF TEMPORARIES, REDUCE THE QUALITY OF TEMPORARIES WORKING FOR THE STATE, QUALIFIED PERSONS WHO WORK FOR THE STATE AS TEMPORARIES WILL BE FORCED TO SEEK FULL TIME EMPLOYMENT ELSEWHERE, REDUCE THE NUMBER OF ALASKANS WORKING FOR THE STATE, NO ONE CAN LIVE FOR A YEAR IN ALASKA ON FOUR MONTHS EMPLOYMENT, INCREASE UNEMPLOYMENT IN THE STATE, ENCOURAGE SUMMER WORKERS TO COME UP FROM THE LOWER 48. WE ALSO FEEL THAT IF THIS REVISION DOES GO THROUGH PROVISION SHOULD BE MADE FOR ADDITIONAL FOUR MONTH EXTENTIONS TO THE DEPARTMENTS THAT REQUIRE IT.

JILL CUNNINGHAM, DAN MIELKE, RON JOSEPHSON, VIRGINIA RENFROE, LORAN WALDRON, BRAUN KOPSACK, LEE CHENEY

P.O. Box 1032
Auke Bay, Alaska 99821
September 7, 1979

Senator Bill Ray, Chairman
Blue Ribbon Commission on the State Personnel Act
Pouch AG, Mail Stop 0123
Juneau, Alaska 99811

Dear Senator Ray:

The purpose of this letter is to offer a couple suggestions concerning the hiring practices of the State of Alaska. The two suggestions that I have are student exemptions related to temporary hiring and that agencies respond to all job applications submitted to them.

Part b, sec. 39.25.195 of the proposed Act HCS CSSB 198, chapter 67 says that every appointment for state service shall be made from an applicable eligible list or dispatching register, except for emergencies. This law would eliminate college students seeking summer employment. The time required to get on the register is approximately six weeks, a goodly portion of the summer season. This law would discriminate against Alaskan students and the states future professionals. Because of this, I strongly recommend that students (especially college) be exempt from this law.

My second recommendation is that all state agencies respond to all job applications that they receive, even if a form letter is sent. When an individual applies for a job it takes time, effort, and money. Common courtesy dictates that a response is made, even from the government.

Although the Alaskan student is a minority, we are a part of Alaska's future, therefore, I urge you to consider my recommendations.

Sincerely,

C.A. Hubbard

Catherine A. Hubbard, a life-long
Alaskan resident and student

JUNEAU INTERGOVERNMENTAL TRAINING COUNCIL

September 12, 1979

TO: The Blue Ribbon Commission

RE: Employee Development and Training

Our training council wishes to express to your group the following concerns:

State government seems to be giving less and less attention and priority to employee development and training.

A few years ago an attempt was made to develop and training system for the State and yet none of that was ever implemented.

Currently with no coordinated system for state training efforts:

1. Supervisors and Departments have no guidelines for their training efforts.
2. No recognition of training accomplished or attended is given when no permanent records are kept in the employee's file. (other than what a dept. might elect to do on their own)
3. There is no requirement that training being done by each dept. is being evaluated against any objectives or criteria to show value received.
4. Employees changing careers or jobs are provided no assurance that they will be given help in learning new methods or skills. If a greivance is filed by them should they be terminated, against what standard of performance has the supervisor evaluated them?

Training will still be done by the different departments, particularly those with federal funds and perhaps federal requirements that certain training be done, and the study done by Becky Smith for the Dept. of Education shows that much could be gained from a coordinated effort of State training and employee development.

This presentation is merely to call your attention to the fact that recognition of the important aspect of developing human resources is not spoken to anywhere in the State Personnel rules and regulations, except in the state Affirmative Action Program, and in the negotiated labor agreements.

Marie Darlin

Marie Darlin, Chairman

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 dwon 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, placment 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 encoutered 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 noticably 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 quesitoned 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 Personel 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 Managment 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 Gaeme 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 judgements 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 requirments 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 sitaution 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 funcitons 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 responsibilites 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 arbitraty 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 Mourant 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 Mourant (for John Pugh)
Ken Spray

OTHERS IN ATTENDANCE

Darlene Howard
Ken Kareen
Pat Murphy

BLUE RIBBON COMMISSION
March 13, 1979

MINUTES

Senator Ray called the meeting to order.

The commission considered the draft bill on the hiring of non-permanent employees.

Mr. Humphreys explained that the non-permanent bill made four changes from the draft temporary hiring bill: A language change, replacing the word temporary with the word non-permanent; changes in the intent section; addition in section 4 (b), page 2, lines 4 and 5, of the words "dispatching register"; and addition of provisions for a program or project employee, section 4 (c)(4), page 2, lines 21 through 23; and a definition of program or project employee, page 4, line 26 through page 5, line 2.

Mr. Spray objected to the language appearing on page 2, line 5, which appeared to indicate that the director could waive the union contract requirement that temporaries be hired through a dispatching register.

Mr. Hunt pointed out that according to the memorandum prepared by Ken Rosenstein, dated March 9, 1979, this statute would not bind future collective bargaining agreements without the addition of a statement of intent. Mr. Humphreys agreed that according to the memorandum, the safest course to follow if the commission wished to bind all employees would be to include a section spelling out that the bill applied to collective bargaining unit members.

Mr. Murphy moved that the commission sponsor the bill. Mr. Spray objected for the reasons stated above. There were no further objections.

The commission considered the draft of the Department of Employee Relations bill.

Mr. Hunt stated that he was concerned about requiring that the Personnel Rules be adopted under the Administrative Procedures Act given the small group of people to whom the Rules apply. He has heard from several sources that it takes six months to process rules through the A.P.A. Mr. Rosenstein's opinion makes it clear that the rules do not apply to those covered by collective bargaining.

Mr. Murphy stated that the Rules do apply to the employees his union represents. Perhaps 50% of the work life of those employees is covered by the Rules. He objected to the commission adopting the position taken by the memorandum without further research on the matter.

Senator Ray informed the commission that he opposed the

introduction of this bill during the current session.

Mr. Flavin objected to the present draft as not what was intended by the commission's vote taken at the February 24 meeting. The bill should simply repeal those references to the adoption of the Personnel Rules being exempt from the Administrative Procedures Act.

Senator Ray asked whether the Rules were required to be adopted under the A.P.A. at present. Mr. Flavin replied that they are not.

Since the commission voted at the February 24 meeting to sponsor this bill, no further vote was taken.

The commission discussed the preliminary draft of the report to the legislature. Changes were made. The commission agreed to continue the meeting on Wednesday, March 14, to conclude its review of the draft report.

Senator Ray adjourned the meeting.

March 14, 1979

Senator Ray called the meeting to order.

The commission continued to review the draft report to legislature.

The review was concluded, and Greg O'Claray moved and asked unanimous consent that the report as amended be released. The motion carried without objection.

Senator Ray adjourned the meeting.

BLUE RIBBON COMMISSION
February 24, 1979

MINUTES

Don Fisher chaired in the absence of Senator Ray. A quorom was not present, and the Commissior met in work session until additional commission members arrived. There was discussion of whether the time limit on temporaries should be shortened from 6 months to 120 days.

Ken Kareen, alternate for Pat Hunt, arrived and a quorum was present. Mr. Fisher called the meeting to order.

Niel Thomas moved that the commission amend the Temporary Hire bill, page 1, line 26, by adding the words "or dispatching register" between the words "eligible list" and the words "unless in exceptional circumstances". A vote was taken. Seven members were in favor, one abstained. The motion failed.

Frank Flavin moved that a sentence be added to page 3, line 2, subsection (g) to read: "No work assignment may be performed by a temporary employee for more than 120 calendar days in a 12-month period." A vote was taken. Six members were in favor, one opposed and one abstained. The motion failed. Mr. Spray served notice of reconsideration.

Mr. Fisher called a recess. The meeting reconvened.

Mr. Flavin asked that the staff prepare a minority report to reflect the views of those in favor of the actions taken today. Mr. Fisher proposed that the staff be directed to prepare the minority report. Mr. Spray objected. Mr. Thomas stated that the commission should make a record and that at a later meeting, the amendments not adopted in the present meeting could be proposed.

Mr. Flavin moved that the draft bill be amended to add a requirement to subsection (h), page 3, line 7 through 13, that the director report to the legislature each year on the hiring of emergency employees as well as on temporary employees. A vote was taken. Eight members were in favor, none opposed. The motion carried.

Mr. Fisher called a break. The meeting was reconvened.

Pat Murphy moved that the commission adopt the draft bill on temporary hire as amended. A vote was taken. Seven members were in favor, and one opposed. The motion failed.

Mr. Murphy moved that members in favor of the draft bill sign the draft copy prepared by Ken Humphreys, containing amendments adopted, in order to place the votes on the record. A roll call vote was taken. Don Fisher, Ken Kareen, Frank Flavin, Lynda McCurry, Pat Murphy, Niel Thomas and John Pugh were in favor. Ken Spray opposed, and Ken Humphreys abstained. The motion failed.

Mr. Flavin moved that the commission recommend to the Division of Personnel and Labor Relations that Section 2 (a) through (e) of the draft bill, adding new sections to the law relating to the methods for hiring temporary employees, be adopted as Personnel Rules by the Personnel Board. A vote was taken. Seven were in favor, two abstained. The motion failed.

Mr. Flavin moved that the commission recommend to the legislature that a Department of Employee Relations be established. A vote was taken. Eight were in favor, none opposed. The motion carried.

Mr. Flavin moved that the Department of Employee Relations to be proposed to the legislature be structured as in the draft bill, without language relating to exemption from the Administrative Procedures Act, which appears on page 3, lines 13 though 16 and page 6, lines 16 through 19. A notation should be made in the report of the commission to the legislature that the section on decentralization of personnel functions, AS39.25.153 (which appears on page 6, lines 8 through 19), is amended only to make the necessary nomenclature changes and that the commission is still considering what course to recommend on the question of centralization or decentralization. Pat Murphy moved to amend the motion to include the language adopted at the meeting on February 23, 1979, relating to the experience required of the Commissioner of the Department. Mr. Flavin agreed to include this amendment in his motion. A vote was taken. Eight members were in favor, one abstained. The motion carried.

The report should include a statement recommending that the legislature consider moving other closely related divisions from the Department of Administration into the Department of Employee Relations.

Mr. Murphy moved to amend the motion to require that the commissioner of employee relations have a total of at least three years of experience in the fields of labor relations and personnel administration. Mr. Spray stated that five years should be the minimum. Mr. Humphreys suggested that the language concerning the experience of the commissioner would be interpreted broadly by the governor making the appointment. Mr. Murphy withdrew his amendment.

Mr. Flavin moved that AS39.25.153 be amended to read as follows:

Section 39.25.153 <u>Personnel Rules for Departments</u>

(a) Each department shall appoint a personnel officer to be located within that department.

(b) The personnel officer specified in (a) of this Section shall adopt regulations providing for the activities specified in Secs. 39.25.150 (1)-(10), (13)-(18), (20), and (22) of this Chapter for those classes of employees which are not common to other departments. The determination as to the classes of employees which are common to the various departments shall be made pursuant to regulations adopted by the director.

(c) The personnel officers within the departments specified in (a) of this Section are subject to all provisions of this Chapter not in conflict with this Section.

(d) The Governor may exempt any department with (a) of this Section containing less than 200 employees from the provisions of this Section.

(e) All regulations adopted pursuant to this Section are subject to the Administrative Procedures Act (AS 44.62).

Mr. Thomas moved to table the motion and place it as the first item on the agenda for the next commission meeting. A vote was taken. Nine members were in favor, none opposed. The motion carried.

Lynda McCurry moved that the commission try to resolve all the questions which are before it by June 30, 1979.

Mr. Spray spoke against the motion. He stated that he could not imagine that the commission could reach an adequate resolution of the issues before it in that time. Most of the commission's time so far has been spent in public hearings, receiving and digesting information presented to it. He believed that it is necessary to continue the work of the commission into the next legislative session. He indicated that he believes that the legislature will resolve the issues on finances, and the budget and adjourn within 120 days, especially given the mood of the Senate.

Mr. Thomas explained that the motion would give the commission a goal to try to resolve the questions before it. The commission has considered the major concepts which it confronts. Four months remain in which the commission can work on its recommendations on the remaining issues. The comssion has only been meeting for a period of four months, so that may be adequate time to resolve the rest of its work.

Mr. Flavin moved to amend the motion to read that the commission does not seek funding beyond June 30, 1979. Ms. McCurry accepted the amendment. A roll call vote was taken. Don Fisher,

Frank Flavin, Ken Kareen (voting as alternate for Pat Hunt), Lynda McCurry, Pat Murphy, John Pugh and Niel Thomas were in favor. Ken Spray opposed, and Ken Humphreys abstained. The motion failed.

Mr. Spray requested the privilege of the floor. He stated that in regard to the employee relation bill, special interests have been reflected in many issues. The same courtesy has not been extended to the issue of collective bargaining negotiations. Special concerns and interests of Local 71 have been ignored, with preference being given to APEA.

John Pugh responded that Local 71 has a maximum of 1,500 members, whereas APEA represents 10,000 employees. He stated that Mr. Spray received more than his share of time and courtesy from the commission.

Mr. Spray pointed out that Local 71 is affiliated with AFL-CIO in the organized labor movement which represents more than 10,000 employees. The AFL-CIO was instrumental in the enactment of the Public Employment Relations Act.

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Janet Bradley
Darlene Howard
Bob Mourant

BLUE RIBBON COMMISSION
February 23, 1979

MINUTES

Senator Ray, Chairman, called the meeting to order. He proceeded to recommend that the commission submit its report outlining the problems which have been identified thus far and as Wisconsin did, wait until an entire legislative package is ready before proposing any substantial changes. He pointed out that the sentiment in the Finance Committees of the legislature may cause trouble for any measures with sizeable fiscal notes attached.

The commission discussed the temporary hire draft bill. Senator Ray recommended adding a provision for a program or project employee. Project employees should receive medical and leave benefits but not be eligible for retirement benefits. He stated that the bill, as drafted, is not ready for introduction to the legislative process.

Frank Flavin suggested changing the language in subsection (g), page 3, line 2, to read at the beginning of that section: "No position may be occupied by a temporary employee..."

Ken Spray suggested three amendments:

In section (b), page 1, line 27, add between the words "eligible list" and "unless" the words "or dispatching register".

On page 3, line 28, to subsection (2), add the words "unless otherwise provided for in a collective bargaining agreement" between the word "means" and the words "an employee".

On page 3, line 2, section (g), Mr. Spray stated that he objected to the inclusion of that section in the draft bill entirely on the grounds that the matter should be left to the arena of collective bargaining.

Senator Ray suggested that the term "temporary" be eliminated, using the term "casual" as a substitute. Ken Spray commented that in Local 71's contract, casual employees are limited to 15 days. Senator Ray offered a word of caution that there are many individuals dependent upon temporary employment who must be taken into consideration. By eliminating temporary employment, budgets may be cut, forcing many employees back into the job market. Representative McKinnon commented that one problem encountered in the House is the reluctance of the Finance Committee members to turn away from temporary hire because of the additional funding demand this would create for permanent PCN's.

Frank Flavin moved that the bill be passed out of the commission and introduced in the legislature under the commission's sponsorship. Pat Murphy moved to table Mr. Flavin's motion. The motion was tabled.

The commission discussed the contents of the report to the legislature. The report should include a discussion of the tasks of the subcommittees, the problems identified, and indication of proposed solutions which the commission is considering. The Issue Summaries should provide the basis of the discussion. It is important to explain to the legislature the nature of the problems which the commission has examined. The report should indicate that the commission is requesting that its existence be extended so that it may fully address the issues presented in the report. There was a general concensus that the report be drafted for presentation to the legislature.

The commission decided to meet on Saturday, February 24, in the conference room of the Department of Transportation and Public Facilities.

IN ATTENDANCE

Senator Ray, Chairman
Frank Flavin
Ken Humphreys (for Myrt Charney)
Pat Hunt
Lynda McCurry
Pat Murphy
John Pugh
Ken Spray
Niel Thomas

OTHERS IN ATTENDANCE

Janet Bradley
Darlene Howard
Ken Kareen
Bob Mourant

CATEGORIES OF EMPLOYEES
Work Session Summary
February 23, 1979

Representative McKinnon chaired the work session. A summarization follows:

SUBCOMMITTEE DISCUSSION

Ken Humphreys presented a revised copy of the Temporary Hire Bill, pointing out changes that had been made to the draft in accordance with amendments discussed at the last work session.

Pat Hunt asked what would happen if a department tried to have a permanent position authorized but the legislature refused to fund the position: Would the director be able to authorize the department to hire a temporary for this position, assuming the department had other funds availabe? Mr. Humphreys explained that the bill, as drafted, might prohibit the hiring of temporaries in such cases. Authorization could be granted if either the legislature authorized the work to be done by temporaries or if an urgent program need unexpectedly developed and permanent staff could not handle the workload. (Page 2, line 3, subsection (1) and line 10, subsection (3).) However, the Director could find under subsection (3) that the department could not reasonably meet the program need through a permanent position since the authorization was denied and therefore could permit hiring a temporary. These cases would have to be addressed as they arise, considering the individual facts. In addition, if the department had requested that new positions be created, but the Governor refused to include them in the budget, the director might then be able to provide for them. If funding is made available for personal service, but the legislature refuses to authorize permanent positions, then the director will have to authorize the department to hire temporaries.

If the legislature provides a personal services appropriation to a department, then this act sets a priority on permanent positions, and the department should hire permanent employees instead of temporaries.

Pat Murphy questioned whether only the legislature can create a permanent position. He referred to Kelly vs. Hammond, where a position was authorized by the executive branch. Representative McKinnon clarified Mr. Murphy's reference, stating that the Office of Management and Budget may authorize a permanent position during the legislative interim, which automatically becomes a request for a new permanent position for the next legislative session.

Discussion followed on a proposed effective date for the draft bill. There was a general concensus that the subcommittee recommend to the Commission that the effective date be September 30, 1979. This would not coincide with the peak temporary

employment period and would allow sufficient time for notification of departments.

Niel Thomas brought up the topic of violations of the 120-day limit on temporary employment. He asked what provision is made for federally funded programs and projects which exceed that time frame. Ken Humphreys expressed doubt that the limit would be violated because the director would have the authority to decide whether a temporary position could be extended, as would be the case in projects of limited duration exceeding 120 days. In this instance, an employee would have to be informed of the duration of the project in advance. The civil liability section (page 3, line 19) applies only to appointments of temporaries and not to violations of the time limit set.

The topic of benefits provided to temporaries was introduced by Niel Thomas: What is the subcommittee's intent? Pat Murphy explained that a bill is in the House State Affairs Committee which, if passed, would provide medical (health) insurance to temporaries after a 90-day employment period. The bill originally read after a 30-day employment period, but has been changed by the Committee. There was general agreement that the topic should be addressed at the Commission work session.

The Legislative Affairs Agency has researched the question of what effect changes in the Personnel Act (AS39.25) have on the scope of collective bargaining. Their informal opinion is that if the Personnel Act amendment is clearly intended to apply, then it would control contract negotiations in the future, though it would not amend existing contracts. If the draft temporary hire bill were introduced and passed by the legislature, then it would establish the limits within which collective bargaining could occur. A contract could further limit the times permitted. Personnel Rules are changes which are made without legislative action and therefore do not affect the scope of collective bargaining, except to the extent that the rules are implementation of statutory direction. Representative McKinnon requested a memo from Legislative Affairs on that subject.

Frank Flavin moved that the subcommittee recommend to the Commission that the Personnel Rules be made subject to the Administrative Procedures Act (A.P.A.). This would open the process and would provide the legislature with an opportunity to consider changes made in the rules. A member of the public (or an employee of the state or a union representing employees) could petition for a rule change, but the department cannot be required to propose rules. There is no recourse if the department refuses to act on a suggested change.

The A.P.A. requires that a notice of intent to adopt rules be given and that an opportunity for testimony be provided, al-

though that opportunity can be in the form of accepting written comments only. The comment time is a minimum of 30 days. Then, before the rules can become effective, they must be filed with the Lieutenant Governor's office for 30 days. In emergency situations, the department can adopt emergency rules which have effect for 60 days, and also begin the process of adopting permanent rules. If the rules govern only the internal management policy, then they are exempted from the process. To the extent the rules affect the general public, they would not be exempt. The Department of Law provides advice to the other departments on what is and is not exempt, but the departments are free (as is any attorney's client) to ignore that advice. The question arises only when the department has labeled a rule as an internal matter and someone has challenged that ruling.

VOTE: Four (4) were in favor. One (1) opposed.

IN ATTENDANCE

Representative McKinnon, Chairman
Frank Flavin
Pat Hunt
Pat Murphy
Niel Thomas

OTHERS IN ATTENDANCE

Ken Kareen
Darlene Howard
Janet Bradley
Bob Mourant
Ken Humphreys
John Pugh

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 wholely 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 openinings 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 sumbcommittee 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 becaused 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.

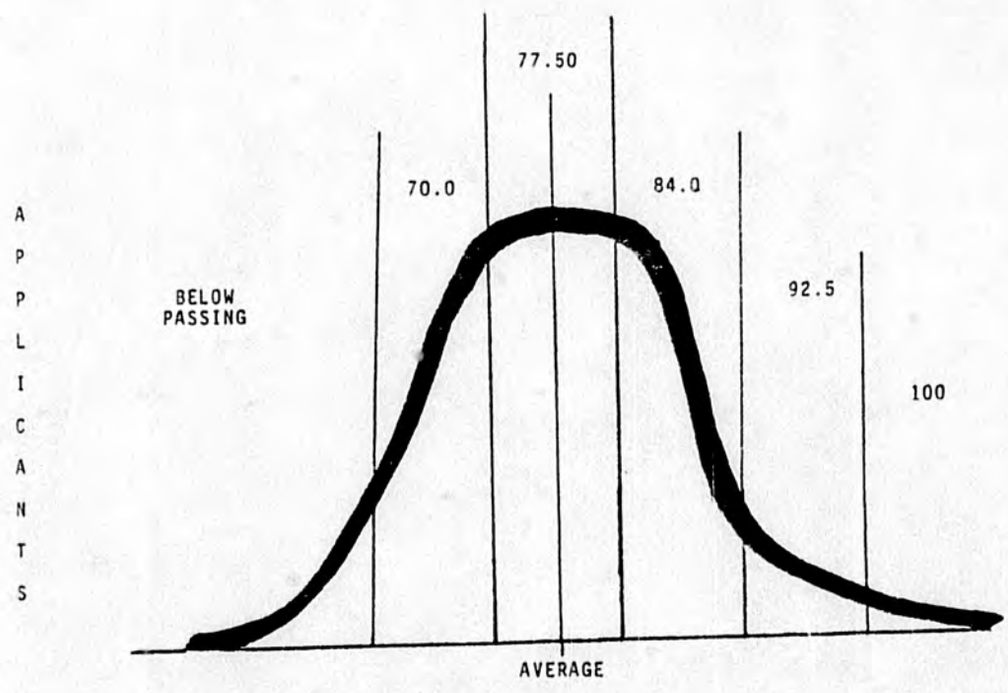
All those within a particular block are treated thereafter as having secured identical scores.

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 consider 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.

DIVISION OF PERSONNEL

Method of Assigning Scores for Certification



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 recieve 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

MERIT SYSTEM/COLLECTIVE BARGAINING
Work Session Summary
February 23, 1979

The session was chaired by Ken Humphreys in the absence of Representative Buchholdt and Greg O'Claray.

DEPARTMENT OF EMPLOYEE RELATIONS DRAFT BILL

The subcommittee received copies of the Department of Employee Relations draft bill and discussed adding provisions concerning the structure and functions of the Labor Relations Agency, the Personnel Board, and the Retirement Board. These agencies should be structured and staffed to insure insularity from pressure and independence of action. Pat Murphy pointed out that the subcommittee should focus on establishing the new department and avoid opposition where possible. Changes to those agencies can be proposed in another measure.

Pat Hunt suggested amendment to Section 10, page 4, line 21, to reflect that the P.E.R.A. limits the ability of the division to remove people from collective bargaining units. The subcommittee agreed to amend the section by adding "Except as provided in AS23.40.090" to the beginning of the sentence.

The subcommittee discussed the qualifications for the commissioner of Employee Relations (Section 1, page 1, lines 13 and 14). John Pugh moved that the qualifications for the commissioner read: "shall have experience in both personnel administration and labor relations either in the public or private sector. The commissioner shall have a total of at least five years of full-time experience in those fields." The motion was adopted unanimously.

Changes were also made to the bill to require that the director of the Division of Labor Relations have at least three years of practical working experience in the field of labor relations. Pat Hunt moved that the subcommittee recommend to the Commission that this bill be submitted to the legislature. The motion passed unanimously.

Ken Humphreys presented a draft bill providing for a bargainable merit system. Pat Murphy pointed out that what is bargainable will remain discretionary between the parties involved. He also expressed his reluctance to be responsible for personnel functions such as training, recruitment, etc. Ken Kareen moved that the subcommittee recommend to the Commission that the bill be introduced in the legislature. The motion passed unanimously.

Ken Humphreys explained that this bill, if enacted, would

exempt all employees covered by collective bargaining from AS39.25. If the temporary hire draft bill was passed along with this, temporary hire rules would not apply to bargaining unit members. Bargaining agreements would therefore have to contain language addressing AS39.25 or offer alternatives. The statute would not apply to people covered by collective bargaining.

NON-CERTIFIED SCHOOL DISTRICT EMPLOYEES

Ken Spray requested the subcommittee recommend that the Commission support SB213, introduced by Senator Bennett, allowing non-certified school district employees the opportunity to bargain collectively under the P.E.R.A. Pat Hunt pointed out that the legislation addresses those employees not in the state system. It is not within the Division's nor the Commission's purview. Ken Spray moved that the subcommittee recommend that the Commission support SB213. Three (3) were in favor. Four (4) opposed. The motion failed.

IN ATTENDANCE

Ken Humphreys
Pat Hunt
Ken Kareen
Lynda McCurry
Pat Murphy
John Pugh
Ken Spray
Niel Thomas

OTHERS IN ATTENDANCE

Darlene Howard
Bob Mourant
Frank Flavin

KS motioned that the subcommittee (MS/CB) recommend to the full Commission that this bill be supported.

Vote. 3-4

Introduced: 2/13/79
Referred: Health, Education & Social Services and Finance

IN THE SENATE BY BENNETT BY REQUEST

SENATE BILL NO. 213

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to labor relations between school boards and other public employers and their employees."

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

* Section 1. AS 23.40.100(b) is amended to read:

(b) If the labor relations agency has reasonable cause to believe that a question of representation exists, it shall provide for an appropriate hearing upon due notice. If the labor relations agency finds that there is a question of representation, it shall direct an election by secret ballot to determine whether or by which organization the employees desire to be represented and shall certify the results of the election. Nothing in this section prohibits the waiving of hearings by stipulation for the purpose of a consent election in conformity with the regulations of the labor relations agency or an election in a bargaining unit agreed upon by the parties. The labor relations agency shall determine who is eligible to vote in an election and shall establish rules governing the election. <u>In an initial election for representation held under this section, one of the choices on the ballot shall be "no representation".</u> In an election in which none of the choices on the ballot receives a majority of the votes cast, a runoff election shall be conducted, the ballot providing for selection between the two choices receiving the largest and the second largest number of valid votes cast in the election. If an organization receives the majority of the votes cast in the election it shall be certified by the labor relations agency as exclusive representative of all the employees in the bargaining unit.

* Sec. 2. AS 23.40.200(c) is amended to read:

(c) The class in (a)(2) of this section is composed of public utility, snow removal, sanitation, and [PUBLIC SCHOOL AND OTHER] educational institution employees, except noncertificated employees of school boards. Employees in this class may engage in a strike after mediation, subject to the voting requirement of (d) of this section, for a limited time. The limit is determined by the interests of the health, safety or welfare of the public. The public employer or the labor relations agency may apply to the superior court in the judicial district in which the strike is occurring for an order enjoining the strike. A strike may not be enjoined unless it can be shown that it has begun to threaten the health, safety or welfare of the public. A court, in deciding whether or not to enjoin the strike, shall consider the total equities in the particular class. "Total equities" includes not only the impact of a strike on the public but also the extent to which employee organizations and public employers have met their statutory obligations. If an impasse or deadlock still exists after the issuance of an injunction, the parties shall submit to arbitration to be carried out under AS 09.43.-030.

* Sec. 3. AS 23.40.250(5) is amended to read:

(5) "public employee" means any employee of a public employer, whether or not in the classified service of the public employer, except elected or appointed officials or certificated [TEACHERS OR NONCERTIFICATED] employees of school boards [DISTRICTS];

* Sec. 4. AS 23.40.250(6) is amended to read:

(6) "public employer" means the state or a political subdivision of the state, including without limitation, a town, city, borough, district, school board, board of regents, public and quasi-public corporation, housing authority or other authority established by

law, and a person designated by the public employer to act in its interest in dealing with public employees;

* Sec. 5. AS 23.40.250 is amended by adding a new paragraph to read:

(8) "school board" includes a regional educational attendance area school board.

* Sec. 6. Notwithstanding sec. 4, ch. 113, SLA 1972, a school board, including a regional educational attendance area school board, may not reject having the provisions of the Public Employment Relations Act apply to its relations with its noncertificated employees.

* Sec. 7. Nothing in this Act terminates or modifies a collective bargaining unit, recognition of exclusive bargaining representative, or collective bargaining agreement if the unit, recognition, or agreement is in effect on the effective date of this Act.

KS DH JP
KH BM
EK JB
PH FF
NT LMc
PM

Introduced: 2/13/79
Referred: Health, Education & Social Services and Finance

IN THE SENATE BY BENNETT BY REQUEST

Failed to support

SENATE BILL NO. 213

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BLUE RIBBON COMMISSION
February 15, 1979

MINUTES

Representative Buchholdt, in the absence of Senator Ray, chaired the hearing. She invited public testimony.

PUBLIC TESTIMONY

Lois Jund, retired Deputy Commissioner of the Department of Health and Social Services, was the first speaker. She introduced her remarks to the Commission by noting that the staff of the Division of Personnel has a very tough job to do. They are subject to many pressures from many sources and are understaffed for the job they must do in a centralized system of personnel administration. The state personnel system can be improved--and must be.

Ms. Jund gave a brief summary of her own background. From 1948 to 1956, she was the personnel officer for the Alaska Territorial Health Department, which was then operated under the merit system of personnel administration because it was a federal program. From 1957 to 1958, she was a management consultant with the U.S. Public Health Service in personnel and other areas in Region VII and provided services for five states in that region.

From 1962 to 1974, Ms. Jund had overall responsibility for management of the Artic Health Research Center, a federal installation, including personnel administration. In that capacity, she had appointment authority through the level of G.S. 15 and classification authority to the G.S. 11 level. She became familiar with the state personnel system when, in 1974, she became Assistant Chief of the Division of Public Health of the state. From 1975 to her retirement in 1978, she held the positon of Deputy Commissioner in the Department of Health and Social Services.

There are four major areas of the state's personnel system which Ms. Jund addressed: the classification process, the examination process, the recruitment process, and one very serious aspect of the career service. These areas are the major problem areas as she sees them.

1. CLASSIFICATION

Ms. Jund noted that this is one of the state's greatest problem areas. There is a great disparity in pay ranges based on the level of responsibility, both within and between departments. She is a firm believer in equal pay for equal work. In the state personnel system the only consistency is inconsistency. She gave examples of this problem.

A Clerk IV, which is not a high level position, was handling the entire responsibility for a state-wide program, supervising

a tremendous staff including two regional offices. She had this responsibility for many years. In 1974, after great effort, she was finally given the position of Administrative Assistant I. Administrative Assistant III's were heading programs with none of the responsibility that this individual had. She is still responsible for the entire program, and is presently classified as an Administrative Assistant II.

There is disparity of salaries between PHN's and Sanitarians within the same department, and between PHN's and Physician's Assistants. PHN's work much more on their own, with tremendous responsibility, yet are several pay ranges lower. There is also disparity between sanitarians working for the Department of Health and Social Services and those working for the Department of Environmental Conservation. In fact, the Department of Environmental Conservation is recruiting sanitarians away from the Division of Public Health. There are cases where an Administrative Officer I heads up a large project in the same department where an Administrative Officer III has few responsibilities.

The cause of this disparity is that the Division of Personnel has no standard classification guide, as does the federal government. In the federal system, the level of responsibility is equated with the range of the job. This would go a long way to do away with this tremendous disparity throughout the state government.

The Division of Personnel, in some instances, analyzes jobs and compares them with similar positions in other states. They fail to realize that--for example--comparing positions in California with positions in Alaska is like comparing apples to oranges. California has a wide-spread county government system, with responsibility for service delivery. A person here would be responsible for a state-wide program.

Few desk audits are presently done, and cannot be done without the assistance of a classification guide. After four years with the state government, Ms. Jund could not recall a single desk audit being done, so how can the Division of Personnel ascertain whether proper levels were set for positions?

Ms. Jund made the following recommendation, recognizing that it would cost money initially, but would save a lot of money in the long run: The Division of Personnel should prepare a standard classification guide immediately, equating levels of responsibility with qualifications and pay ranges. This then would permit a greater use of desk audits and would insure that personnel is functioning at its proper level. However, staffing in the Division of Personnel is insufficient to accomplish this project, but there are many things they could use to initiate such a classification guide.

The second greatest problem in the state personnel system is the inordinate amount of time it takes to classify a position once it has been authorized by the legislature. This leads to positions which desperately need to be filled being left vacant; it leads to the hiring of temporaries; and it leads to tremendous frustration on the part of administrators trying to run programs in the state. Ms. Jund has often heard legislators say that since you didn't fill a position, you evidently didn't need it. That isn't true. The position could not be filled.

One of the causes of the inordinate time to classify positions is that all positions must have individualized position descriptions. This is true in the federal government as well. With few exceptions, all positions must be classified by the Division of Personnel in the Department of Administration. One department may have its own classification authority. Unless pressure is brought to bear (and it is brought to bear by commissioners, by legislators, and by the office of the governor), the position will wait the normal classification process, no matter what the urgency of filling the position.

Ms. Jund recommended that we use standard position descriptions in the state. This would require the existence of a standard classification guide. For example, a Clerk Typist II in one department does practiclaly the same thing as a Clerk Typist II in another department, yet each one has to have an individual position description. PHN I's do the same work, wherever they are stationed. The few parts of a job which might be different could be noted on a cover sheet attached to the standard position description. This would cut down the classification time. The federal government has implemented this practice effectively for some clerical positions and for accountant positions.

There should be a decentralization of classification authority with positions and funding provided. Some departments have the authority to do so now; however, few take advantage of this authority because they do not have the positions and funding. This decentralization would be for large agencies only and for professional positions in those agencies, using the standard classification guide. A job analysis should be required to be written for each job to be classified in the department, and sent to the Division of Personnel. They would then assume their proper role of setting standards and monitoring departmental practices. This would call for a greater use of the desk audit mechanism of the Division of Personnel to insure proper alignment of positions.

The next point may be controversial. Qualifications are too low in many instances, due to substitutions, to get the job done. Ms. Jund stated that she firmly supports the principles of equal employment opportunity and believes that substitutions

should be permitted for entry-level positions, up to and including sub-professional level positions. At the professional level, substitutions should not be required, as they are now by the Division of Personnel.

Ms. Jund gave an example of how ludicrous this can become. She referred to a position that she held as Assistant Director in the Division of Public Health. The job description calls for someone with a college degree, with two years of graduate study in public health administration or a closely related field, plus five years of administrative experience, one of which must be at the level of Administrative Officer I with the State of Alaska or an equivalent position elsewhere and one of which must be in public health. Those requirements are reasonable, and a person with those qualifications could do the job. However, additional experience may be substituted for the requirements of college education on a year-for-year basis.

The result (and this did happen on the register) was that an individual with eleven years of administrative experience, with only one year in public health at any level and one year in a position comparable to Administrative Officer I, could be placed on the register. The minimum qualification of eleven years of administrative experience did not specify at what level this experience must be. Many applicants qualified for the register who could not possibly perform the job functions.

Ms. Jund recommended that substitutions either not be required for professional positions or that they be permitted only to the extent that would be realistic.

2. EXAMINATION PROCESS

The staff in the Division of Personnel responsible for rating the training and experience of applicants is not always sufficiently knowledgeable of the field to properly rate an application. This is understandable, given the large number of jobs with a wide variety of qualifications. This leads to well-qualified individuals being rated ineligible and conversely, poorly-qualified individuals may receive high ratings because of the way an application is written.

As an example, Ms. Jund told of her own experience in filling a position for a Health Facilities Surveyor in Life Safety. They had located an individual who was fully qualified and urged him to get on the register. They were aghast to learn from the Division of Personnel that the person was not qualified because the examiner did not understand that being a fire inspector for an insurance company fully qualified the applicant as a life safety surveyor. That is the type of experience that they really

needed. They did manage to get the situation straightened out.

Ms. Jund suggested that professional review panels composed of professionals serving in a volunteer capacity be created to rate applicants for professional positions. The data processing field is an example of the areas where this is most needed. She witnessed its effective use during the time she served on the U.S. Civil Service panel and helped to rate applicants in the professsional field of public health.

3. RECRUITMENT

On recruitment, Ms. Jund mentioned only one point: the inordinate amount of time and money spent by agency personnel in working registers. Frequently, the same names appear on registers where the individual has been reported to the Division of Personnel as not available, out of state, not interested and so forth. Yet, when the agency calls for another register in the same category, the same names appear. It is imperative that there be a central clearing of the common registers used by many agencies.

The recruitment process, after a position is classified, is extremely time consuming. Agencies must first advertise in the state, and for certain positions valuable time is lost in having to do so. You don't get doctors usually by advertising in Alaskan newspapers. You get doctors by advertising in the professional journals.

Ms. Jund recommended that there be concurrent advertising for hard-to-fill categories, both within and outside the state. There are many hard-to-fill categories in addition to physicians. This would save time and effort.

Ms. Jund raised another potentially controversial point. The Alaska Hire Law sometimes impedes state agencies from obtaining the best qualified person for the job to be done. She stated that she supports the Alaska Hire Law implicitly, but raised the question: Is the object of the law to give preferential treatment to an Alaskan who is equally or more highly qualified than someone from outside, or is the object to give preferential treatment to Alaskans no matter where they are on the registers (in other words, to foster employment)? She added that she would prefer to think that it was the former, but it doesn't work that way in the Alaska personnel system.

On the state's registers, all Alaskans are ranked ahead of all applicants from elsewhere. She worked a register for a very high-level position. The highest qualified applicant, with a rating of 95, was 18th on the register. The person was

the highest rated applicant from outside the state. The first applicant on the register had a rating of 80, and five points had been included in her score because she was already a state employee. All things being equal (references and so forth), she stated that she would much prefer the applicant with a score of 95 than an applicant who would have rated 75 on appropriate training and experience. The applicant with the score of 95 on the register was not within reach. No wonder agencies are criticized on occasion when they are forced to employ individuals who cannot possibly do the job.

Ms. Jund recommended that all applicants be ranked on the registers by grade, based on qualifications and experience, and not by location of residence. Alaskans who are more highly qualified or who are equally qualified should be and must be given preference by agencies.

4. CAREER SERVICE

Ms. Jund recommended that the commission give attention to merit increases for deserving employees. She distinguished these merit increases from longevity increases. It is argued by some that state employees receive pay increases; so why should the state also give them any more money? However, there is not much incentive for most employees to do an outstanding job for three years when a person hired tomorrow will be receiving the same pay range. This is not the case in private industry, and it leads to a terrible morale problem.

Ms. Jund recommended that agencies prepare standards for performance on which to base merit increases, so that they are given only to deserving employees who are performing at a consistently high level. She also recommended that the legislature specifically allocate funds for merit increases.

It is imperative that personnel functions be decentralized to large agencies. The Division of Personnel should then set standards and monitor performance.

That concluded Ms. Jund's remarks. She stated that she believed she had chosen areas of the greatest concern to most employees of the state of Alaska.

QUESTIONS

In answer to questions on decentralization from Lynda McCurry, Ms. Jund stated that the Division of Personnel will always have to assume classification functions for the smaller

agencies. Some decentralization is the way to go. There is reluctance on the part of the Division of Personnel to relinquish classification authority.

Janet Bradley asked about the apparent difference of opinion on the standard position description. In the classification walk-through, Ken Kareen explained that the position description forms the basis for the Division of Personnel's classification, performance standards and employee evaluations. Because they are frequently out of date, the Division of Personnel is unable to do its job.

How do you reconcile this need for a description tailor-made for each employee with your recommendation for standard descriptions to speed the classification process?

Ms. Jund explained that standard forms could be used only for those positions common to many agencies and in which there was very little variance between the duties of those in the positions, such as Clerk Typist I. Standard descriptions would also be appropriate for Public Health Nurse I's. Pat Murphy pointed out that both employees and managers write position descriptions in order to achieve particular results: for example, eligibility for overtime and placement in a particular bargaining unit.

In answer to a question from Pat Murphy, Ms. Jund explained the way the classification system works in the federal government. The personnel officer for the agency classifies a position in accordance with the standard classification guide. An analysis is written of how the personnel officer chose that classification, and it is sent with the position description to the central headquarters for review. If they believe it to be incorrect, they advise the personnel officer of the error. In addition, there would be periodic audits in which the employee describes actual duties to the auditor, and these are compared with the position description. If an error is found in the classification assigned, then the personnel officer receives a written report advising the corrective action needed. This system retains the proper authority and responsibility appropriate while allowing a faster process. It is appropriate that the people in the field make the initial classification, since they have more knowledge about the position than someone in the Division of Personnel possibly can, especially when personnel is responsible for classifying all positions within the state.

If the corrective action leads to a downgrading of the position, Ms. Jund stated that she believes that federal procedures allow the incumbent of the affected position to remain at his or her existing salary for one year before being placed at the

lower pay rate, although the position would be shown as the lower level from the time that action to correct the error was taken. It is important to remember that it is not what the employee is qualified to do that matters. It's what the job calls for the employee to do.

DIVISION OF DATA PROCESSING

Mr. Dwayne Herrick, an employee in the Division of Data Processing, identified a number of problems within that division.

The agency has in the past neglected to budget for travel for training, and yet training is necessary if employees are to keep their skills current in the rapidly changing data processing field. The division head justifies hiring new employees from outside Alaska because present employees lack this training. Money which has been appropriated for travel is spent on recruiting trips to the lower 48 to hire new employees rather than sending existing employees to programs to increase their skills. Such training programs are not available in Juneau. Training money has also been used to purchase equipment instead of to provide training. There are self-instruction manuals for new computer systems, but they are not sufficient and should not be considered a replacement for more formal and extensive training programs.

Employees who are brought up and whose moving expenses are paid by the state are then obligated to work for the state for two years or else to pay back a portion of their moving expenses. This increases their allegiance to the head of the division. The director is not concerned with complying with the Personnel Rules and has ignored hiring freezes in order to provide a job for a friend.

The staff of the Division of Personnel is unfamiliar with the fields in which they are rating data processing applicants, and they make mistakes. There is now some communication between the Division of Data Processing and Personnel on how applicants should be rated, so the mistakes are decreasing.

There have been a number of desk audits in the Division of Data Processing without any perceptible results.

Lynda McCurry explained that for positions in the field of data processing there is continuing authorization to accept out-of-state applications, unlike most other positions in the state. The person hiring can then use the justification of unique and unusual circumstances to select the applicant he or she is most interested in, regardless of the applicant's ranking on the register.

Charles Dockery, a Systems Analyst II in the Division of Data Processing, gave an example of the kinds of abuses which are occuring in the division. In late 1977 or early 1978, the director and one of his managers decided that they would avoid hiring any of the "dolts on the register" by specifying that the position for which they were hiring require specialized knowledge. People were hired from the lower 48, but they have not had to use this specialized knowledge, except for one employee who helped with the primary election. In addition, the division has since asked another employee to resign. The present staff of the division has the talent to learn the new skills, but they are not being given the opportunity to do so.

Mr. Herrick added that the director has failed to establish his priorities and to set realistic goals.

Mr. Dockery suggested that the Division of Personnel should audit the appointments of outsiders to attempt to establish whether the unique and unusual circumstances which provided the basis for making the hiring decision actually exist.

Representative Buchholdt pointed out that in the last session, there was a bill before the legislature to increase the funding for training, and that Pat Hunt testified that there was adequate training available.

Mr. Dockery asserted that there should be action taken against program managers who violate the Personnel Rules when making their hiring decisions.

Another facet to the training problem is that the state pays for moving a family from the lower 48 to Alaska, instead of paying for a three-day training session offered through IBM for an existing employee. Training would cost substantially less than moving expenses.

Lynda McCurry stated that the Department of Labor hires data processors from the same registers that the Division of Data Processing uses, and that the department hires from below the top five only when they need a programer skilled in COBOL as opposed to scientific language.

Pat Murphy pointed out that this is an example of the problems created by having the head of personnel at a division level instead of at a departmental commissioner level. He or she should have independent authority to function effectively and to stand up to commissioners of other departments.

Darlene Howard said that APEA studied the use of training funds by the Division of Data Processing. Ninety-five percent

of the training money was used by one percent of the staff--the rest did not participate in training programs. There did not appear to be any relationship between the people selected to attend training programs and the need for training in the particular program. Training sessions are used to reward employees, not to increase their skills.

Carl Nelson, a Console Operator II with the Division of Data Processing, testified. Several months ago, Mr. Nelson's supervisor advised him that he was due for a merit increase. The forms were returned, and he was told that he would have to wait another two years. He is pursuing this matter through APEA.

In 1972, the person who was then director of data processing decided that the console operators were overpaid, and initiated action to have the salary ranges lowered by two pay ranges. There was, at that time, no one to speak on behalf of the employees, and the action went through. Since then, the equipment has become substantially more complex. A new CPU unit is capable of handling five programs at one time, and there are only two people working on it at any one time. The workers agreed to a 12½ hour shift, so that the system is constantly operating, and the state is obligated to pay only a minimum of overtime to these employees.

There have been two attempts to have the positions reclassified since the 1972 action. Neither was successful. Morale is very low, and when the positions are compared with similar positions in Washington, Oregon and California, it becomes evident that Alaska salaries are not competitive.

There is a Data Processsing Job Classification Task Force which has been organized to draft a complete set of new flexible, modern, well-defined data processing job classifications. A questionnaire has been developed to gather information to that end. Mr. Nelson supplied the commission with a copy of his completed questionnaire. Lynda McCurry explained that the task force was created to identify problems within that agency. Membership consists of Data Processing managers and representatives from the Division of Personnel and the Department of Labor. Carolyn Hinkey and Dick Kind, employees in the Division of Personnel, are responsible for compiling this information.

Mr. Nelson has worked for the state for nine years, and he has received only one merit increase during that time. In the absence of merit increases, and since he has reached the top of the pay scale for Console Operator II's, there is no incentive for outstanding performance. There used to be four levels of operators, and that number has now been reduced to two. Therefore, no viable career ladder is provided to Console Operators.

Charles Dockery elaborated on the absence of career ladders available to Data Processing employees. There is a 60% turnover rate in the division caused, in part, by the absence of promotional opportunities and merit increases. Some of the best qualified employees are leaving.

Thousands of dollars are spent on recruiting trips to the lower 48, yet there is no money available for training the existing staff, either for travel to programs offered elsewhere or to provide needed training to Alaskans. The division has continuing authority to accept applications from out of state for the positions of Programmer III or Systems Analyst II--both at Range 17. The division hires people from out of state into these positions, and then promotes them to whatever vacancy the director intended to put them in. There is a need for the state to address the problems of enforcing the Personnel Rules when they are violated, particularly when intentionally violated by state program managers.

The staff of the Division of Personnel lacks the skills to rate applications in the data processing field. Mr. Dockery submitted an application for System Analyst I, and received a score on his training and experience of 80. Two weeks later he submitted a xeroxed copy of the application, this time for Systems Analyst II which is two salary ranges higher than Systems Analyst I, and received a score of 85. There would be problems in having the Division of Data Processing score its own application, since there is no committment by the manager to abide by the Personnel Rules and treat applicants or employees fairly.

The division does not permit its employees to obtain training or to use what training they have; yet, in order to be considered for promotion, employees are required to have received additional training. This is one of the causes for the high turnover rate in the division.

Mr. Dockery expects that he will recieve some retaliation from the division for testifying before the commission. He gave an example of one individual who resigned, stating his reasons for leaving very tactfully. The program manager "vindictively" black listed him for doing so. There are many ways in which to seek revenge, such as finding fault and accumulating material in personnel files. Mr. Dockery added that there are many people who make mistakes in the division.

An example of the problems of the division concerns a bright, 20 year old employee. He was the only person with the skills to broadcast the general election results for the past elections. Despite his ability and the fact that he got along well with his supervisor and the other employees of the division, he has submitted his resignation, stated mildly and tactfully. His letter of resignation was pulled from his personnel file so that

managers would not have access to his account of problems encountered. The head of the division has indicated that he will see that the employee does not receive another state job.

Mr. Nelson testified that console operators are classified at Range 14. Mr. Dockery stated that that was unacceptable. The data processing salaries of the state do not meet the national standard, except for the salaries of the Operations Manager and Director. The others are at least two ranges too low. Data processing salaries in Alaska are equal to those avialable in the lower 48, but the cost of living in Alaska is much higher.

There was a position which was filled without any public announcement of the vacancy. The person hired was called a resident based on his having worked in the state some years before for a period of six months. The division paid for relocation expenses.

Some of the problems result from poor management. Some are the result of problems in the personnel system. When employees are hired initially, they are placed at advanced steps in the salary schedule in order for the state to compete for the best qualified people, but incumbents are not given the same considerations.

Kit Stewart, a Finance Officer III with the Department of Environmental Conservation, agreed with most of the points made by Ms. Jund. She disagreed on the question of limiting opportunities for substituting experience for college degrees. She felt it was appropriate to allow substitution, except in cases of life and death skills. As an example, engineers who have practiced for 20 years in Alaska are by statute to be treated as though they held engineering degrees.

Small agencies should be able to handle decentralization, just as large agencies are. Specifically, Ms. Stewart indicated that the Department of Environmental Conservation has existing staff with skills to perfrom classifications capably.

Training is a major problem in her department. For example, one employee felt that a particular training course would be beneficial and offered to pay transportation expenses and to take annual leave for the time required to attend, but asked the department to pay the $500 entrance fee. The request was denied; and later, the employee was rated as failing to perform tasks which could have been performed had the training been authorized. At least one department has paid full college tuition for one of its employees.

In answer to a question from Don Fiser, Ms. Stewart indicated that the registers are cumbersome. Almost never are all five of the top candidates available for a position. For lower level positions, about 90% of those on the register are not available.

The Division of Personnel should adopt a policy of handwriting memos on personnel matters so that time would not be lost in waiting for typing to be completed.

Cynthia Butler, Administrative Assistant to Representative Buchholdt, concurred with most of the statements made to the commission. She has had personal experience in difficulties with the raters in the Division of Personnel. She read a position description for a job for which she believed herself well qualified. She submitted her application and a resume in November. As of December, she had not yet been placed on the register. When she was finally placed on the register, she had received a score of only 80.

Ms. Butler inquired about the standards used by the rater in making that evaluation and was told that the information could not be released. Finally, she spoke to the person who had performed the evaluation. She learned that the rater had given her no credit for education or for specific training which she had received that was relevant to the position for which she was applying. She was told that if she had written her application for a lay person, it could have been evaluated to show that experience. She asked a reading expert to evaluate the application, and the expert told her that the language contained nothing above an 8th grade level.

Ms. Butler asked that her application be re-evaluated. The rater said that perhaps that could be done if she would document her education and provide evidence of the field work she had done. Ms. Butler supplied the information, and on inquiry a week later about whether the re-evaluation had occurred, was told that whenever the rater reached that information in her stack of work, it would be done.

Ms. Butler became angry at the time required to correct what she believed to be a mistake on the part of the Division of Personnel staff, particularly since the position for which she had applied was going to be filled soon. She called the Deputy Director to arrange for a personal interview. Subsequently, her application was re-evaluated, placing her from number nine on the list to number one. Because of her inquiries and persistence in asking that the errors of the division be corrected, she now believes that she has been blackballed from working for the state, without ever having held a state position. She was advised that in having her application re-evaluated and having her positionn on the register moved, the division had made an exception. Normally, the applicants must suffer the consequence of a division error without any recourse.

Ms. Butler indicated that she had been told that the division

was severely understaffed; and if that is so, then she can understand the inordinate amount of time required to process her application. The state should insure that the division has adequate staff to handle its workload.

In answering questions of commission members, Ms. Butler stated that the positon for which she had applied was for Emergency Medical Services Coordinator. She had not had a formal interview, but she had spoken by telephone with the manager who was making the hiring decision and with another employee. She had not been to the job site.

Darlene Howard gave an example of another applicant who had had problems similar to Ms. Butler's. The applicant had decided not to testify before the commission for fear that she will be blackballed from state employment. The applicant applied for about 17 jobs, and is highly competent, possessing a B.A. and additional education as a media specialist with an emphasis in library work and three years in other related fields with tremendous research experience in private industry.

When the individual applied for a state librarian position, the division found the applicant unqualified because of the techniques used in evaluating teaching experience. If an applicant has a number of years of teaching experience within the same school system, then the division counts all summer vacation periods as experience, whether or not the teacher works during the summer. If the applicant has changed school districts, then the division only counts the time of the school year, or approximately nine months. Therefore, the applicant in question failed to meet the teaching requirements of the position.

The same individual is a professional artist who has tutored in the field of graphics, owned and operated an art business for several years, has had personal art exhibitions and has one year of professional art education. The division concluded in an evaluation that the individual lacked formal art education, despite the public recognition of the artist's talent, and therefore was unqualified for a position involving art work for the state's publications.

The applicant was also not credited with any experience in management or administration, even though the individual had successfully operated a business for income.

The individual encountered the same problems Ms. Butler discussed when appealing the decisions made by the raters. One position had been advertised as being open until a particular date, and the applicant pushed the division to re-evaluate to meet that deadline, only to learn that despite public notices,

a register had already been sent out to the hiring department. The register had been issued ten days before the publicized closing date for applicants, and the individual's name did not appear on the register for the position.

Written testimony was presented to the commission by Marcella Stutte concerning the eligibility requirements for longevity increases. A copy is attached.

STAFF REPORT

1. Summary of Correspondence

a. Testimony was received from Mr. Scott Semans, Architect, advising that the personnel system is overloaded with red tape which ties the hands of the people who are making hiring decisions, resulting in losing the best qualified applicants. He advocates speeding up the certification process and allowing those hiring to exercise greater judgement in making their selections of employees.

b. Ms. Margaret Clark, an Administrative Officer with the state troopers, testified as follows:

More than once, a desk audit to upgrade a position has resulted in the position being placed in a totally different classification. The incumbent, who is satisfactorily performing the work, therefore may not be technically qualified. If a person is in the position in such a case, no tests should be required to continue holding it.

She disagrees with requiring people to retake tests after two years on a register. In some positions, there are few vacancies, and an applicant can be on the register for the entire two years without receiving notification of an opening.

Tests don't apply to the work done in daily jobs. She recommends testing a person only once prior to hiring him, and then promoting on the basis of experience and performance, as the federal government does.

She has no complaints about the services of the Division of Personnel--it takes a long time to get anything processed, but that's the fault of the system, not the staff.

c. Ms. Gaile Haynes, who testified before the commission in Anchorage on January 27, wrote in regard to the ratings of promotability. A person who appeals or grieves a matter tends to be regarded as a troublemaker, and is therefore regarded as

non-promotable. To have a process not subject to normal review is in effect to insure that boat-rockers will not be promoted, thereby producing a degree of mediocrity in state employees.

2. A work session schedule was set for February 23 and 24.

3. Budget for 1979

Warren Endicott of the Administrative Services Division of Legislative Affairs has inquired about the commission's budget for next year.

4. Theresa Hurt, a student from Juneau-Douglas Community College, is working on a project for the commission as part of a Law Practicum course which she is taking. She will be reviewing the Personnel Rules and the collective bargaining contracts to determine the impact the contracts have upon the Rules.

5. Division of Legislative Finance Computer

Terry Cramer spoke with Jay Hogan, who indicated that the computer programming for tracking vacant permanent positions will not be finished for about six months.

6. USCSC Conference, February 28 and March 1

The commission will be responsible for paying for travel and perdiem for those members attending the U.S. Civil Service Commission Conference on Public Personnel Management Reform. Representative Buchholdt may attend in Senator Ray's place. Greg O'Claray and Pat Murphy will also attend.

IN ATTENDANCE

Representative Thelma Buchholdt
Don Fisher
Ken Humphreys (for Myrt Charney)
Lynda McCurry
Representative Joe McKinnon
Pat Murphy
Janet Bradley (for Niel Thomas)

OTHERS IN ATTENDANCE

Darlene Howard

Marcella Stutte
Bridge Design Section
Div. of Highway Design and Construction
Dept. of Transportation and Public Facilities

I went to work for the old Dept. of Highways in 1968. After working for over five years I became seriously ill and left work. After my sick leave ran out, I resigned because I thought I had to. After a two year recovery period, I went back to work for the Department of Highways in my old job, in my old grade and in step F where I was when I resigned. I thought I was returning to the position and status I had before I became ill. It was the intention of my employing department to rehire me under the circumstances that existed prior to my leaving. Later I was told that because of the wording of the Alaska Statutes

> "Sec. 39.27.022. Pay increments for longevity in state service. (a) Pay increments, computed at the rate of 3.75 per cent of the employee's base salary, shall be provided for an employee after he has remained in the final step within a given range for two years, provided that the employee has worked continuously for the state for seven years and provided that his current annual rating by his supervisors is designated as "good" or higher."

I would be ineligible for longevity increases for a period of seven years.

I have been back at work for 3 1/2 years and have not received a longevity increase although my evaluations are outstanding.

I don't believe this is fair. Had anyone realized the significance at the time of my resigning, of this situation, I may have been permitted LWOP during my illness and would not have inadvertently lost my eligibility.

What recourse do I have to correct this inequity?

CATEGORIES OF EMPLOYEES
Work Session Summary, February 6, 1979

Representative Joe McKinnon chaired the work session. A brief summary of the subcommittee discussion follows:

A. Review and discussion of the draft bill on hiring of temporary employees.

1. Add language to subsection 2 (c) (2), page 2, line 6, concerning the hiring of temporaries where new positions have been created but have not yet been authorized by the Division of Budget and Management and the Division of Personnel to read:

(2) there is an urgent need to fill an authorized permanent position and it is impractical to complete the establishment of that position, or there is an urgent need to fill a vacant, permanent position and it is impractical to make certification within a reasonable time because of a lack of eligibles for that position; or

2. The penalty section (page 3, line 6) was discussed briefly. The approach is to establish a rebuttable presumption that an illegally hired temporary can recover from the supervisor who authorized the hire personally for the amount of past wages.

3. Goals of the bill: (1) to provide maximum controls on the hiring of temporaries without (2) stepping over the bounds of the separation of powers, and (3) without ham-stringing the executive branch from operating its programs effectively.

4. Technical amendments were suggested:

Page 1, line 17, add "permanent seasonal" to "permanent full-time and permanent part-time".

Page 3, line 5, substitute the word "terminate" for the word "dismiss".

Page 3, line 18, substitute the word "employee" for the word "person".

5. There was discussion of the effect of the bill. It may serve to aid collective bargaining negotiation, since there will be one readily identifiable person authorizing all temporary positions.

The bill would give considerable discretion to the Director

of the Division of Personnel and Labor Relations in making a determination that a temporary position should be authorized. The Director is required to consider the standards provided, but there is no review of his decision.

There was concern expressed that the review of requests for temporary employees by the Director must be immediate, so that delays do not occur.

Ken Humphreys will redraft the bill and bring it to the next subcommittee meeting for further consideration.

B. Imposing a maximum on the number of temporaries a department may hire.

It was suggested that the subcommittee propose that a limit of 10% of the departmental PCN's be established.

Opposition to the proposal pointed out that this should be left in the collective bargaining arena.

If the Director of the Division of Personnel and Labor Relations is required to report each year on the number of temporary employees he has authorized, then there will be review and consideration of the issue each year.

It is more important to evaluate the effectiveness of departmental hiring practices than to focus on the numbers of temporaries hired.

C. Imposing a maximum time limit on the length of temporary service.

Mr. Murphy moved that a section be added to the work draft of the bill on temporary hiring to set a maximum of 120 days on the service of a temporary, with a provision that under extenuating circumstances, justified to the Director in writing, he may approve the extension of that time limit.

Mr. Spray proposed an amendment: That the issue of time limits of temporary employment be left in the arena of collective bargaining.

Mr. Murphy objected to the proposed amendment on the grounds that it was a new motion, not an amendment.

VOTE: A vote was taken on Mr. Murphy's motion. It was adopted four (4) to two (2).

D. Scope of Commission activity: Concern was expressed that

the Commission avoid intrusion into collective bargaining issues. The Commission risks jeopardizing its effectiveness and credibility if it enters into this area, and may create increasing divisiveness both internally and within the legislature. Commission time would be better spent on other matters.

E. Issue of Contract Employees: When the subcommittee considers this issue, it should request information from the Department of Transportation and Public Facilities on Deputy Commissioner Scoogil's memo stating that the department should limit the size of the state work force by contracting out jobs where possible.

F. Issue of Vacant Permanent Positions: Staff was requested to check with Jay Hogan, Director of the Division of Legislative Finance, on the computer programming which his division is implementing to track vacant PCN's.

G. Scope of Exempt and Partilly Exempt Categories: There was some discussion of this topic. The subcommittee should consider this subject at a later time.

STAFF NOTE:

Terry Cramer checked with Jay Hogan, Director of the Division of Legislative Finance, on the computer program to track vacant PCN's. He indicated that the program should be completed in about six months. It has been held in abeyance because of a change in computers. When completed, the program will track the source of the money used to fund a position and whether the position is vacant.

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 acompanying 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 centers. 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.

MERIT SYSTEM/COLLECTIVE BARGAINING
Work Session Summary, February 5, 1979

The session was chaired by Representative Thelma Buchholdt. The Issue numbers, as follows, refer to the Summary of Issues dated January 21, 1979.

Issue 1. Structure of the Division of Personnel and Labor Relations.

SUBCOMMITTEE MOTION: Pat Murphy moved that the subcommittee request the Legislative Affairs Agency to draft a bill for further subcommittee review to create a Department of Employee Relations encompassing the functions of personnel, labor relations, training, and for the purposes of this bill, equal employment opportunity and affirmative action. Ken Spray requested that the functions include safety and training. Mr. Murphy agreed.

DISCUSSION

Retirement functions. Responsibility for maintaining the retirement system should remain in the Department of Administration.

Budget. The budget for the new department should result from the transfer of the budget of the existing divisions plus appropriation of additional funds for the creation of the position of the new Commissioner.

Safety. Safety should be included in the new department because there needs to be central coordination of safety programs. The system now is that user departments are supposed to coordinate with the Department of Labor, which supplies trainers on request. The requirements of OSHA, which directs that the state provide safety training for its employees, are not being met.

Pat Hunt suggested that money for safety and training programs could be provided by the user departments, who would compensate the Division or the new department for the cost of materials used. The training which the Division of Personnel has been able to provide to date (given limited staffing and funding) has been very well received. Money allocated for training is one of the first items to be cut in a lean budget year.

CLARIFICATION OF MOTION: The question of which state agency has the authority and responsibility to negotiate with the Marine Transit unions is not resolved. The state Supreme Court has ruled that those unions are now covered by the Public Employees Relations Act, and that therefore, they negotiate with the Division of Personnel and Labor Relations. Prior to that decision, the Commissioner of Public Works held that authority.

It was generally agreed that the motion applied to those unions representing employees of the University of Alaska.

Affirmative Action/EEO. At present, the state EEO office is in the Department of Administration, having moved from the Office of the Governor. In addition to this central EEO office, each department has its own EEO officer, who is responsible for providing information to and counseling employees within that department as well as for preparing and monitoring the departmental affirmative action plan. There is a need to have trained, sensitive people who are aware of legal requirements in the departments. The departmental EEO officers hold other jobs within the departments and usually place priority on those other duties.

The central EEO office has placed a priority on providing training to supervisors and managers in state agencies, as well as reviewing the personnel practices and procedures of the state and monitoring Division of Personnel compliance, revising the affirmative actions plans, and gathering statistics on the state's work force.

Placing the central EEO office as a division of the new Department of Employee Relations would ensure that there was communication between that division and the divisions of personnel and labor relations. Much of the functions of those divisions (recruitment, examination, certification and training) is of great concern to the EEO office, and therefore having an opportunity to affect decisions in those areas as they are made is important. Making the EEO office a division would ensure that it had the status necessary to act effectively and would help emphasize the state's committment to equal opportunity.

Departmental Personnel and Training Officers. The creation of this new department does not address, at this stage, the placement of the departmental personnel officers. They could either remain departmental employees or become employees of the new department. Training officers in the departments could also

Training. The state's training programs, like the safety and EEO functions, need central coordination, which could be achieved by making the new department responsible for that role. Individual departments would continue to provide their own, specialized programs, but the central office in the new department would provide information on what programs were being offered and would provide technical assistance in programs as its own staffing and expertise permitted. Having one central person in charge of that oversight would help to ensure that training programs which the state was required (by union contract, for example) to provide would take place. If the programs did not occur, then there

would be one person to whom the union could turn to question why they had not.

Training is often misunderstood in Alaska. There is a feeling that employees should know all the intricacies of their jobs at the time that they are hired. But government procedures are different from those in private industry - for example, in accounting - and the unique orientation to governmental work means that there will have to be an orientation for the new employee, whether that person is just out of school or has worked for a number of years in that field in private industry.

The efficiency and productivity of state employees depends in a large part upon the intial training they receive.

Orientation of the New Department. There is a hope that the Department of Employee Relations would be people oriented, rather than fiscally oriented, as the Department of Administration is. Most of the programs within the Department of Administration are financial in nature, while those programs proposed for transfer to the new department concern people directly: What happens to a new employee on entering and while serving in state government?

Model. The Department of Employee Relations should be modeled along the lines of the Anchorage Municipal ordinance, but without creating separate divisions for the separate functions in the Division of Personnel. There should be provision for the Commissioner of the department to delegate some personnel functions to the individual departments.

VOTE ON THE SUBCOMMITTEE MOTION: A vote was taken on the motion. It carried unanimously, nine (9) members voting.

Issue 2. Relationship of collective bargaining contract terms to statutes, Personnel Rules and departmental standard operating procedures.

SUBCOMMITTEE MOTION: Pat Hunt moved that staff be directed to design language to add to Title 39 which limits application of Title 39 to those not covered by collective bargaining units and to define merit principles which must be negotiatied in all collective bargaining agreements. The draft should be brought to the subcommittee for further review.

DISCUSSION

There is confusion about what standards govern employees covered by both collective bargaining contracts and the Personnel Rules. The language suggested by the motion would clearly

make each union contract the operating system for determining all conditions of work for covered employees, while ensuring that merit principles would be recognized in each agreement and complied with. The Rules would then apply only to those solely affected by them. (At the work session on February 7, Mr. Hunt indicated that there are five classified employees in the state who are not members of a union. Ken Kareen represents 20% of that group.) The Rules are therefore needed to set out the conditions of employment for those five employees, as well as for any employees added to the group in the future.

At present, to chage a Personnel Rule, the Personnel Board must consider not only the merits of the proposed change but also how that rule affects each contract. If the scope of the rule has been partially affected by any contract, then a change would have to be agreed to by the union in question.

Unions have established different systems to implement the merit principles (which are made applicable to union contracts by AS23.40.070:

> The legislature further finds that the enactment of positive legislation establishing guidelines for public employment relations is the best way to...strengthen the merit principle where civil service is in effect...)

For example, employees hired for positions in APEA bargaining units are hired from the eligibility lists maintained by the state. Employees hired for positions within Local 71's bargaining unit are hired from eligibility list maintained by the union, except that OSHA inspectors are hired from the state's registers. The Marine Transit unions maintain their own retirement program, whereas APEA and Local 71 members participate in the program administered by the state.

There are also differing views on the policy of hiring by seniority. Local 71 members strongly support seniority hiring while members of APEA support hiring of the most qualified without direct consideration of seniority. If supervisors are responsible about disciplining and firing unsatisfactory employees, then a policy favoring seniority should ensure that fully-qualified individuals are at the top of the eligibility lists.

Wages negotiated by unions are ususally passed on to non-unionized employees by management. This policy is followed by almost all states.

CLARIFICATION OF AMENDMENT OF MOTION:

Ken Humphreys suggested two amendments: that a section

be added requiring that any contract negotiated must meet federal merit principle standards, and that a savings clause be added, saying that if the contract does not comply with those standards, then the parties will renegotiate to provide for compliance.

General Policy Statement. There should be a policy statement identifying those topics which are essential to a merit system and which must be covered by all contracts. The list would include promotion, selection of the most qualified, career ladders, employee development potential, an agreed guiding principle on classification, and like pay for like work. Section 1 of the Model Public Personnel Administration Law is an example:

> The general purpose of this act is to establish a system of personnel administration that meets the social, economic and program needs of the people of the state. This system shall provide means to recruit, select, develop and maintain an effective and responsive work force, and shall include policies and procedures for employee hiring and advancement, training and career development, job classification, salary administration, retirement, fringe benefits, discipline, discharge and other related activities. All appointments and promotions in the state service shall be made without regard to sex, race, religion or political affiliation, and shall be based on merit and fitness.

Legislative Concern. The legislature is concerned about how the merit system and collective bargaining intertwine. The Commission should explain the two systems in its report as well as why it is important to retain each of them.

Exempt and Partially Exempt Employees. Janet Bradley expressed her personal concern that partially exempt employees have none of the benefits or protections of permanent employees, even though many of those placed in that category are not holding jobs appropriately considered political. The Categories of Employees Subcommittee should consider this issue.

VOTE ON SUBCOMMITTEE MOTION: The motion was adopted, eight (8) members of the subcommittee voting in favor, and one (1) opposed.

Issue 3. Method of adopting Personnel Rules and departmental standard operating procedures. (Discussion of this topic was postponed until the report of the group examining departmental standard operating procedures is prepared.)

Issue 4. Membership of the Alaska State Labor Relations Agency, the Personnel Board and the Retirement Board.

Issue 5. Scope of authority of the Labor Relations Agency and the Personnel Board.

These issues were combined for purposes of discussion. The subcommittee requested that Ken Humphreys research two bills introduced in previous sessions concerning the Labor Relations Agency. The subcommittee will discuss these issues in a later meeting.

Issue 6. Inclusion of non-certified school district employees under the Public Employment Relations Act.

A bill was introduced last session to include non-certified school district employees within the Public Employment Relations Act. It passed the House, but not the Senate.

Dwayne Carlson, the lobbyist for the AFL-CIO has indicated that passage of legislation in this area is priority number 2 of the AFL-CIO this session. Ken Humphreys will research the past bills in this area, and the subcommittee will then consider this issue.

Issue 7. Inequity of wages between union members and non-union state employees. This issue is incorrectly stated in the Issue Summary. It should read inequity of wages between members of two different unions.

The subcommittee decided to table this issue.

Issue 8. Due process rights for temporary employees.

This issue is within the scope of the Categories of Employees Subcommittee. The Merit System/Collective Bargaining Subcommittee decided to leave the topic for their consideration.

BLUE RIBBON COMMISSION HEARING
Anchorage Historical Museum
January 27, 1979

MINUTES

Don Fisher, Vice Chairman, called the meeting to order and invited public testimony.

PUBLIC TESTIMONY

Daniel DeNardo, a Revenue Auditor with the Anchorage Office of the Department of Revenue, read a prepared statement regarding violations of state Personnel Rules. (Attached is a copy of Mr. DeNardo's statement with supporting documentation.)

Don Fisher suggested that the situation presented by Mr. DeNardo warranted further review by the Ombudsman's Office. Ken Spray suggested that because of the legal implications, Mr. DeNardo should bring the matter to the District Attorney's attention.

Ann Lacey, an employee of eight years with the Alaska Transportation Commission, presented problems she has experienced after being placed in a word processing center. Since 1974, Ms. Lacey had been a Secretary I at salary range 10. She has recently been placed in a word processing center, which is the equivalent of a typing pool. Employees in the center are graded on the type of work being done on a minute-by-minute basis. The supervisors assign work to each typist, and points vary for different types of assignments. This leaves the supervisor with substantial control over how many points an employee can obtain. Ms. Lacey pointed out that the work could be compared to that of a Clerk Typist. She started working 11 years ago as a Clerk Stenographer III, and feels that by being placed in the word processing center, her position has been downgraded.

Ms. Lacey stated that though she is on several registers, she has never been offered an interview for a position. She was on the register for the position of Word Processing Supervisor, but another applicant from the same range and classification was appointed. Ms. Lacey stated that the individual hired was informed of the expected vacancy and given an opportunity to take courses relating to the postion. The individual was thus able to get on a promotional list for the position, even though possessing less time and experience with the state.

Darlene Howard explained that classifications at the clerical level have recently been altered to Correspondence Secretary and Administrative Technician levels to accomodate the word processing system. With the assistance of IBM, a matrix of positions was developed. Values were given to various forms of typing on piece-rate basis for work flow and count factors. Grounds for promotion and demotion are based on the points a typist earns, which are figured by multiplying the time spent in typing a particular item by the difficulty factor assigned to that type of

work. A supervisor can therefore control the points available to each typist, by the assignment of high or low-value work. As the use of word processing centers expands, morale problems may develop.

The state justifies shifting to a word processing system by pointing out that with such a system, specialized equipment can be used, typing time can be expedited and greater accuracy can be provided. However, only one specialized unit is in use in the Juneau center. All of the other centers are supplied with Mag Card II's, which are commonly used in all state offices. Despite this lack of specialized units, salary ranges of word processing employees are not comparable to those of clerical and secretarial employees using the same equipment.

Questions arise in regard to career ladders for word processing employees. They are no longer exposed to the day-to-day management of the programs for which they type, and therefore have less opportunity to learn the operation of those programs. Thus, they are less likely to be able to advance beyond the secretarial/clerical level.

Pat Hunt explained that the Division of Personnel and Labor Relations has been closely involved in the development of the word processing centers. The idea originates as a management decision, and the Division is responsible for the reclassification of the positions affected.

Pat Murphy asked how eligibility lists are used in hiring for word processing centers: Are applicants competing on registers for word processing center classifications or are they being transferred? Pat Hunt gave an example of seven positions taken out of the Division of Personnel's budget and placed in the word processing center. Pat Murphy commented that the system is in the process of being implemented within other departments. He believes this will affect employees state-wide.

Niel Thomas suggested that the Commission request information from John Mitchell, Word Processing Specialist with the Department of Administration. Don Fisher added that he would be interested in knowing how the supervisor Ms. Lacey referred to was selected.

Fred Jones, Director of the Department of Employee Relations for the Municipality of Anchorage, testified on the structure of the Department of Employee Relations at the request of the Commission.

Prior to the creation of the department, the Municipality of Anchorage had a division of personnel, but did not employ

staff for its labor relation's activity. The Municipality contracted with private attorneys to handle its labor negotiations and grievance proceedings.

In June of 1977, the Mayor formed the Department of Employee Relations, consisting of the personnel division and adding a labor relations staff. Each of the major divisions report directly to Mr. Jones. He listed the divisions as: recruitment, examination, compensation, records, benefits, training, plans and programs (which is headed by the former personnel director) and labor relations. The Municipality has found that this system offers flexibility while maintaining control. The personnel functions and labor relations are combined because of the close relationship of the issues for which they are responsible. He indicated that 87% of the employees of the Municipality are covered by collective bargaining agreements. Mr. Jones, as head of the department, reports directly to the Mayor. This structure is similar to that of those organizations for which he has worked in priviate industry. This direct line to the chief executive is especially critical in the labor relations area.

Pat Hunt asked if the Municipality has a personnel ordinance. Mr. Jones replied that there is a labor relations ordinance that covers all aspects of labor relations as well as creating an Employee Relations Board. The Municipality chose to adopt its own system rather than be covered by the state's system.

The Employee Relations Board has functions similar to the National Labor Relations Board. Representative Buchholdt questioned what had been gained by opting out the the state system and adopting the present ordinance. Mr. Jones responded that matters can be handled more expeditiously with the Municipality's own system. Department heads are informed of the structure of the Employee Relations Department through a manual prepared on the subject. An Employee Relations manual is also being prepared.

The Municipality is obligated to provide for a merit system by statute. Personnel rules are in the form of an ordinance. Prior to the creation of the new department, the Municipality had various regulations.

Pat Hunt asked whether user departments have personnel officers. Mr. Jones replied negatively. The personnel division and department heads interface, and if a problem in personnel arises, it is brought to the attention of the division head. Niel Thomas explained that the Commission is considering the decentralization of unique job classes and asked for Mr. Jones' thoughts on the subject. Mr. Jones stated that this might lead to problems in proper control and that he is a believer in centralized authority for consistency in personnel and labor rela-

tions.

Mr. Thomas asked if the Department of Employee Relations has a defined audit function. Mr. Jones stated that the Municipality has centralized headquaters to maintain the consistent application of personnel rules and labor contract provisions. Mr. Thomas expressed interest in where the internal equal employment opportunity function was placed. Mr. Jones responded that it is located in a separate department. There is question as to where the function should be placed. He believes that it should be within personnel and labor relations, but it may be placed in the legal department.

Representative McKinnon asked what the application process is. Mr. Jones explained that there is a regular screening and examination process depending on types of positions. Police and Fire Department applicants are subject to sophisticated testing programs. For other positions, the personnel division screens and matches qualifications of applicants with job specification requests. An eligibility list is then created. This list is referred to departments or divisions for interviewing and hiring. Representative McKinnon asked how long it takes for an applicant to be rated and placed on the list. Mr. Jones said that this would depend on the number of applications received for the position. A vacant position must be posted internally for seven days prior to recruiting. If there is no response from Municipality employees, an eligibility list is usually created and issued within three days. Mr. Jones emphasized that there are hiring halls covering two large organizations that supply qualified applicants within 24 hours.

In answer to Mr. Hunt's questions on the Municipality's recruitment practices, Mr. Jones indicated that most of the applicants for positions with the Municipality live in the immediate area. Very few applications are mailed to the department. When the Municipality has to look outside its immediate area to fill a position, as is the case with the present opening for a Director of Public Works, the process for filling a position takes considerably longer. Typically when an individual applies for work with the Municipality, he is interviewed by one of the well-trained examiners who evaluate the skills of the applicant against criteria supplied by the departments on the job. The city does not solicit applications for positions in which it has no openings, although it does maintain active applicant files.

Mr. Spray questioned whether there were any changes made in regard to personnel plans and programs. Mr. Jones replied that procedures have been implemented that were not formerly a part of recruitment and training. As an example, the Personnel Director has created an employee handbook and is working on an

employee relations manual for supervisors.

Mr. Spray requested information on arbitration caseloads. Mr. Jones responded that in 1978, there were a total of 19 cases recorded for 3,000 Municipality employees. Mr. Spray explained that Local 71 had approximately 50 to 60 arbitration cases last year, out of 1,500 members. Mr. Jones commented that the percentage seemed high.

Mr. Spray asked how Mr. Jones would prepare for negotiations on new contracts. Mr. Jones responded that the personnel division would be contacted for statistics and technical information. Otherwise, data is gathered from each user department head on possible improvements, refinements, changes, etc. The negotiating committee consists of various members: labor relations, plans and programs, compensation and classification staff.

Don Fisher asked if the Municipality uses a large number of tests for evaluating applicants. Mr. Jones stated that tests are given to typists, and police and fire department applicants only. He believes that testing should be given only to entry-level and clerical applicants. All others can be evaluated by performing reference checks. John Pugh asked whether there is a requirement to choose from the top five applicants on eligibility lists. Mr. Jones replied that there is a maximum of five applicants on the lists sent to departments. The applicants are not ranked and the department can hire anyone on the list. Don Fisher questioned what reason would be given for rejection of an entire list. Mr. Jones answered that a position can be reannounced, in which case a new list of five applicants would be sent to the department. Reasons would have to be based on in-depth review with the specifics and unique requirements of the job taken into account.

Darlene Howard asked what type of methodology is used to determine who is best qualified and which names should be sent to departments. Mr. Jones replied that interviewers are supplied with in-depth descriptions on each position. There are minimum qualifications that each applicant must meet. Once this is determined, they are matched up with job specifications. The skill of the interviewer is the key. Subjective evaluation is used by the interviewers, and the final selection is made by the user departments.

In answer to a question from Mr. Spray, Mr. Jones explained that all appeals from employees are handled by the labor relations staff, whether or not the employee is a union member. The personnel staff may become involved to answer questions or to provide statistical help.

Ken Humphreys asked how many staff members are in the Employee Relations Department to handle 3,00 employees and how many applications are processed each year. Mr. Jones stated that there are 22 staff members, and approximately 5,000 applications are processed annually.

Darlene Howard asked whether an individual who is not selected as one of the top five for a position can appeal. Mr. Jones replied that any appeal would be made directly to him and that there would be many recourse actions available.

Niel Thomas questioned how new positions are created. Mr. Jones explained that two forms are used (P1 and P2) supplying a description of the actual job functions, which are submitted to Classification and Compensation for review. Once approved, the forms are sent to the Office of Budget and Management and then on to the Mayor. The process is not limited to budget time, but is usually heavier during the beginning of the fiscal year. Mr. Jones also stated that he does not recommend the use of temporaries and cannot understand why the state's classification process takes so long.

Pat Hunt asked who would be responsible for drafting job descriptions for each position. Mr. Jones responded that this is the responsibility of the Compensation and Classification Section. Position descriptions are prepared based on input from departments (P1 and P2 forms) that is included with a supervisor's request.

Ardith Healan, a Park Technician I with the Department of Natural Resources, presented testimony regarding her experiences working in the CETA program. She explained that to become a Park Technician requires certification on a CETA eligibility list. In order to get on the CETA list, an individual must be unemployed for four months. This seems contrary to the goal of the program, which is to reduce unemployment. Ms. Healan mentioned that there is a general concern of departmental employees that $16.00 monthly union dues are being charged unfairly. Don Fisher pointed out that federally funded CETA programs are classified as temporary positions by the state.

Pat Murphy commented that CETA employees are being used to supplant permanent employees, rather than to supplement the permanent work force. There is a state register for Park Technician I's, but the department has decided not to request positions in that class, since CETA workers are available. Ms. Healan is on the state's register, the application and certification process having taken 15 weeks, yet cannot be hired in that job capacity unless as a CETA.

Ms. Healan also pointed out salary inequities. She is earn-

ing $1,128 monthly ($6.90 hourly) as a CETA Park Technician yet Park Rangers doing the same tasks are earning $10.00 hourly. Ken Spray added that at the same time, CETA employees are being told that the basis of the program is to help individuals find permanent positions. Niel Thomas stated that federal money is allocated for a certain period of time to help make applicants more competitive for permanent positions. He added that CETA's cannot receive preference over permanent employees. Mr. Spray pointed out that departments make a committment to train and retain a certain percentage of CETA's as permanent employees. Ms. Healan stated that almost everyone in her department is a CETA employee.

Lynne Woods, the Executive Director of the Alaska Commission on the Status of Women, presented testimony on pertinent sections from the Preliminary Study: The Status of Women in Alaska. (Copies may be obtained from the Human Rights Commission.) She explained that the Commission is in the process of recommending status and implementing guidelines on the roles of women and minorities in the Alaska state system. A report is to be released in April.

Representative Buchholdt commented that the draft report on the U.S. Civil Rights Commission suggests that the Blue Ribbon Commission will address the subject of equal opportunity employment and affirmative action. However, Senator Ray mentioned that the Commission will not address these topics. Don Fisher suggested that the concept of incorporating studies on EEO and affirmative action could be included in discussion of merit system principles and hiring from state registers. Niel Thomas stated that there are a variety of approaches in allowing for EEO and affirmative action hire. He cited the following as examples: (1) selective certification - giving priority consideration to minorities. (2) increasing bands of certification to encompass more applicants. Mr. Thomas suggested that one way to address the topic would be to suggest that the Certification, Classification and Recruitment Subcommittee research the options available. Mr. Thomas informed the Commission of an existing Attorney General's opinions on EEO and affirmative action hiring practices.

Ms. Woods said that she had heard of sex discrimination within the state. As an example, she mentioned hearing of women in the state working at range 16 through 20 who are responsible for the same functions as men at range 24 through 26.

Beverly McCartney, an employee with Community and Regional Affairs, testified regarding problems with CETA programs. She believes that permanent positions are filled by CETA employees because they are less expensive to the state and departments are

unable to identify funding for permanent positions.

As a solution, Ms. McCartney suggested that rules be adopted to allow a department to fill a position with a CETA employee only once.

Al Carson, Deputy Director of the Division of Lands, Department of Natural Resources, presented a written statement on two areas of major concern: The state's hiring procedures and the use of temporary employees. (Attached is a copy of Mr. Carson's testimony.)

Don Fisher, in response to Mr. Carson's testimony, asked who should be responsible for deciding on the qualifications of an applicant if they are not ranked. He added that the state is required to abide by merit principles. Mr. Carson responded that presently, an applicant must be hired from the top five and justification must be supplied for not hiring within that group. Scoring the abilities of applicants does not accurately relate to job requirements. Mr. Carson added that he has worked with Ken Kareen in the Division of Personnel trying to make the system work. Mr. Carson stated that individuals in the top five are there because of longevity of service within the state and are not the type of people he wishes to hire. Don Fisher suggested that a system to develop criteria based on input from program managers would identify special job requirements and reliability of tests.

Richard LeFevere and Claude Hoffman (a Cadastral Engineer), both employees of the Department of Natural Resources, presented testimony to Commission members. Discussion revolved around registers that are classified too broadly and do not take into account special qualifications necessary for positions in the Department of Natural Resources. Mr. LeFevere suggested that program managers hire temporaries to extend the probationary period and to circumvent registers to hire individuals most qualified for particular positions.

MEETING SCHEDULES

The Commission decided to hold subcommittee work sessions in Juneau on February 5 and 6.

IN ATTENDANCE

Don Fisher, Vice Chairman
Pat Hunt (for Commissioner Allen)
Representative Thelma Buchholdt
Ken Humphreys (for Myrt Charney)
Paddy Moriarity (for Frank Flavin)
Ken Kareen (for Pat Hunt)
Lynda McCurry
John Pugh
Ken Spray
Niel Thomas
Pat Murphy

OTHERS IN ATTENDANCE

Darlene Howard

02-001B

STATE
of ALASKA

MEMORANDUM

TO: Blue Ribbon Commission on the Personnel Act
Chairman: Senator Bill Ray

DATE : 27 January, 1979

FROM: Daniel DeNardo
Revenue Auditor
Department of Revenue
Anchorage Office

SUBJECT: Violations of Personnel Rules and State Law

I would like to thenk the Blue Ribbon Commission on the Personnel Act for the opportunity of addressing them on serious violations of the State Personnel Rules that have been and are now taking place in the Department of Revenue.

My name is Daniel DeNardo and I am employed as a revenue field auditor by the Department of Revenue. I have been employed by the department since 1974 with a break in service for the period April-October 1978.

I have direct knowledge of the facts I will present and they are all documented. The Blue Ribbon Commission presents a unique opportunity that insures action will be taken to correct the grave violations that have been perpetrated. The scope of the facts presented will be confined to those people still employed by the Department of Revenue.

Case No. 1. In 1975 when the Department of Revenue was located at 509 3rd Avenue, a business license number 56874 was taken out under the name Aardvark Interiors of Alaska. The applicants were Larry Williams, Louis E. Nelson, and Mrs. Donna Crawford. All three were revenue auditors.

Mr. Nelson and Mrs. Donna Crawford are sto;; employed by the Department of Revenue in the Petroleum Revenue Division.

The purpose of the business license was to allow the principals of Aardvark to award themselves a contract for remodeling work of the audit division office at 509 3rd Ave. The remodeling was performed by Aardvark and reimbursement was granted by Gary Jenkins, Audit Director.

No prior approval by the Commissioner of Administration was granted. These actions are in violation of Rule:
13.15-Purchases of Commodities and Services
13.16-Conflicts of Interests
13.18-Penalties
13.18.1-Action to be taken by the Director
11.05.1-Dismissal for violation of Rule 13

In these violations there was complicity upon the part of management and full knowledge of the personnel rules violated.

Mr. Williams has left State employment but Mr. Nelson and Mrs. Crawford are still employed by the Department of Revenue in the Petroleum Tax Division.

Case No. 2. Mr. Louis E. Nelson and Mrs. Donna Crawford continually violated State personnel rules by leaving the State Revenue office for extended periods on unofficial business. Many times these extended periods were spent consuming alcoholic drinks at various bars .

These numerous and continual violations also included returning to the State office in an intoxicated condition both during and after business hours.

These violations have occured over an extended period of time since 1975 and still continue.

These facts were brought to the attention of the Department of Revenue at a grievance hearing in March 1978 in the Diane Painter vs. Louis Nelson case. Mr. John Messenger, Deputy Commissioner of Revenue was in attendance.

Case No. 3. Mr. Nelson was in violation of State of Alaska and Federal law by keeping a secret file on Mrs. Diane Painter. Mr. Messenger so informed Mr. Nelson at the March 1978 hearing. Mr. Nelson was given a new supervisory position in the Petroleum Revenue Division.

Case No. 4. On an audit trip to California in the summer of 1976, circumstances led to the cancellation of a scheduled audit which Mr. Nelson did not report but instead took a weeks leave before proceeding to Los Angeles for the next scheduled audit. Mr. Nelson applied for and received perdiem and never submitted a leave slip.

This is a violation of the fraud Statutes and Personnel Rules.

Case No. 5. Gross violations by revenue auditors and management in the fraudulent misuse of travel funds have come to my attention. Because of the location of the records in Juneau, I do not have access to them. I would be willing to sit with the Commission and share what I know.

The grave abuses and violations I have presented are known to the management of the Department of Revenue in particular Mr. Gary Jenkins-Director of Audit, Mr. Thomas Williams-Director of Petroleum Revenue, Mr. Mike McCormick-Director of Enforcement, and Mr. John Messenger-Deputy Commissioner.

It should be reprehensible to the citizens of Alaska that an agency given the responsibility of enforcing law should be operating on another set of principles.

With the sensitivity of the whole subject of taxes, our Alaskan citizens deserve principled, unbiased, and lawful service from those hired to serve them.

The few because of their position have put the Department of Revenue in an untenable position of enforcing the law while those in command ignore and violate the law.

Attached are memos.

Daniel DeNardo

MEMORANDUM State of Alaska

TO: Thomas Williams
Director, Petroleum Revenue Division

DATE: January 19, 1979

FILE NO:

TELEPHONE NO:

FROM: Daniel DeNardo
Revenue Auditor I

SUBJECT: Inquiry to Correct Personnel Rules Violation

This Memorandum is a request for a meeting to discuss the action to be taken in rectifying the placement of an individual in our Division who has seriously violated State of Alaska Personnel Rules while employed by the State Department of Revenue.

02-0018

STATE
of ALASKA

MEMORANDUM

TO: Daniel DeNardo
Revenue Field Auditor I
Petroleum Revenue Division

DATE : January 22, 1979

FROM: Thomas K. Williams TKW
Director
Petroleum Revenue Division

SUBJECT: Your Request for a Meeting about Personnel Rules Violations

Your memorandum of January 19th presents allegations of serious misconduct on the part of someone in this division. However, you do not indicate who the alleged miscreant is, nor do you indicate the nature of the conduct which you assert to have been in violation of the State's personnel rules. Thus, while I do not wish you to underestimate the gravity of my concern in this matter, yet no clear course of action presents itself for me to take because of the unspecific nature of your memorandum.

On the one hand, if the misconduct has been by someone under Lou Nelson's supervision, you should raise this matter with him as your immediate supervisor, since that is the standard procedure under both the personnel rules and prudent management. The importance of talking with Lou is even greater if Lou is the person you are referring to in your memorandum. Communication in an employee-supervisor relationship is the most effective means of resolving differences in opinion, managerial style and other matters of personal incompatibility. If this fails and no resolution of such differences can be achieved through discussions with the supervisor, then is the better time to bring the difference to the attention of the supervisor's supervisor. For the higher echelon supervisor to perform his own tasks effectively, it is imperative that he ordinarily work through, not around, his subordinate supervisory staff.

On the other hand, if the misconduct has been by someone outside Lou's supervision, then you are correct to come immediately to me. If this is in fact the case, I would appreciate your giving me another memo, going into more specific detail about the misconduct. Then I can discuss it with you further in a meeting before deciding what course of action I should take.

Thank you for bringing the matter to my attention.

TKW

January 26, 1979

Tom Williams
Director, Petroleum Revenue

Dan DeNardo
Revenue Auditor

This is a response to your memo of January 22, 1979, and our conversation in your office the morning of January 24, 1979.

The course of action subscribed to by me was a confidential meeting. You chose to ignore this request as you did my verbal request for a meeting on October 23, 1978. The October 23, 1978, request was explicitly in reference to Mr. Nelson.

Your insistence on perceiving my requests as a problem of personal incompatibility is to ignore the allegations of personnel rules violations of a serious nature. To discuss and seek amendment of the violations with the violator is not my responsibility. That responsibility is explicitly given to the Director of the division.

Your comment to me in your office on January 22, 1979, referencing "Aardvark" indicated to me that you already knew about Mr. Nelson's and Mrs. Crawford's violations of the personnel rules which were of a serious nature.

Mr. Messenger should be aware of Mr. Nelson's violation of the personnel rules with regard to an employee's privacy under Federal and State law since both Mr. Messenger and of course, Mr. Nelson, were in attendence at the hearing on that and various other violations which culminated in the total reinstatement of Diane Painter.

Discussion at the hearing also focused on Mr. Nelson's and Mrs. Crawford's unauthorized absences from their place of duty while employed as tax auditors by the Department of Revenue.

It is not a case of the violations not being known, but rather a case of the failure of appointed officials to carry out the rules and regulations in an unbiased manner.

The Department of Revenue should be above reproach if we are going to enforce our Statutes and maintain compliance of the law. As public employees, this is a large part of our responsibility to the citizens of Alaska.

January 27, 1979

DEPARTMENT OF NATURAL RESOURCES STATEMENT

TO THE BLUE RIBBON COMMISSION

ON STATE EMPLOYMENT ACT

Ladies and gentlemen of the Blue Ribbon Commission,

As a representative of the Alaska Department of Natural Resources, I appreciate this opportunity to discuss two items of critical concern to both the Commission and to the Department: state hiring procedures, and the use of temporary positions. My statement will attempt to identify some of the concerns that program managers within a line agency have, and which we feel should be taken into account in this committee's deliberations and recommendations that may be made regarding changes in State Personnel Act legislation. I will identify suggested courses of action which we think would help alleviate some of the problems that have been presented to this committee and which will still allow us to accomplish the many and varied programs that we as managers are hired to do. There are several other line program managers from the Department of Natural Resources in attendance here today who may be able to answer specific questions you may have at the end of this statement.

It is important that this Commission make recommendations which retain sufficient flexibility in the hiring system to allow the program manager to make the choice as to which person he wants to hire to do the job that he or she is responsible for. In order to accomplish this, current state hiring procedures require revisions. We recommend that the Commission consider the following changes in hiring procedures:

1. That applicants no longer be ranked on hiring registers. Applicants should meet certain minimum qualifications to get on the register, but then the program managers should be allowed to select whoever they feel best qualified for the particular vacancy's responsibilities.

2. Establish a review panel for each professional job class. The function of the panel would be to establish criteria for the job class and to hear appeals from individuals denied certification by the normal process. Individuals who are not certified as being qualified for that job class would have the ability to appeal the decision of the analyst to the review panel. The panel could consist of approximately five individuals: two representatives from the Division of Personnel, specifically the Personnel Analyst responsible for certifying eligible candidates for that job class, and the personnel supervisor responsible for that job class; two representatives either working in that job class within State government or in a similar position in the private sector; and a representative program manager who supervises people in that job class.

3. Permanent fulltime probationary personnel should be evaluated in writing on their job performance quarterly for the length of their probationary period. Quarterly evaluations will assist the program manager in determining if the new employee can perform as needed.

January 27, 1979

DEPARTMENT OF NATURAL RESOURCES STATEMENT

TO THE BLUE RIBBON COMMISSION

ON STATE EMPLOYMENT ACT

Ladies and gentlemen of the Blue Ribbon Commission,

As a representative of the Alaska Department of Natural Resources, I appreciate this opportunity to discuss two items of critical concern to both the Commission and to the Department: state hiring procedures, and the use of temporary positions. My statement will attempt to identify some of the concerns that program managers within a line agency have, and which we feel should be taken into account in this committee's deliberations and recommendations that may be made regarding changes in State Personnel Act legislation. I will identify suggested courses of action which we think would help alleviate some of the problems that have been presented to this committee and which will still allow us to accomplish the many and varied programs that we as managers are hired to do. There are several other line program managers from the Department of Natural Resources in attendance here today who may be able to answer specific questions you may have at the end of this statement.

It is important that this Commission make recommendations which retain sufficient flexibility in the hiring system to allow the program manager to make the choice as to which person he wants to hire to do the job that he or she is responsible for. In order to accomplish this, current state hiring procedures require revisions. We recommend that the Commission consider the following changes in hiring procedures:

It is my opinion that many of the problems and abuses of temporary hires stem from the current hiring procedures that many times do not allow program managers to hire the people they feel are best qualified to do the work. Therefore, by taking care of these state hiring procedures problems, we will also go a long way toward solving the problems associated with temporary hires in state government.

I have the following recommendations regarding temporaries:

1. They should be hired from the unranked registers (as described above.)

2. The State should provide full fringe benefits for temporaries.

3. A category of project temporaries should be established to be used for carrying out one-time, limited duration tasks with a maximum duration of 36 months. These positions should be used for specific tasks mandated by the legislature or the federal government.

4. Temporaries should be able to work up to a maximum of nine months.

I recognize that there have been cases of temporary hire abuse in the past. However, these abuses can be most effectively dealt with at the departmental or program manager level rather than making sweeping changes in procedures and rules because of isolated cases of abuse.

CONCLUSION

In summary, I feel that there are revisions in state hiring procedures and in the use of temporary employees that should be made to make the system more equitable to the employers, the employees, and the taxpayers of the State of Alaska. I have identified some of these recommendations in a general way in this statement, but recognize that much more work and review is needed. Since any proposed revisions of the State Personnel Act will have a profound impact on our ability to accomplish our job, I suggest that future position papers/draft proposals be circulated within state government for review and comments. Thank you for your time and attention.

Statement presented by Al Carson, Deputy Director, Division of Lands

January 27, 1979

WORK SESSION SUMMARY
CATEGORIES OF EMPLOYEES SUBCOMMITTEE
Anchorage, January 26 & 27, 1979

The following are points raised in response to an APEA proposal passed out at the meeting (copy attached):

POINTS RAISED

1. Restricting temporary employment time to 60 days would be too restrictive on departments. A more appropriate solution would be to audit departmental use of temporaries.

2. Legislative finance committees should be informed of the problems inherent in using temporaries, so that they will be willing to create additional permanent positions.

3. The Department of Health and Social Services' policy on hiring temporaries was discussed. A subcommittee will review the policy and make a presentation. Appointed to the subcommittee were John Pugh, Lynda McCurry and Ken Humphreys. In the review, the subcommittee should research the possibility of requiring that temporaries be assigned salary ranges comparable to those assigned to similar permanent classifications.

4. There was discussion of the effects of Kelly vs. Hammond: What effect will the case have on legislative authority? Can the legislature require that departments create and fill permanent rather than temporary positions? Ken Humphreys will research the question and report to the subcommittee.

5. There was discussion on problems within the CETA program. CETA employees are being used by the state as an inexpensive work force. However, under federal regulations, CETA's cannot replace permanent employees. A letter was received from Jean S. Conway dated January 8, 1978 (copy attached). Also attached is a copy of CETA regulations.

The subcommittee adjourned and reconvened on Saturday afternoon. The following are motions adopted:

MOTIONS ADOPTED

1. Pat Murphy moved that the subcommittee recommend legislation on temporaries be introduced this session. The motion was adopted: One member opposed.

2. Don Fisher moved that the subcommittee shall recommend that a maximum time limit be required on temporary employment. The motion was adopted: Two members opposed.

There was discussion on the question of whether the Commission should recommend modification of the Collective Bargaining Act. It was decided that subcommittee proposals should be presented as joint legislative resolutions to have the effect of a policy statement, except where statute amendment is clearly

necessary.

3. Don Fisher moved that all temporaries shall be hired from eligibility lists (registers). The motion was adopted: One member opposed.

4. Pat Murphy moved that the number of temporaries shall be limited to 10% of the previous fiscal year's man-months worked, based on permanent classified positions within each department. The motion was adopted. Three members opposed.

Paddy Moriarty amended the motion that the number of temporaries shall be limited according to future figures, after futher research. The amendment was adopted. Three members opposed.

5. Representative McKinnon moved that the subcommittee shall adopt a resolution to support the bill sponsored by Senator Ray on retroactive retirement benefits for permanent employees for prior temporary employment. The motion was adopted. Two members opposed.

6. Pat Murphy moved that the subcommittee shall adopt a resolution to support legislation introduced in the Senate recommending health insurance benefits for all employees after 30 days in service with the State of Alaska. The motion was adopted. Two members opposed.

DISCUSSION

The subcommittee discussed requiring Division of Personnel authorization before any department could hire a temporary. Justification for hiring a temporary rather than a permanent employee would be required, as is currently required by the Department of Health and Social Services. Pat Hunt and Ken Kareen will present their evaluation of the proposal at a later subcommittee meeting.

The subcommittee work session was chaired by Representative McKinnon.

Ombudsman

MEMO

Date: January 26, 1979

To: Members, Blue Ribbon Commission on the Personnel Act

From: Paddy Moriarty
Deputy Ombudsman

Subject: Ombudsman position on APEA's 1/22/79 proposal

At the meeting of the Subcommittee on Categories of Employees this morning, it was requested that Subcommittee members express their agreement or disagreement with an APEA recommendation of January 22, 1979, proposing specific statutory changes.

For the record, the Ombudsman is in support of this proposal (See Mr. Flavin's January 11 memo attached). Mr. Flavin would prefer that the APEA proposal #2 read: (6) the procedure for certifying eligibles to any position in state service other than interim or emergency positions.

The specific language in APEA's proposal #3 and #4 may need some further review, but in substance and intent it has Ombudsman support. Perhaps an administrative appeal mechanism could be devised to address those few exceptions mentioned at this morning's meeting which do not fall within language in #3 or #4. It will not be possible to draft these sections to encompass each set of meritorious special circumstances.

Attachment

Ombudsman

MEMO

Date: Jan. 11, 1979

To: Interested Folks

From: Frank Flavin

Subject: Eliminating the concept of temporary employees

1) add to AS 39.25.150 (6) so it reads:

(6) the procedure for certifying eligibles ~~for~~ to any positions in the state service other then interim or emergency positions.

OR

(6) the procedure for certifying eligibles for full-time, part time, project or seasonal positions in state service.

2) Expand AS 39.25.150 (8) to read:

(8) emergency appointments to positions in the state service for a period not to exceed thirty days, made under conditions necessitating immediate action to provide for carrying on work that must be continued in the public interest. Successive emergency appointments or more than three emergency appointments for one person within one calendar year are prohibited.

3) Eliminate reference to temporary and seasonal appointments in AS 39.25.150 (9) and replace it with an interim appointment concept:

(9) interim appointments to positions in the state service for a period not to exceed sixty days, made where appropriate eligible lists are unavailable. Successive interim appointments to the same position are prohibited. No position in the state service shall be filled through ~~an~~ interim appointments for a period in excess of sixty days. Interim appointments may be made without competitive examination.

4) Repeal AS 39.25.150 (10) dealing with provisional appointments.

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.

WORK SESSION SUMMARY
MERIT SYSTEM/COLLECTIVE BARGAINING SUBCOMMITTEE
Anchorage, January 26, 1979

The subcommittee discussed recommending the following to the Commission:

RECOMMENDATIONS

1. Creation of a new department composed of the Division of Personnel and Labor Relations. This would ensure that the Governor would receive prompt notification on Labor Relation's activities, since there would be a Commissioner in his cabinet. The state of Wisconsin has adopted such a system. The subcommittee will consider whether to make a formal recommendation after hearing from a representative from Wisconsin at the conference on February 6.

2. Composition and duties of Labor Relations, the Personnel Board and the Retirement Board. The Labor Relations Agency has no permanent staff and relies on the Labor Relations section to provide support. Its workload is increasing, and a need for permanent staffing has been indicated. The Personnel Board meets only two or three times a year and is not very busy.

Ken Humphreys will research bills from the last two legislative sessions on the creation of a full-time Labor Relations Agency. He will also compile examples of Labor Relations Agencies in other states and in federal government.

The subcommittee work session was chaired by Don Fisher, upon the request of Representative Buchholdt, Chairperson.

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Capitol Building, Juneau
January 10, 1979

MINUTES

Senator Ray, Chairman, called the hearing to order and invited public testimony.

PUBLIC TESTIMONY

Ivan Lewis, Record and Archives Center Manager, presented testimony concerning problems he has experienced in having his position reclassified and his salary range upgraded. He believes that his classification should be placed in the supervisory unit, in accordance with job responsibilities. Mr. Lewis, under direction of the State Archivist, is responsible for managing the entire Center and supervising Record Handlers. Mr. Lewis' position is at the same range as that of a Records Analyst II, but he must be knowledgeable in the duties of a Records Analyst III to function on a day-to-day basis (attached is the Division of Personnel's job description for Records Center Manager and Records Handler, pertaining to Mr. Lewis' testimony).

Since 1972, Mr. Lewis has been submitting P402's to the Division of Personnel explaining the responsibilities of his position and justification for reclassification. The most recent submission was a total of eight pages, describing his supervisory functions and all other aspects of managing the center. The paperwork was approved by John M. Kinney, State Archivist, and received by the Personnel Department in July, 1978. By October, it reached Carolyn Hinkey, an employee in the Classification and Pay Section of the Division of Personnel. Mr. Lewis pointed out that Ms. Hinkey is a Registered Nurse, but because of general educational requirements, she has been classified as a Register Analyst III. Ms. Hinkey and Mr. Lewis frequently discussed the subject of his reclassification, and Ms. Hinkey eventually requested information on other comparable positions. Mr. Lewis supplied her with information on positions within other states, which were at much higher salary ranges. He also provided detailed information from Robert Martin, President of the Anchorage Records Center, in writing. Mr. Lewis' responsibilities are the equivalent of Mr. Martin's, the only exception being accounting functions which Mr. Martin handles. The state's range 21 would be the equivalent of Mr. Martin's salary.

On January 1, Mr. Lewis was informed by the Division of Personnel that he was reclassified at range 15 at longevity step "J". Mr. Lewis' response to this was discouragement. He has been in this professional position for eight years, yet is being compared to a Mail Run Supervisor. Mr. Lewis stated that Ms. Hinkey misquoted information on comparable positions, and she flatly refused to take information received into consideration. He was told that he should be satisfied with a one step

increase even though his range is below that of a Central File Clerk at range 16.

Senator Ray asked Mr. Lewis how long it would take to retrieve a normal record from the center. Mr. Lewis responded that it would be done within five minutes and that he directly supervises three employees responsible for receiving, classifying controlling and storing a variety of office records. The files are organized according to needs and systems are audited regularly. All records entering the center must be inventoried daily. Mr. Lewis and two other employees are authorized to handle security files.

Mr. Lewis mentioned his concern about testifying, stating that he had testified before the legislature in 1976. Following his testimony, he submitted a P402 for a salary increase. It was recommended that his position be downgraded two steps. Commissioner Allen questioned the topic of his testimony before the legislature. Mr. Lewis responded that it was in regard to Executive Order 28, on dividing the archives and placing records under Surplus Property.

Senator Ray asked how many employees were involved in the center's operation. Mr. Lewis replied that there are four people who pull and hand deliver files. The central mail system is not used because of the records' importance. Senator Ray asked if there was an active file retention system. Mr. Lewis responded that files are kept active for six months before going into dead storage and that 2,000 searches are done every month.

Mr. Lewis stated that he had tried to bring this matter to the attention of Pat Hunt, but a Personnel Officer refused to give him permission, even if he took a day of annual leave. Pat Hunt responded that he is concerned about the testimony heard. He stated that Mr. Lewis is apparently responsible for heavy supervisory duties and that he should be compensated accordingly. He suggested that there was a discrepancy between what his functions are and how they have been recorded. Mr. Lewis informed the Commission that all the correspondence he received was signed by Mike McMullen, Chief of Classification and Pay. Mr. McMullen reports to Ken Kareen, who reports to Pat Hunt. Senator Ray commented that the problem should have been brought to Pat Hunt's attention. Pat Hunt asked if Mr. Lewis had spoken with the director of his division. Mr. Lewis stated that he was sent to the Deputy Director, who responded in a negative manner. The matter has since been turned over to APEA.

Greg O'Claray pointed out that it is not the Commission's function to become involved in grievances. Senator Ray responded that it is a concern to maintain an open door policy in all departments. Commissioner Allen concurred.

Mr. Lewis mentioned another problem regarding the elimination of a Micro Film Operator III position. It should be classified at a manager level, and upgrading of the position has been stopped in Classification and Pay. Because of a budget cut of $3,000, the center would be unable to fill the position even if it were classified at a higher range. Mr. Lewis continued, stating that the position could have been filled if the Division of Personnel had acted within six months in reclassifying to a management level. Senator Ray pointed out that if the Finance Committee doesn't hear justification for the existence of a position, it will be cut.

Commissioner Allen stated that he had heard a different version of the story: The Micro Film Operator position was advertised, without any response. Mr. Lewis stated that there had been a response and that if the specifications had been completed for the management reclassificatuon, the applicant would have qualified. There are three individuals employed by the state as Micro Film Operator III's who would seek a management position in that field. This ended Mr. Lewis' testimony.

Bruce Kindred, a temporary employee with the state, suggested that the Commission should recommend that court leave be made available to temporaries. The Personnel Rules state that temporary employees hired for periods of less than 12 consecutive months are not eligible to receive compensation for time spent on jury duty. Section 4 of Article 29 of the APEA contract provides that employees who are called to serve as jurors or subpoenaed as witnesses shall be entitled to court leave. The contract defines the word "employee" as a person in state service who is paid a salary or wage and holds probationary, permanent, or provisional status. The Division of Labor Relations has refused to interpret the definition to include temporaries.

Mr. Kindred pointed out that after being on active jury duty for one week, he lost a sizeable portion of his salary, even though minimally compensated by the court system. He feels that serving on a jury is a civic responsibility and that temporaries should not be treated differently from permanent employees.

Senator Ray suggested that the Commission should recommend that this section of the law be changed. Niel Thomas responded that this might also be applied to military leave for reserve members. Senator Ray pointed out that one chooses to enter the reserves. The question was referred to the Category of Employees Subcommittee.

Don Kinderis, an Alaskan resident, presented his problems in trying to obtain work with the state for over two years. Prior to his relocation to Juneau, he owned a business in mechanical systems balance for commercial enterprises. This work involved knowledge of building mechanics and engineering.

Mr. Kinderis has been on 28 registers during the past two years and is number one on several. He has never had an interview. On many occasions, he has received notification of interviews

two or three days after the date of the interview. In some instances, classifications that he has been registered for have been eliminated.

Pat Hunt stated that vacant positions should be sought out by individuals. Often, applicants are unemployed for so long that they are extremely agressive in presenting themselves to prospective employers. He suggested that Mr. Kinderis let the departmental personnel offices know of his availability. He emphasized that the Division is responsible only for sending out registers, and that Mr. Kinderis should find out who is looking for employees by stopping by the Division to look at the lists of vacant positions.

Mr. Kinderis mentioned that he knows many people in the design management and energy conservation fields working for the state. He is listed as number 8 out of 24 applicants on the register for Design Manager I, but there are no others in the state with his level of expertise in mechanical systems balance. He is aware of Building Manager Specialist I, II and III positions that have been open in the state, but he has never been notified or interviewed.

Commissioner Allen asked Mr. Kinderis if he knew whom to speak with in the appropriate divisions where the openings had occurred. Mr. Kinderis responded that he knew of one in the Division of Public Works or Buildings. After going to the Division of Personnel and presenting his problems, he never received a response or the service he expected. He has even been sent to the wrong locations at times. Frank Flavin stated that he has seen this type of problem while working in the Ombudsman's Office. It happens because departments are not required to interview each applicant within the top five on a register. Ken Spray noted that because Mr. Kinderis had been on the top five of numerous registers for some time, program managers are probably avoiding any contact with him, believing that he has been judged an undesirable employee.

Pat Murphy stated that an applicant should not have to be an aggressive job seeker to find a position. That would be losing track of the entire register concept. He believes that each of the top five applicants should have the chance to be interviewed. A prospective employer can get a much better perspective of an applicant through a personal interview.

John Pugh interjected that the Department of Health and Social Services is interviewing applicants on the registers in chronological progression, starting with number one. The interviewing process continues until an applicant is hired. He believes that this should be a state requirement.

Niel Thomas questioned Mr. Kinderis on the times he had received notification of interviews too late to be able to attend: Could the delays be attributed to RCA or the postal system? Lynda McCurry responded, stating that there are serious delays in deliveries made by both. Mr. Thomas suggested that either calling applicants or giving them more time to respond would solve the problem.

Frank Flavin pointed out that program managers have previously testified that registers are not valuable because individuals have been on registers for long periods of time and are therefore not qualified for positions. Mr. Kinderis has presented another side of the situation. Senator Ray stated that someone is needed within the Division of Personnel to follow through on service to applicants. Commissioner Allen supported the concept that all five applicants should be offered interviews and that sufficient time should be given for response to notification of interviews. The departments should not rely on RCA or the postal system.

Frank Flavin added that these matters could be handled much faster if the Department of Administration had a grievance person or trouble-shooter. Not all employees or applicants are aware of the concept of the Ombudsman's Office.

Ken Spray brought up the subject of the state paying travel expenses for initial interviewing of applicants. He related examples of non-residents being brought to Alaska at the state's expense to fill high-level positions. John Pugh suggested that one way to avoid travel expenses would be to use outside locations: There is a need to encourage departments to hold interviews state-wide. One particular complaint is that Anchorage residents are never considered for positions in Juneau.

Niel Thomas suggested that telephone interviews could be a solution, especially for rural residents and where there are no staff members to handle interviews in isolated locations. This would eliminate paying for transportation until an initial screening process had been completed.

Ken Spray responded that, because of Local 71's experiences, he believes initial telephone interviews to be an exercise in futility. John Pugh stated that an individual has the right to be interviewed at least by phone.

Senator Ray commented on the tendency to believe that the Division of Personnel is the "bad guy", responsible for the system's problems. The Division's functions are entirely different from what is generally understood by the public.

Frank Flavin stated that when departments avoid filling vacancies, the Ombudsman's Office receives complaints from applicants not being interviewed. If there was a requirement to interview the top five, the Office would lose this indicator. Commissioner Allen responded that an applicant would be able to distinguuish the difference between a cursory and a meaningful interview. Pat Murphy suggested that a written record of interviews be maintained consisting of general comments and reason for not hiring. Senator Ray concurred that some type of procedure would have to be implemented to justify not hiring. Commissioner Allen commented that the summaries would be the subjective opinions of each interviewer and that putting this information on the register or within the applicant's personnel file would be unfair to the applicant.

Mr. Kinderis suggested that mandatory interviewing of the top five with a short evaluation given to the person being interviewed as a possibility. There would then be an understanding reached when the applicant is not hired.

Commissioner Allen suggested that frequently, when a name is on a register for long periods of time, an interviewer's attitude toward that applicant may be negative before an interview actually takes place. This may have been Mr. Kinderis' problem in finding employment.

Niel Thomas discussed the possibility of supplying a written explanation for not hiring, which would be available to the applicant upon request. This could be based solely on job requirements and an applicant's qualifications. It would do away with paperwork and complaints.

Ken Spray indicated that with Local 71's preferential hiring system, the union contract specifies that the employer must present justification to both the union and the applicant for not hiring. This justification points out an applicant's strengths and weaknesses for future reference. Mr. Spray elaborated that the public looks upon the Division of Personnel as a service-oriented agency. However, the initial concern of the Division is to provide management with positions.

Frank Flavin stated that when discrepancies or problems are brought to the Division's attention, they respond well. The audit and grievance role has not been emphasized and some type of monitoring system should be initiated. Senator Ray concurred that someone should be placed within the Division to monitor the operational procedures to see that people and registers are treated fairly.

Pat Murphy suggested that the audit function be assigned

to an outside group, thus ensuring compliance with set guidelines. Commissioner Allen stated that he would like to be in a position to receive complaints within the Department before they are brought to the attention of other agencies.

John Pugh expressed his belief that the audit and grievance functions are very important within private businesses and are treated accordingly. He recommended the creation of a proper audition role. Pat Hunt stated that people represented by unions have adequate means of representation. Senator Ray disagreed, stating that representation is only adequate after a complaint has been filed.

Pat Murphy asserted that APEA cannot, at this time, provide representation until a complaint is filed with them. Senator Ray agreed that action can only be taken after the fact by these agencies. Therefore, an active monitoring system is needed. Ken Spray pointed out that the option of filing grievances and going into binding arbitration is open to employees. He added that Local 71 has represented individuals neither employed by the state nor members of that union. Some are reluctant to pursue grievances. Niel Thomas suggested that case-by-case review of past grievances could possibly identify a number of problem areas, which would be helpful in devising recommendations.

Commissioner Allen commented that the discussion had not focused on a solution. He asked if requiring all top five eligibles be interviewed was something the Commission would like to implement. Senator Ray responded that specific recommendations be drafted and prepared for presentation at the next meeting in Anchorage. Commissioner Allen agreed to consider implementing a pilot program requiring interviews for all top five applicants on registers.

Jim Donner, a temporary Correctional Officer at the Lemon Creek facility, testified regarding his reactions to the state's hiring system. He finds that there are insufficient opportunities for temporaries to fill permanent positions. The time it takes to be tested and to have an application processed is a deterrent to applying for permanent positions. Mr. Donner, after working as a temporary in many departments, is an advocate of Local 71's preferential hiring system.

On one occasion, Mr. Donner was hired in an emergency situation, worked for two weeks and was then hired as a temporary. One month later, he was informed that he owed the state money because he had been overpaid. The money he was offered initially was an inaccurate figure, and he was forced to pay the difference back.

Mr. Donner has been a temporary at the Lemon Creek Facility three times in the past, as a Correctional Officer and as a Chief Steward. Each time, he has been paid at an entry-level range 13, while others in the same permanent positions were at much higher ranges.

Mr. Donner believes that Division of Personnel's tests are discriminatory and do not relate to actual job requirements. Too much emphasis is placed on educational requirements and vocabulary testing. He stated that tests should be based on job descriptions and the actual duties to be performed in each class.

Senator Ray asked if the educational requirements are too high, or if there is too much emphasis placed on requirements rather than experience. Mr. Donner responded that enty-level requirements and credit for experience are fine. Sometimes, credit is not given for experience in particular positions. Pat Hunt explained that the Division of Personnel has created many substitutions for requiremerts and that the Division develops tests from descriptions supplied by departments. Lynda McCurry added that personnel officers have direct input into the makeup of examinations. Mr. Donner expressed his concern that educational requirements are particularly rigid for women and that the entire application and evaluation process is time consuming. Applicants are not given sufficient time to respond to notification of available positions and registers are circumvented continually.

Senator Ray asked if there is some type of pool of permanent employees within the state to fill in when the need arises. This would be particularly useful in supplying an employer with someone while in the process of filling a permanent position.

Dan Haynes, an employee with the state for ten years, testified concerning his recent termination for insubordination. He explained that there was a personality conflict with his supervisor and that he was not recommended for rehire on his evaluation. As a result, he must work for six months as a temporary or in the private sector before he is eligible for testing and placement on registers. Mr. Haynes pointed out that if he were able to work for another six years, he would be able to retire.

Senator Ray asked if a supervisor has the authority to recommend on a termination evaluation that an employee not be rehired. Ken Spray replied that it is possible. Niel Thomas questioned if this meant that the individual's name would be removed from all registers. Senator Ray asked if the decision could be appealed. Pat Hunt replied that it is grievable and that most often, a terminated employee will not be recommended for rehire for a

certain period of time. Commissioner Allen asked why, if Mr. Haynes had been terminated in June, he could not be placed on the registers again, since the time limit had expired. Mr. Haynes responded that he is not eligible because the rule requires that an individual be employed for six months before being considered for rehire.

Senator Ray pointed out that not recommending rehire within the same department would be reasonable, but on a state-wide scope it isn't. Mr. Haynes said that his union did take the matter to the Commissioner's level and then recommended no further action. Ken Spray stated that Local 71 has, in some instances, negotiated "not recommended for rehire" into "voluntary termination". However, clear-cut insubordination is a different story.

Senator Ray expressed concern that one supervisor can stipulate that an employee not be rehired statewide for a certain amount of time. Commissioner Allen agreed that this option should not be used lightly, but said that it seems inconsistent for the state to be able to rehire immediately as a temporary.

Senator Ray suggested that cause for termination should be clearly documented. Frank Flavin stated that he could see no reason for removing an individual from the registers, but did see the need to explain the termination. Niel Thomas pointed out that in state service, everyone has the right to see their written performance evaluations. Ken Spray added that an employee has the right to a rebuttal of any evaluation which is to be included in a permanent employee file. Senator Ray suggested that employee evaluations be reviewed at interviews. He asked if record files follow an employee from job to job. Pat Hunt responded that the Division of Personnel has master files which are maintained for the duration of employment with the state. Departments maintain personnel files for a period of six months, after which they are sent to the Archives Center for storage. Commissioner Allen stated that many employees wish to see evaluations on past performance and that they can be pulled from Division of Personnel's files for review.

Don Kinderis testified again. Three years ago, he worked for the Department of Fish and Game. After ten weeks, he was informend that there was insufficient work to keep him on, and he was dismissed. Two years later, he received a copy of his evaluation, which he had requested many times. The evaluation, dated the day he left, stated that he had too many personal problems to be a state employee and did not address the quality of his work. Mr. Kinderis believes that this information is on his record and is one reason that he has been unable to find a job. Mr. Kinderis explained that his supervisor disliked the fact that he had his own methods of performing his duties, des-

pite the proficiency he displayed. Mr. Kinderis had not seen the evaluation before it was mailed to him, had never signed it and was offered no reason for why it was not discussed at the time of his dismissal.

Senator Ray suggested that this would be a good reason for considering a trouble-shooter or auditor within the Division of Personnel to look into these matters. Don Fisher stated that an evaluation should be made available before an employee leaves a position as well as a statement of the reason for dismissal. Commissioner Allen requested that Mr. Kinderis see Ken Kareen to discuss the discrepancies between his evaluation and the reasons he was given for dismissal.

COMMITTEE BUSINESS

NCSL Conference

Don Fisher brought up the subject of an honorarium for Dr. Couturier. Frank Flavin made a motion that the Commission approve the honorarium in the amount of $500.00. Don Fisher added that Dr. Couturier might come for less. The motion was adopted for an honorarium in the amount of $500.00. Senator Ray and Greg O'Claray opposed. Pat Hunt asked why Wisconsin and Minnesota speakers were chosen to present their state personnel procedures. Don Fisher explained that the two states had recently revised their personnel structures and can offer innovative alternatives for the Commission's consideration.

USCSC Meeting in Washington:

Terry Cramer advised the Commission that there will be a meeting of the USCSC in Washington. NCSL is a co-sponsor and would like to invite three Commission members to attend. Senator Ray appointed himself, Greg O'Claray and Pat Murphy to represent the Commission. Niel Thomas also expressed a desire to attend the meeting at his own expense.

Commission Expenses:

Senator Ray stated that he wishes to be advised of anticipated unusual travel expenditures for Commission members (i. e. car rentals). The Chair or the full Commission must approve those expenditures prior to incurring them.

Subcommittee Reports:

John Pugh recommended that the subcommittees prepare reports to use in drafting the Commission's report to the legislature. The Commission agreed to hold a work session in Anchorage on

January 26 for individual subcommittees to prepare recommendations. Senator Ray directed the staff to use the postal service directly to send out summaries and material needed for the next meeting to members in Anchorage.

Niel Thomas asked whether the Commission will request continuation. Senator Ray pointed out that the work of the Commission is in its formative stages, and the Commission should justify its existence by presenting an initial report to the legislature.

PUBLIC TESTIMONY

Kit Stewart, a Finance Officer with the Department of Environmental Conservation, expressed her satisfaction with the state's hiring procedures. One problem that she has encountered is that an employee within the department has a criminal record, which was not revealed in the individual's application.

Senator Ray responded, stating that this is a very sensitive matter. Information on criminal convictions is confidential. Pat Hunt explained that applicants' criminal records are checked when applying for positions in Public Safety or correctional facilities. Greg O'Claray stated that he could not see why it was imprortant that Ms. Stewart nave this information. Having to reveal a criminal record could lead to discrimination against the applicant. Ms. Stewart replied that the issue that concerned her was that the applicant had falsified the application form. Ms. Stewart added that, at present, it is impossible to verify whether the employee is misrepresenting facts on an application. Senator Ray questioned the relevance of this in regard to the employee's performance.

Ron McMahon, an Ecologist with the Department of Environmental Conservation, stated that job classifications assigned by the state do not relate to actual job functions. Existing classifications cover many specialized jobs in different departments. Mr. McMahon suggested that the Division of Personnel consider reclassification studies. He is presently coordinating a project review, which has nothing to do directly with Ecologists, and feels that his title should be Program Coordinator. The Division of Personnel had received the position description and said that the closest classification would be Ecologist.

Niel Thomas asked if Mr. McMahon had read the class specifications on what his duties consist of. He also questioned whether a department hiring from that register would be looking for an Ecologist. Mr. McMahon answered that he is not doing the work of an Ecologist, but must be familiar with the field.

Senator Ray commented that possibly the department is afraid to reclassify existing positions because that might result in positions being placed at lower salary ranges.

Mr. McMahon also brought up the subject of entry-level positions for Chemists. In order to qualify for a Chemist I position, an applicant must have one year of experience. There is no Chemist Trainee classification in the state.

Pat Hunt asked whether the departments would request Chemist Trainees if the class were created. Mr. McMahon stated that it would be filled, providing a career ladder for laboratory techinicians. Ken Kareen explained that the Chemist series has been examined by the Division of Personnel, and departments stated that they need experienced applicants rather than trainees.

Niel Thomas expressed the Human Rights Commission's perspective in relation to equal employment opportunity. The state should compete with private firms for recent college graduates. The lack of trainee positions is one reason why EEO practices in the state are inadequate. To compete with private firms, Mr. Thomas suggests creating a Chemist Trainee class to provide greater opportunities for women and members of minority groups.

Senator Ray pointed out that trainee positions are looked upon adversely by Budget and Management: Why train on-the-job when applicants have received training in school? Niel Thomas responded that in higher-level positions, orientation can take up to a year, even for new employees with prior experience in the field.

Pat Hunt stated that no department has requested a Chemist Trainee position, and that it would be pointless to create a classification without justification. Mr. McMahon responded that he was not the first person to make the suggestion and that a position of this type would be used in his department. Similar fields do have entry-level starting points. Senator Ray observed that one of the easiest solutions would be to rewrite minimum qualifications to allow recent graduates an opportunity to apply. The topic was referred to the Certification, Classification and Recruitment Subcommittee for review.

CORRESPONDENCE RECEIVED

Terry Cramer presented the following summaries on correspondence received:

Mrs. James L. Sumner wrote to the Commission regarding her belief, as a foster parent, that Social Workers should be considered professionals in that field. To maintain the qual-

ity of workers, Mrs. Sumner suggests that either educational requirements be increased or training after hire be closely supervised.

A concerned taxpayer wrote in regard to examinations for semi-professional positions. Examinations were described as outmoded, inaccurate, laborious and invalid, as well as not being pertinent to the actual jobs or selection of candidates. Also mentioned was the time it takes to schedule testing in Anchorage (weeks), which is held in a room with inadequate ventilation. The attitude of Anchorage employees in the personnel office was described as "very rude". The individual concluded the letter by stating that it is hoped that the Commission's investigation will result in procedures to teach these people to act as a service organization.

Marilyn Martin attached to her correspondence a copy of a letter to Governor Hammond pertaining to citizen evaluations of Commissioners. She referred to problems experienced when her position as Wage/Hour Investigator in the Resident Hire program was eliminated. Ms. Martin was assured that she would be transferred to another Department of Labor position if the U.S. Supreme Court ruled the Resident Hire Law unconstitutional. She knew of vacancies in unemployment fraud investigator classification and was on the register for Claims Investigator I. Two positions in Anchorage and Juneau were filled by other state employee transfers. A position in Fairbanks was filled by someone who may not have been a state employee. Ms. Martin was not contacted about any of these positions. She is now unemployed and questions the ethics of the situation and the follow-through of Commissioner Orbeck's policies by the Department of Labor's staff.

A copy of a memo to Jay Hammond, Governor, was received by the staff in reference to the Anchorage Field Office of the Division of Personnel. The staff was described as being rude and condescending. The author suggested that if the Commissioner insisted on courtesy, these rotten attitudes would not have existed for the past several years.

Ms. Irene Price elaborated on her testimony before the Commission on December 1. She emphasized that she spoke only on her own behalf. Ms. Price indicated that she believes communication to be a problem between the Division of Personnel and other state agencies, particularly in the following situations:

1. Initiation of tests for a given job classification without the knowledge of the affected unit.

2. Reclassification of positions without communication with the incumbent.

Dan Crevensten wrote in support of an increase in the use of part-time positions. He identified advantages for the state:

1. The use of temporary positions would be reduced.

2. There would be a better match between available positions and the amount of work.

3. Studies have shown that part-time employees have greater productivity and less absenteeism.

4. Equal employment goals could be easier to meet.

In his experience, Mr. Crevensten felt that state agencies should take into consideration part-time work. By the time an applicant interviews with a supervisor, it is too late to implement such a program.

IN ATTENDANCE

Commissioner Allen
Ken Humphreys (for Myrt Charney)
Frank Flavin
Pat Hunt
Lynda McCurry
Pat Murphy
Greg O'Claray
John Pugh
Ken Spray
Niel Thomas

ALTERNATES IN ATTENDANCE

Ken Kareen
Darlene Howard
Robert Mourant
Janet Bradley

Minimum Qualifications:

One year of experience in maintaining Minicomputer Hardware, Computer Peripheral Equipment and Telecommunications Equipment. AND Four years of experience in computer programming, systems analysis, design of telecommunications networks or system/field engineering for a computer manufacturer.

Two years of the above four years must be at the level of EDP Programmer IV, Systems Analyst II or Systems Programmer II.

Substitution: A college degree in computer science, electrical engineering, physics, mathematics or industrial engineering may substitute for up to two years of the required four years of non-specific work experience.

RECORDS HANDLER Class Code 1832-74-2
General Government Salary Range 12
Positions in: Juneau

Definition:

Under supervision of the Records Center Manager, receives, classifies, controls and stores a variety of office records.

Minimum Qualifications:

Graduation from high school or the equivalent, and two years of experience in the handling of stock, merchandise or inventory, including maintenance of records and/or reports. College education in an appropriate field may be substituted for up to one year of the required experience on a year-for-year basis.

RECORDS CENTER MANAGER Class Code 1836-79-1
General Government Salary Range 15
Positions in: Juneau

Definition:

Under general direction of the State Archivist, participates in planning and is responsible for the day-to-day management of the State Records Center; performs and directs activities to acquire, arrange, describe, preserve, retrieve, and dispose of inactive and semi-active records from any and all state agencies.

Minimum Qualifications:

Graduation from an accredited college or the equivalent with a major in history, government, political science, business or public administration, management, library science or closely related field; AND Two years of experience beyond the clerical level in a full-time records management program where duties concerned receipt, description, organization, disposal and retrieval of records in a records system characterized by a variety of different kinds and sources of documents and/or records.

Substitution: Clerical/secretarial, supply, library or records management experience may substitute for the required college education on a year-for-year basis.

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Categories of Employees Subcommittee
Anchorage Legislative Information Office
January 4, 1979

MINUTES

The Categories of Employees Subcommittee hearing was called to order by Representative McKinnon. Public testimony was invited.

PUBLIC TESTIMONY

Jim Thiele, a temporary employee with the Department of Fish and Game, presented his views on the six-month limitation of temporary employment as specified in the new APEA union contract. Mr. Thiele explained that it is not economically feasible to live the whole year on six-month's salary. He feels that his position could be classified as a permenent seasonal category since it is recurrent. The new limitation on temporaries in the APEA contract denies individuals the right to return to employment within a department for a period of six months after termination from that department. The explanation provided Mr. Thiele on why the Department of Fish and Game did not reclassify his position to permanent seasonal was that each PCN number must be approved by the legislature. He does not believe temporary employees consider receiving fringe benefits as necessary as having opportunities for employment available.

Mr. Thiele is on a number of registers, but has never been hired from one. After being tested for a Fisheries Biologist I position, he worked as temporary in that classification for two years. When he took a reexamination, he received a lower score despite his additional two years of experience. Another inequity in the testing process was highlighted when Mr. Thiele took two tests, Game Biologist I and II, and scored much higher on the more difficult test for Game Biologist II. Mr. Thiele, in answer to Frank Flavin's question on whether he would prefer to become a full-time employee, stated that he preferred to have the flexibility available to temporaries.

Pam Rogers, a permanent employee with the Planning and Research Division of the Department of Natural Resources, expressed her concerns regarding the lack of opportunities available to temporaries to fill permanent positions. Temporaries working within the department are not considered for employment in newly classified permanent positions because many are not within the top five on registers, even though they have experience in working in the department. Ms. Rogers believes that time spent in temporary positions should be counted towards the probationary period for permanent postions.

On the topic of registers within the state, Ms. Rogers stated that supervisors are circumventing the eligible lists to hire temporaries. Upon initial hire in temporary positions, individuals are being promised permanent positions as soon as funding is approved and PCN's are created. These temporaries are hired at salary ranges that are inconsistent with their level

of skill. People already employed by a department are given preference over others on registers in hiring.

Pat Kirschner, an employee with the Planning and Classification Section of the Department of Natural Resources, asked committee members if, after the six-month temporary has ended, whether an employee can work for another state department as a temporary. She had heard many conflicting rumors. Niel Thomas answered that you can be employed by the state again within another department. Representative McKinnon believed that was part of the new contract provisions. He stated that in the past, a temporary could go from one position to another within the department after the period had expired. Ms. Kirschner expressed her desire to continue working in a section where she is familiar with the work for more than six months.

Ms. Kirschner sees the move to severely limit the temporary employment period, or to do away with it altogether, as being undesirable. Even if additional permanent positions were created, her department would still have to use temporaries on various projects that are not recurrent but do last longer than six months. Representative McKinnon agreed that there is a valid need within the Department of Natural Resources for temporaries because of the fluctuating time periods of projects. The duration of these projects is dependent upon the time needed for completion and the funding available. As an alternative to temporary employment without benefits, Ms. Kirschner suggests that promotions and merit increases be available to temporary employees based on performance and longevity of the individual's employment on the project. Niel Thomas commented that a "project" category would also be valuable to employees within the Department of Fish and Game.

Ms. Kirschner concluded by stating that she prefers a nine-month period for temporaries, because the individuals could at least survive economically on that basis. The six-month period presents economic problems for specialists who are limited by their expertise in a particular position in only one department.

Jim Curatolo, a temporary employee with the Department of Fish and Game, presented his belief that temporaries are being taken advantage of more than ever because of restrictions imposed by the new union contract. He stated that many temporaries work in that capacity because they find it preferable to work only nine months a year, gaining experience and skills that would otherwise be unavailable to them.

Mr. Curatolo believes that salary ranges for temporaries are much lower than those of permanent employees, regardless

of skills and qualifications. Temporaries can provide for their own benefits and retirement if they are compensated with higher salaries.

As previous witnesses testified, Mr. Curatolo would like to continue working on his present project for an extended amount of time. He is aware of another project that will be available after his six months has ended, but because it is within the same department, he will not be eligible. The project he is working on is federally subsidized with OCS funding. Niel Thomas asked how Mr. Curatolo's position would be classified if he were working as a permanent employee. Mr. Curatolo explained that his is a Biologist II position, but that he is being paid at a Biologist I level. Representative McKinnon asked whether the proposal for the project could have included provision for a permanent position which would terminate at the end of the project.

Mr. Curatolo said that he would rather have the option of choosing the project he wants to work on each year, and that if a permanent seasonal position classification was authorized, this choice would be eliminated. Representative McKinnon asked whether he would be required to return to the project he had last worked on. Niel Thomas asked whether there would be a number of positions within the same classification which he might apply for. Mr. Curatolo responded that his experience in a particular project would lead to being employed in the same position.

Frank Flavin inquired whether the six-month temporary period was a product of APEA bargaining or if it was a decision between the state and the Legislature. Representative McKinnon noted that judging by testimony heard, temporaries are being misused and are not given the benefits of permanent employees. Using temporaries is a way of avoiding application of merit principles. Instead of improving the abusive treatment of temporaries, the APEA contract has created many additional difficulties. Niel Thomas added that it seems there is a need for a "project" category which would not apply to seasonal recurrent positions and would allow the position to last for the duration of the project.

Claude Hoffman, a Cadastral Engineer with the Department of Natural Resources, presented his opinions as a Program Manager. Mr. Hoffman supervises 31 employees. He is involved in a departmental survey that has been funded with $7 million by the Legislature for 12 months. Permanent positions were authorized by the Legislature at the end of the last session. Mr. Hoffman has been hiring temporaries for the program who are capable of doing the job. Many of his professional staff were in the top five on the registers and were temporaries within

the department. Mr. Hoffman believes that he has been hiring temporaries fairly and placing them in permanent status whenever possible. He has reduced the number of temporaries in his department by 80% over the past six months. Despite the reduction, he must retain some temporary positions, and would like to be able to offer temporary employees the same benefits as permanent employees. Mr. Hoffman does not believe that program managers should hire temporaries and promise permanent position when they are unsure whether that is a possibility. He prefers to have permanent employees in the department, but because of the process involved in writing out P402's, having them put into the budget and approved by the Division of Personnel, creating PCN's and getting registers, this is very difficut when there are immediate deadlines set. These "crash" programs leave very little time to plan for the department's employment needs. Mr. Hoffman suggests that a possible solution would be in having the Division of Personnel work jointly with the department in preparing a budget package to include positions in permanent, seasonal and temporary employment categories.

Niel Thomas asked if there would be any problem in hiring temporaries from the registers. Mr. Hoffman replied that a major problem is the time involved in the processing of paperwork to and from Juneau. Mr. Thomas suggested that temporary positions could be reduced to very short terms, with exceptions for employment on specific projects to permit time to have permanent positions classified. Mr. Hoffman also pointed out that in order to get qualified people, Department of Natural Resources had to advertise state-wide. Mr. Thomas stated that some type of incentive for Personnel to move as fast as possible in classifying permanent positions would be helpful. Mr. Hoffman agreed that the Division has problems in the extensive workload involved in filling new positions. His department has the budget for positions, but is unable to expedite the creation of permanent positions, and has had to use temporaries in the mean time.

Niel Thomas inquired whether Mr. Hoffman believes there are too many classifications. Mr. Hoffman replied that was not a problem in his department's series of positions. Frank Flavin asked what Mr. Hoffman's opinions were regarding the registers. Mr. Hoffman answered that he is please with registers and the way applicants are placed on them. He also believes they provide an adequate selection.

Mr. Hoffman also expressed his ideas on the ranking of individuals on the registers. He believes that there are inequities in scoring which result from different personnal analysts within the Division of Personnel using a variety of scoring standards. He suggested that evaluation of applications be based on qualifications and skills gained during work rather

than on number of years in service. Mr. Hoffman stated that he had spent quite a bit of time with the Division of Personnel earlier in the year, and the staff members there had probably been rated on longevity and been hired from the top five on the register.

Frank Flavin asked whether working with the top five or with the top one-third on the registers would be preferable. Mr. Hoffman responded that working with the top five is not difficult. Normally, one or two eligibles will decline to take a position because of special duties they cannot handle. Sometimes, Mr. Hoffman does have to go below the top five to fill a vacancy because some applicants refuse the positions and others are still on the register although they have found employment.

Niel Thomas asked where Mr. Hoffman reports in the department. Mr. Hoffman answered that he reports to the Assistant Commissioner, who oversees three divisions. Niel Thomas asked if he had been instructed in Equal Employment Opportunity and Affirmative Action matters. Mr. Hoffman replied that the basics had been covered. Representative McKinnon inquired concerning whether restrictions are placed on hiring temporaries for new positions. Mr. Hoffman answered that no restrictions were put upon hiring of temporaries, and he initially hired temporaries and had positions classifications changed to permanent. Many temporaries have left because they were unable to get on the top of registers to be hired as permanent. He does not believe in using unethical methods to come in below budget and is not tempted in hiring temporaries to cut down on spending.

Ed Levy, an Engineering Technician with the Department of Transporation and Public Facilities, offered a different perspective. He is the only permanent seasonal employee working in his division. The majority of the employees within the division are college students who cannot complete the six-month period of seasonal employment because they have to return to school in the fall. These temporaries are being trained by the division, but cannot achieve permanent seasonal status even though they return each year. Local 71 will send them back out to the department annually because they are familiar with particulars of the work, but does not allow their classification as permanent seasonal because they are not able to finish the season. This problem is causing financial difficulties for temporaries because they are not credited with their time in service and cannot go beyond initial temporary wages. Representative McKinnon asked what happens when the students return to school. Mr. Levy explained that the division fills in as best it can until the end of the season. College students feel that they are being used by Local 71 and that they are paying dues for nothing. Mr. Thomas asked if Mr. Levy would lose his job as a permanent

seasonal if he left in September. Mr. Levy answered affirmatively, and added that the Local 71 contract does not permit an employee to be considered as permanent seasonal unless the individual can work the entire duration of the season.

Patricia Fowler, a permanent employee with the Department of Natural Resources, is an Associate Planner. She presented her complaints regarding the time it takes to get on a register and the difficulties in trying to be promoted to a higher classification. Ms. Fowler was promoted from her position as a temporary Research Analyst II to her present classification. If she had wanted to try for a permanent position as a Research Analyst II, she would have been unable to get on the top of the register because her specialty is planning. Four to six weeks after Ms. Fowler applied for the position of Associate Planner, she tried to find out what her status was concerning the application. She was unable to get an answer.

Ms. Fowler pointed out that in the past, temporaries had been employed by the department for up to 18 months. This practice is only now beginning to change. Ms. Fowler began as a temporary employee and worked towards getting a permanent position. Methods suggested by her colleagues included making herself invaluable to the department. Experience as a temporary, according to Ms. Fowler, is not considered in the placement of temporaries in permanent classifications. Because of the turnover in temporaries, the department has to train employees over and over again. She has observed that in order to place temporary employees into permanent positions, her department notifies the top five applicants on the register, but discourages interest in the positions to be able to get to the people they want. Ms. Fowler has personally responded to notifications, only to be told that the position is extremely undesirable. Temporaries are one way of getting around the register.

Ms. Fowler continued, commenting on the fact that offices with a large number of temporaries are subject to recurrent turnover and have organizational problems. Most temporaries have no future with a department, and because they are aware of this, they have no incentive to perform well.

Niel Thomas asked what Ms. Fowler's position is within the department. Ms. Fowler replied that she is a Coordinator for A95, which is a permanent position where she works on casual management. Mr. Thomas also asked how the duties of the position were presented to her when she began as a temporary. She replied that the person occupying the position prior to her arrival had taken a leave of absence. Ms. Fowler took over her functions within the office and was never asked if she wanted permanent employment. She was never informed by the department

that there was a vacant permanent position available. Ms. Fowler, like many temporary employees does not like short-term positions. She enjoys being able to get involved in her work and not having to spend her time constantly seeking permanent employment. She was informed at the time of her hire as a temporary that the duration of her employment would not exceed four to six weeks. At that time, she thought that it would be highly unlikely that the position would be for such a short period of time. Other employees in the department explained to her that everyone there had started out as a temporary, and that supervisors liked hiring temporaries because it gave them additional opportunity to observe an employee's performance. Ms. Fowler added that it is very difficult to terminate permanent employees because supervisors don't want to go through grievance proceedings. Another discrepancy that Ms. Fowler had noted was that permanent postions at higher ranges are not being filled. Temporaries are being hired to fill these positions at lower ranges to make up for budget limitations.

Brent Petrie, Chief of the Water Department Section of the Department of Natural Resources, testified regarding problems he has witnessed as a program manager. The problems he addressed were in hiring, administrative budgets, and putting in proposal for changes. Mr. Petrie has worked as a temporary, permanent, supervisory and general government unit employee during his tenure with the state. He currently is working under a program supplemented by a federal grant, where temporary employees are needed for more than 30 days. Some temporary positions can last for up to nine months. To put temporaries into permanent classifications, he must identify funds available. Federal programs run for specific projects that may only last for a year. By the time Budget and Management and Legislative Finance have approved the permanent classifications, only six months may be left in the fiscal year. The program would need temporaries, in that instance, for the six months spent in getting approval for permanent positions. It is difficult to plan for positions in recurrent federal grant programs subsidized by discretionary state funds since the formula application must be approved annually by Budget and Management.

Niel Thomas inquired concerning Mr. Petrie's definition of discretionary funding. Mr. Petrie explained that this funding is generally used in contracted projects. Temporary employees often do a variety of jobs on short-term projects of up to nine months. It is very difficult to get permanent classifications based on discretionary funding. Some funds are coming in annually, in which case estimates can be made of tasks to be accomplished. Mr. Petrie added that he would prefer to create permanent classifications for this need. Budget and Management can authorize the classification of positions through confirmation that funds

are available. Program managers are reluctant to spend the time involved.

Mr. Petrie offered an example of the time it takes to have a permanent classification created. He wrote a P402 in May of 1978, and it took until December before he could actually request a register. Something had to be done in the interim to provide the staffing necessary to handle the project. Pressure is applied by the Legislature to complete projects on schedule, but the task is made very difficult by the lengthy procedures involved in processing paperwork through the state. Mr. Petrie suggested that the Legislature should examine a package including P402's and the departmental budget to expedite the implementation of new programs.

Mr. Petrie suggested that when a large grant or appropriation comes through, the Division of Personnel might consider adding to its staff with funds appropriated from the agency's project budget to process P402's for that program. Representative McKinnon commented that this is a fairly common practice in other states. Projects created by the Legislature are forcing departments to submit large amounts of paperwork to the Division of Personnel.

Another suggestion presented by Mr. Petrie was to create a means of compensating temporary employees for their lack of benefits through a pro-rated hourly salary adjustment that would increase depending upon the duration of employment. Mr. Petrie thought that by staggering the paperwok submitted to the Division, some of the delays might be avoided. Frank Flavin pointed out that there may be too many categories of employees and that a solution would be to combine categories. He also suggested that benefits of permanent employees be available to temporaries after 90 days.

Mr. Petrie listed a number of problems the commission should consider:

1) lower salary ranges and lower classifications put on temporary employees

2) discouraging employees from accepting positions so as to reach applicants below the top five on the register

3) Unqualified applicants being placed on registers because personnel analysts lack knowledge of skills needed for positions and their dependency on the descriptions supplied in P402's

4) inconsistent evaluations and ratings of applicant skills and experience

Representative McKinnon questioned whether the department could more accurately describe job classifications. Mr. Petrie replied that they could if personnel officers in both the Department and the Division of Personnel conferred with program managers to create lists of qualifications and backgrounds essential to the work involved. Niel Thomas asked if he was referring to the decentralization of personnel functions into individual departments. Mr. Petrie believes that the personnel offices of the departments could handle this function with additional staff.

Mr. Petrie asked how someone would go about applying to departments and how applicants could be consistently rated by each department. Niel Thomas answered that applicants would probably not know where to go and that an information pamphlet would have to be written with instructions on how to go about applying for a job. Frank Flavin pointed out that this would leave audit functions the responsibility of the Division of Personnel.

Mr. Petrie concluded his testimony by stating that he will encourage others to testify at the January 27 meeting in Anchorage.

Peggy Merritt, a temporary Game Biologist I with the Department of Fish and Game, agreed with previous testimony offered by her colleagues within the Department. In regard to recruitment, Ms. Merritt has found that the Division of Personnel often evalautes applicants incorrectly. In one case, an applicant who knew very little about the special skills involved in working in a certain position was on the top of the register. The department was forced to hire someone very low on the register to find an applicant with the skills necessary. She suggested applicants be judged by a peer group and not by the Division of Personnel. Her supervisor would like her to stay on longer than six months, but she cannot regardless of the inefficiency resulting from her termination.

There is one PCN for Game Biologist I for that division, and the position was moved to Nome. Her supervisor, who has been in the same division for many years, has been unable to get a permanent classification for anyone else in the division. The funding is unavailable, yet there is a great need for someone who is familiar with new scientific methods to renovate the archaic practices still used by the division.

Niel Thomas asked what percentage of temporaries in the department are women. She replied that there is one woman work-

ing as a permanent Game Biologist and approximately six women temporaries elsewhere in the department. Mr. Thomas also asked if the department has a hard time reaching applicants with skills necessary for the job. Ms. Merritt explained that some of the most qualified applicants are very low on registers, although their peers would rate them very highly.

Ms. Merritt continued, explaining that she resents the cut off of temporary employment to six months when the job still needs to be completed. Because of budget cuts, permanent positions are no longer available and termination of temporaries is now mandatory because of the APEA contract. The union has taken action that temporary employees do not approve of and never voted on.

One other problem not mentioned previously is the non-existence of hazard pay for temporaries. Ms. Merritt travels by air continuously in hazardous conditions, yet receives no additional compensation as do permanent employees. Niel Thomas asked if she is paid for actual hourly work. Ms. Merritt responded that once above a certain pay range, extra hours put in on the job are not compensated. Ms. Merritt would like to be compensated for this lack of benefits.

Ruth Moulton, an employee with the Department of Natural Resources, presented her questions to the committee members: Why are temporaries being penalized to eliminate abuses within the personnel system? Aren't the unions, Division of Personnel and the Legislature aware of the fact that employees become more and more valuable with time spent in positions? Representative McKinnon explained that the APEA contract with the Division of Personnel and Labor Relations sets out the rules which departments must follow. Frank Flavin stated that none of these parties has the unilateral ability to change the policies. Representative McKinnon continued by explaining that there are laws in the books stating that temporaries cannot receive benefits, retirement and annual leave. Temporaries benefit from salary increases negotiated by unions and from lobbying efforts to increase fringe benefits available to them. Therefore, they do receive some return for their dues. Ms. Moulton replied that her best interests have not been represented by the union. Frank Flavin noted that the union is concerned with the supervisory abuse of temporary employees and has tried to eliminate this problem by limiting the duration of temporary employment. Temporary employees are not receiving benefits and are working unlimited amounts of time. Ms. Moulton pointed out that one advantage of being a temporary is in being able to go from one position to another, thereby gaining valuable experience.

IN ATTENDANCE

Representative Joe McKinnon, Chairman
Frank Flavin, Vice Chairman
Niel Thomas

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Full Commission Hearing

Fairbanks North Star Public Library
December 13, 1978

MINUTES

In the absence of Senator Ray and Don Fisher, Representative Buchholdt chaired the meeting.

PUBLIC TESTIMONY

Mr. Fathy A. Elshamma moved to Fairbanks from Egypt in 1976 and worked as an Accountant with the Native Association for 13 months. During a vacation, he returned to Egypt and along with his family relocated to Fairbanks. Mr. Elshamma has been seeking employment since his return. He is listed on six registers and willing to accept employment in Juneau, Anchorage and Ketchikan, as well as in Fairbanks.

Mr. Elshamma was contacted on November 7, 1978, by Tom Lusk about a Bank Examiner I position in Juneau. In his conversation with Mr. Lusk, Mr. Elshamma indicated that he would be willing to accept immediate employment in Juneau and would be willing to take the next plane out of Fairbanks if necessary. Mr. Elshamma was instructed to wait for a response. One week later, he received a letter stating that the position had been filled. He questioned why he was never called back and brought the matter to the Governor's Office. The job was still listed as being open on that date, and the office verified the opening by phone. Mr. Elshamma had received a letter stating that the position had been filled.

Niel Thomas asked Mr. Elshamma if he had tried to contact the individual who was responsible for contacting him. He replied that he had not. Mr. Thomas suggested he call back and request an explanation. Mr. Thomas also suggested that a complaint should be filed if a satisfactory explanation was not provided.

Ms. Marianne Berry, a PHN, advised the committee of the problems they continue to have with reclassification of PHN positions throughout the state. Niel Thomas told the committee that the Assistant U.S. Labor Secretary, who is responsible for enforcing compliance with equal pay for equal work laws, has been in the state and is considering U.S. Government suit.

COMMITTEE DISCUSSION

Representative Buchholdt briefly discussed the written testimony received by a representative of the Classified Personnel Organization dated December 13, 1978. Copies will be sent out with committee minutes.

IN ATTENDANCE

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

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, and 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 misues 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. Recuritment 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 classifactions 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 nonperformance 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 ATTENDENCE

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

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Merit System/Collective Bargaining Subcommittee
Fairbanks North Star Public Library
December 13, 1978

MINUTES

Representative Buchholdt, Chairperson, called the meeting to order. There being no response to an invitation for public testimony, the hearing was opened to committee discussion.

COMMITTEE DISCUSSION

Pat Hunt began the discussion by stating that all issues covered by the committee indicate that the question of the merit system versus collective bargaining must be addressed. He asked if it is the intention of the committee to limit the scope of bargaining available to employees. What effect would the amendment of statutes have on future union contracts? Mr. Hunt also questioned the role of the legislature in the area of union contracts: Would it be politically feasible to limit bargaining rights?

Ken Spray responded by stating that he believes the committee does not want to limit collective bargaining rights. He suggested the separation of personnel and labor relations functions. At present, personnel is more regulatory than service oriented, and labor relations is influenced by this emphasis.

Niel Thomas questioned what is negotiable under collective bargaining. Pat Hunt replied that all conditions of employment are negotiable. The only exception, in accordance with an Attorney General's opinion, is retirement plans. The leave system, salary, wages, hours, insurance and classification are all negotiable.

Niel Thomas asked if anyone could conceive of a system in which the Legislature basically funds the personnel structure that emerges from the collective bargaining process without any other particular role over what is bargained. Ken Spray responded by stating that the Public Employment Relations Act is structured so that the responsibility is left to the Executive Branch. The Legislature maintains control over funding the agreement reached.

Representative Buchholdt suggested the major question appears to be the continuation of collective bargaining in conjunction with the merit system, modification of one or both, or elimination of one.

Ken Humphreys explained that as it stands, the Alaska Collective Bargaining Act is very broad in scope. The trend in other states has been towards very broad definitions of collective bargaining acts. It is within the Legislature's authority to limit and define conditions. However, he believes this would put additional constraints upon the unions and the

state government, causing additional conflicts.

Pat Hunt stated that the Constitutional mandate for a merit system for state employees could be fulfilled by a statutory requirement that those principles be incorporated in each collective bargaining agreement. The Personnel Rules would then set out a merit system to govern the terms of employment of non-unionized state employees not otherwise exempt from its coverage.

Niel Thomas questioned the testimony of individuals seeing the merit system as being against their rights for freedom of expression. Ken Spray added that labor relations was created for stability of labor, and that collective bargaining draws power from the labor movement, supplying employees with individual representation.

Niel Thomas brought up the question of the cost impact of collective bargaining. Ken Humphreys stated that his research indicates employee's salaries increased more before collective bargaining was enacted. In his study, he compared the increased percentages in employee salary seven years prior to the collective bargaining act implementation and seven years after. The salaries increased a total of 35% over the 73% cost-of-living increase within the past 14 years. This averaged out to a 2.5% annual increase. The cost of fringe benefits was not taken into consideration in his analysis. Mr. Humphreys is in the process of completing additional studies which he will make available to the committee.

PUBLIC TESTIMONY

Mary Langan, a freelance writer with Alaska Industrial Magazine, presented her views on the state personnel system. She had experienced working in both clerical and supervisory levels as a temporary with the state. Ms. Langan pointed out five major problems she had faced while employed by the state:

1) In 80 to 90% of government jobs, employee enthusiasm, creativity and initiative are stifled. The ideal employee is one whose attendace is prompt, who does not express new ideas which are contrary to "the system".

2) The recruitment of minorities and women is very limited. In some instances, temporaries are hired for permanent positions to avoid minority hiring.

3) There are inequities in the implementation of rules and federal regulations within both management levels and within the Division of Personnel. One example Ms. Langan mentioned was a delay in receiving her paycheck after termination. Federal law requires payment within three days of employee termination. The state took two weeks in sending out her check, and when

she protested, she was advised that the state was exempt from that provision of the law. Ken Spray explained that the state is not exempt from this federal statute.

4) At the job service office of the state, books on vacancies in state government are not readily available to the public.

5) The promotional ladder and the merit system are subject to misinterpretation and office politics, resulting in discrimination against women and minorities. Ms. Langan suggested that promotions be decided by a committee consisting of objective members not employed by the state.

COMMITTEE REVIEW

Representative Buchholdt directed the committee to consider the possibilities to recommend and refine during the next meeting in Anchorage. Each committee member will prepare a list of ideas for consideration. The staff will provide a summary of information presented to date.

In conclusion, Representative Buchholdt pointed out the advantages of having both the merit system--employee motivation and reward for performance--and the collective bargaining process--mandated by the Legislature to provide a voice to employees.

Niel Thomas presented his opinion that there is a general misunderstanding of the two by the public. He suggests the distinctions and definitions be clarified for the benefit of state employees.

Darlene Howard addressed the problems she sees within the systems--procedural and operational methods at the administrative level.

IN ATTENDANCE

Representative Thelma Buchholdt, Chairperson
Pat Hunt
Lynda McCurry
Ken Spray
Niel Thomas
Ken Humphreys
Darlene Howard (for Pat Murphy)
Bob Mourant (for John Pugh)

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 conjuction 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 ATTENDENCE

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

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
CATEGORIES OF EMPLOYEES SUBCOMMITTEE
Legislative Information Office, Anchorage
November 30, 1978

MINUTES

The meeting was called to order by Representative McKinnon, Chairperson. Public testimony was invited. A summary of the points raised follows.

QUESTIONS AND ISSUES PRESENTED

1. Temporary employees working within a bargaining unit are required to belong to the appropriate union.

A. Temporaries have to pay the same union dues as permanent employees but do not receive the same benefits.

B. Employees who have philosophical disagreements with belonging to unions are required to join the appropriate union to hold a state job.

Discussion

Unions are required by law to represent all employees within the bargaining units which they represent. Union negotiating and lobbying efforts benefit both permanent employees and temporary employees, at least on the issues of salary levels. Recent APEA efforts resulted in securing holiday pay for temporary employees. Over half of the lobbying effort of APEA last legislative session was spent trying to persuade the legislature to extend to temporary employees the health and annual leave benefits provided to permanent employees of the state. The legislation passed the House but not the Senate.

C. Have temporary employees been polled or the union's negotiating priorities?

D. Have temporary employees ever been represented on the governing board of APEA?

E. Can members of the union have a prioritized list of the union's bargaining positions?

F. Has a temporary employee ever served as a member of the union negotiating team?

G. There should be a board position for a temporary employee to represent directly the concerns of other temporaries.

Discussion

Before new contract proposals are drafted, APEA polls all of its members, including temporary employees, on negotiating priorities. The questionnaire indicates the employment status of the

person answering, so that issues can be identified according to class of employment. The union uses results of the questionnaire in preparing its proposals.

There is nothing to prevent a temporary employee from holding office in the APEA, although Ms. Howard is not aware of any temporary employee who has ever been elected to the board. Under the present by-laws, a temporary could be an active union member only during the time of employment for the state.

2. Benefits for temporaries.

   A. No medical leave or retirement benefits.

   B. No job security.

   C. Temporary employment does not apply to the probationary period, even if the temporary employee is hired as a permanent for the same job.

   D. Union contracts can address the inequities of benefits for temporary employees.

Discussion

Lack of medical, leave and retirement benefits can only be addressed through the legislature, and, as indicated above, APEA spent considerable effort last session attempting to have legislation passed to do so. By union contract, APEA members can have one-third of their time as a temporary applied towards the probationary period required of a permanent position provided that there is no break in service and that the jobs are the same.

Local No. 71, Public Employees union, has negotiated to increase the wages of temporary employees to compensate for the lack of benefits. Temporaries receive an additional $1.32 per hour during the first 120 days they work as temporaries. If that period is extended by agreement, then the base salary of the temporary shifts from Level A of the wage scale to Level B. This system discourages the state from hiring temporaries for positions which should be classified as permanent. The union has found cases in which the state has ignored the union contract provisions about increased pay and has had to force compliance through arbitration.

3. Time limitations on length of temporary jobs.

   A. A limit of six months as a temporary was recently instituted for positions within the APEA bargaining unit. The limit used to be nine months.

   B. Local No. 71 has negotiated a 120-day limit to temporary employment, with extensions possible by mutual agreement between the union and the state.

Discussion

The new time limit for APEA members has caused a problem where supervisors were misinformed and therefore misinformed temporaries. The problem came about partly because there were a number of new supervisors in that particular job in a short period of time.

For discussion of the Local No. 71 system, see discussion under (2) above, Benefits for temporaries.

4. Promises to temporary employees about being hired for future permanent positions.

A. Division of Personnel does not always classify a new position as the program manager may have expected.

B. The better practice is to make no promises about permanent hire to temporary employees.

Discussion

If a program manager promises a permanent position to a temporary employee and then learns that the Division of Personnel has classified that position at a lower range than expected, then the temporary must wait while the position is reclassified. The time required for that process may extend beyond the time the temporary is permitted to work. That will cause the temporary to lose the cross-over of time served toward probationary period.

No promises should be made to temporary employees about permanent employment beyond a committment to consider them as any candidate with similar experience and skills will be considered. This is to ensure that the program manager is not locked into a committment and therefore unable to hire someone more qualified, should such an applicant appear on the register at the time of permanent hire.

5. Compensation for temporary employees who take time from work to testify before this commission.

Some supervisors are refusing to consider the time that their temporary employees spend testifying to the committee as time spent working for the state. Therefore, some temporaries were unable to attend the meetings. The APEA representative in Anchorage will work with the employees who did attend and with their supervisors to ensure that they are compensated for their time. If she is unable to do so, she will advise the commission.

6. None of the temporary employees who addressed the committee had been required to be on the register before being hired for their present positions.

7. The use of temporary employees in positions for which there are permanent funds available.

A. Local No. 71 has identified some 500 unfilled permanent positions within the scope of its bargaining units which it believes should be filled or deleted from the budget.

Discussion

Local No. 71 believes that the state is hiring temporary employees rather than filling presently vacant permanent positions in significant numbers. The union secured from the Division of Personnel and Labor Relations a list showing vacant PCN's within its bargaining unit. It has identified some 500 such vacancies, some of which have been vacant since the early 1970's. (A copy of the list is available from the commission staff.)

Some of the 500 positions may be funded through the Capital Improvement Funds, and therefore, the statistics may be skewed to that extent. Sue Greene of the Governor's office indicated that perhaps 100 of the positions might be CIF positions.

Local No. 71 has received requests for temporary employees within the job classes covered by the permanent-position vacancies on the list.

The Legislative Budget and Audit Committee is programming a computer to provide information on all PCN's vacant for more than a reasonable length of time. The legislature can then delete the position from the agency's budget, should it wish to do so. There is presently a monthly list prepared by the Division of Personnel which shows all of the vacant PCN's in the state and indicates the date of vacancy. Mr. Kareen estimated that approximately 20% of the PCN's are vacant at any one time.

B. Departments contract with private firms for work which could be performed by state employees. Contracting costs more to the state and increases the risk that public services will be jeopardized through a strike.

Discussion

Departments can contract with private firms for work which state employees could perform as well without any oversight by the Division of Personnel. In some cases, contractors with the state fail to fulfill all of the contract committments, leaving the state to hire its own employees to pick up the slack. For example, one contract called for the private contractor to provide janitorial services. When the contractor failed to do so, the state had to hire a member of Local 71 to fill the gap. One private contractor submitted two bids for a construction job, one based upon using his own equipment, and the other, at about $40,000 less, based on using the state's equipment. The higher cost bid was accepted, but then the contractor used the state's equipment to perform the work.

In some cases, the higher cost of subcontracting with private firms results from the higher wages charged by members of private industry unions.

Since state statutes place limitations on public service unions' right to strike, which are not placed on unions operating in the private industry field, there is greater danger that projects will be impeded by strikes when the state contracts with employers using private industry members than when the state hires its own employees.

Albert Baffone charged that the state of Alaska was following a policy of reducing the size of the Local 71 membership with the aim of drying up that union.

8. Problems with the use of CETA program employees within the Department of Corrections.

A. As temporary employees, CETA's within the Department of Corrections are limited to a nine-month period of service and receive no benefits, as permanent employees do.

B. CETA employees are taking the place of permanent employees within the Department, in violation of federal regulations.

C. Some CETA's are placed in supervisory positions over permanent employees who are paid at a higher salary rate than the CETA's.

D. CETA's are paid much less than permanent employees doing the same job.

E. Because of the Department of Correction's reorganization of staff, the state has frozen the Correctional Officer I register, and CETA's cannot apply for permanent positions.

The Comprehensive Employment Training Act is a federal legislative program aimed at providing people who are members of groups which traditionally have difficulty finding jobs with experience to enable them to find permanent employment. Federal regulations prohibit replacing permanent employees with those paid through the CETA program. The federal government provides $1,039 maximum per month in salary for those employed under the program. States using the program are free to supplement that salary if they desire.

The Division of Corrections has a number of CETA employees, classified as temporary employees by the state, who are paid at a salary range 9. The positions were meant to be Media Appreciation and Recreation Aides. However, because the Ridgeview

Correctional Center (where approximately 27 CETA's work) is severely understaffed, the CETA employees have been doing the work of Correctional Officer I's, who are classified at SR 13. These positions have just been reclassified from SR 11. CETA's are paid $2.00 less per hour than Correctional Officer I's. Since CETA's are classified as temporary employees, they have no benefits or job security. There is nothing in the federal legislation requiring that CETA's be classified as temporaries. There are non-CETA temporary employees who are paid at the Correctional Officer I salary range. There are CETA employees working in supervisory roles over Correctional Officer I's who make substantially more than they do, which is bad management practice.

Niel Thomas suggested that the commission should consider recommending that the legislature provide a supplement to CETA funds so that departments are required to pay appropriate salaries for the CETA's they employ. The federal government could also be asked to provide a wage supplement to the salary money it provides to Alaska, since the Alaskan cost of living is so much higher than the cost of living in the lower 48 states.

Aggravating the other problems faced by the CETA's employed in the Division of Corrections is the fact that the Division is undergoing reclassification of Correctional Officer positions. No job applications are being accepted for the positions of Correctional Officer I, so CETA's whose period of temporary employment must end because the six or nine-month period has elapsed cannot get on the register for a permanent position in the field in which they have been working.

The Division of Corrections has answered these problems by deciding to employ no more CETA's rather than by trying to keep the program and provide an opportunity for the underemployed to gain skills and experience to make them employable by adjusting the inequities in the present system.

At one time, there were a number of CETA positions within the bargaining unit of Local No. 71. However, by contract, the state was required to pay each CETA employee the existing wage rate for any union member. The state no longer has any CETA positions within the bargaining unit.

The CETA regulations require that people employed under that program receive equal treatment with other employees similarly situated. That language has been interpreted by the state to mean treatment comparable to any other temporary employee. The Municipality of Anchorage, which has a substantial number of CETA's, treats them as permanent employees entitled to all the benefits provided other permanent employees.

9. Problems of Program Managers in staffing programs.

   1. Time to get permanent positions filled from register and yet to meet legislative directives.

2. Treatment of temporary employees.

Discussion

Because creating new positions and hiring form the register takes a considerable amount of time, departments cannot use that system when given legislative directive to remedy a problem quickly. Last session, the legislature passed HB720, directing that by November 1, 1978, the Department of Natural Resources designate 30,000 acres of state land for disposal under the homesite entry program and the open-to-entry program. The act included other directions, and the legislature appropriated funds for 100 new positions for the department. By the time that the legislation had passed (it was approved by the Governor on July 18, 1978), enough time did not remain to both meet the legislative deadline and also to hire permanent employees from the register to fill the new positions. Temporary employees were hired and the department at the same time began the process of creating new permanent positions. (P402's had to be prepared for each new position describing the particular duties of the employee in this job, even though most fell within existing job classes.)

In order to allow the department to staff the program quickly, the Division of Personnel set aside all other tasks for four to six days to speed the paperwork. There was some delay in the Division of Budget and Management, which had to sort through four different appropriation bills affecting this program to ensure that proper authorization existed to establish these positions.

Departments may have short term projects to handle which require particular expertise. If the department lacks the time to be able to hire a permanent employee, it will hire a temporary while beginning the paperwork to establish a permanent position. The project may last beyond the six-month limit on the employment of a temporary, but it is quite possible that the permanent position may not yet be authorized. This hinders the department in the operation of its programs.

When hiring temporaries for professional positions, there is a problem using the register. Most professional people who are good candidates for a particular position are likely to already be employed and will be unwilling to leave a permanent job, with the benefits and protections it affords, for a temporary position, even if there will be a permanent position to replace the temporary one. Furthermore, it is bad management practice to advise any temporary employee that she or he will be hired for a future permanent position, since not only is there the possibility that the permanent positions will be established at a lower salary range than the department expects, but also, by the time that the department is authorized to fill the permanent position, there may be someone more qualified on the register whom the department will prefer to hire.

When filling a temporary position, the registers may be of some assistance in locating possible employees. Mr. Reed stated

that it was his practice to call for a register, to review the applications of those on the register and to contact those whom he did not know personally to inquire whether they were interested in the temporary position available. Those whose situation he knew, he would not contact unless he expected them to want a change.

WITNESSES

1. Barbara Eakin, temporary Administrative Assistant II with the Division of Lands of the Department of Natural Resources since July 31, 1978. The Division of Lands is in the process of seeking classification of a permanent position of Accounting Clerk III for which she expects to be "strongly considered."

2. Karen Holser, a temporary Water Technician with the South Central Division of Water Section of the Department of Natural Resources. She is working under a program created by HB720 to reduce the backlog in water rights applications. The legislature authorized 52 permanent positions, all of which have been filled. In addition, the department created temporary positions funded from money made available problable through the vacancy of permanent positions.

3. Ruth Moulton, a temporary employee of the Division of Planning and Classification of the Department of Natural Resources. She has held temporary positions with the state three times and prefers to work as a temporary employee.

4. Al Baffone, Business Manager of Local No. 71 of the Public Employees Union.

5. Helen Collier, a temporary employee under the Comprehensive Employment Training Act (CETA), working as a Media Appreciation and Recreational Aide with the Department of Corrections.

6. Barbara Kelly, a temporary Accounting Clerk I with the Division of Lands of the Department of Natural Resources.

7. Steven Reed, Chief of the Planning and Classification Division of the Department of Natural Resources. He has held the position for one year.

8. Bob Dawkins, Journeyman Plumber with the state.

9. Eleanor Andrews, Field Representative with the Anchorage APEA.

INVITED WITNESS

Frank Flavin advised the Committee that he had invited Mike Smith, Assistant Commissioner/Director of Lands with the Department of Natural Resources. Mr. Smith was unable to attend.

Materials Distributed:

APEA Interoffice Memo on Categories of Employees

IN ATTENDANCE

Representative Joseph McKinnon
Representative Richard Eliason
Ombudsman Frank Flavin
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

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
MERIT SYSTEM/COLLECTIVE BARGAINING SUBCOMMITTEE
Municipality of Anchorage Assembly Chambers
November 30, 1978

MINUTES

The meeting was called to order by Representative Buchholdt, Chairperson. Public testimony was invited.

PUBLIC TESTIMONY

Tom Phillips, an employee with the Department of Transportation, Division of Maintenance and Operation, presented his views on the implementation of Governor Hammond's policy on merit increases by the Department of Transportation and Public Facilities. Deputy Commissioner James O'Sullivan has changed previous departmental policy by requiring that the evaluation of employee performance be "outstanding" or "exceptional" to qualify the employee for a merit increase. The new policy requires that the director of each region review all evaluations. When the employee's performance justifies awarding a merit increase, the evaluation is reviewed by the Deputy Commissioner. As part of the new system, all supervisors were required to attend a training course on "Measuring Job Performance".

Apparently, the Governor's policy is not being applied consistently within state government. Mr. Phillips indicated that in the department across the hall from him, merit increases were being awarded on the basis of "acceptable" evaluations, as well as "outstanding".

Darlene Howard advised the committee that in the APEA supervisory unit contract, the contract language spells out when merit increases may be awarded. These contract provisions are consistent with Personnel Rules.

Mr. Phillips has filed a grievance after being denied a merit increase. (His supervisor, Clyde Dolly, confirmed his position and testified later in the meeting.) Deputy Commissioner Patrick Ryan has received the grievance form submitted by Mr. Phillips, and as of the meeting date had not acknowledged the situation. Mr. Phillips is awaiting further action.

In response to Representative Buchholdt's inquiry as to how many employees within his department could be considered "outstanding", Mr. Phillips replied that a very small percentage of state employees are evaluated as outstanding. He believes that employees deserving merit increases are not receiving them as a direct result of interpretation of the Governor's policy.

Albert Baffone, Business Manager of Public Employees Local No. 71, was next to testify in regard to the merit system. He regards the merit system as counter-productive and inadequate in covering all employees. Mr. Baffone suggests that the merit system be governed by a collective bargaining process. He pointed out that the legislature is burdened with many problems in labor relations and could expedite proceedings by considering solution adopted by unions.

Public Employees Local No. 71 works on a preferential hiring system. When the state calls the local seeking an applicant, the name of a qualified individual is given within 48 hours. The state provides a description of the position, classification, and any particular qualifications necessary. These specifications are taken into c nsideration by the union in referring an applicant, in accordance with contract guidelines. The employer may reject the applicant referred from the union, in which case another applicant will be recommended. There are no tests given by the union. Applicant are evaluated on the basis of their experience. Mr. Baffone stated that the system has approximately a 95% accuracy rate in placing these applicants. Under current laws, this system could be adopted by the state.

In addition, Mr. Baffone testified that despite the inference made that state employees cannot be fired, Local No. 71 has many cases of employees who were in fact fired. It is their policy to file a grievance on every case which a member brings to them, so that they have standing to investigate the matter. If their research shows that the management action was justified, then they withdraw the grievance, documenting for their own protection their reasons for doing so. Unions are liable to their members for failure to represent.

Clyde Dolly, Manager of the Department of Transportation and Public Facilities, proceeded to testify that he is in favor of employees' associations and merit increases. Merit increases are one of the tools applicable to employees for inspiring and rewarding performance.

Mr. Dolly further indicated that employee morale has declined because of the change in the merit increase policy and the inconsistent application by different departments. Because there is a lack of funding, there is also little opportunity for supervisors to recognize the abilities of their employees by promoting them.

In answer to a question, Mr. Dolly stated that if a supervisor recommends a merit increase, the evaluation form is returned to the supervisor with directions to rewrite it. In Mr. Dolly's opinion, the instructions given on how to evaluate employee performance discourage a supervisor from evalauting an employee

as outstanding or exceptional. This was the basis for Tom Phillip's grievance.

Mr. Dolly continued, adding that he is in favor of the register system. Ken Spray asked how long it took him to get employees off the register. Mr. Dolly explained that it takes at least three weeks to hire through the register, but he is given the top five names to consider. As a program manager in a previous position, he had experience working with the preferential hiring system. In hiring from the union, he received a response within three days. However, he was sent one individual at a time, and had to justify not selecting the first person sent. There was no way for the supervisor to know whether the second person would be more qualified for a particular job.

Greg O'Claray asked why it took Mr. Dolly three weeks to be able to hire someone from the register. Mr. Kareen responded that it was probably a result of internal departmental procedures. Lynda McCurry indicated that it takes her department an average of two days to receive a register from the Division of Personnel once requested.

Mr. Dolly concluded that although the register system takes a minimum of three weeks to hire an employee, as opposed to 48 hours when using the preferential hiring system, he would rather be given a choice of five applicants who have been tested for qualifications and experience. With the preferential system, the first candidate to meet minimum qualifications must be hired, and the opportunity to have a choice is not supplied.

Ron Felty, an employee with the Municipality of Anchorage, stated briefly that he was present to observe proceedings because of an interest in the concept of the merit system and the application to the labor environment. Representative Buchholdt explained that the commission is designed to take an overall view of personnel practice within the state and to cover as many topics as possible, including all government entities.

Beverly McCartney, an employee with Community and Regional Affairs Department, was present to observe proceedings and offered a few comments on another problem within the state. She indicated that her department is not filling permanent positions in order to create vacancy funds to use to provide merit increases to remaining employees. For example, the Property Control office has lost staff members who have not been replaced. As a result, none of the new property received has been tagged during the last four months. This vacancy factor has not been articulated in writing, yet it is currently practiced by numerous departments.

Darlene Howard amplified this point. A November memo from

the Governor indicated changes in procedures and funding for merit increases. APEA challenged the provisions of the memo and their contract now specifies how merit increases are to be awarded. In response, Niel Thomas commented that concern over expenditures controls the work force. Budgetary procedures are left to the discretion of divisional management. Misinterpretations of guidelines, insufficient funds and lack of controls lead to manipulation of budgetary allowances.

Ken Kareen pointed out that the process in itself controls the state work force and the amount of money spent. First, there are a set number of positions, designated as "man-months", authorized in the budget. Second, each department is authorized a set amount of money. The department cannot hire more than the combination of what the two permit.

Niel Thomas suggested that better management oversight would be performed by the legislature if the concentration were on the executive performance of tasks and goals set, rather than the structural aspects of the executive branch--how many people are employed and where they are placed. The legislature needs to hold the executive branch accountable for achieving the goals the legislature sets.

Representative Buchholdt questioned Ms. McCartney on whether she felt that her department was providing adequate service. Ms. McCartney indicated that because of vacancies, employees in the department are doing considerably more work and not receiving sufficient compensation for additional responsibilities and a heavier workload. State employees are becoming frustrated with their work, lack of recognition and insufficient funding for increases and promotions. There is a serious decline in employee morale.

John Pugh asked Representative Buchholdt whether, as a legislator, she had been aware that the merit increases for present employees had not been funded for the past two years. She did not recall. He asked because APEA has been castigated for seeking both merit increases and cost-of-living adjustments for its membership, while the administration uses the existence of merit increase possibilities to hold down wage increases.

Representative Eliason suggested that there are two solutions to the inequities in the present system: 1) have a single bargaining unit for all state employees, or 2) repeal the collective bargaining act.

Ken Spray pointed out that there are inequities in the private sector, where different unions representing different trades had negotiated different wages.

Representative Eliason pointed out that it is not the responsibility of the legislature to bring about equal pay scales between unions. Mr. O'Claray explained that unions that grew out of the private industry unions have philosophical problems with the concept of a merit increase system. This comes about because of the control which The Boss exercised over his work force and the resentment felt by workers towards his potentially arbitrary and unchecked discretion. Therefore, unions rely on salary increases for time in service and the promotional ladder as the way to reward competence.

Ken Foot, a State Trooper from the Fairbanks office of the Public Safety Employees Association, indicated that because of personal experiences, he believes there are not sufficient promotional opportunities available to reward service to the state. Therefore, in his opinion, merit increases should be retained to compensate for this lack of upward mobility.

After a brief discussion on possibilities for rewarding deserving employees, John Pugh suggested that President Carter's Productivity Bonus may be worth consideration.

IN ATTENDENCE

Representative Buchholdt, Chairperson
Representative Eliason
Ken Kareen (for Pat Hunt)
Lynda McCurry
Darlene Howard (for Pat Murphy)
Greg O'Claray
John Pugh
Ken Spray
Niel Thomas
Ken Humphreys (for Myrt Charney)

MINUTES

PERSONNEL ACT REVIEW COMMISSION
November 16, 1978

The third meeting of the Blue Ribbon Commission on the State Personnel Act was called to order in Room 123 of the State Capitol by Chairman Bill Ray at 1:30 p.m., November 16, 1978. Following roll call, Chairman Ray suggested that the proposed rules of procedure be considered. Adoption of rules was approved by acclaimation.

Representative Eliason stated that he had missed the previous meeting and asked for permission to distribute a statement of potential problems the commission should consider.

Chairman Ray suggested that all commission members request and invite their alternates to be present at all meetings. In this way, the alternates will be current on commission activities and can make a meaningful contribution if their principle member is absent. The Chairman asked the secretary to invite the alternates and keep them informed of all meetings. He also reminded the legislators to keep this in mind because of potential conflicts in meeting times during the legislative session.

Don Fisher told the commission about a conference he attended in Olympia, Washington, on October 18 by the National Council of State Legislatures. He explained that the Council's Project TRAIN is focusing on personnel systems and problems involved. The group is headed by Mr. Couturier, who is well known for his work in this field. He suggested that TRAIN would be able to come to Juneau and work with the commission without expense to the State. We only need to furnish a meeting room and group of interested participants for the presentation.

Mr. Fisher moved that TRAIN be invited to Juneau. It was approved by acclaimation. The Chairman and secretary will work to set up a couple of days for the presentation, to be scheduled after the legislature is in session.

The Chairman asked for a subcommittee report from the Merit System/Collective Bargaining group. Niel Thomas stated that they did not meet because of the late notification of the November 9 meeting. They will meet at a later date.

Frank Flavin moved to abolish the subcommittee on Merit System/Collective Bargaining, because the merit system question could be addressed in another subcommittee. Chairman Ray disagreed. He stated that the legislature expects to be informed on that topic.

Discussion followed concerning the areas of responsibility of each subcommittee. The commission must be sure to cover all of the important topics.

A vote on Mr. Flavin's motion was taken and failed. The Merit System/Collective Bargaining subcommittee will stand as is.

Representative McKinnon reported on the Category of Employees subcommittee. They plan to first address the problem of temporary, seasonal, and part-time employees. He also expressed a concern about overlooking certain topics because of vague subcommittee assignments. Chairman Ray referred to the October 3, 1978, meeting minutes listing topics of concern for subcommittees. Because of the over-lapping of members on each subcommittee, he feels sure that the commission will be able to cover all necessary topics.

The meeting was opened to public speakers. Roger Thayer, Personnel Officer, Department of Transportation & Public Facilities spoke first. Mr. Thayer suggested that the personnel system be decentralized to some extent. Recruitment, certification, and classification are areas that individual departments could successfully take charge of. Departmental personnel offices could classify their own unique positions, thus increasing accuracy and eliminating Division of Personnel paperwork. Classificaiton of general state-wide jobs could go through the Division of Personnel. He agreed with the concept of promotions within a department whenever possible and of hiring new people at entry-level jobs.

Discussion followed regarding the need for a person to be on several registers for classifications of the same type. Ken Kareen explained that it was necessary to operate that way because higher levels of the same type of job may require additional skills such as supervisory abilities, while placing less emphasis on technical skills.

The Division of Personnel's veto power over classification was discussed and seen as a problem. Many people see the division as impossible to work with, or through, because of the time involved.

Lynda McCurry explained that classification changes need to be looked at when a person has a change in responsibility. If you have a change in tasks, that may call for a re-classification. If you have a larger volume of work, that may call for an additional person at the same classification.

Danny Plotnik, Coordinator of the Office on Aging, addressed the commission next on the problem of workers in the federally-funded SCSEP Program being classified as temporary employees. He introduced Eileen Rehwald, who expanded on the problem. Several of her people have been terminated because of the time limitations on State temporary employees.

These employees, under the federal program, were still eligible for additional hours of work. Also, federal guidelines preclude labeling employees under the SCSEP Program. She introduced one of the employees affected by this problem, Luberta Escholt. Ms. Escholt appealed to the commission to try to do something that would help her and others in the same situation.

Chairman Ray directed the matter to the Classification of Employees subcommittee to look into establishing these as partially-exempt positions. The APEA will also look into this matter. There should be some work completed by November 30.

Mary McClinton was the next speaker. Mary presently has a case being considered by the Human Rights Commission. She was employed by the Department of Community & Regional Affairs, which reorganized its staff, and had been excluded from transfer to another job. She was the only member of the staff to be excluded. Even though she was among the top five on a large number of registers, she has not found another state job. She would like to see the system improved so that this does not happen to others.

Some discussion followed on related problems. Frank Flavin hoped that if Ms. McClinton was found to be qualified and was indeed discriminated against that some disciplinary action would be taken against those persons responsible.

LaRae Jones, Personnel Officer from the Governor's Office, spoke next. She commented on how little training there was in the state system to provide new employees with the technical training needed on the workings of the specific systems. There have been two training sessions since last May, but she felt there should be more. People could do their jobs more effectively if they didn't have to learn by trial and error.

Public participation ended.

Chairman Ray made additions to subcommittee memberships. Ken Spray, Niel Thomas, and Lynda McCurry were added to the Categories of Employees subcommittee. John Pugh was added to the Collective Bargaining subcommittee.

Chairman Ray reported that the Centralization/Decentralization subcommittee met, heard testimony, and will meet again.

Questions arose regarding the appropriate subcommittee for classification and hiring processes. The responsibility was given to the Centralization/Decentralization subcommittee. Niel Thomas asked if it would be possible to rename the committee. It was moved by acclaimation that the subcommittee be renamed "Classification, Certification, and Recruitment".

Mr. Thomas asked whether the Commission needed to investigate the other classes of state employees; namely, partially exempt and fully exempt.

Mr. Spray stated that there are presently 253 vacant permanent positions in jobs covered by APSE members. He suggested that the situation be investigated.

Chairman Ray stated that the meetings would continue in the order given previously; the subcommittees followed by the full committee. Work will be given at least one week in advance of the meeting dates. Also, note that a quorum of eight people is not necessary to hold meaningful discussions.

Representative Eliason recommended that the "Merit Increase Paper" be referred to the Merit System/Collective Bargaining subcommittee. It was agreed.

Chairman Ray read correspondence received by the Commission from Loren Jones. The letter was referred to the Certification/Classification/Recruitment subcommittee.

Meeting dates were set for the next meetings in Anchorage. They are November 30 and December 1, 1978. All members will be notified of the meeting place and can receive a T.R. from Legislative Affairs.

The next meeting was tentatively set for December 12 and 13 in Fairbanks.

The meeting was adjourned at 4:00 p.m.

Members in Attendence:

Bill Ray
Don Fisher
B. B. Allen
Dick Eliason
Frank Flavin
Ken Humphreys (for Myrt Charney)
Ken Kareen (for Pat Hunt)
Lynda McCurry
Joseph McKinnon
Pat Murphy
Greg O'Claray
John Pugh
Ken Spray
Niel Thomas

BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT
Full Commission Meeting
Juneau
November 16, 1978

ADDENDA

The following is an addenda to the Full Commission Minutes for the Blue Ribbon Commission hearing of November 16, 1978. The addenda was proposed by Ken Kareen, to be inserted on Page 2, as a substitute for Paragraph 5. The addenda was adopted at the Full Commission hearing on January 10, 1979:

Discussion followed regarding the need for an applicant to take different examinations when the job classes applied for are in the same class series (i.e., Accountant III, IV, V). Ken Kareen explained that different skills may be required and test contents emphasize those differences. Tests for a lower level job are concentrated on technical knowledge in aspects of the work, while higher level jobs in series make more demands on supervisory/management skills and knowledge, which are the subject of testing.

Also, Page 2, Paragraph 6, should read:

The Division of Budget and Management's veto power over classification studies was discussed and seen as a problem.

MINUTES

CATEGORIES OF EMPLOYEES SUBCOMMITTEE HEARING
November 16, 1978

The Subcommittee on Categories of Employees met at 9:00 a.m., Thursday, November 16, 1978, in Room 123 A of the State Capitol Building, Representative Joseph McKinnon, Chairperson, presiding.

Representative McKinnon suggested that the subcommittee identify short and long-term goals.

TOPICS IDENTIFIED

1. Use of Temporary Employees: The use of temporaries circumvents the merit system because departments are not required to hire from the register. Temporaries do not receive most state employee benefits and are therefore cheaper to employ. Departments can hire individuals as temporaries in order to allow them to fulfill experience or residency requirements and then hire them as permanent employees.

2. Contractual Employees: The same kinds of abuses (by-passing of tests, eligibility lists and mininum job qualifications) that occur in the use of temporaries can occur when departments contract out work that could be done by permanent employees.

3. Categories of State Employees: Is it appropriate for the state to have all of the categories presently in use--permanent full-time, permanent part-time, permanent seasonal, probationary, emergency, temporary and contractual?

4. Proliferation of Unique Job Classifications: Alaska has an excessive number of classifications when compared with other states having a similar number of state employees.

5. Equal Pay for Equal Work: Job categories which were created many years ago tend to be set at lower salary ranges than those created more recently, even though they may require the same kinds of training, experience and responsibilities. The salary ranges of some positions, such as secretarial, are tied to the salary range of the employee's supervisor rather than the requirements of the job.

6. Delays in processing applications to get on eligibility registers.

7. University of Alaska employees and court system employees are outside the state's merit system because of constitutional provisions.

8. Effect of the Rule of Five on Affirmative Action: Where EEO problems exist, affirmative action hiring can be accomplished by establishing EEO compliance as a justification for looking below the top five candidates.

9. The state's system of reclassifying positions.

SUGGESTIONS ON OPERATION OF THE COMMISSION

1. The Committee Structure: Care should be taken that problems are not overlooked because they fail to fall within existing committee structure. After more public input, the committee structure should be examined to consider modifications. Is the Merit System/Collective Bargaining Subcommittee necessary?

2. Adequate input from program managers who have particular knowledge of problems in the state's personnel system needs to be gathered. The Commission should consider preparing a questionnaire for distribution to state employees.

3. A crash course or dictionary on the terminology and paper flow in the personnel system for commission members. Staff will work on this.

JOB CATEGORIES IN THE STATE PERSONNEL SYSTEM

1. Trainees are generally employed in short term, probationary positions in which the employee involved is trained for a particular permanent job classification. Individuals employed under a federal program in which there is no assurance of continued funding (for example, the CETA program) are also classified as trainees.

2. Permanent seasonal positions are used where the job is needed for less than the full year, and departments concerned expect the individual to return to fill that job from year to year. For example, Fish & Game has salmon counters who are permanent seasonal employees. If the department does not expect to have the same individual returning to the job from year to year, then the department lists the job as a temporary position. The Personnel Division encourages departments to use the permanent seasonal category, but since there are adequate applicants for temporary jobs, departments with budget limitations will use the temporary category.

3. Emergency employees are appointed by some departments only where there is danger to life or property. Others will use an emergency appointment where it saves them money. An emergency appointment is authorized for 30 days with three one-month extensions possible. The employee does not have to meet the minimum qualifications, and the department can appoint to any job classification it wishes. Division of Personnel is notified of the appointment after it has been made. There are two categories of recurring emergency appointments: escorts for mental patients and for prisoners.

4. The temporary employee category was designed to meet the short-term needs of an agency. It can be used where a permanent position becomes vacant, and the agency needs to have someone to do the work during the selection process. Temporaries usually do only part of the work assigned to the permanent position.

A temporary position lasts for a period of six months with a possible three-month extension. Unlike emergency appointments, temporary employees must meet the minimum qualifications of the job class to which they are appointed, and the duties they are to perform must be consistent with the duties of that job classification.

The Division of Personnel does a post-audit of the departments temporary positions. Presently, the division examines about 10% of the positions. The division has the authority to remove a person improperly filling a temporary position. It gives notice to the department involved, and the department has two weeks to correct the error (for example, by reclassifying the positon to one for which the holder has the necessary minimum qualifications), or to let the employee go.

In making temporary appointments, the department is not required to consult the register for the job classification. The Department of Health & Social Services is the only department that has a policy of hiring temporary employees from the register. A system could be established to accomodate a requirement that departments hire temporaries from the register, though it would require some time to ensure that applicants on the temporary register were willing to be considered for temporary positions and to speed up the process of providing registers to departments.

Sometimes departments are put in a position of having to use temporaries because of a delay in receiving federal funds. The department makes timely application for a program to the federal government indicating, for example July 1 as the starting date of the state program. The department gets no formal response from the federal government until August 15--45 days into the program's life. In order to get the program going quickly, the department hires temporaries immediately, rather than take additional time to advertise and screen applicants for permanent positions. The department may have received verbal assurances that the funding would be approved prior to receipt of the formal approval. It could therefore have gambled on formal approval being granted, and could have begun hiring for permanent positions to permit program operation as soon as federal funds were received. However, if the federal money did not appear, the state would have to pay for salaries it had not intended to finance. Emergency appointments are not used in the same way, as an alternative to permanent appointments.

Mr. Thomas suggested that the use of emergency appointments could be expanded, but the requirements for temporary appointments should be tightened. If an agency had a vacant secretarial position, it could hire someone instantly for the five days it would take to hire a secretary from the register.

APEA has gathered information on the use of temporaries by the state, which show that many of the needs temporaries are

filling are permanent needs, either seasonal or full-time. Pat Murphy presented the following data:

	TOTAL # OF TEMPS	DEPT. OF FISH & GAME	DEPT. OF LABOR
July, 1978	1,701	522	93
July, 1977	1,863	508	158
July 1976	1,887	500	112

In answer to a question about whether those needs are year-long or seasonal, Mr. Murphy provided the following figures:

	TOTAL # OF TEMPS	DEPT. OF FISH & GAME
November, 1977	1,146	163
November, 1976	1,196	177
November, 1975	1,148	109

Mr. Murphy asserted that the Department of Fish & Game appears to have a recurring need for some 500 to 525 permanent employees each summer, and the Department of Labor some 100 to 150 permanent employees.

Mr. Kareen pointed out that a temporary position stays on the payroll, whether or not it is filled by an employee, until the department fills out papers indicating that position is no longer needed. Wages are drawn only according to the time sheets turned in to the Division of Finance. Mr. Murphy indicated that his figures were not checked for whether the position was actually filled.

Mr. Murphy stated that he had no problems with managers having discretion to hire temporaries for 45 to 60 days, but did have problems with 6 to 9 month terms.

Mr. Kareen asked whether there was anything that precluded APEA from negotiations on the length of time of a temporary position. Mr. Murphy explained that Mr. Hunt held the position that the length of temporary employment was statutory, and therefore non-negotiable.

PUBLIC TESTIMONY

Eileen Maki, a Public Health Nurse I (PHN I) working at the Juneau Health Center, spoke. She identified problems of concern to PHN's.

1.) Classification: At present, Public Health Nurse I's are classified at Range 14, Public Health Nurse II's at Range 15, and Public Health Nurse III's at Range 17. Public Health Nurse Trainees are at Range 12. In February, 1978, the Chief of the Section of Nursing requested that all PHN's prepare P402's describing their duties and justifying reclassification of those positions to higher salary ranges. The deadline for delivering the P402's to each nurse's supervisor was March 17. The forms were reviewed, and in early April, they were sent to the Section of Nursing for further review and for the development of a uniform job description for each job class. They apparently remained in the Section of Nursing for about six months, until the end of October or the beginning of November.

On November 3, Ms. Maki and another PHN I from the Juneau Health Center, Constance Trollan, met with Mike McMillan, a Personnel Analyst with the Division of Personnel. Mr. McMillan told then that he had just received the requests for reclassification and that he would not be able to perform his evaluation until after the Division of Budget & Management had identified funding for the potential increase of the Health & Social Services budget.

At the November 3 meeting, Ms. Maki and Ms. Trollan discussed with Mr. McMillan the discrepancy between the salary ranges assigned PHN's and those assigned other positions in state employment, such as institutional nurses. In particular, they questioned Mr. McMillan about the classification of Physician's Assistants to Range 17, while PHN I's are at Range 14.

The justification for classifying Physician's Assistants reads, in its entirety:

> This new class aligns internally with the class of Associate Attorney I at SR-17. It also aligns with SR-17 pay-wise for similar jobs in private industry. (Memo from Daniel H. Morrissey, Chief, Classification and Employee Development, Division of Personnel & Labor Relations, and Lee Antrim, Personnel Analyst, April 15, 1976)

Mr. McMillan checked the PHN files kept by the Division of Personnel for a classification analysis for PHN I's to compare with that of the Physician's Assistant. Apparently, none exists, since Mr. McMillan was unable to find one.

Ms. Maki explained the educational and training requirements for PHN I's and Physician's Assistants. A PHN must have a B.A. in Nursing from a school accredited by the National League of Nursing, with course work in the public health field. She or he must be licensed as a Registered Nurse by the State of Alaska. A PHN is authorized to practice within her area of expertise without the supervision of an M.D., including diagnosis and treatment of some conditions. In addition, she or he is responsible for nursing kinds of care for some of the patients, beyond the responsibilities of Physician's Assistants. Physician's Assis-

tant is required by the state to have a Certificate of Competency from an Physician's Assistants Program. The state does not examine the source of the certificate to evaluate its program nor is a college degree required. Some have been military medical programs, others have more extensive training. The state does not have an examination and licensing program for Physician's Assistants, as it does for Registered Nurses. Physician's Assistants are allowed to diagnose and treat conditions within the level of their training and are required to be supervised by an M.D.

Some discrepancy in range assignments may result from the fact that the PHN classification has existed since statehood, while the Physician's Assistant classification was only recently created. Of more concern is the fact that apparently all of the Physician's Assistants employed by the state are men, and all of the PHN's are women.

2. Career Ladder: At present, there is no career ladder in the PHN's field, since there are only a limited number of supervisory positions and the itinerant PHN is located only in rural areas. To advance beyond the PHN I level, an employee is forced to relocate.

The Trainee position cannot be considered an entry-level position for PHN I, since advancement to that level requires a B.A. with public health course work. Experience cannot be considered a substitute.

There is a PHN Trainee in Ketchikan who has just completed a training program in Women's Health Care, but despite the added skill she brings to her job, she remains a PHN Trainee because she lacks a four-year degree.

COMMITTEE DISCUSSION

1. Reclassification procedures: Mr. Kareen explained that the Division of Personnel policy requiring identification of funding sources before proceeding with a review of the reclassification requests was established when Joe Henry was Commissioner of the Department of Administration. Because of the magnitude of the reclassification of PHN's, the Division of Personnel can only proceed after it receives approval from the Governor's Division of Budget & Management, which will first get approval from the department in question. This ensures that the Governor is informed of the fiscal impact of proposed changes. Given its present level of staffing, the Division of Personnel can only afford to do a limited number of reclassification studies, and this system provides some insurance that those on which further action will be taken receive priority. The Division of Personnel does not have the authority to change this system unilaterally.

A member of the audience pointed out that a budget document justifying the requested reclassifications should be prepared by the department and sent with the P402's to the Division of Per-

sonnel for transmittal to the Division of Budget & Management and that if this were not done, that Budget & Management might refuse to act. Mr. Thomas pointed out that in private industry, this kind of insistance on paper flow would not hold up a valid personnel action.

Representative McKinnon asked whether a department could reclassify a position to become effective at the beginning of the next fiscal year if funding were approved by the legislature. Mr. Murphy answered that that was proposed for the position of Pioneer Home Aides, but the Commissioner of Administration refused to allow it.

It was proposed that the system be changed to provide that the Division of Personnel have the responsibility for initiating reclassifications where inequities exist. Personnel should make its recommendations to the Division of Budget & Management, which would have the responsibility for identifying funding needs. If Budget & Management determined that sufficient funds were not available in the department, then it would prepare a supplemental appropriation for submission to the legislature. Once the Division of Personnel decides that a reclassification is valid, the those positions should have to be appropriately reclassified.

At a minimum, the Division of Personnel should make recommendations on all reclassification requests submitted to it so that the Division of Budget & Management has sufficient information on which to make its decision. APEA has found a number of instances in which Budget & Management refused to ask for additional funding for what were valid reclassifications, and therefore, the legislature was never presented with the question on funding for its consideration.

2. Potential State liability for failure to reclassify: If the PHN's of the state choose to bring suit under the Federal Equal Pay Act, the state would face a potential liability in the neighborhood of $2.5 million. Assuming 50 PHN's at Range 14 earn an average of $20,000 annually, the total present salary of PHN's is $1 million. If PHN's were reclassified to Range 17 (the Physician's Assistant range) averaging $26,000 annually, the total salaries would be $1.3 million. The Federal Equal Pay Act allows consideration of the salary levels of the past two years, and if the plaintiff/employee proves willful misconduct, damages may be awarded for the pst three years. In addition, the court may award attorney's fees and interest to successful litigants. In some cases, attorneys will work on a contingent-fee basis. Instead of charging clients by the hour for time spent on the case and requiring payment as the case progresses, an attorney will charge clients a predetermined percentage of the judgement in the event the case is successful. This enables clients who cannot afford to pay attorney's fees in advance to bring suit.

The state should recognize that there is a chance that if suit were brought, the state could lose. In private industry, that kind of potential liability is enough to cause the employer to ensure that appropriate changes are made so that the employees affected do not choose to sue.

One of the reasons that the state does not respond in the same manner is the budgetary system of paying for judgements. Payment for judgements against the state is proposed by an Attorney General's bill, which the legislature rarely scrutinizes. On the other hand, increased funds for reclassifications of positions within a department become part of the department's operating budget, which the legislature may examine and question in some detail. The system therefore makes it easier to pay a more expensive judgement than for the department to act on its own initiative at a lower overall cost.

Pat Murphy pointed out that the legislature appropriates money for permanent positions (PCN's) as part of the general appropriation. Therefore, permanent positions do not decrease the funds available for departmental programs. However, temporary positions are not part of that general appropriation, and funding for temporary employees may have to come from program funds.

3. Legislative budgetary process: Representative McKinnon noted that the House automatically, in most instances, adds the necessary funds for reclassifications to the maintenance budget. Legislative oversight should not hinder valid reclassifications.

Senator Ray cautioned that a decision by a department to reclassify positions does not bind the legislature to fund all of those positions. The legislature cannot reclassify the positions, but it can refuse to fund some of them, causing the department to have to decrease the number of its employees in order to pay the increased amount.

4. Letter to the Governor: Representative McKinnon, as Chairperson of the subcommittee, will write Governor Hammond requesting his position on the reclassification difficulties experienced by the PHN's. The staff will assist in drafting the letter.

5. Future subcommittee meetings: The next subcommittee meetings will focus on temporary employees. Later meetings will consider the reclassification question.

IN ATTENDENCE

Senator Bill Ray
Representative Joe McKinnon
Ombudsman Frank Flavin
Niel Thomas
Linda McCurry
Ken Kareen (for Patrick Hunt)
Patrick Murphy
Darlene Howard (Alternate for Patrick Murphy)
Ken Humphreys (for Myrt Charney)

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 a[illegible]ement 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 permited 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

MINUTES

Personnel Act Review Commission Meeting
October 3, 1978

The second meeting of the Personnel Act Review Commission was called to order in Room 123 of the State Capitol by Chairman Bill Ray at 1:30 p.m., October 3, 1978. Following roll call, Don Fisher reported that he had received more than fifty applications for the director's position, had interviewed just about all of those applicants and, in consultation with the chairman, was ready to make a selection in the next few days. Mr. Fisher reported that there was a possibility of using office space on the tenth floor of the State Office Building adjacent to the division of personnel, but that it would not be available until November 1. Senator Ray reviewed the actions of the last meeting and asked if anyone wanted to contribute public input concerning their problems with the personnel system.

Violet Thetford testified and was concerned with hiring practices and felt that the entire personnel system is bogged down with paper. There had been a problem with redundant testing. Mr. Hunt confirmed the basic facts.

Rosalee Walker testified on problems of in-house promotions. She felt that making political appointments to higher level positions instead of promoting long-time, career employees was bad for morale and resulted in poorly trained management. She hoped the commission might design a different system to alleviate this problem.

Gregg Erickson, director of the Research Division of the Legislative Affairs Agency, was asked to the table. Senator Ray explained formally to Mr. Erickson that he had no particular problems with the Legislative Affairs Agency staff and hoped that the issue which arose at the last meeting could be considered closed. Mr. Erickson was agreeable and thanked Senator Ray.

Chairman Ray brought up a problem which had been called to his attention in correspondence from the project coordinator for the office of the aging. The state personnel division has classified Title IX, Older American enrollees as "temporary" so they are now terminated after six months. Pat Hunt was asked to look into this problem and come back to the committee next time with either an answer or a resolution for consideration by the committee. Pat Murphy objected to the assignment. Following clarifying discussion, Mr. Murphy withdrew his objection.

Correspondence regarding priorities for the commission's work was received from Niel Thomas, executive director of the Alaska State Commission for Human Rights, Pat Murphy, executive director of the Alaska Public Employees Association and from Lynda McCurry for the Confidential Employees Association.

The commission discussed the establishment of priorities for subcommittee assignment. Chairman Ray cautioned members to take a non-partisan view on subcommittee assignments. Pat Murphy moved that three subcommittees be established and that "categories of employees" (see A.P.E.A. letter) be one of three priorities to be studied by a subcommittee. The motion passed without objection.

Pat Hunt moved that the commission make a priority of the determination whether we should have a central personnel system or whether it should be decentralized or whether it should be partially decentralized. Don Fisher proposed an amendment to the effect that recruitment, examination, classification and pay be handled separately. Following discussion, Mr. Fisher withdrew the amendment. The motion carried without objection.

Bob Gates moved that the commission make a priority of addressing the merit system and collective bargaining and their relationship. Following discussion, the motion passed without objection.

The commission discussed Equal Employment Opportunity, dress (cleanliness) code for state employees and the problems of training and job performance assessment. Bob Gates suggested that interested members inform themselves in the area of job performance evaluation and ways of dealing with instances of excellent or substandard performance and that the subject be raised again at the next meeting.

John Pugh moved that the commission recommend legislation which would provide for periodic, external audits of the personnel system like the one carried out the the Division of Legislative Audit in 1977. This motion passed without objection.

Chairman Ray raised the question of the job register. Some discussion of this, as well as the hiring of the commission's staff, followed.

Don Fisher moved to clarify the "centralization/decentralization" topic. He moved that the topic on centralization/decentralization include but not be limited to the study of the problems of certification, recruitment, classification and pay, examination, and equal opportunity and that the subcommittee consider the personnel law, the personnel rules and the existing practices and that they give their recommendations as to the solutions of any problems they might find. The motion passed without objection.

The three subcommittees were formed. They are composed of volunteers from the commission with the understanding that a member, through a representative, could serve on more than one subcommittee and that Chairman Ray would appoint a legislator on each subcommittee as chairman. Each subcommittee chairman was asked to appoint a vice chairman, with the understanding that Representative McKinnon (absent) would do so as soon as possible. Chairman Ray is an ex officio member of each subcommittee.

The subcommittees are as follows:

Centralization/Decentralization Subcommittee

Bill Ray, Chairman
Don Fisher, Vice Chairman
Myrt Charney
John Pugh
Pat Hunt
Lynda McCurry
Ken Spray
Dick Eliason
Thelma Buchholdt
Frank Flavin
Niel Thomas

Merit System/Collective Bargaining Subcommittee

Thelma Buchholdt, Chairman
Greg O'Claray, Vice Chairman
Ken Spray
Pat Murphy
Pat Hunt
B. B. Allen
Lynda McCurry
Bill Ray (ex officio)

Categories of Employees Subcommittee

Joe McKinnon, Chairman
Frank Flavin (Patti Moriarty)
Pat Murphy
Jay Yakopatz
Pat Hunt
Bill Ray (ex officio)

Ken Vassar presented a copy of the compilation of statutes dealing with the personnel system and gave a brief explanation. Don Fisher was charged with custody of these materials.

The next meeting of the commission was scheduled for 1:30 p.m., Thursday, November 9, in Room 123 of the State Capitol.

The meeting was adjourned at 4:25 p.m.

Members in attendance

Bill Ray
Bob Gates for B. B. Allen
Thelma Buchholdt
Myrt Charney
Don Fisher
Patti Moriarty for Frank Flavin
Pat Hunt
Lynda McCurry
Pat Murphy
Greg O'Claray
John Pugh
Ken Spray
Niel Thomas

MINUTES

Personnel Act Review Commission

Meeting of September 15, 1978

The following summary minutes are arranged topically, not chronologically, to indicate the actions of the Commission.

The first meeting of the Personnel Act Review Commission (L.R. #27) was called to order at 9:00 a.m., September 15, 1978 by Jack Doyle, Executive Director, Legislative Affairs Agency for Representative Mike Miller, Chairman, Alaska Legislative Council. A list of those in attendance is attached.

Officers

Following the call to order and introductions, Senator Bill Ray was elected Chairman and assumed the chair. Don Fisher was elected Vice Chairman. Myrt Charney was elected as recording secretary.

Staff Support

It was decided that the Commission would not hire a consultant as primary staff but would reserve the option to use one for specific tasks in the future. Senator Ray felt it would not be appropriate to use Legislative Affairs Agency staff exclusively in the role of director/researcher. It was decided that Don Fisher should proceed to advertise and interview for an administrator/research staff person at salary range 20 and for a full time secretary, preferably with shorthand skills, at a salary range not to exceed 12. At the request of the Chairman, Mr. Erickson of the Legislative Affairs Agency directed Mr. Humphreys to assist the Commission with such additional research as they may require, with priorities as among the Commission's various research tasks to be determined by the Commission.

Budget Considerations

Myrt Charney indicated that $57,000 is currently available to the Commission through June 30, 1979 unless a supplemental appropriation is received or additional Legislative Council funds are made available.

Time Frame

It was suggested that the work of the Committee would probably carry on for at least eight months and possibly up to two years or so.

Office Space

Bob Gates said that permanent quarters could probably be provided through the administration. He was asked to check on that and let Don Fisher know. Senator Ray pointed out that Room 123A in the Capitol Building or other legislative space could be used for meetings, etc. even after the legislature convenes.

Scope and Priorities of the Study

There was some discussion of the scope of the study. Should it broadly embrace the entire personnel system including collective bargaining or be directed primarily toward a revision of the Personnel Act? It was decided that members who were so inclined should submit their thoughts on the scope, priorities and objectives of the Commission in writing at the next meeting. Senator Ray asked Ken Kareen and Pat Murphy to prepare presentations for the group.

There was some discussion of public hearings or meetings and the use of teleconferencing. The general conclusion was that the public needs to be made aware of the study and be given ample opportunity for input before any final product is forthcoming. It was suggested with no objection that releases be given to the press which would alert the public to the Commission's existence and intention to solicit input.

Membership of the Commission

There was some discussion of the possibility of adding additional members to the Commission. A motion by Ken Spray to add a representative from the Alaska Public Safety Employees Association failed. Senator Ray asked Myrt Charney to notify the PSEA that their informal participation was welcomed and to invite them to present their problems to the Commission.

Next Meeting

The next meeting was scheduled for Wednesday, October 3 at 1:30 p.m. in room 123 of the State Capitol, Juneau.

Ken Kareen requested that Legislative Affairs legal staff compile laws that deal with the personnel system besides those in AS 39.25. Senator Ray asked for a survey of the administrative code as well. Pat Murphy was asked to provide material on departmental personnel procedures.

At Frank Flavin's request, Myrt Charney was asked to provide Legislative Audit reports from the past. Mr. Charney was also asked to keep loose-leaf notebooks with minutes and other relevant materials for commission members.

At Janet Bradley's request, Ken Humphreys was asked to provide a copy of the various current collective bargaining agreements.

The meeting was adjourned at 10:55 a.m.

Personnel Act Review Commission

Attendance at the September 15, 1978 Meeting

Members	Representing
Ken Spray	Local 71
Dick Eliason	Representative, Dist. 3
Bob Gates	Dept. of Admin. (for B.B. Allen)
Ken Kareen	Dept. of Admin., Div. of P.& L.R. (for Patrick L. Hunt)
Joe McKinnon	Representative, Dist. 9
John Pugh	A.P.E.A.
Lynda McCurry	C.E.A.
Pat Murphy	A.P.E.A.
Bill Ray	Senator, Dist. C
Janet L. Bradley	AK Human Rights Commission (for Neil Thomas)
Frank Flavin	Ombudsman
Myrt Charney	Legislative Affairs Agency
Don Fisher	D.O.T./P.F.

Others

Sally Smith	Representative, Dist. 20
Jack Doyle	Legislative Affairs Agency
Kristine Harder	Representative Mike Miller's office
Ken Humphreys	Legislative Affairs Agency
Darlene Howard	A.P.E.A.