

S B

418

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 418

SPONSOR DUNCAN

BILL TITLE

DATE REFERRED 1-30-90

HEARING SCHEDULED

FISCAL NOTE PREPARED

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

| | | | | | | | | | | | | | |
|---------------------------------|--------|---|-----------|-------------------------------------|---------------|--------------------------|------------------|--------------------------|-----------------|--------------------------|--------|--------------------------|--------|
| P H O N E | TO | <i>Sue</i> | DATE | <i>2/6/90</i> | TIME | <i>12:15</i> | AM OR PM | | | | | | |
| | FROM | <i>Sue Plummer</i> | AREA CODE | | | | | | | | | | |
| | OF | | NO. | <i>2200</i> | | | | | | | | | |
| M E S S A G E | | <i>SB 418 ← DOA questioned where this is going? Concern: A lot of time will have to go into it = Contentious Bill</i> | | | | | | | | | | | |
| | | SIGNER <i>[Signature]</i> | | | | | | | | | | | |
| | PHONED | <input checked="" type="checkbox"/> | CALL BACK | <input checked="" type="checkbox"/> | RETURNED CALL | <input type="checkbox"/> | WANTS TO SEE YOU | <input type="checkbox"/> | WILL CALL AGAIN | <input type="checkbox"/> | WAS IN | <input type="checkbox"/> | URGENT |

OTHER

Alaska State Legislature



SENATOR JIM DUNCAN

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COMMITTEES:
FINANCE
VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

TO: SENATOR PAT POURCHOT
CHAIR
STATE AFFAIRS COMMITTEE

FROM: SENATOR JIM DUNCAN

REGARDS: SENATE BILL 418

DATE: MARCH 15, 1990

ATTACHED IS MATERIAL PROVIDED BY LEGISLATIVE RESEARCH ON THE APPOINTMENT PROCESS OF PERSONNEL DIRECTORS IN OTHER STATES. THIS MATERIAL MAY SERVE AS USEFUL BACKGROUND AS THE STATE AFFAIRS COMMITTEE CONSIDERS SB 418 WHICH INCLUDES A CHANGE IN THE APPOINTMENT PROCESS OF THE DIVISION OF PERSONNEL DIRECTOR.

THE ATTACHED INFORMATION WAS GATHERED BY THE NATIONAL ASSOCIATION OF STATE PERSONNEL EXECUTIVES AND THE COUNCIL OF STATE GOVERNMENTS. I WILL PROVIDE THE FOLLOWING HIGHLIGHTS.

THE PERSONNEL DIRECTOR IS APPOINTED BY A BOARD IN FIVE STATES. THESE STATES INCLUDE ALABAMA, CALIFORNIA, IDAHO, MICHIGAN AND MISSISSIPPI.

FIVE OTHER STATES HAVE ADOPTED A SYSTEM OTHER THAN DIRECT APPOINTMENT CONTROL BY THE GOVERNOR OR A DEPARTMENT HEAD.

-IN LOUISIANA, THE CIVIL SERVICE COMMISSION APPOINTS FOLLOWING A COMPETITIVE EXAM.

-IN MASSACHUSETTS, THE CIVIL SERVICE COMMISSION SUBMITS THREE NAMES TO THE SECRETARY OF ADMINISTRATION AND FINANCE WHO THEN APPOINTS WITH THE GOVERNOR'S CONSENT.

-IN NORTH DAKOTA, CANDIDATES ARE PRESENTED BY THE PERSONNEL BOARD FOR SELECTION BY THE DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET.

-IN PENNSYLVANIA, THE DIRECTOR IS SELECTED BY COMPETITIVE EXAM.

THE GOVERNOR IS CHARGED WITH APPOINTING THE PERSONNEL DIRECTOR IN 35 STATES, ALTHOUGH THE FOLLOWING STATES APPLY RESTRICTIONS.

-IN MISSOURI, THE GOVERNOR SELECTS FROM CANDIDATES CERTIFIED BY THE PERSONNEL ADVISORY BOARD.

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-IN WASHINGTON, THE GOVERNOR APPOINTS FROM A LIST OF THREE CANDIDATES RECOMMENDED BY THE PERSONNEL BOARD.

-IN WEST VIRGINIA, THE GOVERNOR APPOINTS FROM A LIST OF CANDIDATES FOLLOWING A COMPETITIVE EXAM.

I'VE ALSO ATTACHED A COPY OF THE PRESS RELEASE ISSUED UPON INTRODUCTION OF SENATE BILL 418 FOR THE INFORMATION OF THE STATE AFFAIRS COMMITTEE.

**STATE PERSONNEL OFFICE:
ROLES AND FUNCTIONS**

by
THE NATIONAL ASSOCIATION OF STATE PERSONNEL EXECUTIVES
and
THE COUNCIL OF STATE GOVERNMENTS



CHAPTER 1

THE OFFICE OF STATE PERSONNEL EXECUTIVE: SELECTION, PLACEMENT, RESPONSIBILITIES, AND QUALIFICATIONS

The office of the state personnel executive varies as to method of selection, placement in state government and primary responsibilities. Table 1 contains information on state personnel executives and lists primary responsibilities of their offices. Table 2 lists the salary of each state personnel executive during the 1986 fiscal year, the minimum qualifications for the offices and the proper names of the agencies.

The State Personnel Executive

Thirty-five state personnel executives are appointed by their governors. Three of those states also require either a competitive exam (West Virginia) or certification by a personnel board (Missouri and Washington).

The personnel executive is appointed by a personnel board in five states. Six states report that the personnel executive is appointed by the head of their jurisdictional agency. In North Dakota, that appointment is made from a list of candidates selected by the personnel board. In Arkansas, the individual is selected by the department of administration director. In Massachusetts, the appointment is made from a list of candidates selected by the civil service commission. The remaining states report a variety of selection procedures.

Although not represented in the table, five states appoint personnel executives for four-year or five-year terms:

Hawaii - the executive is appointed for four years at the beginning of each governor's term.

Massachusetts, Missouri and New Hampshire - the executive serves a four year term, with possibility of re-appointment.

New Jersey - the executive may serve for five years.

Table 2 indicates the annual salary, required qualifications and agency name for each personnel executive. The highest annual salary is found in the California Department of Personnel Administration, where at this writing, the salary is set at \$78,209. The lowest salary was reported in North Dakota, where the salary range starts at \$32,052 for the director of the Central Personnel Division of the Office of Management and Budget. The 49 states and one territory responding to this question collectively spend \$2,813,976 in salaries to chief executives of personnel management systems, making the average salary \$56,279.52. (The lowest salary was used for those states providing a range. Texas is not represented in these figures). In addition, Table 2 indicates the length of service of the current personnel executives. Thirty-six personnel executives have served less than five (5) years. The average length of service is four (4) years.

**TABLE 1
THE OFFICE OF STATE PERSONNEL EXECUTIVE:
SELECTION, PLACEMENT AND RESPONSIBILITIES**

| State or Jurisdiction | Method of Selection | Reports to Governor | Reports to Personnel Board | Directs Departmental Employees | Administers Policies of Personnel Board | Administers Merit Tests Establishes Qualifications for Classified Employees | Maintains Roster of State Employees Classification & Compensation Plans | Makes Budget Recommendations to Legislature | Other |
|-----------------------|---------------------|---------------------|----------------------------|--------------------------------|---|---|---|---|-------|
| Alabama | B | • | • | • | • | • | • | • | • |
| Alaska | G | • | • | • | • | • | • | • | • |
| Arizona | D | • | • | • | • | • | • | • | • |
| Arkansas | D(a) | • | • | • | • | • | • | • | • |
| California | SPB DPA | • | • | • | • | • | • | • | • |
| Colorado | G | • | • | • | • | • | • | • | • |
| Connecticut | D | D | • | • | • | • | • | • | • |
| Delaware | G(b) | • | • | • | • | • | • | • | • |
| Florida | G | • | • | • | • | • | • | • | • |
| Georgia | G | • | • | • | • | • | • | • | • |
| Hawaii | G | • | • | • | • | • | • | • | • |
| Idaho | B | • | • | • | • | • | • | • | • |
| Illinois | D | • | • | • | • | • | • | • | • |
| Indiana | G | • | • | • | • | • | • | • | • |
| Iowa | G | • | • | • | • | • | • | • | • |
| Kansas | G | • | • | • | • | • | • | • | • |
| Kentucky | G(c) | • | • | • | • | • | • | • | • |
| Louisiana | (d) | • | • | • | • | • | • | • | • |
| Maine | G | • | • | • | • | • | • | • | • |
| Maryland | G | • | • | • | • | • | • | • | • |
| Massachusetts | (e) | • | • | • | • | • | • | • | • |
| Michigan | B | • | • | • | • | • | • | • | • |
| Minnesota | G | • | • | • | • | • | • | • | • |
| Mississippi | B | • | • | • | • | • | • | • | • |
| Missouri | G(f) | • | • | • | • | • | • | • | • |
| Montana | (g) | • | • | • | • | • | • | • | • |
| Nebraska | G | • | • | • | • | • | • | • | • |
| Nevada | G | • | • | • | • | • | • | • | • |
| New Hampshire | D | • | • | • | • | • | • | • | • |
| New Jersey | G | • | • | • | • | • | • | • | • |
| New Mexico | G | • | • | • | • | • | • | • | • |
| New York | G | • | • | • | • | • | • | • | • |
| North Carolina | G | • | • | • | • | • | • | • | • |
| North Dakota | D(h) | • | • | • | • | • | • | • | • |
| Ohio | G | • | • | • | • | • | • | • | • |
| Oklahoma | G | • | • | • | • | • | • | • | • |
| Oregon | D | • | • | • | • | • | • | • | • |
| Pennsylvania | | | | | | | | | |
| CSC | (i) | • | • | • | • | • | • | • | • |
| BP | G | • | • | • | • | • | • | • | • |
| Rhode Island | D | • | • | • | • | • | • | • | • |
| South Carolina | (j) | • | (j) | • | (j) | • | • | • | • |
| South Dakota | G | • | • | • | • | • | • | • | • |
| Tennessee | G | • | • | • | • | • | • | • | • |
| Texas | | | | | | | | | |
| Utah | G | • | • | • | • | • | • | • | • |
| Vermont | G | • | • | • | • | • | • | • | • |
| Virginia | G | • | • | • | • | • | • | • | • |
| Washington | G(l) | • | • | • | • | • | • | • | • |
| West Virginia | G(m) | • | • | • | • | • | • | • | • |
| Wisconsin | G | • | • | • | • | • | • | • | • |
| Wyoming | G | • | • | • | • | • | • | • | • |
| Puerto Rico | G | | | | | | | | |
| TOTALS | D(8), G(33), B(5) | 39 | 15 | 50 | 27 | 50 | 51 | 42 | 30 |

SOURCE: Information derived from survey of state personnel offices conducted by The Council of State Governments for the National Association of State Personnel Executives (NASPE)

KEY:
B Appointment by personnel board
D Appointment by department head
G Appointment by governor

FOOTNOTES:

- (a) Selected by state administration director, confirmed by the governor.
- (b) Reports to the governor and serves as executive secretary to the board, does not report to the board.
- (c) The commissioner serves as an adviser to the board and reports to the governor and the board by Oct. 1 each year.
- (d) Appointed by the Louisiana Civil Service Commission following a competitive examination.
- (e) Massachusetts' Civil Service Commission submits three names to the secretary of administration and finance who appoints the personnel administrator with the governor's consent. The personnel administrator serves a four-year term.
- (f) From candidates certified by the Personnel Advisory Board.
- (g) Selected through procedures specified in the Montana recruitment and selection rules.
- (h) Director of Office of Management and Budget makes final choice from among candidates presented by the State Personnel Board.
- (i) Selected by competitive examination.
- (j) Selected by and reports to State Budget and Control Board, a five member board chaired by the governor.
- (k) Decentralized personnel system.
- (l) From three candidates recommended by the Personnel Board.
- (m) From list of eligible candidates following competitive examination.
- (n) Information not available.

(+) Other responsibilities specified.

Alabama - Appointed by employees of Personnel Board, removed for cause; secretary to Board.

Arizona - Administers personnel rules and policies.

California - (State Personnel Board). Oversees all aspects of merit employment; (Department of Personnel Administration) - Represents governor in bargaining with employee representatives; administers training, performance evaluation, benefit, labor relations and staff reduction programs.

Connecticut - Supervises affirmative action activities; conducts collective bargaining negotiations and labor management programs; administers management relations and personnel development programs, job analysis and evaluation, workers' compensation.

Delaware - Administers affirmative action programs; development and training; coordinates labor relations for the executive branch.

Florida - Represents governor in collective bargaining negotiations; supports state agency employee training programs; administers group insurance, retirement benefit programs.

Georgia - Administers health insurance plan, deferred compensation plan, flexible benefit plan; coordinates training programs; serves as secretary to Personnel Board; reviews salary payments for compliance with the Personnel Board Rules.

Hawaii - Conducts recruitment and examinations, training and safety programs, classification and compensation review, employee services, labor relations.

Illinois - Negotiates collective bargaining agreements.

Indiana - Administers affirmative action, rules, medical-dental plans for employees, training and continuing education; publishes newsletter; processes applications; performance appraisals; approves payroll; establishes new personnel programs and policies.

Maine - Administers all aspects of employee relations and collective bargaining, workers' compensation program; training and development programs.

Maryland - Administers equal opportunity employment program; adjudicates employee grievances and appeal of disciplinary actions; administers state employee training and development program and health benefits.

Michigan - Administers employee benefits, rules of employment conditions, employee development and assistance, grievance and unfair labor practices charge, technical appeals (including selections and classification issues); regulates collective bargaining system, conducts representation elections for exclusive collective bargaining agents.

Minnesota - Negotiates contracts with 16 bargaining units; represents state in labor disputes.

Missouri - Recommends pay plan revisions for approval by the Board and governor; directs central training function for all state agencies; participates in central labor relations; develops standard performance appraisal system for the state.

Montana - Collective bargaining supervisor; administers health benefits, deferred compensation, training and award programs, affirmative action.

Nebraska - Promulgates system rules and regulations; administers health and life insurance benefits; coordinates labor relations programs.

New York - Oversees agency affirmative action programs under governor's order; administers health insurance programs.

North Dakota - Administers statewide appeal mechanism.

Oregon - Maintains personnel system statewide.

Pennsylvania - (Civil Service Commission) - appoints staff; attends Commission meetings; recommends rules and amendments; investigates impact of Civil Service Act; appoints deputy; makes biennial report. (Bureau of Personnel) - Develops personnel policy for all agencies under governor's jurisdiction; reviews and evaluates personnel programs; develops and administers senior management executive programs; administers training programs; negotiates collective bargaining.

Rhode Island - Principal responsibility is program planning, directing and managing the overall operation of the State's personnel management system and enforcement of the Merit System Law. This office consults with the Governor, Legislature, Labor Relations Office and department officials on personnel policy issues and practices and recommends to the chief executive or legislative body changes in personnel policies and practices. Further, this office responds to the Governor, Legislature, department officials, press and general public on relevant issues.

Tennessee - Administers provisions of Civil Service Act, rules of the Department of Personnel, including employment practices, classification, compensation, job performance planning and evaluation, attendance and leave, affirmative action, appeals and grievance procedures; acts as secretary of Civil Service Commission.

Utah - Establishes rules and regulations.

Vermont - Negotiates collective bargaining agreements; administers employee benefits, handles employee grievances.

TABLE 2
1986 PERSONNEL EXECUTIVES:
SALARY, LENGTH OF SERVICE, QUALIFICATIONS, AGENCY NAME

| | Annual Salary | Length of Service | Qualifications | Agency Name |
|----------------|-----------------------------------|-------------------|----------------|--|
| Alabama | \$65,000 | 5 | NR | Personnel Department |
| Alaska | \$62,500/\$74,472 (a) | 3 | (d) | Division of Personnel |
| Arizona | \$65,858 | 9 | NR | Personnel Division |
| Arkansas | \$44,000 | 6 | (d) | Office of Personnel Management |
| California | \$78,209 (DPA) | 2 | NR | Department of Personnel Administration (DPA) |
| | \$68,460 (SPB) | 2 | (d) | State Personnel Board (SPB) |
| Colorado | \$64,525 | 4 | (d) | Department of Personnel |
| Connecticut | \$54,822/\$67,019 (a) | 11 | (d) | State Personnel Division |
| Delaware | \$57,500 | 1 | NR | Office of State Personnel |
| Florida | \$58,500 | 1 | NR | Department of Administration |
| Georgia | \$64,000 | 8 | NR | Personnel Administration |
| Hawaii | \$50,450 | 3 | NR | Department of Personnel Services |
| Idaho | \$52,187 | 2 | NR | Personnel Commission |
| Illinois | \$38,364/\$59,292 (a) | 5 | (d) | Bureau of Personnel |
| Indiana | \$62,000 | 5 | (d) | Department of Personnel |
| Iowa | \$46,000 | 1 | (d) | Department of Personnel |
| Kansas | \$54,720 | 1 | NR | Division of Personnel Services |
| Kentucky | \$54,624 | 2 | (d) | Department of Personnel |
| Louisiana | \$50,760 | 3 | (d) | Department of Civil Service |
| Maine | \$53,000 | 5 | NR | Department of Personnel |
| Maryland | \$66,500 | 1 | NR | Department of Personnel |
| Massachusetts | \$73,156 | 3 | NR | Department of Personnel Administration |
| Michigan | \$73,800 | 4 | (d) | Department of Civil Service |
| Minnesota | \$59,774 | 3 | NR | Department of Employee Relations |
| Mississippi | \$44,280 | 2 | (d) | State Personnel Board |
| Missouri | \$44,450 | 13 | (d) | Division of Personnel |
| Montana | \$32,900/\$42,638 (a) | 1 | (d) | Personnel Division |
| Nebraska | \$39,314 | 1 | (d) | Department of Personnel |
| Nevada | \$48,844/\$44,730 (a)(b) | 1 | (d) | Department of Personnel |
| New Hampshire | \$38,918/\$50,143 (a) | 2 | NR | Department of Personnel |
| New Jersey | \$70,000 | 5 | NR | Department of Civil Service |
| New Mexico | \$45,000 | 2 | NR | Personnel Office |
| New York | \$75,445 | 3 | NR | Department of Civil Service |
| North Carolina | \$61,040(a) | 1 | NR | Office of State Personnel |
| North Dakota | \$32,052/\$47,712 (a) | 1 | (d) | Office of Management & Budget |
| Ohio | \$47,000 | 1 | NR | Personnel Division |
| Oklahoma | \$50,000 | 5 | NR | Office of Personnel Management |
| Oregon | \$50,304 | 3 | NR | Division of Personnel |
| Pennsylvania | \$51,893 (CSC) | 9 | (d) | Civil Service Commission (CSC) |
| | \$54,900 (BP) | 11 | (d) | Bureau of Personnel (BP) |
| Rhode Island | \$52,000 | 10 | (d) | Office of Personnel Administration |
| South Carolina | \$61,450 | 2 | NR | Division Human Resource Management |
| South Dakota | \$43,000 | 2 | (d) | Bureau of Personnel |
| Tennessee | \$53,000 | .5 | NR | Department of Personnel |
| Texas | Personnel System is Decentralized | | | |
| Utah | \$48,000 | 1 | (d) | Division of Personnel Management |
| Vermont | \$42,577.60 | 2 | NR | Department of Personnel |
| Virginia | \$61,480 | 2 | NR | Department of Personnel Training |
| Washington | \$64,000 | 19 | (d) | Department of Personnel |
| West Virginia | \$36,500 | 1 | (d) | Civil Service System |
| Wisconsin | \$59,440 (c) | 3 | NR | Department of Employee Relations |
| Wyoming | \$58,135 | 12 | (d) | Personnel Division |
| Puerto Rico | \$39,500 | 1 | NR | Central Office of Personnel Admin. |

SOURCE: Information derived from survey of state personnel offices conducted by The Council of State Governments for the National Association of State Personnel Executives (NASPE).

- (a) Formal qualifications or provisions.
- (b) Nevada salary depends upon retirement plan selected.
- (c) Wisconsin's Administrator of Merit Recruitment is paid \$46,500.
- (d) Other requirements specified below.

KEY: NR-No legal requirements for the position of personnel director.

FOOTNOTES:

Alaska - Three years of practical work experience in the field of personnel administration are required.

Arkansas - A bachelor's degree and six years experience are required.

California (SPB) - The State Personnel Board requires permanent civil service status and an extensive managerial and program administrative experience.

Colorado - Experience can substitute for education and or education for experience.

Connecticut - General Statutes provide that the Director of Personnel and Labor Relations/Deputy Commissioner in the Department of Administrative Services should be appointed on the basis of ability in the field of personnel administration.

Illinois - A master's degree is required as well as three years of managerial experience. Experience can be substituted for education.

Indiana - Experience can be substituted for education.

Iowa - Experience can be substituted for education.

Kentucky - A bachelor's degree and five years experience are required. Experience can be substituted for education and vice-versa.

Louisiana - Two years of professional experience in personnel at least equivalent to that of an assistant division chief is required.

Michigan - A bachelor's degree and 10 years experience required, the latter depending upon level of experience. Experience can be substituted for education.

Mississippi - A master's degree and five years of experience are required.

Missouri - A bachelor's degree and six years of experience, four at managerial level, are required.

Montana - A bachelor's degree and five years experience are required. Experience can be substituted for education and vice-versa.

Nebraska - A bachelor's degree and five years experience are required.

Nevada - A bachelor's degree is required. Education can be substituted for experience. Experience requirement determined by the Personnel Commission.

North Dakota - A bachelor's degree and five years experience are required. Education can be substituted for experience and vice-versa.

Pennsylvania (CSC) - A master's degree is required. Experience can substitute for education and vice-versa. Eight years experience, including five years in directing and managing a major personnel function are required.

Pennsylvania (BP) - A bachelor's degree and seven years experience are required. Experience can substitute for education and vice-versa.

Rhode Island - A bachelor's degree and five years experience are required.

South Dakota - Two years personnel experience is required.

Utah - A master's degree and eight years experience are required. Education can substitute for experience and vice-versa.

Washington - Must have had personnel management experience.

West Virginia - A bachelor's degree is required.

Wyoming - Five years experience is required.

Alaska State Legislature



SENATOR JIM DUNCAN

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FOR IMMEDIATE RELEASE
JANUARY 30, 1990
CONTACT: PETE CARRAN
465-4430

COMMITTEES:
FINANCE
VICE CHAIR --
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

STATE MERIT SYSTEM STRENGTHENED BY DUNCAN BILL

LEGISLATION INTRODUCED TODAY BY SENATOR JIM DUNCAN OF JUNEAU WOULD STRENGTHEN THE STATE OF ALASKA'S MERIT SYSTEM OF EMPLOYMENT BY EXPANDING THE PERSONNEL BOARD AND PROVIDING IT THE DUTY OF APPOINTING THE SYSTEM'S DIRECTOR.

"SINCE THE ALASKA STATE CONSTITUTION CALLS ON THE LEGISLATURE TO ESTABLISH A MERIT SYSTEM OF EMPLOYMENT WHICH IMPACTS APPROXIMATELY 13,000 STATE EMPLOYEES STATEWIDE, I FEEL IT IS OUR DUTY AS LAWMAKERS TO ENSURE THE SYSTEM IS INSULATED AS MUCH AS POSSIBLE FROM POLITICAL INFLUENCE," SENATOR DUNCAN SAYS. "MY BILL ACHIEVES THIS GOAL BY EXPANDING REPRESENTATION ON THE PERSONNEL BOARD AND CHANGING THE APPOINTMENT PROCESS OF THE DIVISION OF PERSONNEL DIRECTOR."

THE BILL PROVIDES FOR CONTINUITY IN MANAGEMENT OF THE MERIT SYSTEM, ACCORDING TO SENATOR DUNCAN, BY PROVIDING FOR APPOINTMENT OF THE DIRECTOR BY THE PERSONNEL BOARD. "THE DIRECTOR TRADITIONALLY CHANGES WITH EACH CHANGE IN ADMINISTRATION BECAUSE IT IS A DIRECT POLITICAL APPOINTMENT. WITH ADOPTION OF THIS MEASURE AN OVERLAP BETWEEN ADMINISTRATIONS IS NOT ONLY POSSIBLE BUT PROBABLE." CURRENT LAW DIRECTS THE COMMISSIONER OF ADMINISTRATION TO APPOINT THE DIRECTOR.

"THE BILL ALSO RESPONDS TO CONCERNS RAISED IN THE PAST BY MINORITY AND RURAL ALASKANS OVER THE APPLICATION AND SELECTION PROCESS FOR CLASSIFIED SERVICE JOBS BY CALLING FOR REPRESENTATION OF THESE GROUPS ON THE PERSONNEL BOARD," SENATOR DUNCAN SAYS. THE BILL EXPANDS THE PERSONNEL BOARD FROM THREE TO FIVE MEMBERS. IN ADDITION TO MINORITY ORGANIZATIONS AND RURAL ALASKA, THE OTHER SEATS ARE DESIGNATED AS MANAGEMENT, LABOR AND PUBLIC.

ANOTHER MAJOR ELEMENT OF THE BILL REQUIRES STATEWIDE PUBLIC PARTICIPATION IF A HEARING ON PROPOSED CHANGES TO THE PERSONNEL RULES IS REQUESTED. SENATOR DUNCAN DECIDED ON THIS AMENDMENT TO CURRENT LAW AFTER LEARNING A HEARING BY THE PERSONNEL BOARD IN ANCHORAGE THIS WEEK WAS NOT SCHEDULED FOR OTHER LOCATIONS. A JUNEAU TELECONFERENCE WAS SET UP AFTER A REQUEST BY SENATOR DUNCAN TO THE DEPARTMENT OF ADMINISTRATION.

SENATOR DUNCAN POINTS OUT THERE IS PRECEDENT FOR BOARD APPOINTMENT OF AN AGENCY OFFICIAL IN ALASKA GOVERNMENT. "MY

(OVER)

PROPOSAL MIRRORS THE SYSTEM USED IN THE DEPARTMENTS OF FISH AND GAME AND EDUCATION WHERE BOARDS APPOINT THE COMMISSIONERS IN ORDER TO ACHIEVE AN ADDED DEGREE OF INSULATION FROM POLITICS."

OTHER CHANGES CALLED FOR IN SENATOR DUNCAN'S BILL INCLUDE:

-REQUIRING THE DIRECTOR TO HAVE A MINIMUM OF FIVE YEARS PROFESSIONAL PERSONNEL MANAGEMENT EXPERIENCE AND ALLOWING THE PERSONNEL BOARD TO ESTABLISH OTHER QUALIFICATIONS AS NECESSARY. CURRENTLY, A DIRECTOR MUST HAVE AT LEAST THREE YEARS OF PRACTICAL PERSONNEL MANAGEMENT EXPERIENCE.

-CALLING FOR PERSONNEL BOARD MEMBERS TO SUPPORT AND POSSESS A DEMONSTRATED INTEREST IN THE APPLICATION OF MERIT PRINCIPLES TO PUBLIC EMPLOYMENT.

-REQUIRING THE DIRECTOR TO ENSURE DEPARTMENTS EMPLOY QUALIFIED PERSONNEL OFFICERS AND SUBMIT REPORTS OF EACH HIRE TO THE PERSONNEL BOARD AND AN ANNUAL REPORT TO THE LEGISLATURE.

AS IS THE CASE IN CURRENT LAW, BOARD MEMBERS ARE APPOINTED TO SIX YEAR, STAGGERED TERMS BY THE GOVERNOR AND CONFIRMED BY THE LEGISLATURE.

Alaska State Legislature



SENATOR JIM DUNCAN

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COMMITTEES:
FINANCE
VICE CHAIR --
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

TO: SENATOR PAT POURCHOT
CHAIR
STATE AFFAIRS COMMITTEE

FROM: SENATOR ~~JIM DUNCAN~~

REGARDS: HEARING FOR SB 418

DATE: FEBRUARY 1, 1990

I WOULD APPRECIATE THE EARLIEST POSSIBLE HEARING FOR SENATE BILL 418 BY THE SENATE STATE AFFAIRS COMMITTEE.

THE OBJECT OF THIS MEASURE IS TO PROVIDE INSULATION FROM POLITICAL INFLUENCE FOR THE MERIT SYSTEM OF EMPLOYMENT. I FEEL THIS IS OUR RESPONSIBILITY AS LAWMAKERS SINCE ARTICLE XII, SECTION 6 OF THE ALASKA CONSTITUTION DIRECTS THE LEGISLATURE TO ESTABLISH A MERIT SYSTEM OF EMPLOYMENT. THIS GOAL IS ACCOMPLISHED THROUGH VARIOUS AMENDMENTS TO ALASKA STATUTE 39 PROPOSED IN SENATE BILL 418.

THE BILL EXPANDS REPRESENTATION ON THE PERSONNEL BOARD AND PROVIDES IT THE DUTY OF APPOINTING THE DIRECTOR, DIVISION OF PERSONNEL.

THE BOARD IS INCREASED FROM THREE TO FIVE MEMBERS. THE BILL RESPONDS TO CONCERNS RAISED IN THE PAST BY MINORITY AND RURAL ALASKANS BY DESIGNATING REPRESENTATION OF THESE GROUPS ON THE BOARD. THE OTHER SEATS ARE DESIGNATED AS MANAGEMENT, LABOR AND PUBLIC. THE BILL REQUIRES BOARD MEMBERS TO SUPPORT AND POSSESS A DEMONSTRATED INTEREST IN THE APPLICATION OF MERIT PRINCIPLES TO PUBLIC EMPLOYMENT.

SENATE BILL 418 PROVIDES FOR CONTINUITY IN MANAGEMENT OF THE MERIT SYSTEM BY PROVIDING FOR APPOINTMENT OF THE DIVISION OF PERSONNEL DIRECTOR BY THE BOARD. THE DIRECTOR TRADITIONALLY CHANGES WITH EACH CHANGE IN THE ADMINISTRATION BECAUSE IT IS A DIRECT POLITICAL APPOINTMENT. WITH ADOPTION OF THIS MEASURE AN OVERLAP BETWEEN ADMINISTRATIONS IS NOT ONLY POSSIBLE BUT PROBABLE. CURRENT LAW DIRECTS THE COMMISSIONER OF ADMINISTRATION TO APPOINT THE DIRECTOR. THIS SYSTEM IS CURRENTLY USED FOR THE APPOINTMENT OF COMMISSIONERS IN THE DEPARTMENTS OF EDUCATION AND FISH AND GAME.

OTHER ELEMENTS OF THE BILL INCLUDE:

-INCREASING THE QUALIFICATIONS FOR THE DIRECTOR FROM THREE YEARS OF PRACTICAL PERSONNEL MANAGEMENT EXPERIENCE TO FIVE YEARS OF PROFESSIONAL EXPERIENCE AND ALLOWING THE PERSONNEL BOARD TO ESTABLISH OTHER QUALIFICATIONS.

-REQUIRING STATEWIDE PUBLIC PARTICIPATION IF A HEARING ON PROPOSED CHANGES TO THE PERSONNEL RULES IS REQUESTED.

-REQUIRING THE DIRECTOR TO ENSURE DEPARTMENTS EMPLOY QUALIFIED PERSONNEL OFFICERS AND SUBMIT REPORTS OF EACH HIRE TO THE PERSONNEL BOARD AND AN ANNUAL REPORT TO THE LEGISLATURE.

-CALLING FOR THE PERSONNEL BOARD CHAIR TO SELECT THREE MEMBERS TO SERVE ON THE PUBLIC EMPLOYEES RETIREMENT BOARD. CURRENTLY, THE ENTIRE BOARD AND TWO MEMBERS ELECTED BY PARTICIPANTS IN THE SYSTEM COMPRISE THIS BOARD. THIS AMENDMENT PROVIDES FOR CONTINUED BALANCE ON THE PUBLIC EMPLOYEES RETIREMENT BOARD.

THE PROPOSED BILL CALLS FOR AN EFFECTIVE DATE OF JANUARY 1, 1991.

YOUR CONSIDERATION OF THIS REQUEST IS APPRECIATED.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to the State Personnel System and to membership*
 Sponsor: Senator Duncan
 Requestor: _____

Agency Affected: Department of Administration
 BRU: Division of Personnel

Components: _____

*on the Public Employees Retirement Board.

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|-------------------|------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | 12.9 | 13.5 | 14.2 | 14.8 | 15.5 | 16.1 |
| CONTRACTUAL | 5.0 | 5.3 | 5.5 | 5.8 | 6.0 | 6.3 |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 17.9 | 18.8 | 19.7 | 20.6 | 21.5 | 22.4 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|------|------|------|------|------|------|
| GENERAL FUND | 17.9 | 18.8 | 19.7 | 20.6 | 21.5 | 22.4 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | 17.9 | 18.8 | 19.7 | 20.6 | 21.5 | 22.4 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS : (Attach a separate page if necessary)

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

Phone: 465-4430
 Date: 2/8/90

Approved by Commissioner: Frank S. Baxter *Frank S. Baxter*
 Agency: Department of Administration

Date: 2/15/90

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

SB-418 requires the Personnel Board to hold one or more hearings when considering personnel rule changes. The bill requires that the hearings "permit public participation from around the state in person or by telephone or teleconference." This fiscal note assumes that one new board member will be appointed from Nome and one from Anchorage. It also assumes that three hearings will be needed annually to consider separate rule changes and that hearings will be held in Anchorage and Juneau to consider two of the rule changes and in Anchorage and Fairbanks for the third proposed rule change. All requests to move positions between the partially exempt and classified service will be scheduled to coincide with one of the six scheduled hearings. Public notice of the hearings will be published in six papers and three hearings will be teleconferenced to seventeen locations throughout the state. On the basis of these assumptions the cost of conducting and teleconferencing a hearing in Anchorage, Fairbanks or Juneau is shown below:

| | <u>Anchorage</u> | <u>Fairbanks</u> | <u>Juneau</u> |
|---|------------------|------------------|-----------------|
| Travel | 1,846.00 | 2,552.00 | 2,322.00 |
| Per Diem | 566.00 | 560.00 | 560.00 |
| Teleconference (2.5 hrs.) (17 L10 sites statewide) | 1,875.00 | 1,875.00 | 1,875.00 |
| Public Notice (6 papers) | 450.00 | 450.00 | 450.00 |
| Legal Services (10 hours) | <u>1,100.00</u> | <u>1,100.00</u> | <u>1,100.00</u> |
| TOTAL COST ONE DAY HEARING | 5,831.00 | 6,537.00 | 6,307.00 |

\$13,500 is currently budgeted for Personnel Board hearings. This amount has been subtracted from the amounts reported on this fiscal note.

An additional \$17,819 will be needed in FY91 to comply with the bills requirements. The increased travel and per diem will be needed to pay for the two additional board members and to pay for the three additional hearings which are scheduled to comply with the bill's mandate that the board schedule hearings when considering rule changes. The additional \$4,925.00 is needed to pay for expanded public notice and teleconferencing of the hearings which are scheduled to consider changes in the rules.

The figures shown are adjusted for inflation at a rate of 5% per year.

SENATE BILL 418
SECTIONAL ANALYSIS

SECTION 1

THIS SECTION AMENDS AS 39.25.040 BY CHANGING THE APPOINTING AUTHORITY FOR THE DIRECTOR, DIVISION OF PERSONNEL FROM THE COMMISSIONER OF ADMINISTRATION TO THE PERSONNEL BOARD.

IT ALSO CHANGES THE QUALIFICATIONS FOR THE DIRECTOR FROM THREE YEARS OF PRACTICAL PERSONNEL MANAGEMENT EXPERIENCE TO FIVE YEARS OF PROFESSIONAL PERSONNEL MANAGEMENT EXPERIENCE AND PERMITS THE PERSONNEL BOARD THE ABILITY TO ESTABLISH ADDITIONAL QUALIFICATIONS.

A SENTENCE IS ADDED STATING THAT THE DIRECTOR SERVES AT THE PLEASURE OF THE PERSONNEL BOARD.

SECTION 2

THIS SECTION ADDS A NEW SUBSECTION TO AS 39.25.050 WHICH REQUIRES THE DIRECTOR, DIVISION OF PERSONNEL TO ENSURE DEPARTMENTS COMPLY WITH MERIT PRINCIPLES IN THE HIRING OF PERSONNEL OFFICERS AND TO SUBMIT REPORTS OF EACH HIRE TO THE PERSONNEL BOARD AND AN ANNUAL REPORT EACH JANUARY 15 TO THE LEGISLATURE.

SECTION 3

THIS SECTION AMENDS AS 39.25.060(A) BY INCREASING THE MEMBERSHIP OF THE PERSONNEL BOARD FROM THREE TO FIVE. NEW LANGUAGE DESIGNATES SEATS AS MANAGEMENT, LABOR, PUBLIC, MINORITY GROUPS, AND RURAL AREAS OF THE STATE. BOARD MEMBERS ARE REQUIRED TO SUPPORT MERIT PRINCIPLES OF EMPLOYMENT AND POSSESS A DEMONSTRATED INTEREST IN PUBLIC ADMINISTRATION.

SECTION 4

THIS SECTION AMENDS AS 39.25.060(B) BY SPECIFYING THAT NOT MORE THAN THREE MEMBERS OF THE PERSONNEL BOARD MAY BE MEMBERS OF THE SAME POLITICAL PARTY. THIS AMENDMENT IS NECESSARY TO REFLECT INCREASED BOARD MEMBERSHIP.

SECTION 5

TWO AMENDMENTS ARE MADE TO AS 39.25.070 IN THIS SECTION TO REFLECT INCREASED BOARD MEMBERSHIP. PARAGRAPH FOUR REQUIRES THREE MEMBERS TO CONSTITUTE A QUORUM AND THREE AFFIRMATIVE VOTES FOR FINAL ACTION ON MATTERS COMING BEFORE THE BOARD.

SECTION 6

THIS SECTION AMENDS AS 39.25.130(A) BY CHANGING THE AUTHORITY FOR RECOMMENDATIONS ON THE EXTENSION OF THE PARTIALLY EXEMPT SERVICE

TO THE CLASSIFIED SERVICE FROM THE COMMISSIONER OF ADMINISTRATION TO THE DIRECTOR, DIVISION OF PERSONNEL.

SECTION 7

THIS SECTION AMENDS AS 39.25.130(c) BY CHANGING THE AUTHORITY FOR RECOMMENDATIONS ON THE EXTENSION OF THE CLASSIFIED SERVICE TO THE PARTIALLY EXEMPT SERVICE FROM THE COMMISSIONER OF ADMINISTRATION TO THE DIRECTOR, DIVISION OF PERSONNEL.

SECTION 8

THIS SECTION AMENDS AS 39.25.140(A) BY REQUIRING THE DIRECTOR TO SUBMIT AMENDMENTS TO THE PERSONNEL RULES TO THE PERSONNEL BOARD RATHER THAN THE COMMISSIONER OF ADMINISTRATION.

SECTION 9

THIS SECTION AMENDS AS 39.25.140(G) AND REQUIRES THE PERSONNEL BOARD TO CONDUCT PUBLIC HEARINGS IF REQUESTED ON PROPOSED AMENDMENTS TO THE PERSONNEL RULES. THE AMENDMENT ALLOWS PARTICIPATION BY APPEARANCE IN PERSON OR BY TELEPHONE OR TELECONFERENCE.

SECTION 10

THIS SECTION AMENDS AS 39.25.150(1) AND REMOVES THE POWER OF THE COMMISSIONER OF ADMINISTRATION CONCERNING THE POSITION CLASSIFICATION PLAN. THE PERSONNEL BOARD THEN RETAINS POWER TO APPROVE POSITION CLASSIFICATION PLANS.

SECTION 11

THIS SECTION AMENDS AS 39.25.153(d) AND GIVES THE DIRECTOR, DIVISION OF PERSONNEL RATHER THAN THE COMMISSIONER OF ADMINISTRATION THE POWER TO APPROVE POSITION CLASSIFICATIONS BY THE DEPARTMENTS NAMED IN AS 39.25.153.(b).

SECTION 12

THIS SECTION AMENDS AS 39.35.030(b) AND ADDRESSES MEMBERSHIP ON THE PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD. IT PROVIDES FOR SELECTION OF THREE PERSONNEL BOARD MEMBERS DESIGNATED BY THE BOARD CHAIR TO SERVE ON THE PERS BOARD.

SECTION 13

THIS SECTION OUTLINES THE INITIAL TERMS OF THE TWO ADDITIONAL MEMBERS OF THE PERSONNEL BOARD.

SECTION 14

THIS SECTION REPEALS TWO EXISTING STATUTES. THE REPEAL OF AS 44.21.020(9) REMOVES THE ADMINISTRATION OF THE PERSONNEL SYSTEM

FROM THE LIST OF DUTIES ASSIGNED TO THE DEPARTMENT OF ADMINISTRATION. THE REPEAL OF AS 39.25.140(B) ELIMINATES THE REVIEW OF PERSONNEL RULE AMENDMENTS BY THE COMMISSIONER OF ADMINISTRATION.

SECTION 15

THIS SECTION PROVIDES FOR AN EFFECTIVE DATE OF JANUARY 1, 1991.