

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2945

Michael Tibbles  
Deputy Commissioner

Mila Cosgrove  
Director  
Division of Personnel

Kent Durand  
Labor Relations Analyst  
Division of Labor Relations

# Alaska Public Employees Association/AFT (AFL-CIO)

*State Headquarters/Juneau Field Office*

211 Fourth Street, Suite 306, Juneau, Alaska 99801

Phone: (907) 586-2334 / (800) 478-9991 (*Within Alaska*) / Fax: 463-4980 / Acct Fax: 586-5980

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April 11, 2006

Representative Kevin Meyer  
State Capitol  
Juneau, AK 99801

RE: Opposition to HB 485  
Use of ALRA Petitions to Change Classified Positions

Dear Representative Meyer;

We would like to continue to urge you and members of the Finance Committee to oppose HB 485, an act relating to removing pharmacists and forensic auditors from classified service.

As justification for the attempts to move the employees into exempt service, a recent letter from the Department of Administration stated that it has the right to change positions by going through the "bargaining unit transfer" process established by the Alaska Labor Relations Agency.

While this is true, it should be noted that the Alaska Labor Relations Agency recently found in favor of APEA/AFT in two significant cases where the state attempted to remove classified positions into exempt service. The State of Alaska is now looking at the legislature to continue their quest of removing positions into exempt service without regard to the various processes available to them.

Again, given our lengthy history dating back several years of using the tools available to the State of Alaska and the union to rectify the situation, we urge you to defeat this bill and direct the Division of Personnel to work with the unions in establishing pay.

Sincerely,

Cindy Spanyers  
Legislative Liaison/Classification Coordinator

*Anchorage Field Office*

3310 Arctic Blvd., Suite 200, Anchorage, Alaska 99503

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# Alaska Public Employees Association/AFT (AFL-CIO)

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# APEA/AFT



March 6, 2006

Representative Kevin Meyer  
State Capitol  
Juneau, AK 99801

RE: Opposition to HB 485  
Removing Pharmacists/auditors from Classified Service

Dear Representative Meyer;

We would like to ask you to oppose HB 485, an act relating to removing pharmacists and forensic auditors from classified service.

Alaska Public Employees Association/American Federation of Teachers has worked for years trying to upgrade the pharmacists. The Division of Personnel has a history of findings that the classification was properly paid based on both "internal alignment" as well as market surveys. Here is a timeline of personnel actions regarding attempts to upgrade pharmacists.

September 2001: Department of Administration submits study request for the Pharmacist job class. The request indicated the salary paid pharmacists did not reflect current market rates.

May 2003: Division of Personnel responds to the request, concluding after a two-year study that the pharmacist job class is appropriately assigned at range 21, based on internal alignment and market surveys. The study was based on salary survey information from three states as well as survey information from the Jacobson, Betts, & Company survey for the Alaska Hospital and Nursing Home Association and the Milliman USA Alaska Cross-Industry Survey. According to the Division of Personnel's report, the average wage of the market survey data is the equivalent to Alaska's range 21, the same as pharmacists. The study also included pharmacy technicians, clinical pharmacists, and Medicaid Pharmacy Program Manager. (See attached memorandum dated May 15, 2003)

June 2004: Through the rights within the union contract, APEA/AFT requests a classification study citing market conditions and salary information collected from the Laborers Local 341 (the union representing many of the positions cited in the sponsor statement and their positions have both defined benefits and a 401(k), U.S. Department of Labor, Bartlett Hospital, and the State Department of Labor.

November 2005: APEA/AFT submits memorandum outlining archival information on the origins of the classification system information where the founders wrote that the pay plan should incorporate some market surveys as well as internal alignment.

## *Anchorage Field Office*

3310 Arctic Blvd., Suite 200, Anchorage, Alaska 99503

Phone: (907) 274-1688 / (800) 478-9992 (Within AK) / Fax: 277-4588 •  Phone: (907) 456-5412 / (800) 478-9993 (Within AK) / Fax: 456-7478

## *Fairbanks Field Office*

825 College Road, Fairbanks, Alaska 99701

December 2005: The Division of Personnel refuses to upgrade the positions, concluding that the pharmacy classes continue to be appropriately assigned to their designated salary ranges. (See attached letter dated December 15, 2004)

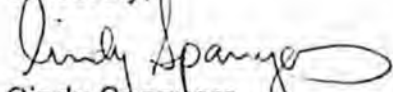
February 9, 2006: APEA/AFT meets with Labor Relations and the Division of Personnel regarding using market based salaries to be introduced slowly into the current job classes suffering from recruitment and retention problems while ensuring over-all fairness. While there is general agreement to proceed, there is no mention of changing classified positions to exempt in order to rectify the situation. (See attached draft)

February 15, 2006: HB 485 is introduced to pull classified positions into exempt status.

APEA/AFT believes that the problem of addressing salary concerns among the job classifications is being addressed and can be addressed through collective bargaining. Once the positions are removed from collective bargaining, there is no guarantee that they will be paid the proposed salary. To the contrary, the Department of Administration has stated plainly that it will not allow the classification to move upward at all. While we can appreciate the various Departments' belief that a crisis may be occurring, we have worked with them tirelessly through the process to help. Please let us continue working through the channels and the merit system on behalf of the pharmacists, and oppose SB 485.

Thank you.

Sincerely,



Cindy Sparyers  
Legislative Liaison/Classification Coordinator

attachments

# Alaska State Legislature

## House of Representatives



State Capitol, Rm. 214  
Juneau, Ak 99801-1182  
(907) 465-3764

Official Business

COMMITTEE ON RULES  
Representative Norman Rokeberg, Chairman

### Sponsor Statement

*House Bill 485 "An Act amending the State Personnel Act to place in the exempt service pharmacists and physicians employed in the Department of Health and Social Services or in the Department of Corrections and corporate income tax forensic auditors employed by the division of the Department of Revenue principally responsible for the collection and enforcement of state taxes who specialize in apportionment analysis and tax shelters of multistate corporate taxpayers and providing for an effective date."*

At the request of the Departments of Health and Social Services and Revenue, House Bill 485 has been introduced for consideration. This bill proposing moving two highly professional employees, licensed pharmacists and corporate income tax forensic auditors, into the exempt service in order to more quickly respond to salary and recruitment issues surrounding these positions.

#### Licensed Pharmacists

Pharmacists are essential to provision of safe and cost-effective medication services, required by state law, but are virtually impossible to recruit under the currently authorized state pay scale limitations.

Within the Department of Health and Social Services pharmacists assure that medications are appropriately dispensed and managed for clinical therapy and treatment provided through the Alaska Pioneer Homes, Alaska Psychiatric Institute, and for people served under the Medicaid program. Clinical functions of department pharmacists include education and consultation to nursing staff and clients, regular review and management of resident and client medications, drug utilization review, pharmacy policies and procedures, safe medication management services, and for assuring timely and cost-effective access to needed medications.

The Department of Health and Social Services has a long and well-documented history of extreme difficulty for recruitment of pharmacists. For example, there were no pharmacist applicants for a position recruited in April, June, and September of 2005. For eight months of fiscal year 2005 the Pioneer Home Pharmacy had only one pharmacist to fill three pharmacist positions – the other two pharmacists had found private sector jobs that paid twice as much per hour. A local market survey showed that non-state employers are paying twice the pharmacist pay offered by the state, augmented with hiring bonuses of up to \$35,000 for a three-year commitment. The federal government is paying wages that are competitive with the private

sector; also offering signing bonuses and forgiveness of student loans. Nationally, the same is true as shown by pharmacist recruitment letters and advertising in national publications.

After careful consideration of this information the Department of Health and Social Services received permission to hire non-permanent exempt pharmacists on an emergency basis providing the ability to immediately offer a competitive wage and fill the two vacant positions on a temporary basis. The ability to be competitive in recruitment and retention of pharmacists requires that the state have the flexibility afforded by providing exempt status for pharmacists.

The Department of Corrections also has a pharmacist position that is difficult to fill and keep staffed. A few years ago, Corrections lost a long-term pharmacist who was offered another job at a higher rate of pay than the State position. Corrections recruited in state and received no applicants so the application process was extended. After two months, a total of three applications were interviewed. One was hired; however, that person resigned approximately seven months later. The position was again posted in and out of state. After six weeks, there were two out-of-state applicants and no in-state applicants. A job offer was made and the applicant moved to Alaska with DOC paying \$3,000 of moving expenses. This current employee has received job offers from private industry and will be leaving state employment unless the state can offer a significant salary increase.

#### Corporate Income Tax Forensic Auditors

Experienced auditors are utilized to audit corporate income taxes of multi-national companies doing business in Alaska. These audits have grown more complex in recent years due to the use of off-shore companies and tax shelters. Concurrently, the supply of experienced auditors has dwindled because of high demand, the genesis of which was the Enron situation and resulting tightening of accounting rules by the Securities and Exchange Commission. As a result, market salaries of accountants and auditors have increased tremendously.

Over the last several years, the Tax Division of the Department of Revenue has had a demonstrated failure of recruitment efforts, despite efforts to recruit out of state, as well as within Alaska. The department's corporate income tax audit staff has been reduced from ten auditors to two. This threatens the department's ability to collect corporate income tax revenues.

The Department of Revenue conducted a study of auditor salaries which showed that State salaries for experienced income tax auditors is from \$40,000 to \$68,000 below comparable federal jobs.

HB 485 has been introduced to provide a means for the state to be competitive when recruiting and retaining these vital positions.

Your support of this legislation would be appreciated.

## Alaska Pioneer Homes

### **Current Base Salary: Temporary Exempt Positions**

Three pharmacists-AK Pioneer Homes: \$44.66 hr.

### **Previous Base Salary:**

Two pharmacists, range 22C, \$33.79 hr (supervisory)

One pharmacist, range 21C, \$31.39 hr (general govt.)

### **Hourly Pay for Similar Positions: July 2005**

Clinical pharmacist, Providence AK Med Ctr \$58.45

Medical Arts Pharmacy, Anchorage \$44.75-\$67.12

Carrs, Anchorage \$48.50

Costco, Anchorage \$49.00

Walmart, Anchorage \$50.00

Fred Meyer, Anchorage \$47.75

### **Recruitment**

The current range 22 pay scale is well below salary that pharmacists in the private sector earn.

The benefit packages available through other employers are comparable to the state benefit package, especially tier 4.

Union salaries elsewhere are often reevaluated every six months and adjusted for the prevailing wage for the position

Hiring is very competitive. There are more jobs available than pharmacists in the state.

Some companies are paying signing bonuses for a three-year commitment.

The Federal Government also offers signing bonuses and will forgive student loans.

Information Provided by: Department of Health & Social Services

FY07 Governor PS Scenario - Pharmacists

RDU TITLE	COMPONENT	PCN NO	PCN STATUS	JOB TITLE	Status	Location	Location	BU	RANGE	STE P1	STE P2	FY07 Budgeted Salary
Alaska Pioneer Homes	Pioneer Homes	02-7916	Existing	Clinical Pharmacist	Full-Time	EBA	Anchorage	SS	22 D	E		108,083
Alaska Pioneer Homes	Pioneer Homes	02-7915	Existing	Pharmacist	Full-Time	EBA	Anchorage	XE	29 A			132,768
Alaska Pioneer Homes	Pioneer Homes	02-7947	Existing	Pharmacist	Full-Time	EBA	Anchorage	XE	29 A			132,768
Behavioral Health	Alaska Psychiatric Institute	06-5258	Existing	Clinical Pharmacist	Full-Time	EBA	Anchorage	GP	22 M			133,404
Health Care Services	Medical Assistance Admin.	06-7048	Existing	Pharmacist	Full-Time	EBA	Anchorage	GP	21 C			96,663
Health Care Services	Medical Assistance Admin	06-4037	Existing	Medicaid Pharm Program Manager	Full-Time	EBA	Anchorage	GP	22 L			127,916
Public Health	Epidemiology	06-1926	Existing	Pharmacist	Full-Time	EBA	Anchorage	SS	21 J	K		113,728

*Information Provided By Department of Health + Social Services*

Department of Corrections

Job Class	Range	Step	Hourly Rate	Monthly Salary	Bargaining Unit
Pharmacist	21	F	\$35.02	\$5,690	Supervisory
	<b>Private Sector Hourly Rate</b>		\$58.00		
	<b>Contract Hourly Rate</b>		\$72.00/\$80.00		

The Department of Corrections has had recruitment and retention issues with the single Pharmacist position in Inmate Health Care. During recruitment efforts numerous calls were received from potential applicants. These potential applicants all stated that they were not interested in the position at the rate of a range 21. Exempt status would enable the State of Alaska to compete with private sector wages for the profession and would help the State to recruit applicants in-state and retain an employee in the position.

Information on this sheet provided by the Department of Corrections

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

### Tax Division

*Frank Murkowski, Governor*

*State Office Building  
PO Box 110420  
Juneau, AK 99811-0420  
907.465.3692*

*550 W Seventh, Suite 500  
Anchorage, AK 99501-3566  
907.269.6620*

[www.tax.state.ak.us](http://www.tax.state.ak.us)

February 16, 2006

Janet S Seitz  
House Rules Committee Assistant  
Room 214 Capitol Building  
Juneau, AK 99801

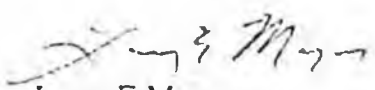
Dear Ms Seitz,

You have asked for the current pay and union involved for the Forensic Auditors in HB 485. Department of Revenue requests three brand new positions under this bill for which there would be no union affiliation. We respectfully request that the salary be competitive and market driven; at a higher level than the current auditor compensation.

Our most senior auditors are compensated between \$60,000 and \$86,600 at a salary range 22. Recent recruiting efforts coupled with salary studies have shown that the division is not competitive in the market place.

Exempt service positions would authorize a salary override that would provide competitive salary equal to the forensic auditor expertise.

Respectfully,

  
Larry E Meyers  
Deputy Director  
Tax Division

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

### *Tax Division*

*Frank Murkowski, Governor*

*State Office Building  
PO Box 110420  
Juneau, AK 99811-0420  
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February 16, 2006

Janet S Seitz  
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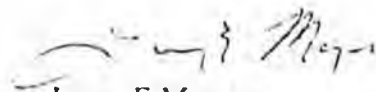
Dear Ms Seitz,

You have asked for the current salary range and union affiliation for our seven (7) vacant Corporate Income Tax Auditor positions.

The Tax Division has two (2) Corporate Income Tax Auditor IV positions within the General Government bargaining union. They are salary range 22 with compensation between \$60,000 and \$86,600.

The remaining five (5) auditor vacancies are Corporate Income Tax Auditor I positions. These positions are also in the General Government bargaining union. They are salary range 16 with compensation between \$40,248 and \$49,600.

Respectfully,



Larry E Meyers  
Deputy Director  
Tax Division

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

### DIVISION OF PERSONNEL

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110201  
JUNEAU, ALASKA 99811-0201  
PHONE: (907) 465-4430  
FAX: (907) 465-2576

December 15, 2005

RECEIVED

DEC 20 2005

APEA/AFT

Cindy Spanyers  
Business Agent  
Alaska Public Employees Association  
211 Fourth Street, Suite 306  
Juneau, Alaska 99801

Dear Ms. Spanyers,

Re: Request for Class Series Study – Pharmacists

Below is the re-evaluation of the pharmacist classes' salary ranges requested by APEA under Article 19.2.B of the Collective Bargaining Agreement in effect on June 30, 2004. A classification study of these classes was completed in May of 2003. The study maintained the range of the Pharmacist at 21, created a Clinical Pharmacist class at range 22, and changed the range of the Medicaid Pharmacy Program Manager from 20 to 22. Note, however, these classes do not constitute a Class Series as stated in your request but are separate, distinct classes.

Pharmacist (P5601/21) is a professional class in which incumbents plan, organize, oversee, and perform activities to provide pharmaceutical services to one or more facilities. This includes: establish policies and procedures for pharmacy operations; receive drug prescriptions; review the prescriptions for errors or questionable doses; check for antagonistic, synergistic, or cumulative effects of prescribed drugs; package, label, and dispense drugs within a facility or to several facilities throughout the state; provide directions for use and precautions as necessary; maintain security of pharmacy and pharmaceuticals on-site; direct security of pharmaceuticals at other locations; maintain inventory control records; and prepare reports.

Clinical Pharmacist (P5603/22) is a professional job class in which incumbents perform clinical consultations with physicians and patients. Incumbents perform comprehensive pharmaceutical therapy investigations through direct interaction with patients and medical staff; evaluate patients' drug regimen, medical or psychiatric problems; and provide expert consultation and effective recommendations on changes in drug therapy to medical staff.

Medicaid Pharmacy Program Manager (P5605/22) is a single position job class in which the incumbent administers Alaska's Medicaid Pharmacy Program; develops, implements,

and oversees policies and procedures; assesses pharmacy services for quality and compliance with state and federal requirements; and reviews and authorizes reimbursements for pharmaceutical services.

The salary range of a job class is determined based on internal consistency within the state's pay plans, in accordance with merit principles, with the goal of providing fair and reasonable compensation for services rendered and maintaining the principle of like pay for like work. In evaluating internal consistency the difficulty, responsibility, knowledge, skills, and other characteristics of a job are compared with job classes of a similar nature, kind, and level in the same job group and family or related job families.

In the 2003 study the pharmacist classes were compared to other classes in the Medical, Public Health, and Related job group. This review reexamined the alignment within the group and, due to the nature of pharmacy work, compared the class with the Chemist series in the Physical Science Specialists job family.

In comparing the Pharmacist class with other medical classes we evaluated the nature of the work in supporting patient care with responsibility for recognizing errors and potential complications from prescriptions and alerting the prescribing care provider; the range of kinds of work performed; the independence from supervision in performing duties; the supervision of non-professional assistants; the control of work by prescribed work practices and principles; the requirement for developing new approaches or methods; the consequence of errors to patients and the nature of checks against error; and the qualifications required for appointment.

Comparison with the classes in the Laboratory and Technicians family and the Nursing family revealed a wide variation when looking at the different factors. The nature, variety, and complexity of work is comparable to the journey levels of the Microbiologist, Public Health Microbiologist, Nurse, Nurse (Psychiatric), and Public Health Nurse series at salary ranges 16, 17, 18 and 19. The independence in the work is comparable to the advanced levels of the Microbiologist, Public Health Microbiologist, Nurse, and Public Health Nurse series at ranges 18, 19, and 21. The supervision of non-professionals, control by prescribed practices and principles, and limited requirement for innovation is also comparable to the journey level classes. The consequence of error and nature of checks against error are comparable to the advanced level classes. The required education and licensing qualifications are similar to the advanced level classes.

Comparison with the classes in the Medical Professional family did not reveal substantial similarities. The duties and responsibilities of the medical professional classes in diagnosing disease and injury, developing treatment, and prescription authority indicates the Pharmacist's duties and responsibilities in supporting the medical professionals are properly aligned at a lower salary range. The medical professional classes are at ranges 23, 24, 27, and 29.

Comparison with the classes in the Special Health Services and Education family did not reveal sufficient similarities to support internal alignment decisions. The professional

classes develop and conduct specialized therapeutic treatments (such as Occupational Therapists and Physical Therapists), inspect health facilities or equipment (such as Radiological Health Specialists and Health Facilities Surveyors), or oversee services in an institution (such as Rehabilitation Therapy Coordinator and Assisted Living Coordinator). The nature of the work, independence, and type of decisions made and implemented are not directly comparable to the duties and responsibilities of Pharmacists. The similarities in program coordination with the Pharmacists' oversight of pharmacy services in multiple facilities are marginal, at best.

Comparison with the classes in the Health Administration family revealed limited similarities on which to base alignment decisions. The classes have similar education and licensing requirements as minimum qualifications, typically requiring a master's degree and a professional license. The duties and responsibilities as an expert consultant in a specialty area are similar, although the Pharmacists lack the type and scope of research and program development projects typical of the classes (such as Public Health Specialists at ranges 18 and 20, and H&SS Planners at ranges 17, 19, and 21). The program management responsibilities are similar in type to the duties and responsibilities of the Health Program Manager series (at ranges 17, 19, 21, and 23), but lack the responsibility for supervising multiple and integrated public health services programs on a statewide basis and serving as the principal representative for programs characterized by such features as unprecedented expansion, fluctuating budgetary and/or socio-political considerations, or frequent and extensive program and/or technological changes requiring major shifts in operations, goals and objectives which characterizes the higher levels of the series.

The Pharmacists employed by the state are not compounding pharmacists which results in the comparison with the Chemist series revealing few similarities. Pharmacists have a similar level of required knowledge as the higher levels of the Chemist series (at ranges 18 and 20), but do not perform a similar level of chemical analyses or adaptation of analytical methods, standards, and tests. The Pharmacists' responsibility for managing a pharmacy are not as broad or complex as the responsibility of the Chemist V (range 22) for managing a major state laboratory and directing professional and support staff.

This comparison of the duties and responsibilities of the Pharmacist class indicates the work could be properly aligned at salary range 19 or 20. The level of independence, role in providing medical care, potential consequence of error and limited checks against error support assigning range 20. The level of required technical expertise, with subsequently narrow minimum qualifications and limitation of the candidate pool, supports assigning a higher base pay. This restriction on recruitment carries over to the workplace in that the work of Pharmacists cannot be assigned to other employees and when Pharmacists are absent the work must be performed by a physician. When considered with the critical services of the state's pharmacies, this supports assigning a higher range than is otherwise indicated. Evaluation of the whole job indicates the Pharmacist class continues to be appropriately assigned salary range 21.

Ms. Cindy Spanyers

- 4 -

December 15, 2005

The Clinical Pharmacist has duties and responsibilities that exhibit more specialization and higher complexity than the Pharmacist class. The Medicaid Pharmacy Program Manager has a broader scope of program with statewide impact on all public and private pharmacy operations. These characteristics support assigning a higher salary range than is assigned the Pharmacist. The classes continue to be appropriately assigned salary range 22.

Sincerely,



Mila Cosgrove  
Director

cc: Amanda Holland  
Classification Manager

# MEMORANDUM

State of Alaska  
Department of Administration  
Division of Personnel

To: Melanie Millhorn  
Human Resource Manager  
Department of Administration

Date: May 15, 2003

Kimberley King  
Human Resource Manager  
Department of Health and Social Services

Fran Podmolik  
Human Resource Manager  
Department of Corrections

Thru: Lee Powelson  
Classification Manager

From: Keith Murry  
Human Resource Specialist

Phone: 465-4074

Fax: 465-2576

Email: keith\_murry@admin.state.ak.us

Subject: Classification Study of Pharmacist, Pharmacy Assistant, and Medicaid Pharmacy Program Manager job classes.

## Request and Scope:

In September 2001, the Department of Administration, Division of Longevity Programs submitted a study request for the Pharmacist job class. The request indicated the salary currently paid pharmacists did not reflect current market rates and that pharmacists in the Pioneers' Home pharmacy were performing specialized work not recognized in the class specifications.

A planning meeting was held on October 11, 2001, attended by representatives from the Departments of Administration and Health and Social Services. The Department of Corrections did not send a representative to this meeting. The attendants discussed the national shortage of pharmacists, the potential consequences of inability to fill positions, and the differences between the state pharmacies and private sector pharmacies. The group recommended expanding the study to include the Medicaid Pharmacy Program Manager as the class also requires a licensed pharmacist and will be directly impacted by decisions made in studying the Pharmacist class. Also recommended for inclusion was the Pharmacy Assistant because the class could be impacted by changes to the pharmacist and there had been statutory changes in license requirements which were not reflected in the class specifications.

professional positions under the tests for similarity. The group questioned whether multiple levels of pharmacist and a separate job class for program management was supported.

The requested additional information from the Departments of Administration and Health and Social Services was received on June 25, 2002 and reviewed. With this information, the tests of similarity were analyzed and final decisions made on class structure and grouping.

The class specifications were given a final edit and distributed to the departments with the analysis and decisions on class structure and grouping on August 7, 2002 with a request for recommendations on job classes and class characteristics to use in conducting the internal salary alignment. Comments on the class specifications were received from the Department of Corrections. The department's comments included opinion on whether the Pharmacist or Clinical Pharmacist should be placed at a higher range, but did not provide recommendations for job classes or characteristics to use in internal alignment analysis.

Additional salary information was gathered for market comparisons. Wage information for pharmacists and pharmacy technicians in Washington, Oregon, and California was gathered along with information on federally employed pharmacists in Alaska and Washington. Additional information was gathered from the Alaska Cross-Industry Salary Survey and the Alaska Hospital and Nursing Home Association Salary Survey. The analyst also conducted a telephone survey of pharmacies in the Anchorage area.

The job classes were analyzed for internal alignment of salary based on the principle of like pay for like work. The appropriate salary range was identified for each class.

#### **Class Analysis:**

Pharmacy Technicians perform paraprofessional duties in selecting, packaging, and labeling prescribed medications, maintaining pharmaceutical databases, and maintaining security of the pharmacy and pharmaceutical supplies. The work requires the application of knowledge of pharmaceutical nomenclature; characteristics, strengths, and dosage forms of pharmaceuticals; pharmaceutical systems of weights and measures; operation of pharmacy equipment and pharmaceutical procedures and techniques; and medical supplies. Incumbents work independently in the performance of duties, but the final product is reviewed by the pharmacist for accuracy of drug, dosage, frequency, and patient prior to dispensing of pharmaceuticals. Each of the state's pharmacy operations employs positions performing pharmacy technician duties. The work in each pharmacy differs only in minor variances in procedure and in the equipment used to package dosages. These positions meet all of the tests of similarity used to group positions into job classes: the work can be clearly identified by a single title, the same minimum qualifications are appropriate for initial appointment, the same basic rate of pay can be fairly applied, and employees are an appropriate group for layoff and recall.

The changes made to the class specification include a title change to reflect the industry standard and statutorily cited title, minor rewording in the definition, distinguishing characteristics, and knowledge, skills, and abilities to clarify the type and level of work performed, and changes to the minimum qualifications to recognize the statutory requirement for licensing and the educational programs developed to provide an entry into the field.

licensure as a registered pharmacist; professional knowledge of pharmaceutical principles, practices, and procedures; knowledge of physical and mental illnesses; skill in conducting clinical evaluation of drug and non-drug interactions, efficiency, and appropriateness; and ability to provide professional consultation to medical staff and patients.

The Pharmacist and Clinical Pharmacist positions are not appropriately grouped into a single job class based on the following review of the tests of similarity:

- a) Applying the same title to all of the positions will not clearly identify the work performed. The class controlling work of Clinical Pharmacists significantly differs from the work assigned pharmacists.
- b) The knowledge, skills, and abilities required in clinical pharmacy consultations indicate the same MQs would not be appropriately applied to all positions.
- c) The positions in the Clinical Pharmacist class have the knowledge, skills, and abilities to be considered for layoff and recall to the Pharmacist class, but the reverse is not demonstrated.

The revision of the Pharmacist class specification includes changes in the definition, distinguishing characteristics, examples of duties, and knowledge, skills, and abilities to clarify the scope, level, and nature of the work; recognize responsibility for program management; and recognize the complexity of providing pharmaceutical services to locations throughout the state. The minimum qualifications have been revised to broaden the pool of potential candidates.

The Clinical Pharmacist class specification has been created to include positions performing clinical review and consultation in state pharmacies serving health care facilities. The minimum qualifications are set to provide for the largest potential pool of candidates who can be reasonably expected to successfully perform the essential functions of the positions.

#### **Internal Alignment:**

The state's pay plan, as mandated by the state constitution and statutes, is governed by the merit principle and includes "integrated salary programs based on the nature of the work performed". The pay plan is based upon the state's classification plan, provides for fair and reasonable compensation for services rendered, and reflects the principle of "like pay for like work". In achieving this principle, internal consistency of the pay plan is very important and is the primary consideration when setting the salary range of a job class. Such internal consistency reflects the difficulty, responsibility, knowledge, skills, and other characteristics of a job. To conduct internal comparisons job classes of a similar nature, kind, and level are selected from the same job family or group. Standard practice is not to include classes whose wages have been adjusted under a pilot program in an internal alignment analysis. If classes in a pilot program are used for comparison, the range prior to the pilot is range considered. Classes from other job groups are used when there are insufficient similar classes for comparison within a group or there are characteristics common across groups. The characteristics of the selected classes are compared and an appropriate range identified for the job class being reviewed.

In an internally aligned pay plan market comparisons are used as a tool for corroborating appropriate placement. If market data indicates other employers are paying a significantly different wage, additional analysis is required to "get behind the numbers" to try to identify the reason for the pay rate difference. If it is determined that compensable features of a class may

The Medicaid Pharmacy Program Manager's responsibility for administering a comprehensive statewide program involving state and federal funds which affects all pharmacies in Alaska is comparable to the program responsibilities of classes at ranges 19, 20 and 21 (Health Program Manager II, Public Health Specialist II, Radiological Health Specialist II, and Health Program Manager III). The program's scope and the required knowledge and experience in public and private pharmacy operations indicate assigning a higher salary range than the Pharmacist class is appropriate. The Medicaid Pharmacy Program Manager's program is not comparable to the programs characteristic of range 23 (Chief, Public Health Nursing). The required knowledge, experience and program administration responsibilities are appropriately assigned range 22.

Market Analysis:

Class and salary information for government employed pharmacy positions was gathered from the states of Washington, Oregon, California and the federal government. Survey information was taken from the Jacobson, Betts, & Company survey for The Alaska Hospital and Nursing Home Association and the Milliman USA Alaska Cross-Industry Survey. A telephonic survey of pharmacies in the Anchorage area was also conducted. The Milliman survey and the telephonic survey did not provide statistically valid information for comparison. The Milliman survey reported data for the pharmacy classes from two respondents, one of which was the State of Alaska. In the telephonic survey eleven Anchorage businesses were contacted, eight of which refused to provide information. The salary information from the western states was adjusted for cost of living differences. Cost of living differences are recognized in statute and bargaining unit agreements. Alaska Statute 39.27.020 requires cost of living adjustments to be made based on comparisons between Seattle, Washington and Anchorage, Alaska. Current contracts provide a 13% adjustment between these locations.

The market data on Pharmacy Technicians indicates western states' wages vary from equivalent to Alaska's range 5 to equivalent to range 13. The average wage is equivalent to Alaska's range 9. The surveys of other employers in Alaska reported wages equivalent to ranges 9 and 10. Assigning range 12 to the Pharmacy Technician job class will place the State of Alaska ahead of market wages.

The market data on Pharmacists indicates western states' wages vary from equivalent to Alaska's range 18 to equivalent to range 26. The average wage is equivalent to Alaska's range 21. The surveys of other employers in Alaska reported wages equivalent to ranges 23 and 26. Research indicates factors being used by other employers in determining compensation include an increasing role and importance of pharmacists in health care over the last few years, an on-going national shortage of licensed pharmacists, the fact that without a licensed pharmacist a pharmacy cannot operate, and that pharmacy operations are a major factor in accreditation of health care facilities. The competition for licensed pharmacists is exacerbated by the loss of pharmacists to retirement and the number of pharmacists taking positions with research and development firms instead of retail or institutional pharmacies.

Analysis indicates the difference between the salary determined through internal analysis and the current market rate is not based on issues which require the internal alignment be reexamined.

PCN 02-7916 is in the Division of Longevity Programs, Anchorage Pioneers' Home, and is supervised by PCN 02-7407, Administrative Services Manager. The preponderance of the duties assigned consist of providing clinical consultation to residents, family members, staff and resident's physician; developing comprehensive profiles of each resident; discussing with physicians the drugs prescribed and the Pioneers' Homes' formulary; conducting extensive research and providing expert recommendations to physicians and committees in adapting the formulary to the special needs of the Pioneers' Homes' clients. The position also assists in filling prescriptions, directing the work of Pharmacy Technicians, and distributing pharmaceuticals to each of the division's Pioneers' Homes. The majority of work assigned is characteristic of the Clinical Pharmacist job class. PCN 02-7916 is reallocated to Clinical Pharmacist effective May 16, 2003.

PCN's 02-7574, 02-7917, and 02-7927 are in the Division of Longevity Programs, Anchorage Pioneers' Home. The positions are supervised by PCN 02-7916, Clinical Pharmacist. Under the direction of the supervisor or one of the other licensed pharmacist positions the incumbents perform technical pharmacy tasks in the receipt of prescriptions, packaging of pharmaceuticals, maintaining records, and distributing pharmaceuticals to each of the division's Pioneers' Homes. This work is characteristic of the Pharmacy Technician job class. The PD's are being processed as updates.

#### Department of Health and Social Services:

PCN 06-4037 is in the Division of Medical Assistance, Health Program and Policy Unit. The position is supervised by PCN 06-4016, Medical Assistant Administrator IV. The position administers the state Medicaid Pharmacy Program. The duties include establishing policies and procedures, developing and writing regulations, auditing private and public pharmacies for compliance, and serving as the designated expert on the Medicaid Pharmacy Program representing the program to parties throughout the state. The duties and responsibilities assigned this position are characteristic of the Medicaid Pharmacy Program Manager job class. The PD will be submitted as an update. The changes to the job class resulted in a range change for this position effective May 16, 2003.

PCN 06-5258 is in the Division of Mental Health & Developmental Disabilities, Alaska Psychiatric Institute. The position is supervised by PCN 06-5284, Medical Officer. The position manages the API pharmacy program providing pharmaceutical services to API and to Division of Family and Youth Services correctional facilities. The preponderance of duties involve maintaining patient medication profiles, ordering, handling, storing, preparing and dispensing pharmaceuticals, reviewing and approving the work of a Pharmacy Technician, ensuring security of medications and equipment, distributing pharmaceuticals to each unit and DFYS facility. This position performs some of the clinical review and consultation duties characteristic of the Clinical Pharmacist class, but the amount of time dedicated to these duties is not sufficient to be class controlling. The preponderance of duties are characteristic of the Pharmacist job class. The PD is being processed as an update.

PCN 06-5103 is in the Division of Mental Health & Developmental Disabilities, Alaska Psychiatric Institute. The position is supervised by PCN 06-5258, Pharmacist. The incumbent performs technical pharmacy tasks in preparing, packaging, and dispensing medications.

Attachments:

Allocation worksheet

Final class specifications

# MEMORANDUM

State of Alaska  
Department of Administration  
Division of Personnel

To: Mila Cosgrove  
Director, Division of Personnel

Date: August 1, 2005

Thru: Sarah Brinkley  
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Subject: Revenue Auditor Study

## Introduction

Over the past ten to fifteen years, the Department of Revenue, Tax Division has undergone budget cuts resulting in significant reductions of professional level audit staff and several reorganizations of the division. Consistent difficulty in recruiting qualified candidates and the anticipated loss of additional senior staff to retirement prompted the request for a full classification study. Representatives from the Tax Division requested consideration for replacing the existing Revenue Auditor series with three separate and distinct auditor series to more accurately define the work performed in each unit. An additional request was made to establish a "specialist" position that would allow for advancement outside the supervisory career path. Also, in an effort to assist with recruitment difficulties, re-establishing flexibly staffed job classes for the auditor series was explored. Included in the scope of the study was a full review and revision of the class specifications and an internal alignment analysis.

## History

Revenue Auditors I and II were created in May 1971. Incumbents in these job classes were responsible for performing office audits on individual and corporate income tax returns, and on miscellaneous taxes such as fish, excise, and tobacco. In August 1971 a third level, Revenue Auditor III was established and represented the journey level of the series. The Revenue Audit Supervisor I and II job classes were also established at this time.

The Revenue Field Auditor I-III job classes were established in March 1973. Incumbents in this series conducted full field audits and investigations involving alleged tax violations. The primary difference between the Revenue Auditors and Revenue Field Auditors was the fieldwork and in-depth investigative work performed by the Revenue Field Auditors. In August 1974 flexible staffing for Revenue Auditors I and II was approved which established entry and intermediate training levels for the series.

A Revenue Audit class study was conducted July 1984. This was a full study that included a salary analysis and resulted in the expansion of the Revenue Auditor series to include a Revenue Auditor IV advanced level and Revenue Auditor V lead auditor level. The definitions and distinguishing characteristics were revised to combine the duties of the Revenue Field Auditors with the Revenue Auditor III, IV, and V levels. As a result the Revenue Field Auditor job classes were abolished.

Since the 1984 Revenue Auditor study there have been only minor revisions made to the class specifications. Revisions to the minimum qualifications were made in September 1995 and December 1998. In May 2000 minor edits were made to the definition.

#### **Scope**

The study included all positions allocated to the Revenue Auditor and Revenue Audit Supervisor job classes. These job classes include a total of thirty seven professional level positions located in the Departments of Revenue (DOR), Tax Division, and Natural Resources (DNR), Division of Oil and Gas. One professional level position is located in the Department of Commerce, Community & Economic Development (DCCED), Division of Insurance. Eight newly established vacant positions were also included in the study.

#### **Contacts**

The Director and Deputy Director of the Tax Division, the State Geologist and the Commercial Analyst Audit Manager for the Division of Oil and Gas, and the Deputy Director of the Insurance Division served as contacts to provide information and feedback throughout the study process. Thirteen incumbents were selected for position audits and interviewed about the work they perform. The supervisors of the various units were also contacted to provide additional clarifying information.

#### **Method**

The Director of the Tax Division served as occupational consultant and presented information to classifiers on the work performed by the Revenue Auditors in that division. The State Geologist and the Commercial Analyst Audit Manager from the Division of Oil and Gas also provided information describing the work performed by the Revenue Auditors at DNR. No other department representatives made presentations since only one Revenue Auditor position exists outside DOR and DNR.

Position descriptions were received for all positions included in the study. Incumbents working with the different tax types and at various levels were interviewed to provide an overall understanding of the similarities and differences of audit work performed. After analyzing all gathered information against the classification factors, a thorough review of the existing Revenue Auditor series was conducted. The divisions identified differences in the work and required minimum qualifications between the three proposed new audit groups and after reviewing the information, distinctions were confirmed by the Analyst and Classification Manager. Separate draft class specifications were written and provided to the divisions for review and comment, recommendations by the divisions considered, and draft class specifications were further revised and submitted to the divisions for final review and comment. The positions were then allocated to the appropriate job class using the new class specifications, and draft allocations were sent to the divisions for review. As part of the review process, all divisions were given the opportunity to request reconsideration of the initial allocation. Following the divisions' agreement with the position allocations, job classes were analyzed for internal alignment and the draft salary analysis was sent to the divisions for review and comment. Whereas no comments or requests for reconsideration were received, the new class specifications were published, positions officially allocated, and the study findings were documented and finalized.

#### **Analysis**

Most Revenue Auditor positions, which include the appeals staff, and Revenue Audit Supervisor job classes, are located within the Department of Revenue Tax Division or Department of Natural Resources Oil and Gas Division. The exception is one Revenue Auditor position located in the Department of Commerce, Community and Economic Development, Division of Insurance. In order to allocate all positions appropriately, careful evaluation and analysis identifying both the similarities and differences of each position was made. During this process the classification factors used by classifiers served as

guidelines to provide the basis for determining if creating several new class series was warranted. The classification factors were also used to identify levels within the series, analyze positions for appropriate allocation, and determine internal alignment. The classification factors included:

- *Nature, variety and complexity of work*

The Revenue Auditor series in general, encompasses three functional areas: audit, appeals, and regulatory compliance. The primary auditing function for Revenue Auditors is to review and examine financial records and supportive documentation to identify tax and royalty liabilities that ultimately generate revenue for the state. There are three identified tax types: oil and gas production, corporate income tax, and excise taxes that include gaming taxes, fish, and other smaller transactional taxes. In addition to auditing, some Revenue Auditors perform compliance functions, monitoring tax programs for regulatory compliance. The primary function of the Revenue Auditors in the Appeals Section is to serve as an appeals officer for all tax programs administered by the department. With the need to train entry level auditors, some positions may also have the responsibility for training staff as a major function of the position.

- *Nature of supervision received*

Revenue Auditors work independently with supervision available if needed. The nature of the work and policy of the divisions require that all audits are reviewed to ensure consistency and accuracy. Incumbents allocated to flexibly staffed positions initially perform under close supervision with supervision relaxed as the incumbent progresses to the journey level. The advance level auditor serves as a lead providing guidance and direction to subordinate auditors. Revenue Auditors in appeals are expected to perform work independently. There are no lead level positions as incumbents report directly to the supervisor for guidance. These positions are responsible for independently handling informal appeals, and may work closely as part of a team, assisting an Assistant Attorney General with the most difficult formal appeals cases, including those conducted through the Office of Administrative Hearings or court.

- *Guidelines*

Positions in these job classes analyze and audit tax and financial records, supporting documentation, and accounting methods and systems used by varied and complex private businesses and corporations. All Revenue Auditors and Revenue Audit Supervisors apply state statutes, federal regulation, and case law to accurately examine financial records and reports. Incumbents evaluate tax programs, leases, or contracts, and analyze the impact of existing or proposed tax laws on state revenues and/or royalties. Some auditors specialize in the application of the Internal Revenue Code, while others must have special training to develop an understanding of the oil and gas industry and production components. All auditors must have a firm understanding of tax accounting, tax statutes and tax law. In addition, appeals staff must be well versed in legal protocol, precedent, and process.

- *Initiative and originality required*

Personal initiative is generally required and encouraged since auditors work with a high degree of independence. Auditors must take the initiative to involve other staff, seek the advice of the Department of Law, and management. In addition, auditors must often learn to exercise both tact and skill to extract pertinent information from taxpayers and/or negotiate settlements, leases, contracts, or informal conferences.

- *Purpose and nature of person to person contact*

Revenue Auditors, Revenue Audit Supervisors, and appeals staff work with other agencies, taxpayers, taxpayer representatives, professional staff in the industry, and the public to acquire and provide information pertinent to ongoing analysis of taxes, royalties, contracts, leases and revenue sources. Revenue Auditors perform in an adversarial role on behalf of the state to contest the amount of tax or

royalty liability reported by taxpayers. The purpose and nature of the person to person contact may range from taxpayer counterparts having little sophistication in tax matters to highly specialized professionals in large multinational firms.

- *Nature and scope of recommendations, decisions, and consequence of error*

Because of the nature of the work, there is a significant amount of public scrutiny and potential for litigation. Auditors work with large amounts of revenue which depending on the audit may range from thousands of dollars to millions of dollars. This has a direct financial impact on state revenues and the consequence of error could significantly impact the state's economy. Revenue Auditors at the journey and advanced levels participate in the research and analysis of proposed legislation, submit input and make recommendations to supervisors that may ultimately influence elected officials and policy.

- *Nature and extent of supervision exercised over the work of others*

At the highest levels, Revenue Auditors perform independently and regularly exercise judgment and discretion. These positions often serve as lead level positions assigning and overseeing projects, and reviewing the work product. Revenue Audit Supervisors are assigned the responsibility for managing a unit. The scope of management and supervisory authority duties distinguishes the I and II levels.

- *Qualifications required*

The Division of Personnel has adopted as general guidelines the requirement for minimum qualifications. It should be emphasized that these are guidelines, not standards. When using the minimum qualifications as one of the eight classification factors, consideration was given to the recruitment difficulties of that job class. Using the Division of Personnel experience and educational requirements as general guidelines rather than a standard practice to distinguish levels ensured fair consideration.

Using the eight factors as the foundation for making comparisons, the differences between the Revenue Auditors in the nature, variety, and complexity in work, the purpose and nature of person-to-person relationships, and the nature and scope of recommendations, decisions, commitments, and consequence of error was made evident. For each level in the series, the class controlling work was defined by the degree to which these factors influence assignment and performance, and the class specifications were created based on this information.

Revenue Auditors audit corporations or businesses that have unique accounting systems most often containing layers of financial data that is hidden, obscure, or ambiguous, and must be scrutinized. To be successful the incumbent must have an overall knowledge of the industry to locate, research, and analyze relevant tax information and understand the information recorded in returns. Revenue Auditors prepare formal reports stating the issues, facts, law, and positions of both parties. Incumbents may be assigned tasks beyond the audit function such as regulation research or examining the affect of potential legislation on operations, tax programs, methods and policies. Although the focus of the Revenue Auditors may be narrowly limited to tax or royalty liability and some regulatory compliance, the audits are broad in scope. These audits most often involve diverse business activities, and depending on the type of tax, involve the analysis of single transactions or cumulative activities occurring over a specified period of time. While all Revenue Auditors at the entry level are expected to have basic accounting and auditing aptitude, knowledge of the industries and an understanding of governing statutes and regulations is generally obtained through on-the-job training. The work requires specialized knowledge of tax laws, companies or industries being audited, and auditing and accounting skills to effectively and accurately audit the books and records of a variety of companies, each with their own method of accounting.

Revenue Auditors who work in excise, gaming, or fisheries tax types perform work that focus on single transactions rather than entities or organizations. In addition to auditing functions, the regulatory and

educational components of the job require different skill sets than those of the oil and gas production or corporate income tax auditors. With proper support, training, and educational background, an individual working with these tax types may quickly learn the critical aspects of the program. Tax counterparts are less sophisticated than those located in large firms or corporations.

Revenue Auditors in the Tax Division and in the Division of Oil and Gas who work with oil and gas production or leases perform audits that are unique to the State of Alaska and require specialized training. Incumbents must learn the various components of oil and gas production and the industry. Audit positions working with this tax type are presented with the difficulty of working with a unique tax type or lease and royalty issues that often present novel situations with little or no guidance. Although the nature of the oil and gas audits differ between the two departments, with DOR having a focus on tax liability and DNR having a focus on royalties and negotiating settlement agreements, the overall work performed by the oil and gas auditors in both divisions is sufficiently similar for grouping purposes.

Revenue Auditors working in corporate income tax are also specialists in that this group computes tax liability based on federal taxable income with Alaska adjustments. Alaska statutes adopt the Internal Revenue Code (IRC) by reference, and the statutes make certain exceptions and modifications to the IRC that directly affect tax liability. As a result, these Revenue Auditors must have a thorough working knowledge of the IRC. Incumbents interpret and apply a wide and diverse body of authorities that include Alaska statutes, and other state tax statutes, regulations, case law, and foreign tax and fiscal contracts. Corporate income tax audits require formal, specialized training to learn the Internal Revenue Code and the specialized accounting rules for multi-state corporations. Incumbents must also become well versed with rules of apportionment.

Revenue Auditors working in the appeals group do not perform audits. The primary function of these auditors is to serve as an appeals officer for both informal and formal tax appeals cases. Revenue Auditors working in the Appeals Unit represent auditors from all tax types and advocate on behalf of the respective tax programs, serve as advisors to program staff, and have knowledge of legal protocol and practices. Incumbents conduct informal conferences, issue written informal conference decisions, and may represent the agency for cases appealed to the formal level. Revenue Appeals Officers must have an understanding of "the big picture". Incumbents in these positions work with and on behalf of the Revenue Auditors and must have a firm understanding of the various tax programs. Whereas Revenue Auditors are focused solely on performing audits, Appeals Officers must understand the tax programs, tax laws, regulations, policies, and how it relates to the work in the division. Incumbents must exercise judicial temperament with auditing and tax law knowledge. Appeals may involve high stakes, with dollar amounts in excess of millions of dollars. However, the Revenue Appeals Officers do not give legal advice, do not conduct hearings, and do not render decisions.

Having recognized that the duties of all positions may share some similarities, it was necessary to determine if the criteria for grouping positions as set forth by the Division of Personnel's classification plan was met. For the purpose of grouping positions into job classes, the Division of Personnel established the following criteria to determine if the positions are sufficiently similar with respect to duties and responsibilities, degree of supervision exercised and received, and entrance requirements so that:

1. The same title can be used to clearly identify each position.
2. The same minimum qualifications for initial appointment can be established for all positions.
3. The same basic rate of pay can be fairly applied to all positions.
4. Employees in a particular class are considered an appropriate group for purposes of layoff and recall.

Although comparisons of the work for all positions indicated similarities with regard to nature and variety of the work, the differences were sufficient to fail the grouping criteria and warrant creating new job classes. As a result, the following new job classes were created: Tax Auditor I-IV, Oil and Gas Revenue Auditor I-IV, Corporate Income Tax Auditor I-IV, and Revenue Appeals Officers I-II. In addition, whereas each auditor series has its own unique set of complexities requiring specialized skill sets, flexibly staffed entry and developmental levels were established for each of the three newly created series to provide sufficient program specific training and advancement opportunity to the journey level. For each auditor series, an advanced level was established to serve as lead auditor and work on the most difficult audit assignments. Only two levels of work were identified for the Revenue Appeals Officers resulting in a journey and advanced level.

The same grouping criteria was used to examine the Revenue Audit Supervisors I/II/and III. Examination of the duties, authority, and responsibilities indicate clear distinctions between the three levels. As a result, the Revenue Audit Supervisor I and II remained two distinct supervisory job classes and the Revenue Audit Supervisor III was replaced by the Chief of Revenue Operations to more accurately reflect the duties performed by this position.

Differences in minimum qualifications between all auditor series, supervisors, and appeals staff, and each level underscored the distinctions between job classes. These differences further supported the request to abolish the existing Revenue Auditor series and establish new job classes.

Both divisions requested that consideration be given to establishing a new job class which would be representative of a highly technical level expert. Incumbents in these positions would be responsible for a distinct body of work requiring a highly skilled and experienced individual to serve as a consultant and advisor to staff and management. Reporting directly to management, this position would have sufficient expert level knowledge in a particular area to be considered the final authority, possess specialized expertise about industry operations, and have decision making authority that may have statewide impact. This highest level of work was identified for the oil and gas production and the corporate income tax units. Following the review of proposed duty assignments, it was determined that establishing new job classes was appropriate with a title of "specialist" to more accurately reflect the level of the work. This would also ensure consistency within the divisions' organizational structures. As a result, an Oil and Gas Revenue Specialist and Corporate Income Tax Specialist were established.

#### **Internal Alignment**

The salary range of a job class is determined based on the internal consistency within the state's pay plans, in accordance with merit principles, with the goal of providing fair and reasonable compensation for services rendered and maintaining the principle of "like pay for like work". In evaluating internal consistency the difficulty, responsibility, knowledge, skills, and other characteristics of a job are compared with job classes of a similar nature, kind, level in the same occupational group and job family or related job families.

#### Auditor and Supervisor internal alignment

Recognizing that no two job classes are 100% alike, specific job classes were selected for comparison based upon the following similarities in duties and characteristics of the work performed:

- gather, review, and analyze, financial and accounting data
- perform field audits to gather additional financial information
- prepare and write report summary/narratives
- provide program information and education to a variety of audiences
- ensure regulatory compliance with applicable programs

- research regulatory issues and provide recommendations to supervisors
- review and draft legislation and regulations
- supervise professional work related to financial management, accounting, or revenue
- conduct hearings, adjudicates; work with appealed cases

Based on the work and duties, job classes sufficiently similar in kind and level that advise, administer, supervise, and perform work in management, accounting, budgeting, and related financial management were selected and reviewed as possible comparable job classes to the auditor and supervisory job classes. The following job classes within the clerical, fiscal, and administrative group (P1XXX) were included in the analysis: Accountant, Internal Auditor, and Program Budget Analyst. In order to ensure full compensatory consideration, professional job classes sufficiently similar in kind and level outside of this group (P2XXX) were also included in the analysis: Economist, Petroleum Economist, Utility Financial Analyst, Financial Institution Examiner, and Insurance Financial Examiner. Field Auditor (P4XXX) was also considered.

*Possible comparable job classes for Tax Auditors, Oil and Gas Revenue Auditors, Corporate Income Tax Auditors and Revenue Audit Supervisors:*

**Accountants:**

Accountants working for the state track and record funds received and expended, and maintain the financial account tracking system. Although funding may come from a variety of sources, accountants work with one set of accounting system and principles, those adopted by the State of Alaska for governmental accounting. Accountants work in support of specific programs and agencies, provide advice, information, financial projections, and training to staff at all levels to ensure sound financial management. A variety of reports are generated from financial data contained within the accounting system. Initiative and originality is limited and the scope of recommendations, decisions, commitments and consequence of error is narrow. Incumbents must have considerable knowledge of governmental budgeting, accounting, and reporting principles and limited knowledge of state and federal laws, rules, and guidelines. Accountants work within the accounting principles and practices adopted by the state.

**Internal Auditors:**

Internal Auditors perform the full range of audit functions. The scope of the audits performed is broad and includes overall organization and program review and evaluation for regulatory compliance. The focus is on internal, management, fiscal and accounting controls; review of agency policy and procedures; appraisal of agency performance and effectiveness in meeting goals and objectives. Internal Auditors examine financial records of agency activities, contractors or grantees for adherence to policies, program effectiveness, operational efficiency, effective control over expenditures, receipts, revenues, and assets. Internal Auditors examine resources for proper accounting and financial transactions, the production and reporting of accurate, reliable, timely, and useful financial data, and compliance with applicable laws, regulations, and precedent decisions.

**Program Budget Analyst:**

Program Budget Analysts perform ongoing analysis of departmental budgets or broad area of the budget. Incumbents independently perform analysis of all budget matters pertaining to a state department by defining, proposing solutions to budget problems, assists supervisor in the analysis of a variety of the most complex statewide issues, and provide consultative budget services to state agencies. Incumbents may review and analyze operating budgets (program categories), capital improvement budget, and program evaluation. Incumbents coordinate review of budget submissions from assigned programs and agencies; review for conformity with instructions and format, mathematical accuracy, program content, and adherence to regulatory guidelines. The focus of the Program Budget Analyst is on internal state

agency management, fiscal and accounting controls. Incumbents have a familiarity with state financial structure, taxation policies, and revenue systems.

**Economist:**

Economists prepare quantitative and qualitative analysis in support of audit work, development of tax regulations, preparation of fiscal notes for pending legislation, development of regulations, develop state revenue projections and other economic reports for the governor, legislature, and the general public. Economists plan, direct, coordinate, and participate in professional econometric model forecasting, cost/benefit analyses, and research relating to various management and taxation alternatives, projected revenue, labor and workforce trends, and legislative proposals. Incumbents write narrative explanation of study findings in technical and non-technical terms used for assisting state, federal and legislative agencies to develop projects to measure economic and/or revenue impact. Some positions work with other state agencies to propose, evaluate and assess economic, tax or revenue programs. Incumbents may also analyze the impact of existing or proposed tax laws on state revenues and produce statistical summaries of non-oil revenues.

**Petroleum Economist:**

Petroleum Economists are specialists who analyze and interpret economic data relating to the determination of the economic value of known and potential petroleum resources, financial status of oil companies, oil revenue projections and oil tariffs.

**Utility Financial Analyst:**

Utility Financial Analysts perform duties involving utility regulatory audit, financial examination, and the analysis of prospective or regulated utility companies. Incumbents review the financial aspects of utility and pipeline filings, including tariff revisions, certifications, and petitions. Positions allocated to this class perform audits, examinations, and analyses of regulated utilities involving complex or controversial issues such as new or unusual regulatory issues, the application of regulatory theory, or the analysis of utilities with unusually complex accounting systems. Determinations are made of the appropriate level of power cost equalization for a given utility. Cases may involve substantial political considerations or legal issues, or, cases which may be expected to result in public hearing. Incumbents review tariff filings, identify appropriate rate making components and inappropriate costs to be disallowed from rate calculations, verify elements of the review requirement, reviews pre-filed testimony in contested cases and summarizes hearing record. Utility Financial Analysts must have sufficient knowledge of utility regulatory accounting practices and procedures to examine the books of prospective and existing utility companies. Incumbents perform financial analysis on rate case audits, identify regulatory issues and theory, possible legal and accounting problems, documents pertinent background data and relevant utility Commission rulings and identify involvement required by other sections. Utility Financial Analysts possess knowledge of the principles of revenue requirements and rate making; auditing techniques and tax laws. Positions participate in adjudication hearings.

**Financial Institution Examiner:**

Financial Institution Examiners plan, conduct, and lead examinations of commercial banks, trust companies, mutual savings, bank holding companies, branches or agencies of foreign banks, small loan companies, premium finance companies and other financial institutions. Financial Institution Examiners provide both a regulatory function and maintenance function by ensuring the integrity of banking and financial institutions through the evaluation of safety and soundness of the companies. Incumbents have a thorough knowledge of financial institution operations and the finance industry, participate in assembling information and data for accurate analysis of a financial institution's assets and liabilities, management competency, soundness of policies, and other factors that affect its solvency. Incumbents analyze and verify accuracy of accounting, fiscal, and other financial records, check loan files for completeness and

accuracy and judge credit worthiness of borrowers. Examine and analyze accounting and other records for compliance with laws and determine protection of trustors' accounts and compliance with trust document provisions. Financial Institution Examiners review findings of examinations with superiors and the institution, conduct exit reviews, recommend corrective action or improvements in procedures and generate reports on examination, evaluation, and forecasting processes. Incumbents possess knowledge of state regulations of financial institutions, governing laws and regulations, and accounting principles and practices used in financial institutions.

**Field Auditor:**

Field Auditors make determinations of employer liability under the Employment Security Legislative Act by means of investigating and auditing payrolls and other records of private employers. Work includes the interpretation of laws and regulations, advising employers regarding procedures to be followed, and the collecting of delinquent contributions from the employer. Incumbents research employer records to ensure that accurate rates are assigned for employer payments under the Alaska Employment Security Act, and that liable employers submit tax moneys due.

**Insurance Financial Examiner:**

Insurance Financial Examiners conduct research and analysis of the financial conditions and business practices in insurance companies conducting business in the state. Incumbents evaluate factors affecting the sale and marketing of insurance by monitoring the conduct of persons and organizations involved in the insurance industry for compliance with state law, reviewing and approving or disapproving rates, rating systems and policy forms used or proposed for use in Alaska by licensed insurers. Incumbents participates in field audits to gather information, performs audits of insurer's annual statements, prepares documentation of financial review and investigations of insurers, and makes recommendations for disciplinary actions and monitoring.

• Auditors:

**Entry/Trainee level positions:**

Program Budget Analyst I (P1461 SR 13), Accountant I (P1204 SR 14), Internal Auditor I (P1290 SR 14), and Economist I (P2206 SR 16).

These job classes are Professional entry/training level and generally assist higher level positions in providing specific analyses of limited scope or perform selected assignments. These positions are often filled and worked in a trainee capacity. Incumbents have the basic academic body of knowledge, but the work requires learning the practices and procedures of the professional field. Positions at this level work under close supervision. Minimum qualifications at these levels include a bachelor's degree in a specific area or a non-specific bachelor's degree with specific coursework, and/or experience requirements.

Tax Auditor I is the professional training level of the series. The nature, variety, and complexity of the work and level of supervision is characteristic of the other comparable professional entry/training level positions assigned to salary range 14.

Oil and Gas Revenue Auditor I is the professional entry/training level of the series. Minimum qualifications are set lower than the Economist I, and relaxed to allow for a substitution for the required accounting degree. However the nature, variety, and complexity of the work, as well as the specialized aspects of the program require substantial training to learn the tax type which is unique in the country, and the appropriate guidelines. Incumbents must also learn the various components of the oil and gas industry and production operations. The specialized training and complexity of this tax type places this job class above salary range 14. However, at this level, incumbents are expected to possess some

knowledge rather than a working knowledge of accounting practices. Working knowledge is consistent with the developmental rather than entry/trainee level job classes. In addition, the scope of the work and the research and analysis performed is narrowly defined, and less complex and controversial than that found at the developmental level range. Therefore Oil and Gas Revenue Auditor I is assigned to salary range 16.

Corporate Income Tax Auditor I is the professional entry/training level of the series. The nature, variety, and complexity of the work, as well as the specialized aspects of the program requiring substantial training to learn complex Internal Revenue tax code and specialized accounting rules for multi-state corporations places this job class above salary range 14. However, at this level, incumbents are expected to possess some knowledge rather than a working knowledge of accounting practices. In addition, the scope of the work and the research and analysis performed is narrowly defined, and less complex and controversial than that found at the developmental level range. Therefore Corporate Income Tax Auditor I is assigned to salary range 16.

**Developmental level:**

Internal Auditor II (P1291 SR 17), Program Budget Analyst II (P1462 SR 16), Financial Institution Examiner I (P2310 SR 17), Utility Financial Analyst I (P2334 SR 17).

These are second level developmental trainee positions. Incumbents continue training and are assigned projects with limited scope and complexity that are selected to provide increased difficulty and variety within the specialty. This work requires a working knowledge, and incumbents apply acquired knowledge and skills with continued on-the-job training to develop the expertise needed to perform more difficult duties and at the higher level. Incumbents learn examination, review, and audit techniques and are assigned small audits or portions of audits or cases to assist the incumbent with the developmental process. Supervisor assistance is readily available.

Tax Auditor II is the developmental level in the series. The incumbent has acquired some knowledge of tax auditing and continues to follow a training plan. Assignments are tasks that are well defined, limited projects directed towards fact finding rather than analysis and interpretation. Considering the scope and complexity of the work performed by the Tax Auditor II against the comparable job classes indicates the Tax Auditor II job class is appropriately assigned to salary range 16.

Oil and Gas Auditor II is the developmental level in the series. Incumbents have a working knowledge of accounting and auditing principles, and apply knowledge and skill obtained at the lower level to perform the full range of audit duties. Whereas the incumbents must continue to learn specialized aspects of the program through on-the-job training, small and less complex oil and gas production audits are assigned. The scope, complexity of the work, and the specialized knowledge of the oil and gas industry and production operations required to perform duties exceed that of the comparable job classes. Oil and Gas Revenue Auditor II is assigned to salary range 18.

Corporate Income Tax Auditor II is the developmental level in the series. Incumbents have a working knowledge of accounting and auditing principles and apply knowledge and skill obtained at the lower level with continued on-the-job training, including formal training, to perform the audit assignments to learn the specialized aspects of the program. The scope and complexity of the work and guidelines that require specialized knowledge of the complex Internal Revenue tax code and accounting rules for multi-state corporations duties exceed that of the comparable job classes. Corporate Income Tax Auditor II is assigned to salary range 18.

**Journey:**

Accountant II (P1205 SR 16), Internal Auditor III (P1292 SR 19), Program Budget Analyst III (P1463 SR 19), Economist II (P2207 SR 18), Financial Institution Examiner II (P2311 SR 19), Utility Financial Analyst II (P2335 SR 19), Field Auditor I (P4636 SR 16), Insurance Financial Examiners I (P2300 SR 19).

This is the full proficiency, full working level. Incumbents perform complete audits and possess the knowledge and skill necessary to accurately explain policies, procedures, rules and regulations to professional counterparts and the public. Work may involve a variety of programs, accounts, funding sources, and assignments are typically of moderate scope and complexity. Incumbents are expected to function independently, exercise substantial judgment and decision making.

Tax Auditor III is the journey level of the series. At this level, the scope and complexity of the work exceeds that of accountants. Incumbents are responsible for a tax program. The breadth of professional knowledge is greater as the work requires knowledge, skills, and ability in professional auditing, regulatory compliance, and research. The nature and purpose of person to person work relationships is also greater and requires special skill sets for providing education and information to taxpayers, taxpayer representatives and the public. However, the scope and complexity of the work is in the lower range of that found in the work performed by job classes assigned to the highest journey level of comparable job classes. Tax Auditor III is assigned to salary range 18.

Oil and Gas Revenue Auditor III is the journey level in the series. Incumbents perform production tax and royalty audits of medium size and work with sophisticated professional taxpayer representatives who are professional corporate accountants and attorneys. The size, scope, and complexity of the audits exceed that of the comparable job classes. Oil and Gas Revenue Auditor III remains appropriately assigned to salary range 20.

Corporate Income Tax Auditor III is the journey level in the series. Incumbents are responsible for independently performing audits on small to medium oil and gas companies and large complex non-oil and gas corporate income tax audits. The size, scope, and complexity of the audits exceed that of the comparable job classes. Corporate Income Tax Auditor III remains appropriately assigned to salary range 20.

**Advanced/lead:**

Accountant III (P1206 SR 18), Program Budget Analyst III (P1464 SR 21), Economist III (P2208 SR 20), Financial Institution Examiner III (P2312 SR 21), Utility Financial Analyst III (P2336 SR 21), Field Auditor II (P4635 SR 17), Insurance Financial Examiners II (P2301 SR 21).

At the advanced level, incumbents have substantial responsibility for projects of broader scope, and are most difficult and complex. Assignments may often be controversial and have a significant impact on decisions affecting state programs or revenues. Research and performance of duties at this level require discretion and innovation, and are characterized by the application of specialized knowledge of an industry or program area. Incumbents may advise the supervisor and higher level management as to policy, regulatory or legislative implications. Incumbents often serve as lead workers, mentoring and assigning work to subordinates.

Tax Auditor IV is the advanced level in the series. Although the scope and level of complexity found in the work exceeds that of the Accountant III, the audits performed are in the lower range of complexity as those found in the higher level of comparable job classes. Incumbents have less decision-making authority and their duties generally involve a lower consequence of error than that of the job classes assigned to the highest advanced level positions. Tax Auditor IV is assigned to salary range 20.

Oil and Gas Revenue Auditor IV is the advanced level in the series. Incumbents are responsible for the largest oil and gas tax or royalty audits. Taxpayer counterparts are big five accounting firms and attorneys, and in house tax professionals using sophisticated accounting systems. Audits and royalty settlement agreements involve multinational corporations and audit claim dollars can frequently reach millions. The scope and complexity of audits, purpose and nature of person to person contacts, and the consequence of error exceed that performed by the comparable job classes. Oil and Gas Revenue Auditor IV remains appropriately assigned to salary range 22.

Corporate Income Tax Auditor IV is the advanced level in the series. Incumbents are responsible for performing audits of the largest oil and gas corporations. Incumbents must have a commanding knowledge of Internal Revenue Code and Taxpayer and accounting rules for multi-state corporations. Counterparts are big five accounting firms and attorneys, and tax professional specialists using sophisticated accounting systems. Audits involve multinational parent corporations with subsidiaries, with audit claim dollars frequently in the millions. The scope and complexity of the audits, purpose and nature of person to person contacts, complexity of available guidelines and consequence of error exceed that performed by the comparable job classes. Corporate Income Tax Auditor IV remains appropriately assigned to salary range 22.

\*Oil and Gas Revenue Auditor and Corporate Income Tax Auditor entry, developmental, journey, and advanced levels (formerly Revenue Auditor IV and V) remain among the highest salary ranges, at each level, for non-supervisory comparable job classes within state classified service.

**Expert/Specialist :**

Accountant V (P1207 SR 22), Economist IV (P2209 SR 22), Petroleum Economist I (P2214 SR 22), Natural Resource Specialist V (P6645 SR 23).

Positions at this level are non-supervisory subject matter experts who independently conduct the most complex analyses having substantial impact on the state, and the greatest consequence of error. Incumbents possess a significant degree of experience and technical expertise to address unprecedented problems, participate as a member and/or lead a multidisciplinary team composed of technical level experts and specialists to provide expert analysis, consultation, and recommendations on the most complex projects and issues.

Oil and Gas Revenue Specialist serves as a high level of technical expert in a significant and highly complex audit area with a broad scope of responsibility for the division's audit program. In addition, incumbents are responsible for making recommendations to management involving areas of policy formulation, issue identification, research and resolution, and strategic planning. Work may be subject to significant scrutiny from the legislature, other governmental agencies, the public, and oil companies. The level of responsibility, complexity of the work, and technical expertise required most closely aligns this position with the Natural Resource Specialist. Oil and Gas Revenue Specialist is assigned to salary range 23.

Corporate Income Tax Specialist serves as technical advisor by consulting with audit and appeals staff on new tax issues, complex audit litigation related to corporate income tax, and provides technical support, advice, and recommendations on the most difficult, complex, and politically sensitive corporate income tax cases, issues, and appeals. The incumbent reviews, researches, and evaluates existing state and federal tax laws, policies, and regulations pertaining to corporate income tax. This position monitors federal income tax and multi-state tax developments relating to new tax issues or tax issues not covered by existing statutes and/or regulations. The level of responsibility, complexity of the work, and technical

expertise required most closely aligns this position with the Natural Resource Specialist. Corporate Income Tax Specialist is assigned to salary range 23.

- Supervisors:

Accountant III (P1206 SR 18), Internal Auditor IV (P1294 SR 21).

These are 1<sup>st</sup> level working supervisors who plan, and direct the work of subordinates while performing the most complex assignments. At this level, incumbents have some responsibility for implementing internal policies and procedures, and may provide assistance to higher level supervisors by providing recommendations for program development, policy setting and administrative functions.

Accountant V (P1208 SR 22); Internal Auditor V (P1295 SR 23); Financial Institution Examiner IV (P2313 SR 22); Utility Financial Analyst IV (P2337 SR 23); Insurance Financial Examiners III (P2302 SR 23); Program Budget Manager (P1465 SR 22).

These are 2<sup>nd</sup> level supervisors having full supervisory and management responsibilities for a unit, and are often the state expert for a particular program. The incumbents may serve as advisor or liaison to higher level management, commissions, directors, agencies, and media, and are directly involved and responsible for overall administrative functions such as budget development and establishing policies and procedures.

Revenue Audit Supervisor I are working supervisors. The level of authority, responsibilities assigned, and nature of supervision received and exercised over subordinates is consistent with the more narrowly focused supervisory responsibilities and level of authority found at the 1<sup>st</sup> level of supervisors. However, the complexity of the work and tax programs exceeds that which is found at the 1<sup>st</sup> level supervisory comparable job classes. The Revenue Audit Supervisor I remains assigned to salary range 22.

Revenue Audit Supervisors II are responsible for a broad range of duties. The description of full responsibility which includes planning, developing, managing, and evaluating operations, budgets, personnel, organizational structuring, policy and procedure development, legislative or regulatory changes is consistent with other supervisory positions at this level. Given the public scrutiny and political sensitivity of the existing and new tax programs, and the impact on the state from revenue generated, this job class is set above salary range 22 and commensurate with the highest level comparable supervisory job classes. Revenue Audit Supervisor II remains assigned to salary range 23.

\*The Revenue Audit Supervisors I and II remain among the highest salary ranges for supervisory positions within state classified service.

- Chief of Revenue Operations:

Chief Economist (P2210 SR 24); Chief Procurement Officer (P1347 SR 24); Accountant V (P1208 SR 22); Petroleum Economist II (P2215 SR 24).

These are often single position job classes in which the incumbent serves as the supervisor of a large, diversified, and usually dispersed staff with a number of sub units. Incumbents may also serve as a primary policy maker, develop and implement policy relating to the programs, manage all resources within the section, oversee the planning, implementation and coordination of program operations, and develop and maintain long-range plans and coordinate the operations of the section in order to accomplish objectives. These positions often serve as program advisor to management and the Legislature. Chief of Revenue Operations is appropriately assigned to salary range 24.

### Appeals Officers internal alignment

The same method was used to select appropriate comparable job classes for the (formerly) Revenue Auditors working in the Appeals Unit. Appeals Officers do not render decisions or provide legal advice. Further, the Appeals Officers do not conduct hearings or serve as judges for hearings. However, incumbents represent the division and program staff for matters on appeal. Incumbents must understand the legal processes and protocol, judicial procedure, and must possess considerable knowledge of general legal principles, practices, and strategies employed in litigation and appeals. Based on the nature of the work and duties performed, the following job series were selected and reviewed as possible comparable job classes to the Revenue Appeals Officers: Attorney, Hearing Examiner, Hearing Officer, Disability Hearing Officer, Administrative Law Judge, and Appeals Referee. The list is appropriate as it reflects job classes that advise, supervise, or perform professional work in legal or quasi-judicial settings to conduct hearings, make decisions or recommendations, and prepare decisions on claims concerning government programs or other government related matters. Most of these job classes are located in the (P7XXX) group, with the exception of the Hearing Officers and Examiners who are assigned to the (P1XXX) group.

#### *Possible comparable job classes for Appeals Officers*

##### **Attorney**

Attorneys render legal services in a variety of fields of law serving as counsel to state agencies. Incumbents present analysis, prepare formal opinions, conclusions, and advice to agency executives, explain and defend content of legislation, regulations, etc., before boards, commissions, industry representatives, legislators, concerned public or other groups, where issues or proposed actions may be controversial. Attorneys prepare briefs, opinions and pleadings, carrying out legal research, analyze highly complex legal documents for clarity and legal sufficiency. Incumbents assemble and organize facts, and present evidence and other matters in oral and written legal forms.

##### **Hearing Examiner**

Hearing Examiners conduct hearings and prepare proposed decisions on formal proceedings related to the substantive rights and obligations of persons, including corporations, subject to the provisions of the laws administered by the agency.

##### **Hearing Officer**

Hearing Officers investigate alleged violations and claims regarding state statutes and or regulations; review points on appeal; contact affected parties; evaluate record and makes recommendations whether to accept the filing for hearing or to reject the filing for lack of merit or procedural deficiencies. This class is distinguished from other hearing officer related classes which review decisions or actions taken by other employees within the same organization, relating to a particular program or service. This class is characterized by the variety of appeals and has responsibility for reviewing and rendering decisions on actions taken by personnel in all state agencies and or outside state government, but within their jurisdiction.

##### **Disability Hearing Officer**

Disability Hearing Officers conduct informal adversarial hearings relating to the claims for benefits under the provisions of Social Security and or Supplemental Security Income laws and regulations. Incumbents review claims, medical and vocational evidence pertaining to the hearing, consult with medical and vocational experts, and explain social security disability law, regulations, rulings, policies and procedures to claimants and their representatives. Incumbents render written decisions requiring the understanding

and application of medical, legal, and vocational concepts to evaluate the impact of physical or mental impairments on an individual's ability to engage in an occupation.

#### **Administrative Law Judge**

Positions in the Administrative Law Judges series conduct and preside over formal hearings to prepare or recommend final decisions on claims regarding state government programs or government related hearings. Incumbents function as independent and impartial triers of fact in formal hearings rather than as an agency representative. The scope of jurisdiction crosses multiple state agencies and may include hearings referred from outside state government.

#### **Appeals Referee**

The Appeals Referee holds pre-hearing conferences with appellants, attorneys, employers, and other interested persons in order to expedite just and reasonable solutions to appeals and contests without formal hearings, whenever possible and prepares, conducts, and determines, formal hearings to adjudicate unemployment insurance appeals.

#### **Journey and Advanced levels:**

Attorney II (P7143 SR 20); Attorney III (P7144 SR 22); Attorney IV (P7145 SR 24); Hearing Officer (P1925 SR 21); Hearing Examiner (P2380 SR 24); Appeals Referee II (P4663 SR 19); Appeals Referee III (P4664 SR 21).

At the journey level, the Revenue Appeals Officer I is assigned the less complex penalty or gaming cases. Whereas it is often the less complex cases that progress to the formal level, extensive research, analysis, and an accurate response to all issues arising in the appeal is required. The nature and complexity of the work, nature and scope of recommendations, commitments and consequence of error, nature of person to person work contacts, minimum qualifications, and the required knowledge, skills, and ability to successfully perform duties indicate the range falls between the comparable job classes assigned to ranges 20 and 22. Revenue Appeals Officer I is assigned to salary range 21 and is appropriately placed in the P73XX occupational family.

At the higher level, the Revenue Appeals Officer II is assigned the most difficult cases. In this capacity, they may serve, in effect, as co-counsel, assisting with strategy, research and gathering information. Although incumbents do not render decisions or provide legal advice, they may make recommendations. The nature and complexity of the work, authority to make recommendations and commitments, consequence of error, purpose and nature of person to person work contacts and relationships, minimum qualifications, and required knowledge, skills, and ability to successfully perform duties indicates that the range falls between the comparable job classes assigned to ranges 22 and 24. Revenue Appeals Officer II is assigned to salary range 23 and is appropriately placed in the P73XX occupational family.

The Revenue Appeals Officer Supervisor is a working supervisor. This position works on the most complex tax appeals cases and has a primary responsibility for ensuring taxpayer appeals from the actions taken by all (formally) Revenue Auditors assigned to all tax types are appropriately and successfully handled. The incumbent has a broad scope of responsibility encompassing the planning and supervision of the Appeals unit, and the assignment of the most complex cases. The nature and complexity of the work, nature and scope of recommendations, commitments and consequence of error, purpose and nature of person to person contact, and minimum qualifications indicate the Revenue Appeals Officer Supervisor is appropriately assigned to salary range 24 and is appropriately placed in the P73XX occupational family.

#### **Conclusion**

The Revenue Auditor Series was abolished and three new auditor series were established to better reflect the unique work performed by each auditor group. In an effort to address recruitment concerns, all three were established as flexibly staffed. An additional request submitted by the departments was to create "specialist" expert level, non-supervisory job classes. This request was granted after review and close examination of the body of work that would be assigned to these positions, and a specialist position was created for the oil and gas production and corporate income tax types. In addition to these changes, the supervisory series was edited and a newly established Chief of Revenue Operations replaced the Revenue Audit Supervisor III job class. Finally, it was determined that staff performing appeals work were not appropriately allocated as auditors. After a review of existing job classes, it was determined that a new series was needed to better reflect the body of work performed by appeals staff. The following lists the results of the study:

**Current:**

- Revenue Auditor I-V SR 14,16,18,20,22 abolished
- Revenue Audit Supervisor III SR 24 abolished

**Remain:**

- Revenue Audit Supervisor I-II SR 22, 23

**Newly established:**

- Tax Auditor I-IV (flexibly staffed I-III); SR 14, 16, 18, 20
- Oil and Gas Revenue Auditor I-IV (flexibly staffed I-III); SR 16,18,20,22
- Corporate Income Tax Auditor I-IV (flexibly staffed I-III); SR 16,18,20,22
- Oil and Gas Revenue Specialist SR 23
- Corporate Income Tax Specialist SR 23
- Chief of Revenue Operations SR 24
- Revenue Appeals Officer I-II SR 21,23
- Revenue Appeals Supervisor SR 24

The majority of auditor positions included in this study meet the Fair Labor Standards Act (FLSA) professional criteria for overtime exemption. Under current FLSA rules, an employee meets the professional criteria for exemption if he/she:

- receives a weekly salary of more than \$455
- performs work requiring advanced knowledge in a field of science or learning and is defined as work that is permanently intellectual
- includes work requiring the consistent exercise of discretion and judgment with respect to matters of significance.

All auditors meet the first two criteria. However, only the journey and advanced level auditors perform work requiring the consistent exercise of discretion and judgment with respect to matters of significance. At the entry (I) and developmental (II) levels, auditors are trained to ultimately perform at the fully proficient level. At the training and developmental levels performance is closely supervised, work is consistently reviewed, and the level of independence, decision-making authority, judgment, and discretion allowed is restricted. At the journey level, judgment and discretion, with respect to matters of significance, is expected and required from the auditors thereby meeting all three professional exemption criteria. In addition, incumbents serving as Appeals Officers and Specialists meet all professional criteria for overtime exemption. Supervisory positions meet both the professional and executive criteria for exemption.

Study implementation date is August 1, 2005.



Comparable Salaries for the State of  
Alaska's Oil and Gas Revenue Auditor III  
and Corporate Income Tax Auditor III  
Positions

30 January 2006

Alaska Department of Revenue  
Tax Division  
Nels Tomlinson

## Purpose

This report is intended to present salaries for positions in the private and government sectors which are comparable to the State's Oil and Gas Revenue Auditor III and Corporate Income Tax Auditor III Positions.

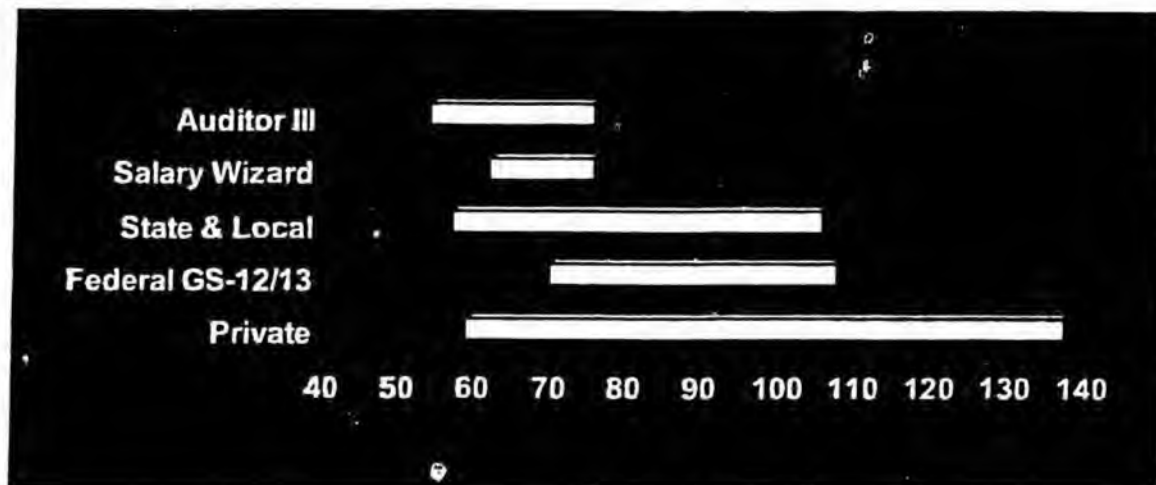
## Findings

The pay range for the State's Auditor III positions is on the low end of the pay range for roughly similar jobs. The pay range for similar jobs is \$56,000 to \$120,000, while the pay range for Auditor III jobs is \$53,000 to \$75,000.

Comparable private jobs pay between \$60,000 and \$120,000 after adjusting for the cost of living differential. Comparable Federal jobs pay between \$93,000 and \$121,000, including the Federal COLA. The fact that the COLA is tax free means that those numbers understate the attractiveness of the Federal pay scale. Comparable state and local government jobs in the Lower 48 pay between \$56,000 and \$105,000, after adjusting for the cost of living differential. Internet salary wizards suggest a range between \$61,000 and \$75,000 for accountants in Anchorage.

Jobs which give comparable pay involve less responsibility and typically require less experience, while jobs which require comparable knowledge and responsibility offer higher pay, often require more training and experience, and often involve management or corporate officer responsibilities.

The chart below shows the pay ranges for the several categories of salary information. The starting pay for the Auditor III position is the lowest pay for any of the comparable positions found. The top pay for the Auditor III matches the upper end suggested by the internet salary wizards for simple accountants (title "Accountant III") in Anchorage. The Private and State & Local pay ranges start nearly 10% higher than our Auditor III pay range, and go far higher. The Federal pay range starts \$16,000 above the low end of the Auditor III range, which is \$8,000 above the high end, and tops out at \$107,000, more than 40% above the high end of the Auditor III pay range.



## The Requirements of the State Auditor Positions

The positions Oil and Gas Revenue Auditor III and Corporate Income Tax Auditor III require people with significant skills and large knowledge sets. The auditors must be able to independently audit the tax returns of a company which is reporting income from operations of a number of business units in a number of countries, which potentially use different accounting systems and operate under different laws. Their work can significantly affect the State's revenues and is likely to result in legal appeals. The auditors may have to provide expert testimony to courts or the legislature, and provide tax consultation to government and private parties. This demands several years of appropriate experience, and appropriate credentials.

The minimum requirements for the positions are a Bachelor's degree in Accounting, Finance or Business with at least 18 semester hours in accounting and either successful completion of the Auditor II flexible training plan criteria or one year experience as an Auditor II. The total experience requirement is three years of applicable, professional experience. A CPA license may substitute for the education, but not for the experience.

## The Nature of the Comparison

Since the purpose of this report is to determine an appropriate level of compensation for these auditor positions, it seems reasonable to look at the resources which a prospective applicant might consult to determine his target salary, and his other opportunities. These include "salary wizards" at various internet bulletin boards; private, state and federal job postings; and news articles which address the issue.

### *Private Sector Comparisons*

State auditor jobs seem to involve an unusual level of complexity for non-management positions. Many private jobs whose description indicated a comparable level of complexity involved either managerial or corporate officer responsibilities. A further difficulty in finding salaries for comparable private sector positions is that most companies do not provide details about salary in their job postings, other than to boast of "competitive salaries and benefits."

Salaries for Outside jobs were adjusted using cost-of-living information found on the Internet. Even after adjusting for the higher-than-Anchorage cost of living in New York and California's Bay Area, comparable jobs in those places pay more than the Auditor III range. For example, a Senior Manager in Oakland, CA is being offered, after adjusting downward by 23%, a salary of \$77,000 to \$100,000. A Tax manager in Midtown New York is being offered, after adjusting downward by 12%, \$79,000 to \$97,000. The State of Alaska is offering its Auditor IIIs \$53,000 to \$75,000.

Selected Private Sector Auditor/Accountant Salaries					
Job Title	Location	Education	CPA?	Experience	Salary <sup>1</sup>
Audit/Tax professional <sup>2</sup>	New Jersey	BS Accounting	Preferred	2 to 10+	\$60 - \$120
Auditor <sup>2</sup>	New Jersey	BS Accounting	No	3 minimum	\$72 +
Auditor <sup>2</sup>	New Jersey	BS Accounting	MBA/ CPA preferred	3 to 6 years audit experience	\$72 - \$96
Tax Analyst <sup>2</sup>	New Jersey	BS Accounting	No	1 to 3 years private tax accounting	\$72 - \$78
Audit Manager <sup>2</sup>	New Jersey	BS Accounting	Required	3+ years with CPA	\$90 - \$114
Senior Tax Manager <sup>3</sup>	Paramus, NJ	BS Accounting, MS preferred	Required	7+ years	\$137
Tax Manager-Public <sup>4</sup>	Midtown NY	Not listed	Not listed	7+ years, international experience preferred	\$79 - \$97
Tax Manager-Public <sup>5</sup>	Oakland, CA	BS or higher	Not listed	3+ years	Up to \$58
Senior Manager <sup>6</sup>	Oakland, CA	Not listed	Required	6+ years significant and progressive experience	\$77 - \$100
1 Salary in \$1,000s					
2 From Nauticus Group, <a href="http://www.nauticusgroup.com/career_jobs.html">http://www.nauticusgroup.com/career_jobs.html</a> . Salaries have been multiplied by 1.2 to adjust for Alaska's higher cost of living					
3 From Robert Half Associates, <a href="http://www.roberthalffinance.com">http://www.roberthalffinance.com</a> . Job Order Number: 272-9295903, retrieved 26 January 06. Salary multiplied by 1.1 to adjust for Alaska's higher cost of living					
4 From Robert Half Associates, <a href="http://www.roberthalffinance.com">http://www.roberthalffinance.com</a> . Job Order Number: 294-9303325, retrieved 26 January 06. Salary multiplied by 0.88 to adjust for Alaska's cost of living. Note: Cost of living calculated using Queens, NY, NY. If the incumbent chose to live in New Jersey and commute, the multiplier would have been 1.1 to 1.2					
5 From Robert Half Associates, <a href="http://www.roberthalffinance.com">http://www.roberthalffinance.com</a> . Job Order Number: 221-100612, retrieved 26 January 06. Salary multiplied by 0.77 to adjust for Alaska's cost of living. Note: Cost of living calculated using Oakland, Ca. If the incumbent chose to live in Castro Valley, CA, the multiplier would have been 0.80					
6 From Robert Half Associates, <a href="http://www.roberthalffinance.com">http://www.roberthalffinance.com</a> . Job Order Number: 034-107191, retrieved 26 January 06. Salary multiplied by 0.77 to adjust for Alaska's cost of living. Note: Cost of living calculated using Oakland, Ca. If the incumbent chose to live in Castro Valley, CA, the multiplier would have been 0.80					

### ***Federal Sector Comparisons***

It is difficult to compare private sector positions to government positions, even when their responsibilities are apparently similar. It is also difficult to compare positions in the lower 48 with positions in Alaska, because of the very different amenities and living conditions. These difficulties don't apply to Federal positions in Alaska: they are in government service, they do very similar jobs, and they live in the same communities as the State workers. This makes them the ideal comparison for State employees.

The IRS has many jobs which seem roughly comparable to Alaska's Auditor IIIs, though none seem to require the familiarity with multiple jurisdictions which is required of our Auditor IIIs. All of the IRS's somewhat comparable positions are titled "Internal Revenue Agent," and the non-supervisory positions range from GS-05 to GS-11, with base salaries in the lower 48 ranging from \$25,000 to \$60,000. The IRS uses GS-13 level employees to perform comparable audits. The base pay of the GS-13 pay range is \$66,000 to \$86,000. The Selected Federal Auditor/Accountant Salaries table, below, shows two GS-13 positions which have levels of responsibility and knowledge requirements comparable to the Auditor III positions.

In Alaska, these positions would receive an additional (above the base pay) 25% cost of living allowance (COLA), which is tax free. The Federal Government apparently believes that they need to offer this COLA to attract and retain good employees in Alaska. Because this COLA is tax free, it is not straightforward to compare it to a state salary. For an employee in the 28% tax bracket, the 25 % tax free COLA is equivalent to a 34% taxable COLA, ignoring any possible change in tax bracket resulting from the increase. Therefore, the Federal salaries reported below are probably far more attractive than the numbers would imply.

The 2003 U.S. Office of Personnel Management (OPM) report<sup>1</sup> on COLA in Alaska shows that according to their method, in 2003, the cost of living in Anchorage, AK was 12.63% higher than in Washington, D.C. As a result, the published policy is to gradually reduce the Federal COLA to 18%. An 18% tax free Federal COLA would be roughly equivalent to a 25% taxable COLA for an employee in the 28% tax bracket, again ignoring any possible change in tax bracket resulting from the increase. Thus, the eventual Federal COLA will be roughly equivalent to a 25% higher salary for Alaskan workers.

Interestingly, the Internet salary calculator<sup>2</sup> shows that the cost of living in Anchorage, AK is 79% of that in Washington, D.C. The difference between the OPM COLA and the salary wizard number is that the Federal number assumes that the employees will live in Virginia or Maryland rather than in D.C. For example, the salary wizard shows that an

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<sup>1</sup> 2003 Nonforeign Area Cost-of-Living Allowance Survey Report; Alaska and Washington D.C. Areas; Notice, Federal Register, Vol. 69, No. 49/Friday, March 12, 2004, pp. 12002-12048.

<sup>2</sup> See the "Methods" section, at the end of this report.

employee who lived in Fredricksburg, VA, would face a 12% higher cost of living in Anchorage.

In a 1999 study<sup>3</sup> for the OPM, Joel Popkin and Company considered the methods used to compute the Federal COLA. Their conclusion was that the current method underestimates the actual cost of living differential between Washington, D.C. and Alaska. An example they give of this is that the amount of heating oil in the "consumption basket" is the amount appropriate for Washington, which drastically understates the importance of the difference in the amount spent on heating oil. The report also mentions non-price factors not included in the current methodology, such as the need for air travel, quality of schools and climate. Every refinement they propose would have the effect of increasing the COLA. It seems probable, therefore, that the proposed future Federal COLA of 18% may underestimate the actual additional pay necessary to compensate for the cost of living differential.

The Federal salary range for the GS-11 positions, the responsibilities of which are slightly less demanding than those of our Auditor IIIs, is \$65,000 to \$92,000 after adding the current, tax free COLA. The experience requirements are quite similar to those of the State's Auditor III positions, though the education requirements are slightly more exacting, requiring 30 rather than 18 semester hours of accounting. The Federal salary range for the GS-13 positions, comparable to our Auditor III positions, is \$83,000 to \$107,000, after adding the current, tax free COLA. Our Auditor IIIs receive \$53,000 to \$75,000.

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<sup>3</sup> Non-Foreign Area Cost-of-Living Allowances: Final Report: A summary of SHWG Research Tasks. Joel Popkin and Company, 1999, retrieved from <http://www.opm.gov/oca/cola/research.asp>, 19 January 2006.

Three representative positions are reported below.

Selected Federal Auditor/Accountant Salaries					
Job Title	Location	Education	CPA?	Experience	Salary <sup>1</sup>
Internal Revenue Agent, Bank Secrecy Act Examiner, GS-5 to GS-09 <sup>2</sup>	Central U.S.	BS Accounting, 30 credits accounting minimum	May substitute CPA for education.	Experience may substitute for up to 2 years of college.	\$31 - \$63
Internal Revenue Agent, Bank Secrecy Act Examiner, GS-11 <sup>3</sup>	Central U.S.	BS Accounting, 30 credits accounting minimum	May substitute CPA for education.	3 years of PH.D. studies or 1+ years of experience at next lower level <sup>4</sup> .	\$58 - \$75
Internal Revenue Agent, GS-11 <sup>3</sup>	Central U.S.	BS Accounting, 30 credits accounting	May substitute CPA for education.	3 years of PH.D. studies or 1+ years of experience at next lower level <sup>4</sup> .	\$58 - \$75
Internal Revenue Agent, GS-13 <sup>5</sup>	Hypothetical	Unknown BS Accounting, 30 credits accounting.	May substitute CPA for education.	1 year+ specialized experience <sup>6</sup> .	\$83 - \$107
Forensic Auditor, GS-12/13 <sup>7</sup>	Atlanta, GA	BS Accounting or related, with 24 credits accounting.	May substitute for degree.	1 year+ specialized experience <sup>6</sup> .	\$69 - \$107
1 Salary in \$1,000s. Outside salaries have been multiplied by 1.25, the amount of the federal COLA for employees in Alaska.					
2 This position has responsibilities comparable to the State's Auditor I or II. Federal job descriptions retrieved from <a href="http://www.usajobsonline.gov/">http://www.usajobsonline.gov/</a> , 10 January 06.					
3 This position has responsibilities somewhat less than those of the State's Auditor III. Although the requirements are broadly similar, the GS-11 Agent does not take the lead in independently auditing multi-national companies. Federal job descriptions retrieved from <a href="http://www.usajobsonline.gov/">http://www.usajobsonline.gov/</a> , 10 January 06.					
4 The next lower level for the GS-11 positions is GS-09, which requires two years of progressively responsible experience (GS-05 07), for a total of 3 years.					
5 This position has responsibilities directly comparable to the State's Auditor III. Information retrieved from <a href="http://jobs.irs.gov/opp_acc_inSr.html">http://jobs.irs.gov/opp_acc_inSr.html</a> on 27 January 2006.					
6 The next lower level for the GS-13 is GS-12, which requires four years of progressively responsible experience (GS-05 07 09 11), for a total of 5 years.					

### ***Salary Wizard Results***

Potential applicants for State jobs are likely to use one of the salary wizards available on the Internet to evaluate salary offers. I have therefore consulted several of these to determine what our potential applicants might see.

Yahoo!'s hotjobs site has a salary wizard which reports that an Accountant III in Anchorage should expect a median salary of \$67,000, with two-thirds of them receiving between \$61,000 and \$75,000. The State of Alaska's Auditor IIIs currently earn a salary range of \$53,000 to \$75,000.

Kforce Professional Staffing's salary wizard reports essentially the same numbers for an Accountant III in Anchorage.

Business Finance Magazine's salary wizard reports that median compensation for a Senior Accountant with 3+ years of experience in the Western U.S. (including Alaska) will be \$55,000. If that median salary is multiplied by 1.25, as an applicant might choose to do to allow for Alaska's higher costs, he would expect a median salary of \$69,000 in Alaska. The State of Alaska's Auditor IIIs currently earn a salary range of \$53,000 to \$75,000.

The Creative Financial Staffing salary wizard reports that accountants working in Alaska's Rail Belt earn an average salary of \$49,000. However, the average accountant's job is less demanding and less responsible than the average Auditor III's job. An accountant will typically be working with, at most, the Federal Income Tax code and the Alaska Corporate Income Tax code, while the State's Auditor IIIs must work with the Federal code, and with the income tax codes of Alaska and an arbitrary number of other states and foreign countries.

### ***State and Local Sector Comparisons***

Several state and local government jobs outside Alaska show a wide range of requirements and salaries. The lowest-paying is an Auditor 3 in Louisiana, which seems to be a less demanding, less complicated position than Alaska's Auditor III positions. The highest paying is a Revenue Tax Specialist in Alabama, which requires incumbents to have an MS in Tax Accounting, or an MS in Tax Laws, and to spend 20% of their work time in continuing education. The salary range for positions whose responsibilities are comparable to Auditor III is \$56,000 to \$105,000, after adjusting to Alaska's cost of living. The State of Alaska's Auditor IIIs currently earn a salary range of \$53,000 to \$75,000. Salaries for Outside jobs were adjusted using cost-of-living information found on the Internet.

Selected State and Local Sector Auditor/Accountant Salaries					
Job Title	Location	Education	CPA?	Experience	Salary <sup>1</sup>
Internal Auditor <sup>2</sup>	Oregon	BS Accounting	In progress	None	Up to \$86
Auditor 3 <sup>3</sup>	Louisiana	BS Accounting	No	2+	\$46 +
Foreign Audit Specialist <sup>4</sup>	Alabama	BS Accounting	No	1+	\$56 - \$86
Revenue Tax Specialist <sup>4</sup>	Alabama	MS Accounting	No	None	\$69 - \$105
1 Salary in \$1,000s. Salaries adjusted for cost of living differential.					
2 Found at <a href="http://www.jobsinthemoney.com/pb/guest/viewjob.cfm?JobsID=229473">http://www.jobsinthemoney.com/pb/guest/viewjob.cfm?JobsID=229473</a> . Salary multiplied by 1.38 to adjust for cost of living.					
3 Found at <a href="http://www.civilservice.louisiana.gov/Examining/JobFliers/PrintableFliers/accounting.doc">http://www.civilservice.louisiana.gov/Examining/JobFliers/PrintableFliers/accounting.doc</a> . Salary multiplied by 1.45 to adjust for cost of living. The responsibilities of this position are comparable to Alaska's Auditor I or Auditor II.					
4 From State of Alabama Personnel Department. Salary multiplied by 1.41 to adjust for cost of living.					

### Relevant News Articles

The U.S. Department of Labor's Occupational Outlook Handbook reports that employment for accountants will grow faster than average well into the next decade.

The Wall Street Journal, in 2004, listed Forensic Accountants as one of ten bright spots in the employment picture.<sup>4</sup> Also in 2004, the Wall Street Journal reported that the Sarbanes-Oxley act had greatly increased the demand for experienced accountants.<sup>5</sup> The Houston Chronicle reported in 2004 that PricewaterhouseCoopers had to "import" accountants from Canada to meet the demand.<sup>6</sup> In 2005, the Wall Street Journal reported that accounting firms are scrambling to find experienced CPAs, as demand for accountants outstrips supply.<sup>7</sup> The Epoch Times reported in 2005 that a shortage of accountants in the U.S. is sharply driving up salaries.<sup>8</sup>

### Methods

To adjust Outside salaries to Alaska's cost of living, I used a salary calculator on the Internet, typical of the resource which a job candidate might use to make such comparisons. The calculator was found at

<sup>4</sup> Wall Street Journal Article, "Ten Bright Spots in a Jobless Recovery," retrieved from <http://college.wsj.com/careerpaths/findcareerpath/20040330-neuborne.html> on 13 January 2006.

<sup>5</sup> Wall Street Journal Article, "Tougher Regulations Create New Accounting Opportunities," retrieved from <http://www.careerjournal.com/salaryhiring/industries/accounting/20041201-buss.html> on 13 January 2006.

<sup>6</sup> Houston Chronicle, 11 December 2004, "Accountants Can't Keep Up With Numbers," retrieved from <http://www.chron.com/disp/story.mpl/business/2942660.html> on 13 January 2006.

<sup>7</sup> Wall Street Journal Article, "Accounting Firms Scramble to Find Experienced CPAs," retrieved from <http://www.careerjournal.com/salaryhiring/industries/accounting/20050322-mcgee.html> on 13 January 2006.

<sup>8</sup> The Epoch Times, 18 July 2005, "U.S. Accountant Shortage Drives Salaries up Sharply," retrieved from <http://english.epochtimes.com/news/5-7-18/30411.html> on 13 January 2006.

<http://www.jobsinthemoney.com/common/salarytables.cfm?link=http://www.homefair.com/calc/salcalc.html>

This report considers only base pay, since useful information on bonuses and fringe benefits seems to be unobtainable.

Private industry positions often add bonuses to base pay, and those bonuses are often a substantial fraction of the total compensation. Therefore, a comparison based only on base pay might understate the attractiveness of private sector salaries.

Most large private employers have benefit packages which are nearly as complete as the State of Alaska's. They typically include medical benefits and contribution matching for 401k plans, but may not include dental and vision coverage, and may require that the employee pay a higher portion of the cost. A comparison which excludes benefits might overstate the attractiveness of private sector jobs.

Federal positions have a benefit package roughly comparable to the State of Alaska's. Federal pay presented here includes a 25% tax free COLA, which is worth significantly more than a 25% taxable COLA, as discussed above in the section on Federal positions.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110400  
JUNEAU, ALASKA 99811-0400  
TELEPHONE: (907) 465-2300  
FACSIMILE: (907) 465-2389

March 1, 2006

Janet Seitz,  
Office of Representative Norman Rokeberg  
State Capitol  
Juneau, Alaska 99801

Dear Ms. Seitz,

At the February 28<sup>th</sup> House State Affairs Committee meeting, a question was asked about a member of the Alaska Retirement Management Board continuing service on that board if his position was changed from classified to exempt. It should be clear that HB 485 will not make any currently filled position exempt, however, it is conceivable that the person in question may apply for and accept an exempt position created by HB 485.

I have quoted the part of SB 141 which sets out the qualifications for service on the ARM Board below. The individual in question was appointed to the board under subparagraph (C) below which I have put in bold and italics. The requirement for that seat is that the person be a member of the PERS system, a vested member of the PERS system remains a member regardless of a change in employment status. Therefore service on the ARM Board by this individual would not be affected by passage of HB 485.

"(b) The Alaska Retirement Management Board consists of nine trustees, as follows:

(1) two members, consisting of the commissioner of administration and the commissioner of revenue;

(2) seven trustees appointed by the governor who meet the eligibility requirements for an Alaska permanent fund dividend and who are professionally credentialed or have recognized competence in investment management, finance, banking, economics, accounting, pension administration, or actuarial analysis as follows:

(A) two trustees who are members of the general public; the trustees appointed under this subparagraph may not hold another state office, position, or employment and may not be members or beneficiaries of a retirement system managed by the board;

(B) one trustee who is employed as a finance officer for a

political subdivision participating in either the public employees' retirement system or the teachers' retirement system;

(C) two trustees who are members of the public employees' retirement system, selected from a list of four nominees submitted from among the public employees' retirement system bargaining units;

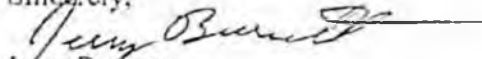
(D) two trustees who are members of the teachers' retirement system selected from a list of four nominees submitted from among the teachers' retirement system bargaining units;

(E) the lists of the nominees shall be submitted to the governor under (C) and (D) of this paragraph within the time period specified in regulations adopted under AS 37.10.240(a).

(c) The trustees, other than the two commissioners, shall serve for staggered terms of four years and may be reappointed to the board."

I trust that the above fully addresses the question. I will be available to testify at any time on this issue.

Sincerely,



Jerry Bufnett

Director of Administrative Services  
Alaska Department of Revenue

# LEGAL SERVICES

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

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

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

## MEMORANDUM

March 2, 2006

**SUBJECT:** Exempt service: auditors (HB 485; Work Order No. 24-LS1683AG)

**TO:** Representative Norman Rokeberg  
Chair of House Rules Committee  
Attn: Janet Seitz

**FROM:** Tamara Brandt Cook  
Director

Janet Seitz has informed me that Michael Williams is a trustee of the Alaska Retirement Management (ARM) Board and is currently a union member employed as an auditor by the Department of Revenue. HB 485 moves some auditors employed by the Department of Revenue into the exempt service: "corporate income tax forensic auditors who are employed by the division in the Department of Revenue principally responsible for the collection and enforcement of state taxes and who specialize in apportionment analysis and tax shelters of multistate corporate taxpayers." You ask whether Mr. Williams will lose his seat as trustee on the ARM Board if his position is moved into the exempt service.

With the permission of Ms. Seitz, I contacted Linda Manns from the Office of the Governor, Boards and Commissions section to verify which seat on the ARM Board Mr. Williams has been appointed to fill. He was appointed under the authority of AS 37.10.210(b)(2)(C) which requires the appointment of: "two trustees who are members of the public employees' retirement system, selected from a list of four nominees submitted from among the public employees' retirement system bargaining units...." Note that a person appointed under this provision must be (1) a member of the public employees' retirement system; and (2) nominated by the public employees' retirement system bargaining units. There is no requirement that the person actually be a member of a bargaining unit at the time of nomination or appointment, or that the person remain a member of a bargaining unit. While it might be reasonably urged that this person is by implication a representative of the bargaining units and, therefore, ought to be a member of a bargaining unit, it might just as reasonably be pointed out that the bargaining units are not required under the statute to nominate only members of bargaining units and might elect to nominate a person as a representative based on qualifications rather than bargaining unit membership. Therefore, assuming that Mr. Williams is the type of specialized auditor that would be moved into the exempt service under HB 485, this change in state employment status would not require his removal from the ARM Board under a literal reading of the statute.

TBC:ljw  
06-106:ljw

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF ADMINISTRATION  
DIVISION OF PERSONNEL

P.O. BOX 110201  
JUNEAU, AK 99811-0201  
PHONE: (907) 465-4430  
FAX: (907) 465-3415

March 2, 2006

The Honorable Paul Seaton  
Chair State Affairs Committee  
Alaska State Legislature  
Juneau, Alaska

RE: HB 485, Turnover and Retention in all job classes

Dear Chairman Seaton,

As requested during the February 28, 2006, hearing on HB 485, I have enclosed a list of job classes where turnover and recruitment difficulty is negatively impacting program delivery. The list was originally put together in response to a request by Senator Dyson's office during the last legislative session. The list itself was generated through a request to the Administrative Service Directors of each department in the Executive Branch. Not every department responded and there has been no independent analysis to determine what level of turnover and recruitment difficulty actually exists.

As I mentioned during the hearing, the Division of Personnel is in the process of conducting an recruitment and retention analysis of all our job classes in preparation for implementing a market based pay policy. I would be happy to share the results of that analysis as it becomes available.

If you have any questions or concerns about this spreadsheet, please do not hesitate to contact me.

Sincerely



Mila Cosgrove  
Director of Personnel

cc: Representative Berta Gardner  
Michael Tibbles, Deputy Commissioner, Dept. of Administration

# MEMORANDUM

State of Alaska  
Department of Administration  
Division of Personnel

To: Senator Dyson  
Chair  
Senate Finance Subcommittee

Date: March 23, 2005

From: Mila Cosgrove  
Director

Phone: 465-4429

Fax: 465-3415

Email: Mila\_Cosgrove@admin.state.ak.us

Subject: Classifications where turnover & recruitment impact program delivery

As requested I have attached a spreadsheet summarizing some of the classifications where turnover and recruitment difficulty are having an impact on state agencies' ability to deliver program services. I thought it would be helpful for you to understand how the list was generated and the limitations on the information.

In answering the question, where is turnover impacting the state's ability to deliver program services?, it was necessary to take a slightly broader look than just turnover statistics. Turnover, in and of itself, is not indicative of an agency's ability to deliver services. Some classifications, especially those at the clerical and technical level, often have high turnover. As a general rule, replacements are easily found and the training time is not significant. On the other hand, there are some job classifications that have a "lower turnover rate" but when a hiring manager tries to fill the position, there are not qualified applicant pools available. Therefore, the ability to successfully recruit for positions is a large part of answering the question accurately.

The State of Alaska maintains an on-line recruitment and application system. The system gathers data, but does not produce reports that can be easily used to answer questions about recruitment failure rates. The Division of Personnel is working on answering that question with the data available, but it is a manual process and the data won't be summarized accurately for several weeks. Therefore, I asked the Administrative Service Directors and the Division of Personnel recruitment staff to provide me with an anecdotal list of job classes where recruitment has historically been a problem. I combined the anecdotal list of job classes with turnover statistics (for CY04) and projected retirement statistics (1 year projection covers FY05, 5 year projection covers through FY09) to arrive at the report attached.

In reviewing the information provided by the departments, I noted some general trends.

- Several professions are nearing crisis point where a combination of high turnover and difficulty in recruitment are currently compromising the state's ability to provide program services. These same classifications have a high number of projected retirements within the one year and five year time frames. These job classes include: Nurses, Environmental Conservation Managers, Fisheries Biologists, Engineers, Correctional Officers, Adult Probation Officers, Juvenile Probation Officers, Supervisory and Management levels of the Alaska State Trooper series, Pharmacists, Electrical Inspectors, and Equipment Operators.
- Many professions play a critical role in helping to maintain the infrastructure of state government. While these positions do not provide direct program services to the public, they

do play a critical role in assuring that other staff can provide direct services. These job classes include: Analyst/Programmers, Systems Programmers, Data Communication Specialists, Data Processing Managers, Accountants, Administrative Managers, Program Budget Analysts, Auditors and Research Analysts.

- Some job classes have low turnover rates, but anticipated retirements and historical recruitment difficulty indicates that the state's ability to deliver program services may be compromised in the near future. Examples of these classes include: Fish pathologists, Fish Scientists, Librarians, Geologists, Agronomists, Archaeologists, Microbiologists, Boiler Inspectors, Education Administrators, Revenue Auditors and the State Archivist. Several departments did not articulate specific job classes, but noted that highly specialize professions were difficult to fill when vacancies occurred.
- Although in general we experience a high degree of turnover in lower level classes, it was noted by two agencies in particular that their inability to retain Administrative Clerks II (R8) and Administrative Clerks III (R10) was having an impact on program delivery. Both agencies noted a significant amount of supervisory time being spent in recruiting and training individuals.

Finally, some departments offered comments on why they believed turnover and recruitment difficulties exist in these job classes. The overwhelming comments were focused on limited applicant pools and wages that were noncompetitive with other private and public sector employers.

This list is not exhaustive and I anticipate that there will be job classes added to this list as we have access to hard data from the recruitment system.

Job Class where Recruitment is Difficult	CY04 Turnover		Retirement Eligibility		Departments reporting Difficulty	Reason if provided
	# pos	% TO	1yr	5yr		

**ADMINISTRATIVE INFRASTRUCTURE**

<b>Information Technology</b>						
Analyst/Programmer III	69	7%	3.6%	12.5%	Fish & Game, Labor, Natural Resources, Revenue, Administration, Environmental Conservation, Transportation	1. Limited applicant pools 2. Wages not competitive
Analyst/Programmer IV	153	7%	9.0%	28.6%		
Analyst/Programmer V	48	10%	13.0%	43.5%		
Data Communication Specialist I	5	60%	100.0%	100.0%		
Data Communication Specialist II	6	0%	0.0%	33.0%		
Data Processing Manager I	18	11%	7.1%	35.7%		
Data Processing Manager II	8	13%	16.7%	0.0%		
Data Processing Manager III	14	0%	18.2%	72.7%		
Micro/Computer Spec I	57	12%	2.0%	16.0%		
Micro/Computer Spec II	32	16%	7.1%	21.4%		
Micro/Computer Tech I	27	15%	NA	NA		
Micro/Computer Tech II	62	15%	NA	NA		
Systems Programmer I	1	0%	0.0%	0.0%		
Systems Programmer II	3	33%	50.0%	50.0%		
Systems Programmer III	10	10%	25.0%	50.0%		
Systems Programmer IV	2	100%	50.0%	50.0%		
Systems Programmer V	1	0%	0.0%	100.0%		

<b>Accounting</b>						
Accounting Tech I		22%	NA	NA	Natural Resources	Limited Applicant Pools
Accounting Tech II		9%	NA	NA		
Accounting Tech III		11%	NA	NA		
Accountant II	13	23%	7.1%	7.1%	Natural Resources, Labor, Environmental Conservation, Health & Social Services	1. Limited applicant pools 2. Wages not competitive
Accountant III	60	20%	9.6%	34.6%		
Accountant IV	35	29%	9.4%	28.1%		
Accountant V	11	18%	35.4%	0.0%		

<b>Administrative/Budget</b>						
Administrative Clerk II	572	27%	NA	NA	Labor, Health & Social Services, Environmental Conservation, Transportation	High Turnover Limited applicant pools
Administrative Clerk III	572	23%	NA	NA		
Administrative Manager I	56	16%	5.1%	28.6%		
Administrative Manager II	44	7%	5.3%	31.6%		
Administrative Manager III	21	5%	10.5%	31.6%		
Administrative Manager IV	23	13%	14.3%	33.3%		
Program Budget Analyst II	2	50%	0.0%	0.0%		
Program Budget Analyst III	12	8%	0.0%	30.0%		
Program Budget Analyst IV	9	11%	0.0%	33.0%		

<b>Auditors</b>						
Internal Auditor I	1	0%	0.0%	0.0%	Education	1. Limited applicant pools 2. Wages not competitive
Internal Auditor II	7	0%	0.0%	20.0%		
Internal Auditor III	14	14%	9.1%	27.3%		
Internal Auditor IV	7	0%	0.0%	14.3%		
Internal Auditor V	1	0%	100.0%	100.0%		
Revenue Auditor II	1	0%	0.0%	0.0%	Natural Resources Revenue	
Revenue Auditor III	6	17%	25.0%	25.0%		
Revenue Auditor IV	13	0%	10.0%	30.0%		
Revenue Auditor V	16	0%	16.7%	58.3%		

Facilities Manager I	8	13%	0.0%	14.3%	Administration	1. Limited applicant pools 2. Wages not competitive
Facilities Manager II	2	0%	50.0%	50.0%		

Procurement Specialist III	20	25%	6.3%	12.5%	Health & Social Services	Limited applicant pools
Procurement Specialist IV	6	33%	0.0%	16.7%		

Research Analyst I	11	18%	10.0%	30.0%	Health & Social Services Transportation
Research Analyst II	26	27%	4.8%	9.5%	
Research Analyst III	29	21%	10.5%	36.8%	
Research Analyst IV	12	8%	40.0%	0.0%	

Job Class where Recruitment is Difficult	CY04 Turnover # pos	% TO	Retirement 1yr	Eligibility 5yr	Departments reporting Difficulty	Reason if provided
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**ADMINISTRATIVE INFRASTRUCTURE**

**RESOURCES & ENVIRONMENT**

Agriculture Inspector	3	0%	33.3%	66.7%	Natural Resources	Lack of qualified applicants
Agronomist I	9	0%	0.0%	33.0%	Natural Resources	1. Limited applicant pools 2. Wages not competitive
Agronomist II	4	0%	25.0%	50.0%		
Agronomist III	1	0%	0.0%	100.0%		
Archaeologist I	4	25%	0.0%	0.0%	Natural Resources	Wages not competitive with federal government
Archaeologist II	3	33%	0.0%	0.0%		
Archaeologist III	1	0%	0.0%	0.0%		
Cartographer I	1	0%	0.0%	0.0%	Natural Resources	1. Limited applicant pools 2. Wages not competitive
Cartographer II	15	13%	16.7%	41.7%		
Cartographer III	5	0%	0.0%	0.0%		
Cartographer IV	4	0%	0.0%	75.0%		
Chemist II	1	0%	0.0%	0.0%	Environmental Conservation	1. Limited applicant pools
Chemist III	2	0%	33.3%	33.3%		
Chemist IV	4	0%	0.0%	50.0%		
Chemist V	1	0%	0.0%	0.0%		
Economist I	4	50%	0.0%	0.0%	Natural Resources	1. Limited applicant pools
Economist II	9	11%	0.0%	57.1%		
Economist III	7	14%	16.7%	33.3%		
Economist IV	3	0%	0.0%	0.0%		
Environmental Analyst I	4	25%	0.0%	0.0%	Transportation	1. Limited applicant pools 2. Wages not competitive
Environmental Analyst II	15	13%	0.0%	16.7%		
Environmental Analyst III	20	5%	0.0%	13.3%		
Environmental Conservation Mgr I	12	8%	9.1%	27.3%	Environmental Conservation	Limited number of qualified applicants
Environmental Conservation Mgr II	9	22%	22.2%	44.4%		
Environmental Conservation Mgr III	10	20%	22.2%	22.2%		
Environmental Health Officer	25	12%	12.5%	37.5%	Environmental Conservation	1. Remote location of work 2. Wages not competitive
Environmental Specialist I	6	17%	0.0%	0.0%	Environmental Conservation	Limited number of qualified applicants
Environmental Specialist II	34	15%	0.0%	7.1%		
Environmental Specialist III	102	10%	8.9%	24.4%		
Environmental Specialist IV	48	10%	11.9%	28.6%		
<b>Fisheries</b>						
Fish Pathologist I	1	0%	0.0%	0.0%	Fish and Game	1. Limited applicant pools 2. Wages not competitive
Fish Pathologist II	1	0%	0.0%	0.0%		
Fish Scientist I	6	0%	50.0%	75.0%		
Fish Scientist II	3	0%	50.0%	50.0%		
Fisheries Biologist II	127	4%	9.6%	27.9%		
Fisheries Biologist III	111	8%	29.8%	44.7%		
Fisheries Biologist IV	26	8%	38.9%	50.0%		
Fisheries Geneticist I	1	0%	0.0%	0.0%		
Fisheries Geneticist II	3	0%	0.0%	0.0%		
Fisheries Geneticist III	1	0%	0.0%	0.0%		
<b>Forestry</b>						
Forest Technicians III	58	7%	NA	NA	Natural Resources	1. Limited applicant pools 2. Wages not competitive
Forest Technicians IV	29	7%	NA	NA		
Foresters II	22	5%	5.0%	20.0%		
Foresters III	21	14%	15.1%	52.6%		
Foresters IV	3	0%	33.3%	66.7%		

Job Class where Recruitment is Difficult	CY04 Turnover		Retirement Eligibility		Departments reporting Difficulty	Reason if provided
	# pos	% TO	1yr	5yr		

**ADMINISTRATIVE INFRASTRUCTURE**

Geologist I	2	0%	0.0%	0.0%	Natural Resources	1. Limited applicant pools 2. Wages not competitive
Geologist II	6	17%	0.0%	0.0%		
Geologist III	23	0%	22.2%	22.2%		
Geologist IV	20	0%	10.0%	40.0%		
Geologist V	2	50%	33.3%	100.0%		
Geologist VI	1	0%	0.0%	0.0%		

<b>Natural Resource Professions</b>						
Natural Resource Manager I	22	9%	5.6%	50.0%	Natural Resources	1. Limited applicant pools 2. Wages not competitive
Natural Resource Manager II	23	9%	11.8%	52.9%		
Natural Resource Manager III	10	30%	25.0%	50.0%		
Natural Resource Manager IV	6	17%	33.3%	66.7%		
Natural Resource Specialist I	35	17%	15.6%	25.0%		
Natural Resource Specialist II	62	8%	18.8%	35.4%		
Natural Resource Specialist III	26	8%	9.5%	42.9%		
Natural Resource Specialist IV	3	0%	0.0%	100.0%		
Natural Resource Specialist V	2	0%	0.0%	0.0%		

Recorder I	7	29%	NA	NA	Natural Resources	1. Limited applicant pools
Recorder II	25	4%	NA	NA		

**ENGINEERING**

Architect Assistant	1	0%	0.0%	0.0%	Education	1 limited applicant pool
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<b>Engineers</b>							
Engineering Assistant III	125	8%	14.2%	27.4%	Transportation	1. Limited applicant pools 2. Wages not competitive 3. Extreme difficulty in recruiting for some engineering specialties such as Traffic Engineers	
Engineer/Architect I	50	16%	5.7%	17.1%			
Engineer/Architect II	38	5%	24.2%	39.4%			
Engineer/Architect III	39	5%	12.1%	30.3%			
Engineer/Architect IV	27	15%	18.2%	50.0%			
Engineer/Architect V	6	0%	33.3%	33.3%			
Technical Engineer/Architect I	29	3%	12.0%	48.0%			
Technical Engineer/Architect II	14	0%	30.8%	53.8%			
Mining Engineer Associate	1	0%	NA	NA			Natural Resources
Environmental Engineer I	15	0%	8.3%	8.3%			Environmental Conservation
Environmental Engineer II	7	0%	0.0%	20.0%			
Environmental Engineering Assoc I	21	0%	23.5%	41.2%			
Environmental Engineer Assoc II	6	0%	25.0%	50.0%			

**PUBLIC SAFETY**

Correctional Officer II	639	8%	10.7%	27.0%	Corrections	1 Limited applicant pools 2 Wages not competitive
Correctional Officer III	119	12%	21.5%	46.0%		
Correctional Officer IV	6	17%	50.0%	75.0%		
Correctional Superintendent	12	17%	58.3%	83.0%		

<b>Probation</b>						
Adult Probation Officer II	123	13%	15.1%	28.0%	Corrections	1. Limited applicant pools 2. Wages not competitive
Adult Probation Officer III	36	17%	26.7%	50.0%		
Adult Probation Officer IV	2	100%	100.0%	100.0%		
Adult Probation Officer V	2	50%	0.0%	50.0%		
Juvenile Probation Officer II	51	12%	24.4%	38.0%	Health & Social Services	
Juvenile Probation Officer III	17	18%	13.3%	33.0%		
Juvenile Probation Officer IV	4	50%	25.0%	50.0%		

Job Class where Recruitment is Difficult	CY04 Turnover		Retirement Eligibility		Departments reporting Difficulty	Reason if provided
	# pos	% TO	1yr	5yr		

### ADMINISTRATIVE INFRASTRUCTURE

Troopers						
Major	2	50%	100.0%	100.0%	Public Safety	
Captain	10	40%	33.3%	55.6%		
Lieutenant	24	13%	50.0%	62.5%		
Sergeant	58	7%	23.1%	44.2%		
Corporal	6	0%	0.0%	0.0%		
Trooper	322	6%	4.1%	11.0%		

### HEALTH CARE

Medical Professions						
Clinical Pharmacist	2	100%	0.0%	0.0%	Health & Social Services Corrections	1. Limited applicant pools 2. Wages not competitive
Pharmacist	5	20%	40.0%	40.0%		
Mental Health Clinician II	9	33%	6.3%	37.5%		
Mental Health Clinician III	21	10%	16.7%	50.0%		
Mental Health Clinician IV	28	7%	0.0%	33.3%		
Psychological Counselor II	7	29%	0.0%	0.0%		
Staff physician	3	67%	NA	NA		
Staff Psychiatrist	10	20%	NA	NA		
Veterinary Epidemiologist	2	50%	NA	NA		

Microbiology						
Microbiologist I	1	0%	0.0%	0.0%	DEC DF&G	1. Limited applicant pools 2. Wages not competitive
Microbiologist II	4	0%	25.0%	25.0%		
Microbiologist III	3	0%	50.0%	50.0%		
Public Health Microbiologist I	11	27%	12.5%	12.5%	Health & Social Services	
Public Health Microbiologist II	8	13%	0.0%	16.7%		
Public Health Microbiologist III	2	100%	66.7%	66.7%		

Nursing						
Certified Nurses Aide	249	18%			Health & Social Services	1 High turnover 2 Limited applicant pools
Psychiatric Nurse Assistant I	17	6%				
Psychiatric Nurse Assistant II	5	0%				
Psychiatric Nurse Assistant III	50	10%				
Psychiatric Nurse Assistant IV	13	31%				
Licensed Practical Nurse	48	15%	6.1%	26.5%	Health & Social Services Corrections	1 Limited applicant pool 2 National shortage 3 Wages not competitive with other employers
Nurse I	15	53%	0.0%	0.0%		
Nurse II	73	16%	6.9%	29.3%		
Nurse III	30	20%	19.2%	46.2%		
Nurse IV	2	0%	0.0%	33.3%		
Nurse II (Psych)	44	27%	10.8%	37.8%		
Nurse III (Psych)	12	0%	41.7%	50.0%		
Nurse IV (Psych)	7	14%	14.3%	28.6%		
Nurse Consultant I	12	17%	27.3%	54.5%		
Nurse Consultant II	16	31%	7.7%	46.2%		
Public Health Nurse I	5	0%	0.0%	0.0%		
Public Health Nurse II	41	10%	5.3%	23.7%		
Public Health Nurse III	46	11%	23.8%	45.2%		
Public Health Nurse IV	8	0%	28.6%	42.9%		
Public Health Nurse V	5	0%	50.0%	75.0%		

### OTHER PROGRAM AREAS

Attorney I	2	0%	0.0%	0.0%	Law	1 Limited applicant pool 2 High case load 3 Wages not competitive 4 Difficulty recruiting for rural areas
Attorney II	20	20%	0.0%	0.0%		
Attorney III	78	14%	1.5%	4.5%		
Attorney IV	185	7%	12.3%	34.8%		
Attorney V	73	8%	19.2%	50.0%		
Attorney VI	18	0%	6.7%	50.0%		

Job Class where Recruitment is Difficult	CY04 Turnover # pos	% TO	Retirement Eligibility 1yr	5yr	Department's reporting Difficulty	Reason if provided
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**ADMINISTRATIVE INFRASTRUCTURE**

Boiler Inspector I	4	0%	0.0%	50.0%	Labor	1. Limited applicant pools
Boiler Inspector II	1	0%	0.0%	0.0%		
Education Administrator II	4	0%	0.0%	0.0%	Education	1. Wages not competitive with school districts
Education Specialist I	10	10%	0.0%	0.0%	Education	1. Wages not competitive with school districts
Education Specialist II	23	30%	11.1%	22.0%		
Electrical Inspector	4	25%	66.7%	66.7%	Labor	1. Limited applicant pools
Elevator Inspector	2	0%	0.0%	0.0%	Labor	1. Limited applicant pools
Equipment Operator Sub Journey I	17	6%	0.0%	0.0%	Transportation	1. Limited applicant pools 2. Contractual limitations on employee movement
Equipment Operator Sub Journey II	14	0%	0.0%	0.0%		
Equipment Operator Journey I	62	11%	0.0%	5.6%		
Equipment Operator Journey II	305	9%	7.9%	22.9%		
Equipment Operator Journey III/Lead	132	9%	0.0%	23.6%		
Equipment Operator Foreman I	2	250%	0.0%	0.0%		
Equipment Operator Foreman II	2	0%	33.3%	33.3%		
Juvenile Justice Superintendent I	8	0%	25.0%	38.0%	Health & Social Services	Limited applicant pools in rural areas
Librarian III	6	17%	60.0%	80.0%	Education	History of difficulty in recruitment Large number of pending retirements
Librarian IV	1	0%	0.0%	0.0%		
Mechanics, Aircraft	8	25%	0.0%	0.0%	Transportation	1. Limited applicant pools 2. Wages not competitive
Mechanics, Automotive Advanced	119	8%	10.0%	20.0%		
Social Services Associate I	10	30%	NA	NA	Health & Social Services	Limited applicant pools in rural areas
Social Services Associate II	38	11%	NA	NA		
State Archivist	1	0%	0.0%	0.0%	Education	1. Lack of qualified applicants 2. Wages not competitive 3. Inadequate staffing 4. poor building conditions
Vocational Rehab Counselors I	3	0%	15.8%	31.6%	Labor	1. Limited applicant pools 2. Wages not competitive
Vocational Rehab Counselors II	20	15%	0.0%	0.0%		
Vocational Rehab Counselors III	2	0%	0.0%	100.0%		

STATE OF ALASKA  
DEPARTMENT OF ADMINISTRATION  
DIVISION OF PERSONNEL

STANDARD OPERATING PROCEDURE

I. THE CLASSIFICATION SYSTEM

A. Purpose

The purpose of this SOP is to delineate the primary principles, policy guidelines, and the Classification Plan which are the basis for the classification system used for the classified and partially exempt (PX) services in the State of Alaska.

B. Scope

This SOP will describe general classification principles and factors used in analyzing positions and components of the classification system in the classified and PX services. The Classification Plan is included in Addendum A. Addendum B lists commonly used references and resources.

C. Authority

AS 39.25.010—Merit principles, salary plan  
AS 39.25.150(1)—Require rules on a classification plan  
2 AAC 07.005—Classification Plan  
2 AAC 07.010—Class Specifications  
2 AAC 07.015—Class titles

D. Whole Job Classification

A classification plan is an organized arrangement of positions designed to facilitate a number of human resource management functions including recruitment, selection, salary administration, transfer and layoff. Positions bearing sufficient similarities are grouped together, given a single classification title and treated similarly for these purposes. The State of Alaska has developed a position classification plan in which all positions in the classified and partially exempt services are grouped together on the basis of duties and responsibilities. Comparative analysis of the "whole job" is the method used by the State for position classification and salary setting. The job as a whole is evaluated by comparing it against job class specifications and existing positions which illustrate the kind and level of work performed by a particular job class. The State's pay plan preparation, maintenance, revision, and administration is based upon the position classification plan and reflects the principle of like pay for like work [Alaska Statute 39.25.150(2)]. In setting salaries, comparison of the whole job is made to other internal job classes and/or positions outside State government.

E. Components of the Classification System

The basic components of the classification system, in order from smallest to largest:

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STATE OF ALASKA  
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1. Position – A group of duties and responsibilities designed to be performed by an individual and which is authorized and designated by a position control number (PCN).
2. Job Class – A group of positions sufficiently similar in duties and responsibilities, degree of supervision exercised or required, and entrance requirements that they may be treated the same for purposes of recruitment, selection, compensation, transfer and layoff. The kind and level of work assigned to positions in a job class must be essentially the same.

Example: Administrative Manager I (1907)

3. Class Series – Two or more classes sharing a common title which are similar as to type of work, but differ as to level of difficulty and responsibility.

Example: Administrative Manager I, II, III and IV (1907,1908,1909 and 1910).

4. Job Family – A group of classes and class series that are closely related. Typically, initial preparation for employment and subsequent career progression are similar for all job classes in a family.

Example: General Administrative (P19XX)

5. Occupational Group – A group of related classes, class series, and job families that encompass relatively broad occupations, professions, or activities.

Example: Clerical, Fiscal, and Administrative (P1XXX)

The Classification Plan, organized by these components, is Addendum A to this SOP.

F. Factors

In order to assign positions to job classes, comparisons must be made between the position and the relevant job class specifications. Also, in setting salary ranges for new job classes, comparisons between classes must be made. The factors described below provide a basis for analyzing positions and for making these comparisons.

1. Nature, variety and complexity of work.

"Nature" includes the kind of work performed as shown by such elements as the subject matter, profession, or occupation involved. "Variety" as

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STATE OF ALASKA  
DEPARTMENT OF ADMINISTRATION  
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STANDARD OPERATING PROCEDURE

applied to a position includes the range of duties and the inherently different kinds of work included in the position. As applied to a class, it reflects the range of kinds of work and skills which are included in the class. "Complexity" includes the difficulty in identifying what needs to be done, and the difficulty and originality involved in performing the work.

Consider the following:

What subject matter, profession, occupation or function is involved?

What skills, knowledge and techniques are applied?

Are the various tasks in the same or related subject matter fields?

Are the various tasks of a recurring type or do they present nonrepetitive problems?

Are assignments made to the position selected on the basis of difficulty?

2. Nature of supervision received by the incumbent.

Supervision received covers the nature and extent of deliberate, planned supervisory controls exercised over the incumbent of the position (or, in relation to a class, typically exercised over incumbents in a class of positions) which limit the scope of work, the independence with which it is performed, and the nature and finality of decisions. Included are items such as the basis for selection of work assignments, the nature of direct instructions or advice from a supervisor the incumbent receives, and the extent and degree to which actions and decisions are limited (by review of all cases, by spot checks, or review of the program for effectiveness or for conformity with policy).

Consider the following:

From whom does the employee receive instructions?

What type of instructions are they and how general or detailed?

Is supervision over the position technical, functional, administrative?

Is the work reviewed during progress or upon completion?

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STANDARD OPERATING PROCEDURE

Is the work product given a technical review or is it reviewed only for compliance with administrative matters?

3. Nature of available guidelines for performance of work.

This factor relates to the extent to which performance of the work is controlled or influenced by rules, regulations, manuals, procedures, prescribed work practices, principles, policies, or other written instruction or methods.

Consider the following:

How is the employee's work controlled by manuals, rules, regulations, and policies?

Are policies and procedures governing work general or specific?

How much initiative or latitude is the employee allowed to plan or execute the work?

4. Initiative and originality required.

This factor relates to the degree of inventiveness, imagination, and ability to innovate or create that is required in the work, the extent to which the work requires new approaches or previously unused methods and deviations from standard work practices. The resourcefulness or ingenuity required to solve new problems or old problems in new ways is the crux of this factor.

Consider the following:

How much initiative is given the employee in deciding how to accomplish the assignment?

How much and what type of review is given to the work while in process?

Is the employee required to devise new methods or procedures?

Does the employee adapt existing methods to fit the assignment?

Does the employee work out solutions to problems for which no existing solution exists?

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Does the employee analyze and evaluate the recommendations of others in relation to the above?

5. Purposes and nature of person-to-person work relationships.

This factor includes what, why, how, and with whom relations are maintained with persons not in the supervisory chain based within or outside the agency. The purposes typically include (a) to give or secure information, (b) render personal service, (c) perform administrative services, (d) explain policies or method, (e) interpret programs, plans or individual actions, (f) coordinate and secure cooperation, or (g) resolve controversies by means of personal contact.

Consider the following:

What contacts does the employee have with others within the agency? Outside the agency?

What is the purpose of these contacts?

What type of subject matter is dealt with?

Is the subject matter simple, complex, broad, narrow, controversial?

What conditions make it easy or difficult to accomplish these contacts?

During these contacts, does the employee have authority to make official commitments?

6. Nature and scope of recommendations, decisions, commitments, and consequence of error.

This reflects the questions, problems, or types of cases regarding which the employee makes recommendations, decisions, commitments, or conclusions which affect operations, plans, programs, methods, or policies; and the degree of finality in such judgments or actions as measured against such criteria as instructions, delegated authority, and review by supervisors, or agency policies, rules, regulations, statutes, or precedents.

Also included is the likelihood of an error being made by a prudent

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STATE OF ALASKA  
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DIVISION OF PERSONNEL

STANDARD OPERATING PROCEDURE

employee and the consequence of that error to individuals, operations or programs.

Consider the following:

What decisions does the employee make which are not reviewed by others?

If the employee's decisions are reviewed, what is the type and extent of this review?

What types of problems are these and how important are they?

What is the employee's responsibility for recommendations on agency programs and policy?

How final are the employee's decisions and recommendations in relation to the functions of the agency?

What would be the consequence of errors or inadequacies in these recommendations and decisions?

7. Nature and extent of supervision exercised over the work of other employees.

"Nature of supervision exercised" includes the kinds of supervisory responsibilities in areas such as setting policies; establishing objectives; planning, organizing and establishing work flow; making assignments and reviewing work; selecting, training, and rating performance of employees; coordinating production; and attending to the personnel and administrative functions of the organization.

"Extent" includes the degree of independence and responsibility with which such functions are performed, the scope of performance as reflected in the difficulty of the work, the size and complexity of the organization, the variety of functions, etc.

Consider the following:

What is the extent of the employee's formulation of policies and the scope of these policies?

What is the responsibility for control over the objectives and

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purpose of the work supervised and the form and quality of the end product?

Does the employee plan for an entire organization or plan specific techniques for given tasks?

What is the employee's responsibility for organization of work, work flow and methods of operation? Does the employee determine work methods or assure that approved methods are used?

What latitude does the employee have in making work assignments?

What type of review does the employee make of the work of others - detailed, general, technical, policy, administrative?

What is the extent of the employee's responsibility in selecting, promoting, transferring, evaluating and disciplining employees and settling grievances?

What general administrative responsibilities does the employee have (supplies, equipment, budgeting)?

What is the number and class level of subordinates supervised?  
What is the complexity of the organization supervised?

8. Qualifications required.

"Qualifications required" includes the knowledge, skills, abilities, and other requirements for performance of the work. The qualifications required should reflect the other seven factors, as well as in the tasks assigned to the position. [Further information on writing knowledge, skills and abilities (KSAs) requirements is contained in SOP 07-III.]

Consider the following:

What knowledge is required for reasonable success in the position?

What knowledge is required upon entry to the job?

What knowledge can be gained on the job in a reasonable period?

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What skills and what level of proficiency are required for the position?

Are these skills required at entry or can they be acquired during the probationary period?

What kinds of machines and equipment are used?

What general abilities are required for the position?

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# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110400  
JUNEAU, ALASKA 99811-0400  
TELEPHONE: (907) 465-2300  
FACSIMILE: (907) 465-2389

February 15, 2006

The Honorable Paul Seaton  
Chair State Affairs Committee  
Alaska State Legislature  
Juneau, Alaska

Re: HB 485, STATE PHARMACISTS/DOCTORS/AUDITOR EXEMPT

Dear Chairman Seaton:

House Bill 485 was referred to the House State Affairs Committee. This bill addresses the hiring difficulties that the State of Alaska has with two very different professional positions. The auditors are in the Department of Revenue, our inability to attract and retain these professionals is having an adverse effect on our ability to collect State revenues and should be a concern to all Alaskans.

Experienced auditors are utilized to audit corporate income taxes of multi-national companies doing business in Alaska. These audits have grown more complex in recent years due to the use of off-shore companies and tax shelters. Concurrently, the supply of experienced auditors has dwindled because of high demand, the genesis of which was the Enron situation and resulting tightening of accounting rules by the Securities and Exchange Commission. As a result, market salaries of accountants and auditors have increased tremendously.

Over the last several years, the Tax Division of the Department of Revenue has had a demonstrated failure of recruitment efforts, despite efforts to recruit out of State, as well as within Alaska. The department's corporate income tax audit staff has been reduced from 10 auditors to 2. This threatens the department's ability to collect corporate income tax revenues.

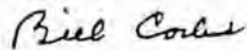
The Department of Revenue recently conducted a study of auditor salaries which showed that State salaries for experienced income tax auditors are from \$40,000 to \$68,000 below comparable Federal jobs.

Letter to Chairman Seaton  
February 15, 2006  
Page 2

I respectfully request that HB 485 be scheduled for a hearing in the House State Affairs Committee at your earliest convenience.

If you need assistance or information, please contact Jerry Burnett at 465-2302.

Very truly yours,

A handwritten signature in cursive script that reads "Bill Corbus".

William A. Corbus  
Commissioner

Louie Flora

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From: Dave Campana [apo:hos@customcpu.com]  
Sent: Monday, February 27, 2006 6:05 AM  
To: Rep. Paul Seaton  
Subject: Request support for HB485

Dear Representative Seaton:

I request your support for hearing HB485, first thing in your State Affairs hearing on 2-28-06. I also request your support for this bill which will bring salaries for those pharmacists who work for the State up to the market levels.

I have worked for many years at a salary much below the market. Passage of this bill will allow the State to recruit new pharmacists to practice at the Pioneer Home and work with the Medicaid program.

Thanks for your consideration.

Sincerely,

Dave Campana, R.Ph.  
3260 Legacy Dr.  
Anchorage, AK 99516

907-868-7537

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 485  
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
Title: State Pharmacist/Doctors/Auditor Exempt RDU: Corp. Bus & Prof Licensing (117)  
Component: Corp. Bus & Prof Licensing  
Sponsor: House Rules By Request  
Requester: State Affairs Component No.: 2360

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1150 - Receipt Supported Services						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation amends AS 39.25.110(13) to add pharmacists and physicians employed in the departments of Health & Social Services or Corrections, among others, to the list of occupations appointed to exempt service. It has no impact on the operations of the division.

Prepared by: Katherine Mason, Administrative Manager  
Division: Corporations and Licensing  
Approved by: William C. Noll, Commissioner  
Agency: Commerce, Community and Economic Development

Phone: (907) 465-2272  
Date/Time: 2/21/06 6:25 PM  
Date: 2/21/2006

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 3  
Bill Version: HB 485  
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Corrections  
Title "An act relating to Exempt Pharmacists." RDU Inmate Health Care  
Component Inmate Health Care  
Sponsor Rules Committee  
Requester Governor Component No. 705

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	30.7	30.7	30.7	30.7	30.7	30.7
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	30.7	30.7	30.7	30.7	30.7	30.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation will change current classified pharmacist positions to exempt service. The Department of Corrections continues to experience difficulties with recruiting and/or maintaining a filled pharmacist position. Exempt state pharmacists will allow the Department to be competitive with non-state organizations in the hiring and retention process.

In a recent market study, the Department of Health and Social Services found that pharmacists earn considerably more in non-state positions, making it nearly impossible to retain pharmacists or locate new hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 per hour depending on experience. The current starting wage for a classified pharmacist (Range 21) in the South Central Region is \$29.61 per hour.

Prepared by: Sharleen Griffin, Director Phone (907) 465-3339  
Division Administrative Services Date/Time 2/16/06 3:43 PM  
Approved by: Portia C.K. Parker, Deputy Commissioner Date 2/16/2006  
Agency Department of Corrections

**HB**

**485**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 MAY 07 2006  
 SENATE FINANCE COMMITTEE

DATE: 5/5/06

FURTHER:

DATE TURNED  
 IN TO OFFICE: 5/7/06

Finance Committee considered      HOUSE BILL NO. 485 am

## HB 485 STATE PHARMACISTS/DOCTORS: EXEMPT SERVICE

"An Act amending the State Personnel Act to place in the exempt service pharmacists and physicians employed in the Department of Health and Social Services or in the Department of Corrections; and providing for an effective date."

and recommends:

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

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

APPROPRIATION - no fiscal note

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
House Finance Revenue	4/11/06			✓	12
House Finance DHSS/Pharm	4/11/06			✓	11
House Finance DHSS/Pharm	4/11/06			✓	10
House Finance DHSS/APL	4/11/06			✓	9
House Finance DHSS/Epidemiology	4/11/06			✓	8
DOC	2/10/06	30.7			3
DCED	2/21/06			✓	1

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

## FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: HB 485  
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept Affected: Commerce  
Title State Pharmacist/Doctors/Auditor Exempt RDU Corp. Bus & Prof Licensing (117)  
Component Corp. Bus & Prof Licensing  
Sponsor House Rules By Request  
Requester State Affairs Component No. 2360

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation amends AS 39.25.110(13) to add pharmacists and physicians employed in the departments of Health & Social Services or Corrections, among others, to the list of occupations appointed to exempt service. It has no impact on the operations of the division.

Prepared by: Katherine Mason, Administrative Manager  
Division: Corporations and Licensing  
Approved by: William C. Noll, Commissioner  
Agency: Commerce, Community and Economic Development

Phone: (907) 465-2272  
Date/Time: 2/21/06 6:25 PM  
Date: 2/21/2006

## FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 3  
Bill Version: HB 485  
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Corrections  
Title "An act relating to Exempt Pharmacists." RDU Inmate Health Care  
Component Inmate Health Care  
Sponsor Rules Committee  
Requester Governor Component No. 705

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	30.7	30.7	30.7	30.7	30.7	30.7
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	30.7	30.7	30.7	30.7	30.7	30.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>	<b>30.7</b>

Estimate of any current year (FY2006) cost: 00  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation will change current classified pharmacist positions to exempt service. The Department of Corrections continues to experience difficulties with recruiting and/or maintaining a filled pharmacist position. Exempt state pharmacists will allow the Department to be competitive with non-state organizations in the hiring and retention process.

In a recent market study, the Department of Health and Social Services found that pharmacists earn considerably more in non-state positions, making it nearly impossible to retain pharmacists or locate new hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 per hour depending on experience. The current starting wage for a classified pharmacist (Range 21) in the South Central Region is \$49.61 per hour.

Prepared by: Sharleen Griffin, Director Phone (907) 465-3339  
Division: Administrative Services Date/Time 2/16/06 3:43 PM  
Approved by: Portia C.K. Parker, Deputy Commissioner Date 2/16/2006  
Agency: Department of Corrections

## FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 8  
Bill Version: HB 485  
(H) Publish Date: 4/12/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Service  
Title State Pharmacists/Doctors/Auditors RDU Public Health  
Component Epidemiology  
Sponsor RLS by Request  
Requester \_\_\_\_\_ Component No. 296

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
<b>TOTAL</b>	<b>0.0</b>	*	*	*	*	*

Estimate of any current year (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the division. Current vacancies in the division will assist in absorbing additional personal services cost for FY 07.  
  
In FY 08 and beyond, it is indeterminate if the division will need additional funding for pharmacists position.

Prepared by: House Finance Committee Phone 465-4945  
Division \_\_\_\_\_ Date/Time 04/11/06 1:56 p m  
Approved by: Representative Meyer Date \_\_\_\_\_  
Representative Chenault

# FISCAL NOTE

REPORTED OUT  
MAY 07 2006  
SENATE FINANCE COMMITTEE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 9  
 Bill Version: HB 485  
 (H) Publish Date: 4/12/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Service  
 Title State Pharmacists/Doctors/Auditors RDU Behavioral Health  
 Component Alaska Psychiatric Institute  
 Sponsor RLS by Request  
 Requester \_\_\_\_\_ Component No. 311

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
<b>TOTAL</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the Alaska Psychiatric Institute. Current vacancies will assist in absorbing additional personal services cost for FY 07 that may be incurred.

In FY 08 and beyond, it is indeterminate if the API will need additional funding for pharmacist positions.

Prepared by: House Finance Committee Phone 465-4945  
 Division \_\_\_\_\_ Date/Time 04/11/06 1:53 p.m.  
 Approved by: Representative Meyer Date \_\_\_\_\_  
Representative Chertoff

COMMITTEE COPY

# FISCAL NOTE

REPORTED OUT  
MAY 07 2006  
SENATE FINANCE COMMITTEE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 10  
 Bill Version: HB 485  
 (H) Publish Date: 4/12/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: State Pharmacists/Doctors/Auditors RDU: Health Care Services  
 Component: Medical Assistance Admin.  
 Sponsor: RLS by Request  
 Requester: \_\_\_\_\_ Component No. 242

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>						

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
<b>TOTAL</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for Health Care Services. Current vacancies in the division will assist in absorbing additional personal services costs for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for positions.

Prepared by: House Finance Committee Phone 465-4945  
 Division: \_\_\_\_\_ Date/Time 04/11/06 1:50 p.m.  
 Approved by: Representative Meyer Date \_\_\_\_\_  
Representative Chonault

**COMMITTEE COPY**

# FISCAL NOTE

REPORTED OUT  
 MAY 07 2006  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 11  
 Bill Version: HB 485  
 (H) Publish Date: 4/12/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Service  
 Title State Pharmacists/Doctors/Auditors RDU Alaskan Pioneer Homes  
 Component Pioneers Homes  
 Sponsor RLS By Request  
 Requester \_\_\_\_\_ Component No. 2671

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
<b>TOTAL</b>	<b>0.0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the Alaskan Pioneer Homes. Current vacancies in the division will assist in absorbing additional personal services costs for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for pharmacist positions.

Prepared by: House Finance Committee Phone 465-4945  
 Division \_\_\_\_\_ Date/Time 04/11/06 1:46 p.m.  
 Approved by: Representative Meyer Date \_\_\_\_\_  
Representative Chonault

COMMITTEE COPY

# FISCAL NOTE

REPORTED OUT  
MAY 07 2006  
SENATE FINANCE COMMITTEE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 12  
Bill Version: HB 485  
(H) Publish Date: 4/12/2006

Revision Date/Time (Note if correction): \_\_\_\_\_

Dept. Affected: Revenue

Title State Pharmacists/Doctors/Auditors

RDU Tax and Treasury

Component Tax

Sponsor RLS by Request

Requester \_\_\_\_\_

Component No. 2476

**Expenditures/Revenues**

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>					

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
<b>TOTAL</b>	<b>0.0</b>					

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

POSITIONS	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Full-time						
Part-time						
Temporary						

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

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the Tax Division. Current vacancies in the division will assist in absorbing additional personal services costs for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for these auditor positions.

Prepared by: House Finance Committee

Phone 465-4945

Division \_\_\_\_\_

Date/Time 04/11/06 1:23 p.m.

Approved by: Representative Meyer

Date \_\_\_\_\_

Representative Chenault

COMMITTEE COPY

**FACT SHEET: HB 485**  
**May 5, 200 UPDATE**

Department of Health and Social Services DHSS: Sherry Hill x1618

**Current Status:**

The original bill as introduced would have moved pharmacists and forensic tax auditors into the exempt service from the classified service. HB 485 was amended on the House Floor to remove the forensic tax auditors from the legislation, so only the Pharmacists would be transferred into the Exempt Service.

- The amended legislation impacts 10 positions in the Departments of Health and Social Services, and Corrections.
  - **The Department of Health and Social Services** has experienced a critical labor shortage of pharmacists.
    - For nearly a full year the Alaska Pioneer Homes lost pharmacists to jobs that pay much higher wages. The department is not able to attract pharmacists to apply for vacant positions —Health Care Services has one vacant position and not one person has applied.
    - **The Department of Corrections** has two pharmacist positions, but one position remains unfilled.
  - Because of the professional level expertise needed, these positions no longer fit within the classified service in state government — the only viable solution is to place these positions in the exempt service, along with other professionals such as physicians and medical examiners.
  - Placing Pharmacists in the exempt service will allow the state greater flexibility to be competitive in the marketplace, and avoid any lapse in the State's ability to meet the pharmacy needs of State facilities such as Alaska Psychiatric Institute (API), Alaska Pioneer Homes, and Corrections.
    - **Pharmacists:** With required education and medical credentials, Pharmacists are specialized medical licensed professionals. The high level tax auditors are financial professionals, who must have the education, experience and expertise to audit international corporations.
  - It is the legislature's discretion to decide whether certain jobs should be in the exempt service — and these positions are at a high professional level and meet a critical need for the state: the legislature needs to exercise its discretion and vote in support of HB485 today.