

SCOMM

#51:9

REPORT OF THE
BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT
TO THE
ELEVENTH ALASKA STATE LEGISLATURE
SECOND SESSION

Senator Bill Ray
Chairman

January 9, 1980

MEMBERSHIP OF THE
BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

Senator Bill Ray, Chairman

Chairman, Classification, Certification and
Recruitment Subcommittee

Donald P. Fisher, Staff Assistant to the Deputy Commissioner,
DOT/PF, Vice Chairman

Vice Chairman, Classification, Certification and
Recruitment Subcommittee

B.B. Allen, Commissioner, Department of Administration*

Alternate: Robert Gates, Deputy Commissioner*

Representative Thelma Buchholdt

Chairwoman, Merit System/Collective Bargaining
Subcommittee

Alternate: Representative Mike Miller

Myrton Charney, Executive Director, Legislative
Affairs Agency

Alternate: Ken Humphries, Senior Policy Analyst*

Representative Richard Eliason

Frank Flavin, Ombudsman

Vice Chairman, Categories of Employees Subcommittee

Alternate: Paddy Moriarity

William R. Hudson, Commissioner, Department of Administration*

Alternate: Sue S. Greene, Deputy Commissioner*

Patrick Hunt, Director, Division of Personnel and
Labor Relations*

Alternate: Kenneth L. Kareen, Deputy Director, Personnel

Lois Jund, citizen*

Lynda McCurry, Personnel Officer, Department of Labor,
Confidential Employees Association

Alternate: Doryce Eggleston, Personnel Officer,
Department of Public Safety*

Representative Joseph McKinnon*

Chairman, Categories of Employees Subcommittee

Alternate: Representative Sarah Smith

Patrick Murphy, Executive Director, Alaska Public
Employees Association

Alternate: Darlene Livermore

G.S. O'Claray, Vice President, Alaska Region
Inlandboatmen's Union of the Pacific
Vice Chairman, Merit System/Collective Bargaining
Subcommittee
Alternate: Homer Sarber

John Pugh, President, Alaska Public Employees Association
Alternate: Robert Mourant

Kenneth Spray, Vice President and Business Representative
Public Employees Union Local No. 71 (AFL-CIO)*

Niel Thomas, Executive Director, Alaska State Commission
for Human Rights*
Alternate: Janet Bradley, Assistant Director*

Sandra Withers, Director, Division of Personnel and
Labor Relations*
Alternate: Kenneth L. Kareen, Deputy Director, Personnel

COMMISSION STAFF

Teresa B. Cramer, Research/Administrative Assistant
Sharon Price, Secretary

Pouch AG, Mail Stop 0123
Juneau, Alaska 99811
(907) 465-4442

* denotes membership for part of the commission's term

SUMMARY OF RECOMMENDATIONS

The Blue Ribbon Commission on the State Personnel Act recommends that:

1. The merit principles identified during the state constitutional debates should be specifically set forth in the State Personnel Act. These principles are fundamental to fair employment and should be recognized and adopted. (Page 11)
2. If any positions are removed from collective bargaining units, that they remain in the classified service but be prohibited from collective bargaining activity. (Page 15)
3. The legislature should re-examine the placement of positions in the exempt and partially exempt services. Where necessary, statutes should be amended to correct any errors identified. (Page 17)
4. If the legislature wishes to increase its role in the collective bargaining process, it do so by formally considering and approving or rejecting the agreements entered into between the bargaining units and the employer before they take effect. The agreements would be presented to the legislature by a specified date. The legislature would then be required to consider and act on the agreements within 30 days. The law should state that the legislature could not adjourn before having acted. If the agreements were ratified by the legislature, they would become binding contracts. (Page 18)

The legislature consider only the monetary terms of the collective bargaining agreements. (Page 19)

5. An alternative system be developed to reward outstanding employees if the legislature decides to limit eligibility for the merit increase program. (Page 23)
6. Cost of living adjustments be considered on an annual basis to determine whether across-the-board increases or percentage increases are more appropriate based on the current economic situation. (Page 24)

7. Legislative Audit Division review the membership and the functions of the Personnel Board, the Labor Relations Agency and the Public Employee Retirement System Board and report to the legislature on the results of its audit. (Page 26)

The commission finds that the Labor Relations Agency can work satisfactorily within its present staff and structure as long as its members are, and continue to be, completely neutral and the workload of the agency does not substantially increase. (Page 26)

8. The commission continues to support the elevation of personnel and labor relations to departmental rank. In addition, as an interim measure, the commission recommended to the Department of Administration that the department be restructured into two major divisions, one for personnel related matters, and the other for administrative matters, each division to be headed by a Deputy Commissioner. The department has recently initiated steps to accomplish this reorganization. (Page 28)

9. The legislature direct the Division of Budget and Management to immediately prepare and distribute a procedures manual to assist personnel officers and other managers in understanding the process of authorizing new or reclassified positions and to identify whether to consult the Division of Budget and Management or the Division of Personnel when questions arise. (Page 30)

The Division of Personnel continue to extend responsibility to departments for classifying positions and the commission encourages the division to consider granting departmental personnel offices full authority as well as responsibility in that area. (Page 31)

10. All of the state's registers remain open continuously and that the four positions necessary to do the added work be funded by the legislature. (Page 35)
11. The Division of Personnel develop a system in which only one application is necessary from each applicant for each class series for which the applicant wishes to be considered. (Page 35)

12. The majority of the commission recommends that the veterans' preference system be changed to award a five-point bonus to veterans for a three-year period following their discharge from the armed services of the United States. (Page 36)

The preference system for disabled veterans should not be changed. (Page 37)

13. The state continue its efforts to establish a block scoring system for the ranking of applicants. (Page 39)
14. The Division of Personnel review the justifications furnished by departments when hiring below the top five on the register, and that the division be authorized to forbid hiring under the "unique or unusual circumstances" exception when the department cannot substantiate the reasons. (Page 40)
15. Each of the top five interested applicants be advised that they may request a meaningful interview with the person responsible for making the hiring decision prior to the final selection for the position. (Page 40)
16. Each performance evaluation which includes a recommendation that the employee not be rehired be reviewed by the staff of the Division of Personnel prior to its becoming part of the employee's personnel file to establish that the circumstances warrant the recommendation given. (Page 45)
17. Either the Division of Personnel or the Legislative Budget and Audit Committee periodically audit the operation of the personnel system of the state. The results of that audit should be presented to the legislature. (Page 47)
18. A graduated system of penalties be devised to include penalties appropriate to the seriousness of the offense. This should be accompanied by policies indicating when it is appropriate to admonish an employee, when suspension should be considered, when a fine should be assessed, and in what cases the more severe dismissal or involuntary demotion should be imposed. (Page 49)

19. A comprehensive revision of all of the laws affecting personnel should be undertaken by the Blue Ribbon Commission so that the State Personnel Act is the authority for all personnel-related matters.
(Page 50)
20. The Personnel Rules should be revised to reflect existing employment practices and to indicate to what extent the Rules have been affected by collective bargaining. This review should be undertaken by the Blue Ribbon Commission after it completes its revision of the State Personnel Act, so that the Personnel Rules will be in accordance with the revised act. (Page 50)

TABLE OF CONTENTS

MEMBERSHIP OF THE BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT	1
SUMMARY OF RECOMMENDATIONS	111
INTRODUCTION	1
CHAPTER I. CATEGORIES OF EMPLOYEES	4
Exempt Service	4
Partially Exempt Service	5
Contracting for Services	7
CHAPTER II. MERIT SYSTEM/COLLECTIVE BARGAINING	8
Merit Principles of Employment	8
Management Rights in Bargaining	12
Collective Bargaining for Managers	13
Transferring Positions to the Classified Service	16
Role of the Legislature in Collective Bargaining	17
Merit Increases	20
Cost of Living Adjustments	24
Labor Relations Agency	24
CHAPTER III. STRUCTURE OF THE PERSONNEL & LABOR RELATIONS DIVISION	27
CHAPTER IV. PERSONNEL MANAGEMENT	29
CLASSIFICATION	
Delegation of Classification Authority	29
Classification System Review	32
SELECTION	
Register Closures	34
Multiple Applications	35
Veterans' Preference System	36
Relevant Written Examinations	37
Block Scoring of Applications	37
Review of "Unique or Unusual Circumstances"	39
Job Interviews	40
Regionalizing Registers	41

OTHER PERSONNEL PRACTICES

Recommendations Against Rehire	42
Training	45
Equal Employment Opportunity and Promotion	46
Filling Permanent Positions	46
Credit for Level of Work Performed	46
Audits of the Personnel System	47
Disciplinary Measures	48

CHAPTER V. PERSONNEL LAWS AND REGULATIONS

50

Revision of the Laws Affecting Personnel	50
Revision of the Personnel Rules	50

APPENDICES

Appendix A. Statute on Exempt Positions.	
Appendix B. List of Exempt Positions in State Government.	
Appendix C. Statute on Partially Exempt Positions.	
Appendix D. List of Partially Exempt Positions in State Government.	
Appendix E. Positions Proposed for Removal from Bargaining Rights.	
Appendix F. Training for State Employees.	

INTRODUCTION

The Alaska State Legislature authorized the formation of the Blue Ribbon Commission on the State Personnel Act in 1978 to study and refine the State Personnel Act and to investigate the decentralization of the selection process and problems in contracting for services. The Resolution noted that the State Personnel Act had not undergone substantive revision since its enactment and was consequently vastly out of step with personnel developments of the last decade, and that the advent of collective bargaining and the tremendous growth in the number of state government employees required refinement of the personnel system, all of which was impossible for the legislature to do during the session because of the time required. Legislative Resolve No. 27, 1978.

The commission held extensive public hearings in the fall and winter of 1978-1979 to identify problems in the personnel system. It made its report to the 11th Alaska State Legislature First Session in March, 1979. In response to the commission's request for additional time to study the complex, inter-related problems which it had identified, the legislature funded the commission for a second year.

The commission's membership is representative of all persons and groups vitally concerned with the personnel system. In addition to the legislators who serve on the

commission, the membership includes representatives from the public employee unions and associations, from the Department of Administration and the Division of Personnel and Labor Relations, and from the Ombudsman's office as well as managerial state employees and a public member.

The commission formed three subcommittees for the purpose of reviewing and resolving the problems identified. The subcommittees--Classification, Certification and Recruitment; Merit System/Collective Bargaining; and Categories of Employees--propose their recommendations to the full commission for formal action. Membership overlaps, so that each is advised of the approach the other subcommittees are taking on issues. The subcommittees and the full commission have held public hearings and have solicited written testimony to insure the widest possible participation from the citizens of Alaska.

The task has been challenging. Frequently, conflicting goals preclude reaching an ideal solution, and compromise becomes necessary. There are several areas where the commission is not prepared to make recommendations at this time. The commission therefore requests that it be extended for another year. The commission believes it is vital that the State Personnel Act be redrafted so that all laws concerning personnel management are coordinated. The present act has been in existence for almost 20 years. The commission hopes that its recommendations for changes will be equally well-considered and solid.

The commission urges the legislature to consider carefully the information in this report and to take the necessary action to implement its recommendations so that Alaska's personnel system will more nearly reach the goal of being responsive, equitable and efficient.

CHAPTER I

CATEGORIES OF EMPLOYEES

The State Personnel Act creates a number of different categories of employees. Three services are established: the exempt, partially exempt and classified services. Within each service there are different kinds of appointments, including permanent (full-time, part-time, or seasonal), temporary (nonpermanent after January 1, 1980), and, for the classified service, provisional and probationary. In addition to obtaining services through its own employees, the state also contracts with private firms for services. Issues arise concerning the standards used for the placement of positions in the different services and concerning the standards used for deciding whether to contract for services or hire state employees. The question of moving some exempt and partially exempt positions into the classified service is considered in Chapter II, "Transferring Positions to the Classified Service," page 16.

EXEMPT SERVICE

The exempt service is designed for those positions which require the greatest degree of responsiveness to the policies and philosophies of the state's chief executive as well as for those positions which are properly outside the control of the executive branch. Exempt positions are not subject to any of the requirements of the State Personnel Act or the Personnel Rules. Commissioners of the departments,

elected officials and legislative and judicial branch employees are placed in the exempt service by statute. For a copy of the statute see Appendix A. For a list of exempt positions in state government see Appendix B.

The State Personnel Act lists positions in the exempt service, but does not set out criteria for adding future positions to that service. Furthermore, positions in some special commissions and boards are placed in the exempt service by the substantive statutes which create the commission or board. No cross-reference is made to the State Personnel Act, so these positions are hard to identify when considering the composition of the exempt service.

PARTIALLY EXEMPT SERVICE

Positions in the partially exempt service are subject to the State Personnel Act and the Personnel Rules only as specifically stated in the Act. Partially exempt employees are not subject to the selection methods required for classified positions, nor are they eligible for a hearing by the Personnel Board in cases of dismissal, demotion or suspension. Their permissible political activities are not as restricted as those of classified employees. The limitations on emergency, nonpermanent and provisional appointments do not apply to partially exempt positions. They are part of the state's classification plan, and their salaries are set according to the pay plan. Incumbents are subject to the rules concerning performance evaluations and merit increases and they may be suspended for disciplinary reasons.

The State Personnel Act places assistant commissioners, some division directors, attorney members of the staff of the Department of Law, one private secretary for each commissioner, and employees of the offices of the governor and the lieutenant governor in the partially exempt service. For a copy of the statute see Appendix C. For a list of partially exempt positions in state government see Appendix D.

The Personnel Board may add positions to the partially exempt service, provided they meet the criteria set out in the State Personnel Act. It has no authority to add positions to the exempt service. The board may place positions which involve principle responsibility for the determination of policy or the way in which policies are carried out, or those whose responsibilities and duties are of a type not susceptible to the ordinary recruiting and examining procedures of the state's classified service, in the partially exempt service. AS 39.25.130.

The commission reviewed the positions placed in the partially exempt service and considered the question of adding other positions to the service. Employees responsible for collective bargaining contract administration may find a conflict between those duties and their own union membership. Alternatives discussed included placing these positions in the partially exempt service or leaving them in the classified service but prohibiting them from bargaining. See Chapter II, "Collective Bargaining for Managers," page 13.

CONTRACTING FOR SERVICES

The Division of Personnel is not involved in the state's contracting for services practices. The system is monitored by the Division of Finance of the Department of Administration. Their review is limited to a fiscal analysis which focuses on whether it is economical this year to contract for these services. The state does not attempt to identify whether, in the long run, the state would be better served by adding employees to its staff to perform those services.

The commission expects that the civil liability section in the nonpermanent hiring law, which the legislature passed last session, will cause some state program managers to contract for services which were previously provided by temporary employees. Therefore, it becomes more important for the state to fully consider its decision to contract rather than to create permanent, part-time or seasonal positions. In the past, the legislature has felt that temporary positions were used to evade fiscal responsibility. It is important that budgets prepared for the legislature accurately forecast the departments' staffing needs so that the legislature will be less inclined to randomly reduce requests, with possible illogical results to essential or deserving programs.

CHAPTER II

MERIT SYSTEM/COLLECTIVE BARGAINING

In 1961, the legislature enacted the State Personnel Act to govern the employment system of the state. Three years later, ferry system employees were granted the right to organize and form collective bargaining units to negotiate with the state concerning their wages, hours and working conditions. AS 23.40.010 - 060. Then, in 1972, collective bargaining rights were extended to almost all employees of the state with the adoption of the Public Employment Relations Act (AS 23.40.070 - 260). No comprehensive revision of the State Personnel Act has been undertaken to reflect the changes brought about by collective bargaining, despite the fact that collective bargaining has fundamentally changed the relationship between the state and most of its employees.

MERIT PRINCIPLES OF EMPLOYMENT

The Alaska Constitution directs that: "The legislature shall establish a system under which the merit principle will govern the employment of persons by the state." Article XII, Section 6. During the constitutional debates concerning that section, delegates identified several principles which they considered important components of a merit system, including:

- Selection and retention of employees based on ability, including examination for positions
- Equal treatment of those seeking employment

- Regular integrated salary programs based on the nature of the work performed
- Selection and retention of one's position to be secure from political influences
- Tenure for employees during the time that they perform well

The delegates left to the legislature the task of structuring the system for the state.

The debates also establish that the delegates recognized a need for different kinds of employees. The majority of regular employees would be covered by the protections and restrictions of a merit system. Those holding positions of a sensitive nature close to the chief executive should reflect the political philosophy of the Governor. These positions should be exempt from the protections and restrictions of the classified service.

The State Personnel Act incorporates the concepts of the constitutional convention debates. It provides for exempt, partially exempt and classified service employees. The merit system implemented by the Personnel Rules includes provisions on each of the topics which had been identified. The Act provides that the Rules include, among other items:

- (1) a classification plan in which positions are grouped on the basis of duties and responsibilities;
- (2) a pay plan, based on the classification plan, which provides fair and reasonable compensation on the basis of like pay for like work;
- (3) Employee selection methods including open competitive examinations to test the fitness of applicants;
- (4) promotion of qualified candidates whenever practicable and in the best interest of the state;

- (5) eligible lists with applicants ranked according to their relative performance on examinations;
- (6) hearings on dismissal, demotion and suspension; and
- (7) prohibitions against certain political activities.

However, these are not specifically identified as the "merit principle" of the constitution.

With the advent of bargaining, the union contract is the primary source of information for unit members' rights. The State Personnel Act applies only when the contract is silent on a topic or when the contract is unclear and the past practices of the employer need to be considered to interpret a vague term. Therefore, changes to the State Personnel Act actually affect a very limited number of state employees directly.

By the Act itself, exempt employees are not subject to the rights and restrictions imposed on other employees. Partially exempt employees are covered only to the extent specifically stated in the Personnel Rules. Classified employees are almost entirely organized. In fact, there are only five employees in the state who are members of the classified service who are not included in bargaining units. These five are: the Deputy Director for Personnel, the Deputy Director for Labor Relations, the Chief for Recruitment and Examining, the Chief for Classification and Pay, and the Research Manager, all within the Department of Administration.

The Public Employment Relations Act requires that contracts negotiated with employee organizations must

maintain merit system principles among employees. AS 23.40.070(3). Since these principles are not defined in the statutes, they are open to interpretation during each bargaining session.

Federal law requires that state programs receiving federal grants-in-aid must abide by the federal merit system standards for employment. The standards are set out in 5 CFR Part 900, Subpart F, 1979. They state that programs must meet the following six principles:

- I. Recruiting, selecting, and advancing employees will be on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment.
- II. Equitable and adequate compensation will be provided.
- III. Employees will be trained as needed to assure high-quality performance.
- IV. Employees will be retained on the basis of adequacy of their performance and provision will be made for correcting inadequate performance and separating employees whose inadequate performance cannot be corrected.
- V. Fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age, handicap or other nonmerit factors and with proper regard for their privacy and constitutional rights as citizens will be assured.
- VI. State and local governments will inform their employees of their political rights and prohibited practices under the Hatch Act.

The commission believes that the merit principles identified during the constitutional debates should be specifically set forth in the State Personnel Act. These principles are fundamental to fair employment and should be recognized and adopted.

MANAGEMENT RIGHTS IN BARGAINING

Management rights clauses identify those topics which are considered to be inherently managerial and on which a bargaining unit cannot require an employer to negotiate.

The P.E.R.A. permits bargaining units to negotiate for wages, hours, and terms and conditions of employment. AS 23.40.070. The act defines terms and conditions of employment as including hours, compensation and fringe benefits, and an employer's personnel policies affecting the working conditions of employees, but as excluding "the general policies describing the function and purposes of a public employer." AS 23.40.260(7). The requirement that contracts adhere to the merit principles of employment also limits the scope of what may be bargained. AS 23.40.070(3). Although there has been no court decision on the question, the present administration believes that the Public Employees Retirement System prohibits bargaining on the benefits provided, although the marine unions participate in their own Taft-Hartley trusts.

Collective bargaining has created inconsistencies in the working conditions and compensation of state employees, depending on the unit to which they belong. Different units have chosen to make different trade-offs during negotiations, and therefore, there are a variety of health plans, pay plans, rights to overtime compensation, eligibility for merit increases, and promotional systems which apply to

state employees. Some state employees are selected through hiring halls provided for in collective bargaining contracts.

If the legislature believes that it is important that there be one system which applies equally to all state employees on a particular topic, then it may wish to either exclude the topic from bargaining by amending the definition of the "terms and conditions of employment" to exclude that topic, or it may wish to enact a management rights clause which would include the subject within its scope.

Topics which might be addressed in a management rights clause include the functions and programs of the employer, its overall budget, the selection, promotion, transfer, assignment and retention of its employees, appropriate disciplinary actions against employees for just cause, and the use of technology.

Consideration should be given to the fact that the P.E.R.A. applies to local government employees as well as to state employees when the legislature decides whether to amend the act.

The commission believes that further investigation and study is needed before it is prepared to make any definitive recommendations concerning management rights.

COLLECTIVE BARGAINING FOR MANAGERS

The P.E.R.A. permits public employees to organize and to negotiate with their employer. "Public employee" is defined as "any employee of a public employer, whether or not in the classified service of the public employer, except elected or

appointed officials or teachers or noncertificated employees of school districts." AS 23.40.260(5). Although the definition does not limit the right to bargain to employees in the classified service, only classified service employees of the state and marine transportation employees, teachers and University of Alaska employees (who are placed by statute in the exempt service) have chosen to form unions or associations. Since the act excludes appointed officials from the definition, a number of the employees in the exempt service are prohibited from collective bargaining.

However, the definition is generous in its scope, and many mid-level management employees are in positions included in the Supervisory Unit of the Alaska Public Employees Association. The extent of employees permitted to bargain in Alaska is greater than in most states, and may hamper management in its collective bargaining negotiations and in the administration of contracts. There are only five employees in the classified service who are not in one of the five bargaining units representing classified employees. All are staff of the Division of Personnel and Labor Relations.

The State Personnel Act places commissioners in the exempt service and deputy commissioners and division directors in the partially exempt service in recognition of the need that the policy-setting state employees be politically responsive to the chief executive. The question of continuing the collective bargaining rights for assistant and deputy directors and the chiefs of certain sections has been

recently posed. See Appendix E for a list of the positions in question. The commission has identified two alternatives, should the legislature wish to remove these positions from bargaining.

We recommend that if any positions are removed from collective bargaining units, that they remain in the classified service but be prohibited from collective bargaining activity. The second, less desirable alternative is to place the positions in the partially exempt service. In addition to removing them from bargaining, this action would end the protections of the Personnel Rules.

The mid-level management positions under consideration should be considered part of the career service of the state. The incumbents must be knowledgeable and skilled in their fields. The selection procedures of the classified service assure selection from among the most qualified applicants. The restraints imposed by the Personnel Rules on political activities and the requirement that discipline and removal from the position be for demonstrated just cause insure that competent employees will be retained and that the continuity necessary for good management is protected.

The commission recognizes that top level management should reflect the political philosophies of the governor, and that it is therefore appropriate for those positions to be either exempt or partially exempt. However, mid-level management positions can be considered as a buffer group between this politically responsive, policy-setting group

and the larger number of state employees responsible for the day-to-day functions, who are granted collective bargaining rights.

Retaining the protections of the classified service for these positions will insure competence and will encourage career state employees with valuable accumulated skills and knowledge of state programs to accept promotion into them. If, on the other hand, the positions are moved to the partially exempt service or exempt service, fewer career employees will risk losing the job security and protection from a change in political administration which is now provided by the classified service to accept a deputy or assistant division director position, at loss to the state of their experience.

TRANSFERRING POSITIONS TO THE CLASSIFIED SERVICE

There are state employees in the partially exempt and exempt services whose duties do not appear to meet the standards for placement in these less-protected and more politically responsive services. It may be appropriate for the heads of the agencies in question to be placed in the exempt or partially exempt service, but the support staff positions appear to belong more logically in the classified service. For a general discussion of the exempt and partially exempt services, see Chapter I.

The entire staff of the Alaska Commercial Fisheries Entry Commission is placed in the exempt service by statute.

AS 39.25.110(15). The entire staff of the Alaska Post-secondary Education Commission is in the exempt service, although the statute only specifically placed the executive director there. AS 14.40.913. A list of exempt state positions may be found as Appendix B. The commission questions the need for all of these employees to be in the exempt service.

There are a number of commissions and agencies whose staff appear to be inappropriately placed in the partially exempt service. These include the Alaska Power Authority, the Alaska Oil & Gas Conservation Commission, the Council on the Arts, the Historical Commission, the Alaska Public Offices Commission and the Human Rights Commission. A list of partially exempt state positions may be found as Appendix D.

The commission recommends that the legislature re-examine the placement of these and other positions in the services. Where necessary, statutes should be amended to correct any errors identified.

ROLE OF THE LEGISLATURE IN COLLECTIVE BARGAINING

Initially, the legislature was responsible for setting the salaries of state employees. With collective bargaining, salaries are negotiated by the administration's bargaining team and the unions or associations representing state employees. The legislature retains its constitutionally-based authority for appropriating money necessary for negotiated wages. The P.E.R.A. states in AS 23.40.215:

The monetary terms of any agreement entered into under the Public Employment Relations Act are subject to funding through legislative appropriation.

Recently, interest in collective bargaining has increased within the legislature, and a more active legislative role in the process has been considered. The cost of negotiated salaries and benefits can substantially affect the fiscal policies of the state.

There are a number of alternatives which the legislature should consider, some with substantial problems. The legislature could take responsibility for negotiating with state employees, either through a committee or through professional staff. This would give the legislature the greatest role in the proceedings, but at the expense of spending considerable time in negotiations. Under this system, administration of contracts would remain the responsibility of the Division of Personnel and Labor Relations.

The legislature could place an observer at the negotiating table. However, negotiating roles are essentially active, and the presence of an observer could disrupt the effectiveness of the negotiating process. If the observer had no authority to make commitments for the legislature, then there would be frustration for all of the participants, since they would feel that whatever agreements were reached would be subject to renegotiation with the legislature at a later time.

The commission recommends that if the legislature wishes to increase its role in the collective bargaining process, it do so by formally considering and approving or rejecting the agreements entered into

between the bargaining units and the employer before they take effect. The agreements would be presented to the legislature by a specified date. The legislature would then be required to consider and act on the agreements within 30 days. The law should state that the legislature could not adjourn before having acted. If the agreements were ratified by the legislature, they would become binding contracts.

If the legislature disapproved an agreement, it would be up to the parties to decide what further action they wished to take. If they chose to renegotiate, they could do so; and if time permitted, the second agreement could be presented to the legislature prior to the end of the session. If the parties were unable to reach a new agreement, the bargaining units could take whatever "job action"--including striking, if permitted under the P.E.R.A.--their membership deemed appropriate. No contract could be entered into without the legislature's approval, so there might be need for a special session to resolve disputes.

The legislature's review could include the entire terms of the contract or it could be limited to the monetary terms. Contracts typically include many provisions on working conditions and other personnel matters--uniforms, parking, access to overtime, safety and health standards, working rules, hours and shifts and the like--which may not interest the legislature. Therefore, the commission recommends that the legislature consider only the monetary terms of the agreement.

Tied into this plan for legislative review could be a requirement that all contracts end on the last day of the

fiscal year--June 30. This would insure, after the system was in place, that there would be a contract in force during negotiations and legislative review. Since all of the contracts negotiated presently contain a clause providing that there will be no strikes during the life of the agreement, there would be additional time if the contracts were not approved before the bargaining units would be able to petition the Labor Relations Agency for strike vote authorization. However, when contracts begin and end has in the past been one of the items negotiated on, and removing this from the scope of bargaining might affect settlements reached on other items.

If the legislature adopts the commission's recommendation for legislative review and action on the contracts, the commission urges that an early date be set for submission of the agreements. Efforts should be made to avoid hampering legislative review with end-of-the-session pressures.

MERIT INCREASES

The Personnel Rules establish a system for merit increases. An employee who has received an overall performance evaluation of "acceptable" or better and who has demonstrated satisfactory service of a progressively greater value to the state is eligible for the award. PR 9 02.21 and 22. The increases are provided for in the state pay plan and are the means by which employees advance from Step A of a

salary range through Steps B to F. The steps beyond F are reserved for time-in-service raises (the longevity increment program).

Merit increases have been the subject of employee negotiations. Most state employees are covered by contracts which adopt the Personnel Rule system. Some of the bargaining units have chosen not to include a merit increase program but rather to provide periodic salary increases for their members based on seniority.

Merit increases are the major alternative open to supervisors for rewarding an employee's outstanding performance. As employees gain experience in positions, they can be expected to provide more valuable services to the state. In theory, the merit increase system rewards an employee only when increased value has been established by the performance evaluations prepared by the supervisor. A seniority system rewards the employee's additional time in service without consideration of the quality of the employee's record. However, if an employee were performing below acceptable standards, a competent supervisor should take appropriate disciplinary action to correct the problem.

The merit increase program does not always operate as intended. Its fairness depends on supervisors' using consistent standards of performance when evaluating employees. In addition, for the past two years, the administration has not requested funds specifically for merit increases in the proposed budget. Any payments of merit increases have been provided from money available from other departmental funds.

Some people believe that having both negotiated salaries provided for in collective bargaining contracts and also in a merit increase system as outlined in the Personnel Rules is a "double dip" for those state employees involved in both systems. As noted above, however, those unions and associations which have chosen not to participate in the merit increase program have had an opportunity to bargain for other kinds of salary increases for their members. In fact, one union contract provides that its members receive a seniority increase after six months of service. The amount of the increase is roughly comparable to the difference between Step A and Step F in the salary plan. It takes five years for an employee to move from Step A to Step F under the merit increase program, provided that increases are granted each year, which is not always the case.

The commission discussed alternatives to the merit increase program. The state might choose to leave salary increases entirely to collective bargaining and repeal the merit increase program. However, this approach would not provide for employees in the partially exempt service who are presently eligible under the Personnel Rules to participate in the program. There are no partially exempt employees in bargaining units. A second alternative would be to provide that no bargaining unit member could receive merit increases. The program could thus be left intact to provide for deserving partially exempt employees.

An alternative to doing away with the merit increase program is to attempt to improve its operation. Departments could be required to develop performance-based standards, using position descriptions as basic criteria for establishing necessary achievements that incumbents should meet. Supervisors would be trained in developing and implementing these standards. This would help to insure that annual personal evaluations were meaningful. Then, merit increases granted on the basis of standard performance criteria would also be valid recognition of performance and not simply rewards for being present at one's place of work.

If the legislature decides to limit the eligibility for the merit increase program, the commission strongly recommends that an alternative system be developed to reward outstanding employees. The state needs to maintain some system which recognizes and rewards exceptional service. Establishment of a system linking performance and compensation can help pinpoint accountability, increase productivity and improve service to the public, thus increasing returns to taxpayers from the salaries they provide to state employees.

A "meritorious service award program" is one alternative. The program could provide a one-time bonus to those employees chosen by an established selection procedure. The sum could be varied, depending on the achievement of the individual in question. The program should recognize examples of outstanding service or special acts or accomplishments. The commission believes that this area needs additional investigation and study.

COST OF LIVING ADJUSTMENTS

Cost of living adjustments are granted in two forms-- either percentage increases in the salaries of all employees or in lump-sum increases for all. In addition, variations of these two basic forms are possible. Those in lower salary ranges can receive greater percentage increases or larger lump-sum increases than those in higher ranges to reflect the fact that in times of inflation, it may be harder for them to remain solvent.

Either system has inherent problems. Across-the-board increases have a tendency to compress salary schedules, thus blurring distinctions between supervisors and their subordinates. Percentage increases have a tendency to expand differentials between the top and bottom of pay scales. The commission recommends that cost of living adjustments be considered on an annual basis to determine which type is most appropriate. In some years, the economic situation may dictate across-the-board increases; and in other years, percentage increases may be more appropriate.

LABOR RELATIONS AGENCY

The duties of the state's Labor Relations Agency are comparable to the National Labor Relations Board. The agency determines the unit in which positions are placed, holds and certifies elections in bargaining units, considers when to permit employee strikes, and determines whether bargaining units or employers have engaged in unfair labor practices. It also has the authority to adopt regulations

necessary to carry out its missions. The agency may appoint mediators to assist in negotiations where impasses have occurred. It is a volunteer agency, which maintains a neutral role in labor relations.

By statute, members of the Labor Relations Agency are the members of the Personnel Board. AS 23.40.260(3). These same three citizens are also, by statute, members of the Public Employee Retirement System Board. AS 39.35.030.

The Personnel Board is responsible for adopting Personnel Rules and for holding hearings initiated by employees in cases of Personnel Rule violations. The number of these hearings has decreased substantially since the advent of collective bargaining. The P.E.R.A. requires that all contracts include procedures for resolving grievances between employees and their employer. These grievance procedures (which do not involve either the Personnel Board or the Labor Relations Agency) cover almost all employee disputes.

The Retirement Board is responsible for reviewing investment of the state's retirement funds and for adopting regulations governing the program recommended by the administrator. The board acts as an appeals board at the request of an employee, a surviving spouse or a beneficiary on decisions made by the administrator, and it prescribes the rate of interest which shall be credited to employee accounts each year. AS 39.35.040.

The commission questioned whether it is necessary to require that all of these boards be composed of the same individuals, as the statutes presently provide. The commission recommends that the Legislative Audit Division review the membership and the functions of the three boards and report to the legislature on the results of its audit.

The commission also considered the staffing situation of the Labor Relations Agency, which is more active than the other two boards. At present, there is a part-time staff assistant whose functions have included conducting hearings for the board, as well as being responsible for the office and paperwork, and an attorney on contract to provide legal advice as needed.

The commission finds that the Labor Relations Agency can work satisfactorily within its present staff and structure as long as its members are, and continue to be, completely neutral and the workload of the agency does not substantially increase.

CHAPTER III

STRUCTURE OF THE PERSONNEL & LABOR RELATIONS DIVISION

The Division of Personnel and Labor Relations is one of seven divisions within the Department of Administration. It is responsible for the operation of the state's personnel system and for representing the state as an employer in collective bargaining matters. The other six divisions are: Administrative Services, Data Processing, Finance, General Services & Supply, Pioneers' Benefits, Retirement & Benefits, and Equal Employment Opportunity.

As the commission reported to the legislature last year, the tasks of the Division of Personnel and Labor Relations and the Division of Equal Employment Opportunity differ significantly from the kinds of tasks of the other divisions within the department. The orientation of the other divisions is towards fiscal matters, and the commissioner of the department must be skilled in those areas. It is less likely that the commissioner will be selected because of his familiarity with labor relations, personnel administration or equal employment laws. The Director of the Division of Personnel and Labor Relations must educate new commissioners on issues concerning the division's activities, and during this time, the Governor is probably less well informed about these topics. Given the significant impact labor relations negotiations have on the state's budget, the commission considered this to be undesirable.

The events surrounding the pay bills during the last regular session and the special session further emphasize the importance of labor relations issues.

The commission recommended that a Department of Employee Relations be created. The functions of the new department would include administering the state personnel system, representing the state in its labor relations activities, coordinating safety and training programs for state employees and coordinating all executive branch activities involving equal employment opportunity in state government.

The commission continues to support the elevation of personnel and labor relations to departmental rank. In addition, as an interim measure, the commission recommended to the Department of Administration that the department be restructured into two major divisions, one for personnel related matters, and the other for administrative matters, each division to be headed by a Deputy Commissioner. The department has recently initiated steps to accomplish this reorganization.

The commission anticipates that the state's experience with this structure for the Department of Administration will justify future creation of a Department of Employee Relations.

CHAPTER IV

PERSONNEL MANAGEMENT

Personnel management is the responsibility of the Division of Personnel and Labor Relations together with the personnel offices in the separate departments. The state constitution requires that the merit principles govern the employment of persons by the state. Article XII, Section 6. The question of what the "merit principle" includes is discussed in Chapter II, "Merit Principles of Employment," page 8.

CLASSIFICATION

DELEGATION OF CLASSIFICATION AUTHORITY

Classification is the process by which a position is assigned to a job class, given a position control number, and assigned the appropriate salary range. The process can be cumbersome, leading to delays in filling positions and in implementing new programs.

Classification of new positions involves some duplication of efforts. Under the present system, the governor's proposed budget sets classifications and salary ranges for all new positions. This information is considered by the legislature in its review. However, the authorized new positions are not necessarily assigned to the classifications approved in the budget.

After the budget has been adopted, the department submits a request for position authorization to the governor's

Division of Budget and Management. The division gives its authorization after ascertaining that the legislature provided funds for the position and that its establishment is consistent with the missions and objectives of the department. The staff time required is minimal, but in the past, departments have encountered delays because Budget and Management placed greater emphasis on other tasks and therefore did not begin work on position authorizations immediately after receiving them.

There are some questions over which both the Division of Personnel and the Division of Budget and Management appear to have jurisdiction. This can lead to confusion for the personnel officer and other managers responsible for the position classification. The commission notes that this confusion and delay has led to the frustration of legislatively enacted programs in the past. Therefore, the commission recommends that the legislature direct the Division of Budget and Management to immediately prepare and distribute a procedures manual to assist personnel officers and other managers in understanding the process and to identify which agency to consult when questions arise.

After the Division of Budget and Management authorizes the establishment of the position, then the Division of Personnel examines the proposed classification to decide whether the department has placed the position in the most appropriate job class. If so, it approves the placement, and the department can then proceed to fill the position. If the division does not agree with the department, then

considerable time can be spent while they discuss the matter and come to an agreement.

The Division of Personnel has begun to share authority for assigning classifications with some personnel offices in the departments. The department staff is responsible for determining the proper classification for a new or changed position. The division routinely approves the department's decisions without reviewing each step taken by the department. This sharing of responsibility serves to speed up the implementation of new programs and to aid necessary restructuring of existing programs.

The commission recommends that the division continue to extend responsibility for classifying positions to departments and encourages the division to consider granting departmental personnel offices full authority as well as responsibility in that area. This is an area that needs further investigation. Care should be taken that the departmental personnel office staff are trained in the standards to be applied. With an increase in delegation of authority, the post-auditing activities of the Division of Personnel must be expanded so that mistakes will be identified and corrected quickly. The division will continue to be responsible for insuring that comparable positions are placed in the same classification, regardless of the department in which they occur.

CLASSIFICATION SYSTEM REVIEW

The state currently has 1,281 job classifications in the classified service. During the past year, the Division of Personnel has eliminated 186 classifications either by merging existing classes or by eliminating obsolete ones. The commission has heard testimony both that the state has too many classifications with unnecessary distinctions between different classes and that present classifications are too broad, making it difficult to find applicants who are qualified for a vacancy on the register.

In addition, the commission has heard that although supervisors are directed to review position classifications each year, existing positions are not properly classified. The duties of positions change over time, but the positions may not be reclassified, particularly when the appropriate new classification is set at a lower salary range than the present one. The commission discussed recommending that a comprehensive review of the classification system be undertaken to consider both of these questions. While most commission members believed that a study could be beneficial, some felt that who performed the study was crucial to its usefulness.

These members felt that contracting with a private firm for this information would be expensive and would not provide results which could be implemented by the state. They explained that other government entities which have used reputable firms have discovered that implementing the

recommendations led to chaos. Personnel management for governments is different from private industry systems, and this difference was apparently not appreciated when the private firms' recommendations were prepared. Those commission members who opposed recommending the study did so on this ground.

The Division of Personnel and Labor Relations has the authority, but not the staff, to perform this kind of audit. In addition, since they are part of the existing system, some commission members considered that while they should be closely involved in the preparation of the materials, they should not have the overall responsibility for the report and recommendations.

The commission members who recommended that the study be performed thought that the state could receive the results of the study and then evaluate whether any attempt should be made to implement the proposals as presented. They considered that it was important for the state to know whether the classification system is viable and reasonably accurate. The commission presents these differing views to the legislature for its consideration.

If the legislature decides to authorize a thorough review of the classification system, the information gathered by the audit could be used to develop comprehensive classification guides. These guides would help establish and maintain uniformity in the classification of positions, particularly if departments are granted greater independence in this area.

A comprehensive classification guide identifies the level of responsibility expected to be exercised by employees of a particular job classification. It would identify the differences between the different steps in a job series (Accountant I, II and III for example). The commission is concerned about the disparity of responsibility for positions within the same job class, particularly in the Administrative Assistant and Administrative Officer series.

SELECTION

REGISTER CLOSURES

During 1978, the Division of Personnel received some 60,000 applications from an estimated 28,000 applicants. The staff of the Recruitment and Examining Section spent an average of only 12½ minutes on each application, rating the applicant's training and experience and recording the resulting score. This is not enough time for a thorough review. However, if they spent more time on each application, they would not be able to process all the applications in a timely fashion. In order to limit the number of applications received, the division closed some of the registers. The division selected registers on which sufficient applicants were listed to meet the state's expected needs. The division planned to open each register for a period of 30 days at least once every year.

Commission members were concerned that closing the registers denied Alaskans the opportunity to compete for

jobs in the state and that the best qualified candidate interested in an opening might be unable to apply for the position. While recognizing that the division's workload is excessive, the commission believed that another solution should be found. The Director of the Division of Personnel and Labor Relations advised the commission that four additional positions would be necessary to handle the expected workload if all registers remain open continuously. Accordingly, the commission recommends that the legislature fund these positions and that all registers remain open to new applicants.

MULTIPLE APPLICATIONS

An applicant who wishes to be considered for a number of positions with the state must submit a separate application for each. The Division of Personnel explained that separate applications are necessary because the raters evaluate applications on a production-line basis for each job classification rather than rating one individual for numerous classes. This method conserves staff time because it alleviates the problem of organizing evaluation materials repeatedly for each application. It takes more time to rate all of the applications from one individual and then rate all from another person than it takes to rate all those applying for one job classification and then changing the rating guides to evaluate all those applying for the next job class.

The commission considered that it was burdensome to ask applicants to provide numerous applications, and urges the Division of Personnel

and Labor Relations to develop a system in which only one application is necessary for each class series (e.g. Accountant, Supply Clerk, or Administrative Officer series). The division has indicated that it is investigating a computer system to handle applications for positions in the clerical classes. In this proposed system, only one application would be filed by each applicant. The commission endorses the division's approach.

VETERANS' PREFERENCE SYSTEM

After applications are rated for training and experience, the division may add additional points to the applicant's score in two situations. Current state employees receive employee credits based on their length of service and on the quality of their performance as established by their yearly performance evaluations. Veterans receive additional points based on their previous service to the nation.

The veterans' preference system is created by statute. AS 39.25.150(23). A veteran is entitled to five additional points each time he or she applies for employment not within the area of promotion, provided that the individual meets the minimum qualifications of the position. Disabled veterans are entitled to a ten-point bonus.

The majority of commission members believe that while the state should recognize the service which veterans provided to the nation by granting some advantage to them when applying for state employment, the present preference system is too extensive. The majority recommend that the system be changed to award a five-point bonus to veterans for a three-year period following

their discharge from the armed services of the United States. This proposed three-year limitation on the exercise of these rights is equitable since it provides a reasonable period to assist those discharged from military service to readjust to civilian life and establish themselves in the civilian work force. The commission recommends that the preference system for disabled veterans remain as it is.

The commission also notes that the legislature has not acted to establish a date for the ending of the hostilities in Vietnam for the purposes of the veterans' preference system.

RELEVANT WRITTEN EXAMINATIONS

The commission received a number of complaints that the written examinations given to applicants were not job-related. Federal and state laws require that tests be constructed to fairly rate applicants. The state must be able to demonstrate that those who perform best on the tests are most likely to perform best on the job. While supporting the concept of fair, relevant tests, the commission believes that there is more than adequate legislation in existence regulating employment examinations. Therefore, the commission makes no recommendations to the legislature on this issue.

BLOCK SCORING OF APPLICATIONS

After applications are scored, the names of successful applicants are placed on registers in order of the score they received. The state has traditionally used a Rule of Five.

The top five interested applicants on a register and all who tie with the fifth score must be considered for a position before an agency may consider anyone below that group. The agency must also justify any selection below the top five by establishing that there were unique or unusual circumstances which made the person selected more qualified for that particular position than the others who ranked above him or her.

Commission members found that in some instances, the qualifications of the first five applicants were not significantly different from the next group. For registers with a large number of applicants, five is an unreasonably small number. In other cases, the first three applicants may be significantly more qualified than the remaining applicants in the top group.

The Division of Personnel has begun to move towards a system of block scoring some registers. In block scoring, the division reviews the performance of previous applicants to determine how their raw scores group together. Dividing lines and standard scores are established for the different groups. Then raw scores are converted to standard scores. All eligibles are ranked according to their final scores. Eligibles with the same final scores have the same rank. Therefore the highest rank certified most often exceeds five eligibles qualified for appointment. This approach gives more flexibility to the Rule of Five, since all those whose raw scores are closely similar will fall within the

same rank and be entitled to equal consideration. The commission recommends that the state continue its efforts to establish a block scoring system for the ranking of applicants.

REVIEW OF "UNIQUE OR UNUSUAL CIRCUMSTANCES"

The Personnel Rules permit selection of an applicant who scores below the top five interested and available candidates for a position in "unique or unusual circumstances." In most cases when a department wishes to select an eligible person ranked lower than fifth on the list, it must record the circumstances justifying the appointment and file a copy with the Division of Personnel. The full responsibility for the appointment lies with the department. The division is not directed by the Personnel Rules to review or evaluate the explanation given. PR 5 02.4.

For positions subject to the Federal Standards for a Merit System of Personnel Administration, the procedures are more stringent. The Director of the Division of Personnel must grant approval of the criteria for possible selection of an applicant ranking below the top five prior to the department's receiving the register showing qualified applicants. The department must then record an evaluation of the applicant selected and of each applicant standing above him or her based on the unique or unusual circumstances which justified selecting below the top five. The person selected must rank among the top five available applicants based on the duties of the position. PR 5 02.5. For a discussion of the Federal Standards, see Chapter II, "Merit Principles of Employment," page 8.

Because there is no review of the department's justification for hiring below the top five applicants for most positions, the system permits abuse. The commission recommends that the Division of Personnel review the justifications furnished by departments, and that the Division be authorized to forbid hiring under the "unique or unusual circumstances" exception to the Rule of Five when the department cannot substantiate the reasons.

JOB INTERVIEWS

The agency which has a vacancy is responsible for the final selection from applicants on the register. The agency requests the appropriate register from the Division of Personnel, notifies the eligibles of the open position, and asks whether they wish to be considered. Those interested respond, and the agency then usually selects from the top five interested in the position. Frequently, agencies fill positions without any further communication with the unsuccessful applicants. When this happens, those who have expressed an interest may question the agency's fairness and the criteria used for selection.

The commission recommends that each of the top five interested applicants be advised that they may request a meaningful interview with the person responsible for making the hiring decision prior to the final selection for the position. The interview may be in person or by telephone. Except in unique cases any travel expenses should be the responsibility of the applicant. This recommendation does not address the question of interviews for the top applicants on registers which use a block

scoring system, since there may be substantially more than five applicants who would have to be considered. However, the commission does suggest that, where feasible, interviews be offered to those applicants as well.

REGIONALIZING REGISTERS

Filling positions in rural areas can be time consuming. Applicants for state employment indicate the locations in which they will accept employment. Many specify that they are interested in positions anywhere in the state. However, it frequently turns out that the "anywhere" shown on the application does not include the places in which vacancies occur. The Personnel Rules require that when an eligible list (register) exists for a position (most positions have registers) those on the register must be considered before the agency may specially recruit for the position. Therefore, the agency must work the register, even when it expects on the basis of past experience that it will not find anyone interested, before it can take special steps to fill the position through local recruitment.

The commission discussed a variety of solutions, but none were without substantial disadvantages. Special registers for rural areas would not necessarily reduce the number of applications from people looking for work, and would require extra staff time for the Division of Personnel. Limiting applicants to regional registers, on which only residents of the area could appear, would violate equal employment opportunity laws, and would be unfair to applicants who

wanted to move from one part of the state to another. Therefore, while noting that this can be a severe problem for an agency trying to fill a position in a timely fashion, the commission makes no recommendations without further study.

OTHER PERSONNEL PRACTICES

RECOMMENDATIONS AGAINST REHIRE

A final Performance Evaluation Report is prepared when an employee in the classified or partially exempt service ends his or her state employment. The evaluation is prepared by the employee's immediate supervisor, called the rater. The supervisor rates the employee's performance in the indicated areas and states, on the line for Recommended Action, whether or not the employee should be considered for rehire by the state. The evaluation is reviewed by the Division Reviewer (the division director or his or her designee) and by the department reviewer.

Before either of these reviewers considers the form, the rater is supposed to explain the evaluation to the employee, who is to receive a copy. The employee also has an opportunity to indicate whether or not he or she agrees with the Report and to add comments. The "Performance Rater's Guide to Performance Evaluations" indicates that if any disagreements between Reporting Officers lead to changes in the evaluation, then a new report should be prepared and the changes made known to the employee.

None of the Personnel Rules or Division of Personnel Director's Memoranda speak to the issue of when it is appropriate to recommend against rehire, except in the case of an employee who leaves without giving 14 calendar days notice. The Personnel Rules require that for an employee to separate in good standing the notice must have been given unless the department chooses to waive that requirement. PR 11 02.0. In other situations, it is left to the management of each department to set the policy for when to recommend against rehire. If an employee's conduct has been so unsatisfactory that he or she has been dismissed, the rater will usually recommend against rehire.

An employee who separates in good standing from a permanent or probationary position may be re-employed without re-examination and without having to be hired through the register. The department may consider only that applicant when a vacancy becomes available. In addition, the former employee's name may be added to the eligible list for the job class from which he or she separated without re-examination.

A Memorandum from the Director of the Division of Personnel dated September 11, 1969 indicates the effects of separation not in good standing. It states in full:

A former employee of the State who resigned in good standing may be re-employed without certification or re-examination under the provisions of Personnel Rule 5 12. However, if an employee did not leave State service in good standing he cannot benefit from the above Rule and is not eligible for re-employment with the State.

"Good standing" means separation under circumstances other than:

1. Dismissal.
2. Resigned in lieu of dismissal due to unsatisfactory job performance.
3. When supervisor has stated on the separating Personnel Evaluation "Not Recommended for Re-Hire."

An employee who did not resign in good standing is not categorically barred forever from State employment. He may be considered for re-employment by way of open competition provided he has demonstrated satisfactory full time paid employment elsewhere for a period of time equalling the probationary period for the job class.

The Division of Personnel reviews the Performance Evaluation Reports which recommend against rehire to establish whether the report is internally consistent: is the recommendation supported by the comments in the narrative section and do the employee's comments raise questions about the appropriateness of the recommendation? If the report is internally consistent, then no further review is undertaken, and the staff remove the employee's name from the registers on which it previously appeared.

If there are questions about the recommendation, the division reviews the employee's personnel file to determine whether past evaluations tend to support the present recommendation and they talk with the reviewers about the circumstances of the case. If the unsatisfactory performance related to only one facet of the position, then the employee may be removed only from those job classes in which those skills are important. For example, a poor

supervisor might be removed from registers requiring supervisory skills but be left on registers not requiring those skills. In cases in which a recommendation against rehiring suggests that a personality conflict influenced the poor work performance, the employee's name might remain on open competitive registers, permitting him or her to compete with other applicants for positions, but he or she might be denied the preferences given through rehire rights.

The consequences of separation not in good standing, as would occur with a recommendation against rehire, are severe. The commission has heard testimony from individuals placed in this situation and believes that recommendations against rehire should be made only after careful review of the facts of each case. The commission recommends that each performance evaluation which includes a recommendation that the employee not be rehired be reviewed by the staff of the Division of Personnel prior to its becoming part of the employee's personnel file to establish that the circumstances warrant the recommendation given.

TRAINING

The need for training is a frequently misunderstood area of personnel management. It does not mean that the state is hiring unqualified employees. Training adds to the basic knowledge of an employee. Through training employees increase their value to the state.

For a more extensive discussion of the reasons for providing training and the system which should be used see Appendix F.

EQUAL EMPLOYMENT OPPORTUNITY AND PROMOTION

The commission has heard testimony that the merit principle which favors filling positions through promotion limits the opportunity for minority persons to fill higher-level positions.

While the commission is sympathetic to equal employment opportunity goals and is concerned that the state have an effective program, the Equal Employment Opportunity Division has the expertise and authority to address these issues, and therefore the commission makes no recommendations.

FILLING PERMANENT POSITIONS

Testimony was presented that many permanent positions were left vacant, while the work was performed by temporary employees at a savings to the state but at a cost to the employees. This is a potential abuse of merit principles of fair employment practices. Therefore, the commission sponsored its nonpermanent bill during the last regular session. With the passage of the bill, which effectively restricts employment of nonpermanents, the commission expects that agencies will fill their permanent positions.

CREDIT FOR LEVEL OF WORK PERFORMED

Some state employees find that they are doing tasks which are not reflected in their job description and that they do not receive credit for the level of their performance when they apply for promotion. The commission believes that adequate methods exist now to solve this problem.

Each job description is reviewed during the yearly personnel evaluation. If the duties of the position have changed, then the supervisor is supposed to initiate a reclassification action so that the job description accurately reflects the duties of the position. If this is done, then employees will receive credit for their performance. Procedures also exist for documenting short-term work on projects which are outside an employee's normal duties. The commission recognizes that keeping position descriptions current is an important management responsibility.

AUDITS OF THE PERSONNEL SYSTEM

The operation of the state's personnel system should be reviewed periodically to identify areas in which changes are needed. The commission discussed whether the audits should be performed by the Division of Personnel or whether the Budget and Audit Committee of the legislature should be given this responsibility. The Budget and Audit Committee lacks expertise in personnel matters and its procedures are also more cumbersome. If the Division of Personnel is able to delegate more of its primary tasks to user departments, then its staff should be able to review and audit the departmental actions more thoroughly.

The commission recommends that either the Division of Personnel or the Legislative Budget and Audit Committee should periodically audit the operation of the personnel system of the state. The results of that audit should be presented to the legislature.

DISCIPLINARY MEASURES

The Personnel Rules permit an appointing authority to suspend (PR 11 03.0), demote (PR 11 05.2) or dismiss (PR 11 06.1) an employee for delinquency or misconduct. Just cause must be established in cases of dismissal or involuntary demotion, but not for suspension. In addition, the Rules state that any person who willfully violates any provision of the Personnel Rules is guilty of a misdemeanor and that anyone convicted immediately forfeits his or her office or position. PR 13 18.0. The Director of the Division of Personnel has authority to act when the head of the affected department has failed to take action within a reasonable time. PR 13 18.1. Any employee found in violation of the prohibitions in Rule 13 shall be dismissed, whether or not criminal charges have been filed. PR 11 05.2. Rule 13 forbids various kinds of political activity, bribery for state employment, engaging in illegal discrimination, and certain kinds of financial conflict of interest situations.

The collective bargaining contracts with classified employee unions have not modified these Rules, although some address cause for discipline. Therefore, the provisions of these Rules apply to all classified employees. They also apply in part to employees in the partially exempt service.

The requirement that violation of the Rules be considered a misdemeanor is not applied because in many

instances, the penalty is too harsh. The commission recommends that a graduated system of penalties be devised to include penalties appropriate to the seriousness of the offense. This should be accompanied by policies indicating when it is appropriate to admonish an employee, when suspension should be considered, when a fine should be assessed, and in what cases the more severe dismissal or involuntary demotion should be imposed.

CHAPTER V

PERSONNEL LAWS & REGULATIONS

REVISION OF THE LAWS AFFECTING PERSONNEL

Many of the statutes which provide for employees of boards, commissions and authorities are found only in the statutes which create those entities. There is no cross-reference in the State Personnel Act. A comprehensive revision of all these laws should be undertaken by the Blue Ribbon Commission so that the State Personnel Act is the authority for all personnel-related matters.

REVISION OF THE PERSONNEL RULES

The Personnel Rules should be revised to reflect existing employment practices and to indicate to what extent the Rules have been affected by collective bargaining. This review should be undertaken by the Blue Ribbon Commission after it completes its revision of the State Personnel Act so that the Personnel Rules will be in accordance with the revised act.

APPENDICES

APPENDIX A

STATUTE ON EXEMPT POSITIONS

Section 39.25.110. Exempt service. The following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

- (1) persons elected to public office by popular vote or appointed to fill vacancies in elected offices;
- (2) justices of the supreme court, judges of the superior court, judges and magistrates of other state courts established by law;
- (3) the administrative director and all other employees of the state court system, and employees and members of the Judicial Council;
- (4) the chief administrative officer of each house of the legislature;
- (5) all employees of the state legislature and its agencies;
- (6) the head of each principal department in the executive branch;
- (7) officers, members of the teaching staff, and employees of the University of Alaska;
- (8) certificated teachers employed by the state to teach in schools operated by the state;
- (9) patients and inmates employed in state institutions;
- (10) persons employed in a professional capacity to make a temporary and special inquiry, study, or examination as authorized by the governor, the legislature, or a legislative committee;
- (11) members of boards, commissions, or authorities, except as otherwise provided by law;
- (12) personnel employed by the division of marine transportation as masters and members of the crews of vessels who operate the state ferry system and who are covered by collective bargaining agreements provided in AS 23.40.040;
- (13) commissioners of the Alaska Public Utilities Commission;
- (14) the executive officer of the Alaska Commission on Postsecondary Education;
- (15) commissioners and employees of the Alaska Commercial Fisheries Entry Commission;
- (16) the ombudsman and his staff;
- (17) the members, executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority;
- (18) certified teachers and noncertified employees employed by a regional educational attendance area established and organized under AS 14.08.031-14.08.041 to teach in, administer or operate schools under the operation, control and management of a regional educational attendance area school board;
- (19) licensed physicians, as defined in AS 47.30.340(9), employed by the division of mental health and developmental disabilities, Department of Health and Social Services;

APPENDIX B

EXEMPT POSITIONS IN STATE GOVERNMENT

According to a computer printout provided by the Division of Finance of the Department of Administration, there are 364 exempt employees of the state who are not legislative or judicial branch employees, employees of the University of Alaska, teachers on contract with the state, or ferry system employees. The computer run was made on October 23, 1979, and contains the names of those who received a paycheck in the month of September and who were still shown as on the payroll on the date of the run. Vacant positions do not appear. Where it seemed helpful, the authority by which the position was placed in the exempt service is indicated.

OFFICE OF THE GOVERNOR

Total exempt employees: 51

Governor	1
Lieutenant Governor	1
Alaska Commercial Fisheries Entry Commission (28 exempt employees)	
Commissioners	3

<u>Administrative Section</u>	
Executive Director	1
Administrative Assistant	1
Secretary I-III	3
Clerk Typist	1

<u>Research Division</u>	
Director of Research & Planning	1
Systems Analyst/EDP Coordinator	1
EDP Programmer IV	1
Research Analysts	2
EDP Programmers	2
Fisheries Coordinator/Research Analyst	1
Research Technicians	3
Research Economist	1
Data Processing Apprentice	1

<u>Permit Section</u>	
Coordinator of Vessel Licensing/ Permit Renewals	1
Administrative Assistant	1
Document Processing Clerks	3

<u>Application Section</u>	
Hearing Officers	3
Applications Analysts	2

APPENDIX A

STATUTE ON EXEMPT POSITIONS

Section 39.25.110. Exempt service. The following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

- (1) persons elected to public office by popular vote or appointed to fill vacancies in elected offices;
- (2) justices of the supreme court, judges of the superior court, judges and magistrates of other state courts established by law;
- (3) the administrative director and all other employees of the state court system, and employees and members of the Judicial Council;
- (4) the chief administrative officer of each house of the legislature;
- (5) all employees of the state legislature and its agencies;
- (6) the head of each principal department in the executive branch;
- (7) officers, members of the teaching staff, and employees of the University of Alaska;
- (8) certificated teachers employed by the state to teach in schools operated by the state;
- (9) patients and inmates employed in state institutions;
- (10) persons employed in a professional capacity to make a temporary and special inquiry, study, or examination as authorized by the governor, the legislature, or a legislative committee;
- (11) members of boards, commissions, or authorities, except as otherwise provided by law;
- (12) personnel employed by the division of marine transportation as masters and members of the crews of vessels who operate the state ferry system and who are covered by collective bargaining agreements provided in AS 23.40.040;
- (13) commissioners of the Alaska Public Utilities Commission;
- (14) the executive officer of the Alaska Commission on Postsecondary Education;
- (15) commissioners and employees of the Alaska Commercial Fisheries Entry Commission;
- (16) the ombudsman and his staff;
- (17) the members, executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority;
- (18) certified teachers and noncertified employees employed by a regional educational attendance area established and organized under AS 14.08.031-14.08.041 to teach in, administer or operate schools under the operation, control and management of a regional educational attendance area school board;
- (19) licensed physicians, as defined in AS 47.30.340(9), employed by the division of mental health and developmental disabilities, Department of Health and Social Services;

(20) petroleum engineers and petroleum geologists employed in a professional capacity by the Department of Natural Resources except for those employed in the division of geological and geophysical surveys;

(21) employees of the Alaska Gas Pipeline Financing Authority.

APPENDIX B

EXEMPT POSITIONS IN STATE GOVERNMENT

According to a computer printout provided by the Division of Finance of the Department of Administration, there are 364 exempt employees of the state who are not legislative or judicial branch employees, employees of the University of Alaska, teachers on contract with the state, or ferry system employees. The computer run was made on October 23, 1979, and contains the names of those who received a paycheck in the month of September and who were still shown as on the payroll on the date of the run. Vacant positions do not appear. Where it seemed helpful, the authority by which the position was placed in the exempt service is indicated.

OFFICE OF THE GOVERNOR

Total exempt employees: 51

Governor	1
Lieutenant Governor	1
Alaska Commercial Fisheries Entry Commission (28 exempt employees)	
Commissioners	3
<u>Administrative Section</u>	
Executive Director	1
Administrative Assistant	1
Secretary I-III	3
Clerk Typist	1
<u>Research Division</u>	
Director of Research & Planning	1
Systems Analyst/EDP Coordinator	1
EDP Programmer IV	1
Research Analysts	2
EDP Programmers	2
Fisheries Coordinator/Research Analyst	1
Research Technicians	3
Research Economist	1
Data Processing Apprentice	1
<u>Permit Section</u>	
Coordinator of Vessel Licensing/ Permit Renewals	1
Administrative Assistant	1
Document Processing Clerks	3
<u>Application Section</u>	
Hearing Officers	3
Applications Analysts	2

The computer printout shows 28 filled positions in the commission. A list of employees and positions from the commission dated October 23, 1979 shows 32 positions, with two vacancies (one commissioner and one director of research and planning). The positions are listed as they appear on the commission's list, but the total number of positions as given on the computer printout are reflected to keep the totals consistent. The commission and its employees were placed in the exempt service by AS 39.25.110(15).

D-2 Lobbying	15
Delta Barley Project	2
Special Projects Office Head	1
Special Projects Regulations Reform	1
Legislative Assistant	1
Bottom Fish Coordinator	1

DEPARTMENT OF ADMINISTRATION

Total exempt employees: 2

Commissioner of Administration	1
Coordinator, Word Processing*	1

* The department is in the process of deciding whether to transfer this position to the classified service or to reclassify it as Special Assistant to the Commissioner which would place it in the partially exempt service.

DEPARTMENT OF LAW

Total exempt employees: 1

Attorney General	1
------------------	---

DEPARTMENT OF REVENUE

Total exempt employees: 8

Commissioner of Revenue	1
Executive Director, Municipal Bond Bank Authority AS 39.25.110(17)	1
Alaska Renewable Resources Corporation Trustees	3
Secretaries I-III	3

AS 37.12.060: The executive director and all employees of the board (Trustees of the Alaska Renewable Corporation) are in the exempt service under AS 39.25.

DEPARTMENT OF EDUCATION

Total exempt employees: 44

Commissioner of Education	1
Correspondence Study Substitute Teachers	4
Skill Center Substitute Teachers	3
Alaska Post Secondary Education Commission (28 exempt employees)	
Executive Director	1
Assistant Director	1
Assistant Director, Academic Planning & Research	1
Program Coordinator	1
Program Review Officer	1
Project Review Officer	1
Administrative Assistant II	1
Research Analyst I	1
Accounting Clerk III	1
Clerk Typists II-IV	3
Data Clerk	1
Secretary	1
Repayment Officer	1
Loan Repayment Clerk	6
Repayment Clerk	1
Collections Specialist	2
Collections Assistant	1
Loan Awards Officer	1
Awards Clerk	1
Loan Awards Specialist	1
School Food Services	
School Food Service Consultants	7
School Food Service Instructor	1

Substitute teachers are paid on an hourly rate, and food service consultants and instructors are paid on a daily rate.

By statute, the executive officer of the Alaska Commission on Post Secondary Education is a member of the exempt service. The staff of the commission receives compensation as fixed by the commission and are, apparently, placed in the exempt service because of that provision. AS 14.40.913.

The State Personnel Act places all certified teachers in the exempt service. AS 39.25.110(8) and (18). As noted above, the computer printout did not include teachers on contract with the state. However, apparently that general exclusion does not apply to substitute teachers, since some of the positions on the printout are for substitutes.

DEPARTMENT OF HEALTH & SOCIAL SERVICES

Total exempt employees: 6

Commissioner of Health & Social Services	1
Regional Psychiatrist, S.E. Region	1
Staff Psychiatrist API	1
Medical Officer II, API	1
Director, Division of Mental Health and Developmental Disabilities	1
Medical Superintendent, API	1

Licensed physicians employed by the Division of Mental Health and Developmental Disabilities are placed in the exempt service by AS 39.25.110(19).

DEPARTMENT OF LABOR

Total exempt employees: 1

Commissioner of Labor	1
-----------------------	---

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

Total exempt employees: 18

Commissioner of Commerce & Economic Development	1
Commissioners, P.U.C. (AS 39.25.110(13))	5
Commissioners, Alaska Pipeline Commission	3
Commissioners, Alaska Transportation Commission	3
Counsel on Trade and Commerce, Tokyo	1
Alaska Power Authority Executive Director	1
Engineer Planner	1
Clerk Typist III	1
Executive Secretary (clerical)	1
Principal Economist	1

The Board of Directors of the Alaska Power Authority may hire an executive director whose compensation they shall establish. The executive director is subject to the provisions of AS 39.25. (See AS 44.56.145(c)). This statute does not require that the executive director be placed in the exempt service, nor does it make any statements concerning the service in which the other staff members of the Authority shall be placed.

DEPARTMENT OF MILITARY AFFAIRS

Total exempt employees: 124

Commissioner of Military Affairs	1
National Guards	123

The national guards on the payroll are there for purposes of establishing the amount of reenlistment bonus for which they qualify should they reenlist. They are not employees in the accepted sense of the word.

DEPARTMENT OF NATURAL RESOURCES

Total exempt employees: 102

Commissioner of Natural Resources	1
Special Assistant to Commissioner	1
Emergency Firefighters	60
Youth Conservation Corps Enrollees	21
Alaska Oil & Gas Conservation Commission	
Commissioner	1
Director, Oil & Gas Conservation Commission	1
Chief Petroleum Geologist	1
Petroleum Geologists	2
Chief Petroleum Engineer	1
Petroleum Engineer	3
Petroleum Reservoir Engineers	2
Petroleum Geophysicist	1
Petroleum Geologist & Geophysicist	1
Petroleum Inspectors	3
Systems Analyst II	1
Drafting Technician III	1
Secretary I	1

Petroleum Engineers & Geologists:

Petroleum engineers and geologists employed in a professional capacity by the Department of Natural Resources, except for those employed in the Division of Geological & Geophysical Surveys, are placed in the exempt service by AS 39.25.110(20). The commission employs three typists and two statistics technicians who are in the classified service in addition to the positions listed above.

Emergency Firefighters:

The Commissioner of Natural Resources is empowered to hire emergency firefighting personnel and to establish classifications and rates of pay for the emergency firefighting personnel consistent with the compensation paid by other firefighting agencies to meet emergency needs. AS 41.15.030(b).

DEPARTMENT OF FISH & GAME

Total exempt employees: 1

Commissioner of Fish & Game	1
-----------------------------	---

DEPARTMENT OF PUBLIC SAFETY

Total exempt employees: 1

Commissioner of Public Safety	1
-------------------------------	---

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Total exempt employees: 2

Commissioner of Environmental Conservation	1
Deputy Commissioner	1

The computer run contains an error. Deputy Commissioners are in the partially exempt service.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Total exempt employees: 1

Commissioner of Community & Regional Affairs	1
--	---

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Total exempt employees: 2

Commissioner of Transportation & Public Facilities	1
Another employee	1

The computer printout contains another error. It shows an employee who is in the classified service as being in the exempt service.

TOTAL EXEMPT EMPLOYEES ON THE COMPUTER PRINTOUT: 364

APPENDIX C

STATUTE ON PARTIALLY EXEMPT POSITIONS

Section 39.25.120. Partially exempt service. The following positions in the state service constitute the partially exempt service and are subject to this chapter and the rules adopted under it only as specifically provided in this chapter. Positions in the partially exempt service shall be included in the position classification plan established under this chapter, and these positions shall be compensated according to the pay plan. Persons holding positions in the partially exempt service are not required to take examinations, qualify or earn a place on a register, nor are they eligible for a hearing by the personnel board in case of dismissal, demotion, or suspension. Positions in the partially exempt service are specifically exempt from the rule established under section 150(3)-(11), (14), (15), (18) of this chapter. They are also specifically exempt from sections 170 and 180 of this chapter and as stated in section 160(a) of this chapter:

- (1) assistant commissioners of the principal of departments of the executive branch;
- (2) the directors, division of personnel, division of public health, division of medical assistance, and those other directors of the major divisions of the principal departments of the executive branch as are specifically designated by the governor;
- (3) attorney members of the staff of the Department of Law;
- (4) one private secretary for each head of a principal department in the executive branch;
- (5) all employees of the Office of the Governor and the lieutenant governor, including the staff of the governor's mansion and the attorney members of the staff of the public defender agency, but not including the nonattorney members of the staff of that agency;
- (6) Repealed by section 4 chapter 78 SLA 1971.
- (7) Repealed by section 9 chapter 47 SLA 1974.
- (8) the director and deputy director of the division of tourism in the Department of Commerce and Economic Development;
- (9) regional directors of the Department of Transportation and Public Facilities;
- (10) the executive director and deputy director of the Alaska Public Utilities Commission;
- (11) the state forester, in the Department of Natural Resources.

APPENDIX D

PARTIALLY EXEMPT POSITIONS IN STATE GOVERNMENT

This information is taken from computer printout R01-02N-0160, dated September 27, 1979. The printout provides information on classified and partially exempt positions in the state and indicates whether or not they are presently filled. It does not provide any information on the exempt positions in the state.

OFFICE OF THE GOVERNOR

Positions in office: 308 (231 filled)

Partially exempt positions in office: 266 (205 filled)

Note that the seven positions in the Office of Telecommunications are included in the total number of positions in the Office of the Governor. However, Telecommunications has recently been transferred out of the Governor's Office and therefore, those positions are not included in the number of partially exempt positions.

EXECUTIVE OFFICE OF THE GOVERNOR

Executive Assistant to the Governor	2
Administrative Assistant to the Governor	1
Press Secretary	1
Legislative Assistant	1
Special Assistant to the Governor III	6
Special Assistant to the Governor II	1
Special Assistant to the Governor I	3
Research Analyst III	1
Research Analyst II	1
Policy and Program Manager IV	1
Policy and Program Specialist II	1
Accountant II	1
Accounting Technician II	1
Accounting Clerk II	1
Administrative Officer III	1
Administrative Assistant II	1
Administrative Assistant I	1
Executive Secretary III	1
Executive Secretary I	6
Secretary I	3
Clerk Typist III	3
Clerk IV	1
Clerk III	1
Receptionist in Governor's Office	1
Personnel Officer I	1
Information Officer III	1
Information Officer I	1

MANSION STAFF

Executive Resident Cook	1
Executive Resident Housekeeper	2
Administrative Assistant I	1

HISTORICAL COMMISSION

Executive Director	1
Historian II	1
Secretary I	1

INTERNATIONAL FISHERIES AND EXTERNAL AFFAIRS

Director	1
Research Analyst II	1
Executive Secretary I	2
Information Officer II	1
Policy and Program Manager IV	2
Policy and Program Manager III	1

ALASKA STATE COUNCIL ON THE ARTS

Policy and Program Specialist II	1
Fine Arts Administrator	3
Administrative Assistant I	1
Accounting Technician I	1
Clerk Stenographer III	1
Clerk Typist III	1

CRIMINAL JUSTICE PLANNING

This agency was recently transferred to the Office of the Governor. The positions retained their classified and partially exempt status.

Executive Director of Governor's Commission	1
---	---

PUBLIC DEFENDER

Only the attorney members of the staff of the Public Defender are in the partially exempt service. The support staff are in the classified service.

Public Defender	1
Attorney V	6
Attorney IV	13
Attorney III	4

ALASKA POLICE STANDARDS COUNCIL

Council Administrator	1
Training Coordinator	1
Clerk IV	1

ELECTIONS

Division Director	1
Elections Supervisor II	2
Elections Supervisor I	2
Administrative Assistant III	1
Administrative Assistant I	2
Clerk V	1
Clerk III	5
Clerk Typist III	1
Clerk Typist II	2

LIEUTENANT GOVERNOR'S OFFICE

Policy and Program Manager III	1
Policy and Program Manager II	1
Research Analyst III	2
Executive Secretary II	1
Secretary I	1
Clerk V	1
Publications Technician	1

ALASKA PUBLIC OFFICES COMMISSION

Executive Director	1
Assistant Director	1
Research Analyst II	1
Regulations Specialist II	1
Secretary I	1
Clerk IV	2
Clerk III	1

PIPELINE COORDINATOR'S OFFICE

Deputy Coordinator	1
Administrative Officer III	1
Accountant III	1
Accounting Technician I	1
Secretary III	1
Clerk IV	1
Clerk Typist III	1
Field Surveillance Officer	1
Field Surveillance Supervisor	1
Permafrost Engineer	1
Arctic Hydrologist	1
Ecologist IV	1
Land Management Officer IV	1
Pipeline Engineer	1
Information Officer III	1

INTERNAL AUDIT

This office was recently transferred to the Office of the Governor. All positions were transferred from the classified to the partially exempt service.

State Internal Auditor	1
Deputy State Internal Auditor	1
Internal Auditor IV	3
Internal Auditor III	6
Internal Auditor I	2

DIVISION OF POLICY DEVELOPMENT AND PLANNING

Division Director	1
State/Federal Assistant Coordinator	1
Deputy Director	1
Policy and Planning Manager III	1
Policy and Planning Manager II	1
Policy and Planning Manager I	1
Policy and Program Specialist III	2
Policy and Program Specialist II	5
Policy and Program Specialist I	3
Planner IV	2
Planner III	1
Project Assistant	1
Research Analyst III	1
Research Analyst II	2
Research Analyst I	1
Executive Director of Growth Policy	1
Natural and Physical Science Planner	2
Management Analyst III	1
Management Analyst II	2
Management Analyst I	1
Publications Specialist II	1
Administrative Assistant II	2
Administrative Assistant I	2
Secretary I	1
Accounting Technician II	1
Data Control Clerk II	1
Clerk IV	1
Clerk Typist III	7

BUDGET AND MANAGEMENT

Division Director	1
Deputy Director	1
Program Budget Analyst V	4
Program Budget Analyst IV	9
Program Budget Analyst III	6
Program Budget Analyst I	1
Program Budget Technician	2

Economist III	1
Economist II	1
Secretary I	1
Clerk IV	1
Clerk Typist III	1
Clerk Typist II	1

HUMAN RIGHTS COMMISSION

Division Director	1
Field Representative III	4
Field Representative II	8
Field Representative Trainee	4
Associate Attorney	1
Secretary I	1
Administrative Assistant III	1
Clerk IV	4
Clerk Typist III	1

DEPARTMENT OF ADMINISTRATION

Positions in department: 665 (592 filled)
 Partially exempt positions in department: 15 (all filled)

Deputy Commissioner	1
Secretary III	1
Special Assistant	1
Division Director	8
Pioneer Home Manager	4

DEPARTMENT OF LAW

Positions in department: 203 (187 filled)
 Partially exempt positions in department: 111 (107 filled)

Deputy Attorney General	1
Secretary III	1
Chief Prosecutor	1
Attorneys III-VI	104
Associate Attorneys I-II	4

DEPARTMENT OF REVENUE

Positions in department: 300 (250 filled)
 Partially exempt positions in department: 16 (14 filled)

Deputy Commissioner	2
Secretary III	1
Revenue Hearing Examiner	2
Division Director	5
Treasury Comptroller	1
Investment Officer I-III	5

DEPARTMENT OF EDUCATION

Positions in department: 347 (303 filled)

Partially exempt positions in department: 9 (all filled)

Secretary III	1
Division Director	4
Special Assistant	1
Deputy Commissioner	1
Executive Director, AEBC	1
Executive Secretary, PTPC	1

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Positions in department: 1,871 (1,619 filled)

Partially exempt positions in department: 20 (14 filled)

Secretary III	1
Deputy Commissioner	3
Division Director	4
Special Assistant II	1
Executive Director of Parole Board	1
Staff Psychiatrist	1

OLDER AMERICANS/SCSEP PROGRAM	
Employment Security Specialist IB	5
Clerical Aide	1
Clerk II	1
Community Health Aide	1
Clerk I	1

DEPARTMENT OF LABOR

Positions in department: 736 (553 filled)

Partially exempt positions in department: 8 (7 filled)

Deputy Commissioner	1
Special Assistant	1
Secretary III	1
Division Director	5

DEPARTMENT OF COMMERCE

Positions in department: 293 (260 filled)

Partially exempt positions in department: 19 (18 filled)

Executive Director of Pipeline Commission	1
Deputy Commissioner	1
Secretary III	1
Division Director	9
Executive Officer of Nursing Board	1
Executive Secretary of Real Estate Commission	1

Deputy Tourism Director	1
Deputy Insurance Director	1
Executive Director of Public Utilities Commission	1
Deputy Director of Public Utilities Commission	1
Regional Loan Manager	1

DEPARTMENT OF MILITARY AFFAIRS

Positions in department: 100 (88 filled)

Partially exempt positions in department: 3 (all filled)

Secretary III	1
Division Director	1
Assistant Adjutant General	1

DEPARTMENT OF NATURAL RESOURCES

Positions in department: 779 (539 filled)

Partially exempt positions in department: 12 (all filled)

Secretary III	1
Deputy Commissioner	1
Executive Director, AROGDAB	1
Special Assistant	2
Division Directors	6
Resources Planner/Analyst*	1

*This position is expected to be placed in the classified service by the Personnel Board within the next few months. The present incumbent was hired from the classified register and was not advised that the position was in the partially exempt service. The department considers him to be on probationary status (which is applicable only to the classified service).

DEPARTMENT OF FISH AND GAME

Positions in department: 666 (566 filled)

Partially exempt positions in department: 11 (10 filled)

Deputy Commissioner	2
Secretary III	1
Special Assistant	1
Division Director	6
Chief of Subsistence	1

DEPARTMENT OF PUBLIC SAFETY

Positions in department: 806 (710 filled)

Partially exempt positions in department: 8 (all filled)

Secretary III	1
Deputy Commissioner	1
Division Director	6

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Positions in department: 133 (109 filled)

Partially exempt positions in department: 6 (4 filled)

Division Director	3
Secretary III	1
Deputy Commissioner	1
Administrative Officer III	1

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Positions in department: 154 (128 filled)

Partially exempt positions in department: 7 (6 filled)

Secretary III	1
Deputy Commissioner	1
Division Director	5

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

There are three codes for this department, and the following information is organized by those sections:

CODE 24 - Highways

Positions in section: 1,259 (807 filled)

Partially exempt positions in section: 5 (4 filled)

Division Director	5
-------------------	---

CODE 25

Positions in section: 1,202 (984 filled)

Partially exempt positions in section: 25 (21 filled)

Deputy Commissioner	4
Assistant Commissioner	2
Division Director	16
Special Assistant	2
Secretary III	1

CODE 26

Positions in section: 425 (362 filled)

Partially exempt positions in section: 2 (both filled)

Airport Manager, Anchorage	1
Airport Manager, Fairbanks	1

APPENDIX E

POSITIONS PROPOSED FOR REMOVAL FROM BARGAINING RIGHTS

This information was taken from a computer printout dated February, 1979, which Bruce Carr of the Division of Personnel and Labor Relations made available to the commission. Positions which are presently permitted to organize under the Public Employment Relations Act and which are proposed to be excluded from bargaining are listed below. Most of those indicated are either Deputy Directors or Assistant Directors.

Unless otherwise indicated, the following positions are in the Supervisory Unit of the Alaska Public Employees Association. Those presently in the General Government Unit of APEA are marked (G). Positions which are not presently in a bargaining unit but are in the classified service are marked (E). There are five in the state.

OFFICE OF THE GOVERNOR

There are no changes proposed. Most positions in the Office of the Governor are already placed in the partially exempt service by statute.

DEPARTMENT OF ADMINISTRATION

- Deputy State Internal Auditor*
- Deputy Director of Labor Relations (E)
- Deputy Director of Personnel (E)
- Deputy Director of Finance
- Deputy Director of General Services and Supply
- Assistant Director of General Services and Supply
- Deputy Director of Data Processing
- Assistant Director of Data Processing, AJIS
- Deputy Director of Retirement and Benefits

*This position has been transferred from the Department of Administration to the Office of the Governor as of August 16, 1979. The position is now in the partially exempt service and is not involved in collective bargaining.

DEPARTMENT OF LAW

There are no changes proposed. All of the attorneys in the Department of Law are already members of the partially exempt service by statute.

DEPARTMENT OF REVENUE

Deputy Director of Revenue Administrative Services
Chief of Enforcement Operations
Administrative Chief of Support Enforcement
Chief of Audit Services (2 positions)
Chief of Revenue Intelligence Services

DEPARTMENT OF EDUCATION

Deputy Director of Education Program Support
Deputy Director of Education Field Services
Deputy Director of Administrative Support
Deputy Director of Vocational Rehabilitation
Deputy Director of State Libraries and Museums

DEPARTMENT OF HEALTH & SOCIAL SERVICES

Assistant Director of Public Health
Assistant Director of Mental Health
Deputy Director of Corrections
Assistant Director of Corrections

DEPARTMENT OF LABOR

Assistant Director of Support Services
Deputy Director of Workmen's Compensation
Assistant Director of Employment Security (2 positions)

DEPARTMENT OF COMMERCE

Deputy Director of Economic Enterprise
Deputy Director of Public Utilities Commission
Executive Director of Alaska Transportation Commission
Assistant Director of Veterans Affairs
Deputy Director of Business Loans

DEPARTMENT OF MILITARY AFFAIRS

Chief of Staff
Deputy Director of Alaska Disaster Office

DEPARTMENT OF NATURAL RESOURCES

Deputy Director of Lands (2 positions)
Deputy Director of Parks

DEPARTMENT OF FISH & GAME

Executive Director of Fish & Game Boards (G)
Deputy Director of Fish & Game Administration
Assistant Director of Fish & Game Boards
Deputy Director of Commercial Fisheries
Deputy Director of Game
Deputy Director of Sport Fish

DEPARTMENT OF PUBLIC SAFETY

Lt. Colonel of Public Safety (2 positions)
Assistant State Fire Marshall
Deputy Director of Motor Vehicles

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

No changes are proposed for the employees of this department.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Deputy Director of Manpower Division

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Assistant Director of Financial Management
Deputy Director of Advance Planning/Special Projects
Deputy Director of Highways Administration
Deputy Director of Communications
Transportation Maintenance Manager III

TOTAL: 54 positions

APPENDIX F

TRAINING FOR STATE EMPLOYEES

The commission has considered the question of the training provided by the state to its employees and recommends that the approach of the state towards training be reevaluated and that the following recommendations be implemented. The commission finds that the state has neglected this important area of personnel management for a considerable time in the mistaken belief that training is a luxury which can be cut from budgets without affecting the quality or the cost of the services provided to Alaskans. Training should not be indiscriminately provided however. The state should develop a system of evaluating the training needs of its employees and of monitoring the effectiveness of the programs in which it participates, so that training is vocationally oriented, effective and cost efficient.

REASONS FOR PROVIDING TRAINING

The hiring process establishes which candidates meet the minimum qualifications for a position and from those, which one is the best qualified to do the job. The standard is based on minimum qualifications for the position. Most new employees will need to improve some skills which the particular position emphasizes or become familiar with additional areas in which they lack knowledge. Furthermore, almost all jobs grow and change as new developments in the industry or field of study changes the appropriate methods

and skills and also as programs shift emphasis from one area to another. In order to meet the challenge of new technology or of changed focus, appropriate training must be provided.

A distinction should be made between training and orientation. All employers must orient new employees to their expectations about conduct, performance, and benefits (leave, insurance, retirement, etc.). Employers must also explain the structure, missions and objectives of the program in which employees will work.

Training, on the other hand, provides or enhances knowledge and skills which, for a variety of reasons, an employee does not have when selected for the position. Employees need training to keep pace with change, to improve existing skills, to develop new skills, to relate their tasks to the entire program, and to better supervise or manage other employees. Supervisors must be informed of equal employment opportunity laws and requirements.

1. Keeping pace with change. Employees in fields experiencing rapid technological advances need training to remain current in their areas of expertise. Otherwise, they are not able to do the job that is required by the state. For example, if the state wishes to use more advanced computer technology, it must either train its employees or hire new employees who are well versed in the science. Since data processing continues to change, the state can expect to continuously replace data processing

employees if it does not provide an adequate training program. New employees may have the necessary technical skills, but they will have no background experience with specialized state programs. Therefore, the state will have to train the new employees in those aspects of the job instead of training incumbents in new technology.

The Department of Transportation and Public Facilities has developed a training program for mechanics of both light and heavy duty equipment. Employees take a competency-based test which consists of both written and performance components. The test was developed by a national testing organization to use nation-wide. There are four skill levels, and employees receive a certificate for each test they successfully complete. The agency's goal is to have all of its mechanics fully certified through this program. They are a long way from reaching that level of knowledge and performance. Test performance also helps the department to identify areas in which employees need training.

The department provides training for the mechanics through a variety of methods. For job-related courses offered by community colleges, the department provides a portion of the costs of books and tuition. Sometimes vendor programs, generally offered out-of-state, are the most economical alternative. In other cases, the department may have an employee who is competent to train others in a particular skill. Occasionally, the department contracts with an outside firm to provide inhouse training in a specialized area.

Given the changes in automotive technology, no mechanic, however competent, can keep abreast of all developments without on-going training. With training, the agency hopes to perform their duties in a reasonable and cost-efficient fashion with an acceptable quality of performance, and to make their services competitive with or better than those of private industry.

Employees also need training in any program where legal standards frequently change. For example, unemployment insurance appeal employees attend a nation-wide program sponsored by the U.S. Department of Labor every two years to learn the developments in the laws, regulations and procedures governing the unemployment insurance program. Similarly, the state must plan to provide funds to train its employees whenever it significantly changes the standards and procedures of a program.

2. Improving existing skills. The Division of Personnel used to hold a training session in Better Writing Skills which was directed to state employees at a variety of levels who were responsible for writing documents as part of their job duties. This program has stopped because the division's training budget was not funded.

Courses for improving skills are provided at minimal cost to the state by equipment retailers. For example, IBM sponsors training sessions for state employees who use the complex word processing equipment to enable them to take advantage of special features available on the machines.

3. Developing new skills. The state has created trainee positions in order to hire people who need training to qualify for the beginning level of a job class. These trainee positions enable the state to provide an affirmative action program, as required by state and federal laws, and to open career fields to citizens of the state for whom the educational or experience requirements of the first level in the job class would be an insurmountable barrier. The trainee positions are structured with the expectation that the state will provide substantial on-the-job training to the people hired.

4. Interdisciplinary training. Interdisciplinary training serves to advise employees of developments outside their primary field and to inform them of the entire picture in which they have a part. It is important in areas where many agencies have overlapping responsibility, as is the case in the natural resources area or in insurance, banking and economic development. In the data processing field, programs to cross-train managers and data processing programmers about each others' needs would improve the state's use of data processing.

Interdisciplinary training can serve to meet administrative needs of the state. Program managers need to know how to prepare proposed budgets for review by the executive branch and for action by the legislature. They also need to develop skills in budgeting their resources in order to avoid cost overruns.

Employees who deal directly with the public in potentially tense situations can better diffuse hostility if they have some knowledge of transactional analysis. During the winter of 1977-78, the unemployment insurance office in Anchorage had to have uniformed guards in the building during working hours because of the intensity of feelings. The Department of Labor contracted with a Seattle firm to provide on-site training in transactional analysis to the staff to help them cope with the stressful situation.

5. Supervisory training. In its investigation of the state personnel system, the commission has found that many problems would be avoided or solved by better management practices. Effective managers and supervisors who accept, understand and persist in their decision-making roles are the key to avoiding or reducing turnover, absenteeism, and non-productivity of their employees. Training for supervisors, especially those without previous supervisory experience, should be one of the highest priorities on the state's training agenda. Supervisors must know and apply the Personnel Rules and the terms of collective bargaining agreements which govern the working conditions of their employees. They must know how to properly evaluate and, when necessary, discipline employees by applying contract terms accurately and by building a clear record of what steps they have taken to correct problems. In addition to this technical side, supervisors must know how to motivate their work force. They need to develop leadership skills, communication skills and ability to measure job performance.

Supervisors are required to write annual performance evaluations of their employees. To make the experience benefit both the employees and the program, the evaluations should point out the strengths and weaknesses of the employee's past performance, identify areas in which the employee's skills or knowledge need to be improved and the resources to accomplish that, and examine the duties of the position to determine whether the position is classified properly. Evaluations can be emotionally difficult for both employees and supervisors. To improve the evaluations done, supervisors should be required to participate in a program designed to improve their skills.

Managerial employees are selected for their skills in their program area and are expected to assimilate the knowledge needed to supervise their employees when they accept their appointment. To the extent that this does not happen, the state creates problems for itself which can lead to union grievances and monetary awards, poor morale, rapid turnover and poorly run programs. All of these increase the costs of government to the citizens of Alaska. Better supervisors would reduce this cost, and training would help to improve the performance of supervisors.

6. Complying with Equal Employment Opportunity programs. To avoid violation of the laws of the land and large monetary awards from litigation, supervisors must comply with the federal and state statutes on hiring and promoting their employees. These complex requirements can be difficult to adhere to. Records need to be maintained to demonstrate

compliance. The Division of Equal Employment Opportunity in the Department of Administration offers a course to supervisors on the legal requirements which apply, and on the unconscious ways in which people may discriminate. It is designed to insure that the state meets the minimum standards. This training should be made mandatory for any supervisor responsible for hiring employees.

7. Employee development. Some agencies will partially reimburse employees for the cost of relevant college courses they successfully complete. This varies depending on the policy of the department and the funds available. Coursework may make the employee eligible for promotion or provide insight into related areas.

CONCLUSION AND RECOMMENDATIONS

Because Alaska has not recognized the worth of training programs, the state has not developed a comprehensive policy for training for state employees, nor has it attempted to coordinate and evaluate what training is presently received by employees. The state needs a central training office. Responsibilities of the office should include arranging training sessions and programs on those subjects common among the departments and agencies, including supervisory skills, interdisciplinary training, clerical skills, and labor relations and Personnel Rule courses. This central office should identify general training needs, evaluate courses and develop a system to record each employee's training history in his or her personnel file. The annual

evaluation session could be used to consider what training each employee needs. The supervisor would be responsible for suggesting training programs to be developed either by the agency or by the central training office.

Because there is no coordinated program, the departments duplicate some courses, while ignoring other needs which could be economically provided to the larger pool of all state employees. Coordination should not usurp the prerogatives of the departments or their responsibility to provide programmatic training. The departments are best able to evaluate the need for training in their particular areas of expertise and to decide which kind of training best fills those needs. The coordinating center should advise and assist the departments when requested. It should also determine when departments were unnecessarily offering duplicate courses and should make information available to all departments on the training courses being offered so that interested staff of other departments can attend any department's courses as space permits.

Providing training effectively will insure that the state gets the most for its personal-services dollar, and will encourage employees who have become skilled in their areas to remain with the state, thus building on the investment which the state makes in any long term employee, even now, when training is neglected.