

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1349 SCOMM 51: BLUE RIBBON COMM. ON STATE PERSONNEL ACT 1978-1983

SCOMM 51: BLUE RIBBON COMMISSION ON THE STATE PERSONNEL ACT, 1978-83

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SCOMM

#51:1

MINUTES OF

Categories of Employees Subcommittee

Certification, Classification & Recruitment Subcommittee

Merit System/Collective Bargaining Subcommittee

Full Blue Ribbon Commission

MINUTES FROM

September 15, 1978 through January 9, 1980

AND

Membership Lists

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BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

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December 13, 1978	Merit System/Collective Bargaining
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January 26, 1979	Certification, Classification & Recruitment Subcommittee
January 26, 27, 1979	Categories of Employees Subcommittee
January 27, 1979	Full Commission Meeting
February 5, 1979	Merit System/Collective Bargaining Subcommittee
February 5, 1979	Classification, Certification & Recruitment Subcommittee
February 6, 1979	Categories of Employees Subcommittee
February 15, 1979	Full Commission Meeting
February 23, 1979	Merit System/Collective Bargaining Subcommittee
February 23, 1979	Classification, Certification & Recruitment Subcommittee
February 23, 1979	Categories of Employees Subcommittee
February 23, 1979	Full Commission Meeting
February 24, 1979	Full Commission Meeting
March 13, 1979	Full Commission Meeting
April 17, 1979	Classification, Certification & Recruitment Subcommittee
September 12, 1979	Full Commission Meeting
October 5, 1979	Merit System/Collective Bargaining Subcommittee
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October 5, 1979	Full Commission Meeting
October 11, 1979	Merit System/Collective Bargaining Subcommittee
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October 17, 1979	Certification, Classification & Recruitment Subcommittee
October 17, 1979	Categories of Employees Subcommittee
October 17, 1979	Full Commission Meeting
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November 28, 1979	Full Commission Meeting
December 12, 1979	Full Commission Meeting
January 9, 1980	Full Commission Meeting

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

1978:

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

November 6, 1979:

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

SUBCOMMITTEE

CLASSIFICATION, CERTIFICATION & RECRUITMENT
MINUTES

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

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

Meetings:

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

SUBCOMMITTEE
CATEGORIES OF EMPLOYEES
BLUE RIBBON COMMISSION
ON THE
STATE PERSONNEL ACT

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

Meetings:

November 16, 1978
November 30, 1978
December 12, 1978
January 4, 1979
February 23, 1979
October 5, 1979
October 11, 1979
October 17, 1979

Jan 26-27, 1979 (Work Session Summary)
Feb 6, 1979 (Work Session Summary)

SUBCOMMITTEE

MERIT SYSTEM/COLLECTIVE BARGAINING MINUTES

BLUE RIBBON COMMISSION ON THE
STATE PERSONNEL ACT

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

Meetings:

November 30, 1978
December 13, 1978
February 5, 1979 *Jan. 26, 1979 (work session summary)*
February 23, 1979
October 5, 1979
October 11, 1979
October 17, 1979
November 15, 1979

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

MINUTES

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

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

MINUTES

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

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

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

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

MEMBERS IN ATTENDANCE

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

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Alexander Gillespie

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Steve Halfling (guest speaker)

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

MINUTES

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

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Bob Maurant

CATEGORIES OF EMPLOYEES
Capitol Building, Juneau
October 17, 1979

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Bob Maurant
John Pugh

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

MINUTES

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

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

DEPARTMENT OF REVENUE

Revenue Hearing Examiners
Investment Officers I-III

DEPARTMENT OF HEALTH & SOCIAL SERVICES

Staff Psychiatrist

DEPARTMENT OF COMMERCE

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

DEPARTMENT OF FISH & GAME

Special Assistant

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Administrative Officer I

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

Special Assistant

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

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

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

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

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

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

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

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

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

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

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

Senator Ray adjourned the meeting at 11:45.

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen
Bob Mourant
Pat Murphy

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Senator Ray adjourned the meeting at 2:40.

MEMBERS IN ATTENDANCE

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

CATEGORIES OF EMPLOYEES
Capitol Building, Juneau
October 11, 1979

SUMMARY

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

MEMBERS IN ATTENDANCE

Lois Jund
Doryce Eggleston (for Lynda McCurry)
Sandra Withers

OTHERS IN ATTENDANCE

Ken Kareen

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Senator Ray adjourned the meeting at 11:50.

MEMBERS IN ATTENDANCE

Senator Bill Ray, Chairman
Lois Jund
Lynda McCurry
Sandra Withers

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Senator Ray adjourned the meeting at 4:25.

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen

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

MINUTES

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

CATEGORIES OF EMPLOYEES SUBCOMMITTEE

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

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

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

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

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

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

CERTIFICATION, CLASSIFICATION & RECRUITMENT SUBCOMMITTEE

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

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

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

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

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

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Ken Kareen
Bob Mourant

CATEGORIES OF EMPLOYEES
Capitol Building, Juneau
October 5, 1979

MINUTES

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

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

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

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

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

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

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

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

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

The subcommittee took no position on the issue.

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

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

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

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

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

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

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

Mr. Flavin adjourned the meeting at 9:30.

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Bob Mourant
John Pugh

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Senator Ray adjourned the meeting at 12:10.

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Sue Greene
Darlene Livermore
Bob Maurant

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Frank Flavin
Bob Mourant

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

MINUTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. All contracts should go into effect as of July 1.
2. Notice should be given to the legislature of the findings of the negotiating teams by March 15.
3. The legislature would have to act on the results of the negotiations within 30 days or by the end of the session, whichever came first. The system could provide either that a contract did not take effect unless approved by the legislature, or that the contract would become effective unless disapproved.

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

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

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

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

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

1. Return the responsibility of negotiations to the legislature, either through a legislative committee or through staff hired for that purpose.
2. Hire legislative staff to sit with the Department of Administration and the public employee unions in the bargaining process.
3. Require approval by the voters for each contract before it takes effect.
4. Do away with collective bargaining altogether.
5. Present neither recommendations nor proposed legislation on the issue.
6. Recommend that the legislature retain the present system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Senator Ray adjourned the meeting.

MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Doryce Eggleston
Darlene Livermore

TELEGRAM

WASILLA, ALASKA 99801
JUNEAU, ALASKA 99801

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02109 TDA WASILLA ALASKA 179 09-11 1255P ADT
PMS SEN BILL RAYSON 7
JUNEAU AK 99801

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

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

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

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

Dear Senator Ray:

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

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

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

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

Sincerely,

C.A. Hubbard

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



BUREAU

INTERGOVERNMENTAL

TRAINING

COUNCIL

September 12, 1979

TO: The Blue Ribbon Commission

RE: Employee Development and Training

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

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

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

Currently with no coordinated system for state training efforts:

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

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

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

Marie Darlin
Marie Darlin, Chairman

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

MINUTES

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

TESTIMONY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

tage for rural areas.

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

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

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

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

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

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