

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1350 SCOMM 51: BLUE RIBBON COMM. ON STATE PERSONNEL ACT 1978-1983

if the intent was for the departmental personnel officers to have the responsibility of recruiting, advertising and examining for unique positions. Would the departments be in a position to do this better than the Division of Personnel? Ms. Eggleston replied that an employee in her office could handle the paperwork faster in regard to unique job classes. Mr. Flavin rephrased his question to general terms: Is a personnel officer in a department more capable of making decisions? Ms. Eggleston responded affirmatively.

Pat Murphy stated that the Commission has received a number of complaints in the area of rating education and training where people believe they have been judged erroneously. The Division of Personnel has no time to check these areas. If unique job classes were handled through the departments, more time would be spent on these evaluations. Technical job classes cannot be handled by generalists. Mr. Murphy asked how applicants would be routed to the correct departments in a decentralized system. Ms. Eggleston replied that the Division could act as a receiving agency for applicants and direct forms to the proper agencies. Ken Kareen pointed out that this is being done now in the Department of Education.

Senator Ray pointed out that the Commission has received testimony regarding the difficulties of "fighting city hall" and the adverse results this may bring about. One concern is the "black marks" individuals receive for speaking out about problems encountered within the state system. Frank Flavin elaborated that he does receive cases of this type, but that they are difficult to verify. Senator Ray referred to previous testimony before the Commission where one individual's score had been changed noticeably by the Division of Personnel after she complained to them.

Ken Kareen countered that in the central office of the Division of Personnel, everything is documented. Those individuals responsible for rating applicants have practically no influence over selection of applicants. There is little chance that the hiring authority will know about problems in the Division. Therefore, problems in ratings will not influence final hiring decisions. Senator Ray asked if this meant that there is no communication between the Division and departments. Mr. Kareen stated that this type of communication would not be tolerated in his office.

Mr. Flavin questioned what role personnel officers play in the evaluation of merit violations. Ms. Eggleston responded that personnel actions, such as selection from eligible lists, are reviewed before they are returned to the Division of Personnel for placement of the person selected on the state payroll.

All material is checked before it is sent out by personnel officers. Advice may be sought from the Division of Personnel and commissioners, deputy commissioners or directors where questionable circumstances appear.

Senator Ray asked what happens if a commissioner or deputy commissioner asks a personnel officer to break the rules. Ms. Eggleston replied that there are legal implications, and steps may be taken. She gave an example of one individual who was fired because he refused to do what the director requested. Through a grievance procedure, he was reinstated. Personnel officers can and do refuse to certify anything illegally. The commissioner and deputy commissioner are each certifying officers and can sign positions authorizations (PA's) thereby taking responsibility for any impropriety if they insist on pursuing the matter over the objections of the personnel officer. Frank Flavin asked if Ms. Eggleston's personnel files have ever been audited. She replied that there is a post-audit procedure. Lynda McCurry commented that the Department of Labor has been subject to numerous federal audits. Ken Kareen stated that there are certain review procedures handled by the Division of Personnel, but there are no audits in that sense.

Wells Gabier, a state employee for over seven years and current employee of the Alaska Occupational Information Coordination Committee (AOICC) testified regarding his experiences with the committee, the Department of Health and Social Services, the Department of Labor and the state Manpower Service. He addressed the topic of his PCN and gave a brief description of his background.

In 1970, Mr. Gabier was hired out of Colorado for a position in Alaska, and his relocation expenses were paid by the state. Upon arrival, he was classified as an Employment Counselor III. One year later, he was reclassified as State Counseling Supervisor for the Department of Labor, and spent five years in that capacity. During this time, he communicated with the Division of Personnel frequently on the subject of upgrading the Counselor-level positions by one range. He worked with Lee Antrim (the Department of Labor's representative in reviewing tests for employment interviewers) on the reclassification.

Mr. Gabier then took a voluntary demotion of one range step to go to work for the Department of Health and Social Services. One year later, he retired from state employment and moved to Mississippi for a short period of time. Upon his return to Alaska, he experienced the trials and tribulations of applying for state employment and of having his experience rated. He was subsequently placed on 18 registers, and was asked to interview with the AOICC for his present position. The following

is description of events that took place after his initial interview:

March 10, 1978--The position description was first written by committee member Phyllis Woodman, Personnel Officer for the Department of Education which controls the funding of the state AOICC.

March 14, 1978--The position description was transmitted to Mike McMullen in the Classification Section of the Division of Personnel as that of a Social Research Coordinator at range 20. Both Ms. Woodman and committee members supported this classification level.

April 6, 1978--A decision was returned to the department that the classification should be at the Research Analyst III level. It appears that the Social Research Coordinator class was being eliminated, and this was considered an equitable substitute. Wishing to get started on the program, the committee decided to accept the classification given by the Division of Personnel and requested the Analyst III register. Unable to find a qualified applicant for the position on this register, the committee requested parallel registers which required approximately the same range and job functions. Mr. Gabier was within the top five on two of these and was hired for the position.

Mr. Gabier pointed out he had qualified for these registers without receiving employee credit or veteran's preference points. Prior to his appointment, he had applied for the Research Analyst II and III registers. His examination results came back as below passing. The committee had hired him for a position that the Division of Personnel had deemed him to be ineligible for. Entering the position, Mr. Gabier realized that the responsibilities were not consistent with the Research Analyst III level. The committee had indicated during a meeting that they would push for a reclassification of the position at a later date.

November 20, 1978--The committee submitted a reclassification request to the Division of Personnel.

December 28, 1978--The delete/establish form was sent to Budget and Management by the Division of Personnel.

February 9, 1979--Mr. Gabier checked with the Division of Personnel on the status of his reclassification, after having waited for a response for a number of months. The Division advised him that the request would be signed within a week by the Office of Budget and Management.

The position description and authorization came back listed as a Project Coordinator. Again, the advice of Phyllis Woodman

had been ignored, although she had supplied first-hand information on the job functions. It had been stated on the request that if the position came back as anything other than a Program Coordinator, a desk audit would be requested. Ms. Woodman was advised that more detailed paperwork would have to be supplied to justify a desk audit performed by the Division of Personnel.

April 12, 1979--A request was submitted for a desk audit.

Due to the fact that the position remains classified improperly after a period of over one year, Mr. Gabier felt that the matter should be brought to the attention of the commission.

Ken Kareen spoke from the vantage point of the classifier. The personnel officer came to him seeking advice and assistance on the best way to get the job filled. In this instance, the classification of Research Analyst III was not appropriate, and alternate lists were suggested by Mr. Kareen, such as Project Coordinator.

Mr. Flavin asked for the definition of a desk audit. Mr. Gabier explained that a classification specialist actually goes to the place of employment and gets a verbal description of the job. In his experience, Mr. Gabier feels that the Division of Personnel has difficulty in interpreting anything that is not in writing. Ken Kareen responded that the demand for desk audits cannot be satisfied by the Division of Personnel, given the limited amount of staff available. There is a reluctance on the Division's part to conduct an audit unless the need is perceived. Quite often, the Division receives inadequate position descriptions.

Pat Murphy stated that the commission has heard a lot of testimony along similar lines, where employees and technical authorities have different opinions. It is very difficult to ascertain who is right and who is wrong.

Mr. Kareen pointed out that there is also a third party involved in this type of dispute: the collective bargaining union. Mr. Gabier commented that he has never felt that this is a problem for grievance procedures. It should have been handled when it was initially brought to the Division's attention. If the system were decentralized, this responsibility would be given to the personnel officers who are more qualified to make judgements.

Fred Cook, Personnel Officer with the Department of Fish and Game, testified on the question of centralization/decentralization. He believes that personnel officers should be a part of the management teams of departments. Fisheries Biologists

are convinced that the Department of Administration is a regulatory agency rather than a service-oriented agency. This is consistent with the feeling of the troops in the field.

Mr. Cook feels that personnel functions should be delegated to the departments if they are willing to accept the responsibility. Personnel officers would not be able to supervise their staff members if they were centralized in the Division of Personnel. If there were instances where opinions differed, it would be difficult to argue with supervisors in the Division of Personnel.

Mr. Cook does not see any way that centralization would make the personnel system more efficient. If a person is not employed by a department, they are left out of policy-making decisions and information is then relayed down to them. The Division of Personnel should have more positions assigned to them, and he urged the Blue Ribbon Commission to make that recommendation.

One suggestion Mr. Cook presented was to have personnel officers exchange positions with staff in the Division of Personnel intermittently. This is something that has been discussed in the past and seen by many as workable. This might relieve the schism between Personnel and the departments by increasing the awareness of each others' problems.

Frank Flavin asked which functions personnel officers in departments could perform better than the Division of Personnel, assuming adequate resources exist. Mr. Cook suggested that the Department of Fish and Game could rate applicants for positions in technical areas generally above range 16. In the case of biometricians, for example, a committee consisting of other specialists in that field would be better qualified to make evaluations than generalists in the Division of Personnel.

Mr. Flavin pointed out that past testimony has revealed problems on the rating of biologists: Is an adequate job being done? Mr. Cook responded that in higher-level classes, the departmental personnel officers could do a better job, assuming the department has the staff to do so.

Mildred Zenger, Personnel Officer with the Department of Natural Resources, concurred with testimony presented. She expressed the following, representing her personal opinions:

Ms. Zenger stated that the Division of Personnel could better handle rating and examinations if they were given additional funding. Her department lacks staff to handle decentralization, but is in a better position to handle certain unique

job classes. Ms. Zenger does not believe that qualified judgments are made by the Division of Personnel examiners in those cases. The Department of Natural Resources specialists used to help the Division of Personnel rate applications in the more technical fields.

Over the years, personnel officers' access to the commissioner has varied. At present, access is more limited than in the past. Access and support are essential for providing back-up to personnel officers when program managers disagree with their decisions. Ms. Zenger also made it clear that though the Department of Natural Resources is under fire for many reasons, some accidental and some intentional, she is not defending those who hire illegally. She has never certified a document illegally in her 30 years of state service.

Ms. Zenger believes that some functions handled by the Division of Personnel could be delegated to the individual departments. A better means of communication between personnel officers and the Division is one solution. Removing personnel officers from departments would cause problems. It would then be difficult to convince employees in the department that personnel officers are actually working for them and trying to help the department. This might also lead to the belief that personnel officers were regulatory oriented.

Frank Flavin asked if the problems within the department were geographical in nature, due to the large number of staff in field offices. Ms. Zenger answered they are due to the influx of new employees who don't understand the system and lack education in the standards of the system rather than poor intent. Ms. McCurry concurred that cycles do run good and bad depending on who's who in the zoo. Ms. Zenger reiterated that there are many new people who do not understand what they are supposed to do. Senator Ray pointed out that this might call for some type of statutory identification.

Mr. Flavin asked Ms. Zenger if she has access to personnel files in departmental field offices as a personnel officer. Ms. Zenger answered that her travel is limited. She did not have a large staff until the past year. The central office does perform a monthly audit on departmental personnel actions.

Senator Ray commented that this is ample reason to have a trouble shooter to take care of these matters. As an example, he mentioned two Public Safety officers who are responsible for presenting informational programs in schools to juveniles.

Frank Flavin stated that in his experience, problems were more prevalent in agencies where personnel officers do not have

high status. There are significantly fewer personnel problems in those departments with strong personnel officers. Pat Murphy agreed that certain departments have more problems than others. The departments of Health and Social Services, Transportation and the Division of Corrections have strong commissioners or directors who typically insist on independence, which can lead to union grievances. APEA has been able to resolve problems before they develop into major crises by negotiating with personnel officers with stronger positions in their departments. Another aspect of the problem is that in departments with high turnover rates, the management staff is less well informed about the requirements of union contracts and the Personnel Rules.

Senator Ray pointed out that the reorganization of the secretarial staff of the Department of Administration into a typing pool is a topic which the commission has overlooked. Pat Murphy commented that there is general agreement that the program has created a mess.

Ken Kareen responded that a previous commissioner of Administration thought that if the equipment were upgraded and typists were combined in one location, there would be more work performed at less cost to the state. Many of the people in the pool have fallen behind on the typing requirements set by the program. Mr. Kareen also asked about Don Fisher's report to the commission on the subject. Pat Murphy replied that APEA is doing investigative work on the matter and that information will be available at a later date.

Senator Ray requested a resume of the information available to date and said that he was interested in pursuing the matter personally. Experimenting with state employees is not an acceptable procedure. Pat Murphy commented that the coordinator of the typing pool program has been on contract with the state for two or three years. He believes that this should be a permanent position.

Frank Flavin requested that the staff prepare a breakdown of where personnel officers are located in each department and to whom they report. Lynda McCurry offered to supply this information to him. Senator Ray directed the staff to write to each department advising them that attempts to keep individuals from testifying at commission meetings or to punish them for speaking will not be tolerated.

Lois Wingo, Personnel Officer for the Department of Military Affairs, concurred with testimony heard. She stated that employee/personnel officer relationships are stronger when the personnel officer is in the department. Ms. Wingo acts as Training Coordinator, EEO Officer and Payroll Supervisor in addition

to her functions as the department's personnel officer. She does have access to the commissioner's office and receives support from high-level management. She is not expected to circumvent the Division of Personnel in fulfilling her duties. The department was audited once, about a year ago, by the Legislative Audit Division. Leave records were checked against the files, and employee records were spot-checked.

Senator Ray asked whether Ms. Wingo had ever been in a catch-22 situation where her superior asked her to do something contrary to her beliefs. Ms. Wingo replied that this happens very rarely.

Frank Flavin asked if there was any conflict of interest in being an EEO Officer and a Personnel Officer. Ms. Wingo answered that some perceive a conflict between the two functions, and some don't. It depends on who is the Director of EEO. Lynda McCurry pointed out that there is a problem with adding EEO functions to the duties of personnel officers in departments. However, this function must be placed in a position where the person will do the job. When EEO functions were taken out of the Personnel Office of the Department of Labor and given to someone else, no progress was made on the reports required to be filed. Eventually, the EEO responsibilities returned to the personnel officer. Ms. Wingo stated that she doesn't have hiring authority, so there is not a direct conflict. She does encourage the hiring of women and minorities. Frank Flavin asked if she has "double clout" with the additional EEO responsibilities. Ms. Wingo said that this did give her additional authority.

Senator Ray asked for input from commission members on the continuation of additional meetings. He stated that they will have to be after the legislative session is over.

Ken Kareen offered his thoughts on the decentralization issue. An employee starts his employment by pledging his loyalty and credibility to a department. The supervisor giving direction may severely test the loyalty of the employee to do the job and advance his career vs. state rules and compliance with the laws. Elements of regulation and compliance should be built into Personnel. This would serve to limit the flexibility, but would avert capricious and arbitrary proceedings. At what cost should the state encourage dedication to the department? What is the cost to the state for decentralization? In some cases, 18 departments could be working on 18 different systems. There has to be some uniform application of rules to give employees constants. Employees do not know where these lines are. Mr. Kareen offered an observation: There are tremendous variations based on the personality of the personnel officers and person-

ality of their supervisors. Senator Ray elaborated that it is a question of either having a cut and dried or a flexible system. Ken Kareen stated that an employee starts with an investment in state employment. If a new boss gives a questionable direction, that will severely test the loyalty of the employee to his or her career vs. the state rules. Some stand up to the tests, and some don't. The problem does exist.

Mr. Kareen expressed his feelings that examination and review boards do not work well, judging by his past experiences. One of the most frequent problems encountered is in rating applications. For example, his staff is instructed not to make assumptions in rating applicants. What is judged is the information provided in writing. A review board may be tempted to consider information not on the record, thereby favoring applicants they know over those they do not. This could cause problems if the decision were ever audited. There will always be errors and mistakes.

Responding to Mr. Gabier's testimony, Mr. Kareen stated that Mr. Gabier has two options open to him: to go through the union or through supervisory channels. Bob Maurant commented that as a former union negotiator, he has had problems with the Division of Personnel. There are no checks made on the ethics of the Division of Personnel staff. There is no assurance that a check will be made if there is no violation of union contract. An individual has no assurance of ethics in force.

Mr. Gabier addressed the philosophical difference between himself and Mr. Kareen. He observed that the attitude seems to be "If you don't like it, fight it". What happened to settling these matters fairly? If he followed the proper channels, he would be told in two months that his complaint is not a grievable matter. He believes that this is an example of violation of merit principles. In his opinion, the Division of Personnel thinks only in terms of dollars rather than in terms of people.

Senator Ray asked commission members if they would agree to his making a personal investigation into the word processing center problems. There was no dissent.

Senator Ray suggested another meeting in Anchorage following the end of the session. Pat Murphy commented that issues might best be dealt with in subcommittee meetings on particular problems, followed by a full commission meeting to review subcommittee suggestions. Meetings to receive public testimony are also necessary. No decision was made on a future schedule.

IN ATTENDANCE

Senator Bill Ray, Chairman
Frank Flavin
Patrick Hunt
Lynda McCurry
Bob Maurant (for John Pugh)
Ken Spray

OTHERS IN ATTENDANCE

Darlene Howard
Ken Kareen
Pat Murphy

BLUE RIBBON COMMISSION
March 13, 1979

MINUTES

Senator Ray called the meeting to order.

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

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

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

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

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

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

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

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

Senator Ray informed the commission that he opposed the

introduction of this bill during the current session.

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

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

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

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

Senator Ray adjourned the meeting.

March 14, 1979

Senator Ray called the meeting to order.

The commission continued to review the draft report to legislature.

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

Senator Ray adjourned the meeting.

BLUE RIBBON COMMISSION
February 24, 1979

MINUTES

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

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

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

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

Mr. Fisher called a recess. The meeting reconvened.

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

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

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

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

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

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

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

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

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

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

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

Section 39.25.153 Personnel Rules for Departments

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

- (b) The personnel officer specified in (a) of this Section shall adopt regulations providing for the activities specified in Secs. 39.25.150 (1)-(10), (13)-(18), (20), and (22) of this Chapter for those classes of employees which are not common to other departments. The determination as to the classes of employees which are common to the various departments shall be made pursuant to regulations adopted by the director.
- (c) The personnel officers within the departments specified in (a) of this Section are subject to all provisions of this Chapter not in conflict with this Section.
- (d) The Governor may exempt any department with (a) of this Section containing less than 200 employees from the provisions of this Section.
- (e) All regulations adopted pursuant to this Section are subject to the Administrative Procedures Act (AS 44.62).

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

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

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

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

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

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

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

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

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

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Janet Bradley
Darlene Howard
Bob Mourant

BLUE RIBBON COMMISSION
February 23, 1979

MINUTES

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

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

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

Ken Spray suggested three amendments:

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

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

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

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

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

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

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

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Janet Bradley
Darlene Howard
Ken Kareen
Bob Maurant

CATEGORIES OF EMPLOYEES
Work Session Summary
February 23, 1979

Representative McKinnon chaired the work session. A summarization follows:

SUBCOMMITTEE DISCUSSION

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

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

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

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

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

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

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

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

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

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

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

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

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

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

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

CLASSIFICATION, CERTIFICATION & RECRUITMENT SUBCOMMITTEE
February 23, 1979

MINUTES

Don Fisher chaired the meeting in the absence of Senator Ray.

Ken Spray provided information to the subcommittee on SB194, an act relating to public employment. The bill would disallow payment of differentials based on geographic location in the state or cost-of-living differences in an attempt to increase the appointment of residents in rural locations where there is relatively severe unemployment in jobs which are located in their home locations. The bill proposes amendments to the Vocational Substitution Program.

Mr. Thomas suggested that a better way to accomplish the goals of Senator Sumner's bill would be to invigorate recruitment taking place in rural areas for positions in rural areas. The state's selection processes are questionable in evaluating the skills of applicants, but they do appear to be effective in screening out native Alaskans.

Mr. Spray suggested that the Blue Ribbon Commission might wish to consider the problem and propose a committee substitute to the present bill.

CERTIFICATION OF ELIGIBLES

MOTION: Frank Flavin moved that the subcommittee recommend to the commission that a pass/fail certification system be adopted until a reliability based broad band certification system could be developed.

Subcommittee discussion followed. The fundamental idea of the merit system is to select the best qualified applicant for the position, not simply to select someone meeting minimum qualifications. Ms. McCurry said that a pass/fail system would present problems in meeting constitutional requirements for a merit system and could jeopardize federal funding. Mr. Thomas responded that the broad band certification system is acceptable to the federal government.

John Pugh asked how this system would affect the system which the commission had recommended of requiring interviews for the top five applicants.

Ken Humphreys pointed out that while the tests given by the Division of Personnel may not be wholly accurate, they do have a considerable degree of accuracy in ranking the skills of those who achieve first place on the list versus those who place last. He suggested that the subcommittee might wish to consider a system of five grades, in which all those who scored within a range on the test would receive an equal score; for example, A-B-C-D-E.

Mr. Pugh added that he has worked for five years as a supervisor, and during that time has hired approximately 150 to 200 employees. Initially, he had thought that the top five was not meaningful, but experience has demonstrated that the system does test with accuracy for the kinds of skills needed to fill the position. (Verbal skills are a necessity for the positions he recruits for.) However, some tests are irrelevant and need to be updated.

Mr. Thomas replied that this belief in the system may be misplaced. The troopers were required, two years ago, to use a rule of the whole list in order to remedy past discriminatory practices. Hiring has been done from all parts of the list, and no one has yet argued that the standards or efficiency of the services of the employees hired under this system have been lower. The commission should not be closed to the idea of change.

Mr. Murphy suggested that if the object of Mr. Flavin's motion was to increase the openings for women and minority applicants, the the commission could consider adopting the kinds of systems of Wisconsin or Minnesota without doing away with the state's rating system.

Mr. Spray pointed out that this dilemma is one reason why his members favor a seniority system.

Ken Kareen defended the concept of the top five. It is an integral part of the merit system. There is a misapprehension among some that the top five is limited to five individuals. In fact, all of those whose score equals that of the fifth person on the list are included in the group. The majority of appointments made in state service are, in fact, made from the top five eligibles, so there is less tampering with the system than testimony may have indicated.

Mr. Kareen added that the majority of job classes do not require written testing. There are 147 state tests of which only seven or eight have been validated. Validating tests has been slow because the process is time consuming and there are only two staff members available to do the work.

The question of whether a pass/fail system would increase possible political abuses in hiring decisions was raised. Ms. McCurry warned that the system might lead to no control and utter chaos. There will always be some instances in which who you know will be instrumental in obtaining employment. Just because there are laws against such preferential hiring does not mean that violations are not going to occur.

Mr. Humphreys pointed out that while it would be much more difficult to justify not hiring within the certified group if

a pass/fail system were implemented, there would be fewer controls and less opportunity to review and regulate who was selected from that group.

VOTE: A vote was taken. Four were in favor, and four opposed. The motion failed.

MOTION: Niel Thomas moved that the subcommittee recommend to the commission that some alternative be adopted which would broaden the rule of the top five. There was brief discussion.

VOTE: A vote was taken. The motion passed unanimously.

Discussion followed on alternative systems. Mr. Flavin suggested that the subcommittee consider the structure used by the court system. Applicants are evaluated and placed in one of three categories: outstanding, acceptable or unacceptable.

In answer to Mr. Spray's question of what's wrong with hiring the first person on the list, and if that person is found unacceptable, then requiring that the second person be hired, and so on, Mr. Kareen explained that the broad classifications used for many classes prohibit that sort of system. For example, if the state wants to hire a medical examiner, it is probably looking not just for someone qualified to be a medical examiner, but someone with a specialty in a particular field and background in the same. That person best qualified might well appear below the top five on the list of those qualified to be medical examiners.

Mr. Thomas added that because the selection devices are inaccurate, the best person on the list might actually appear at number 16 instead of number one.

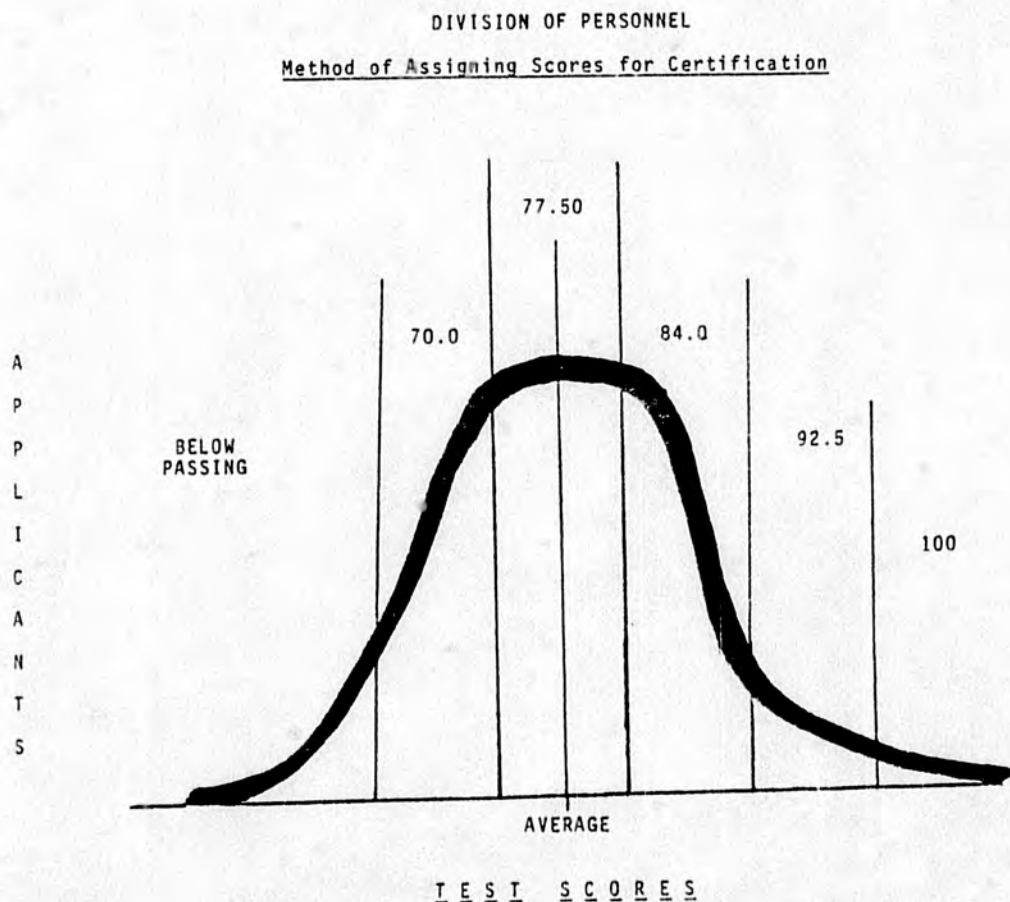
Mr. Flavin reviewed the types of evaluation systems which Ken Humphreys enumerated in his memorandum. The rule of the whole list was rejected by previous action of the subcommittee. The rule of ___ number is the present system, and has been found wanting. The other two alternatives presented are zone or category scoring, and block scoring. Mr. Humphreys explained that zone scoring occurs when a list is created from the ranked applications and then divided into zones. All those within a zone are then treated as having performed equally on the evaluation device. Block scoring, on the other hand, is a system in which blocks of scores are pre-established without regard to the new list, but based on prior experience with the performance of previous applicants. The new applicants are evaluated and placed in one of the groups or blocks based on the raw score they receive.

(4)

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

Mr. Murphy reminded the committee that the lists which the state uses are not solely ranked in order of performance, but include preference points for prior state service, for previous service in the military, and for being a resident of the state.

Mr. Kareen explained the system which the state now uses in evaluating applicants for those classes in which it has sufficient experience in testing to be able to establish averages. Once the average is established, general score ranges are determined. All applicants who fall within that range receive the same score on the register. If there are six who fall within the top range, they are all considered number one, and their names all appear as such on the register. The next name on the register would be number 7, and all of those who appeared within the second range of scores would appear as number 7. This system can be represented here graphically.



The bell-shaped curve represents the number of applicants who achieve a particular score on their evaluation of experience, training and any written test given. The numbers above the line represent, in the example, the converted scores given to all applicants whose score falls within the range indicated. Those who receive an average score, for example, receive 77.50 points. The average for that particular class may have been 80 or it may have been 60, but all who tested as average will be credited with 77.50 points.

MOTION: Frank Flavin moved that the commission recommend to the Department of Administration that they move away from a rule of five system towards a system of block scoring. He indicated that his motion intended to leave the question of the number of blocks to the discretion of the department.

VOTE: A vote was taken. The motion pass unanimously.

Mr. Fisher adjourned the meeting.

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Darlene Howard
Ken Kareen
Bob Maurant
Pat Murphy

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

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

DEPARTMENT OF EMPLOYEE RELATIONS DRAFT BILL

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

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

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

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

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

Ken Humphreys explained that this bill, if enacted, would

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

NON-CERTIFIED SCHOOL DISTRICT EMPLOYEES

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

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Darlene Howard
Bob Maurant
Frank Flavin

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

Note. 3-4

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

1 IN THE SENATE

BY BENNETT BY REQUEST

2 SENATE BILL NO. 213

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

10 (b) If the labor relations agency has reasonable cause to believe
11 that a question of representation exists, it shall provide for an appro-
12 priate hearing upon due notice. If the labor relations agency finds
13 that there is a question of representation, it shall direct an election
14 by secret ballot to determine whether or by which organization the
15 employees desire to be represented and shall certify the results of the
16 election. Nothing in this section prohibits the waiving of hearings by
17 stipulation for the purpose of a consent election in conformity with the
18 regulations of the labor relations agency or an election in a bargaining
19 unit agreed upon by the parties. The labor relations agency shall
20 determine who is eligible to vote in an election and shall establish
21 rules governing the election. In an initial election for representation
22 held under this section, one of the choices on the ballot shall be "no
23 representation". In an election in which none of the choices on the
24 ballot receives a majority of the votes cast, a runoff election shall be
25 conducted, the ballot providing for selection between the two choices
26 receiving the largest and the second largest number of valid votes cast
27 in the election. If an organization receives the majority of the votes
28 cast in the election it shall be certified by the labor relations agency
29 as exclusive representative of all the employees in the bargaining unit.

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

2 (c) The class in (a)(2) of this section is composed of public
3 utility, snow removal, sanitation, and [PUBLIC SCHOOL AND OTHER] educa-
4 tional institution employees, except noncertificated employees of school
5 boards. Employees in this class may engage in a strike after mediation,
6 subject to the voting requirement of (d) of this section, for a limited
7 time. The limit is determined by the interests of the health, safety or
8 welfare of the public. The public employer or the labor relations
9 agency may apply to the superior court in the judicial district in which
10 the strike is occurring for an order enjoining the strike. A strike may
11 not be enjoined unless it can be shown that it has begun to threaten the
12 health, safety or welfare of the public. A court, in deciding whether
13 or not to enjoin the strike, shall consider the total equities in the
14 particular class. "Total equities" includes not only the impact of a
15 strike on the public but also the extent to which employee organizations
16 and public employers have met their statutory obligations. If an im-
17 passe or deadlock still exists after the issuance of an injunction, the
18 parties shall submit to arbitration to be carried out under AS 09.43.-
19 030.

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

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

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

26 (6) "public employer" means the state or a political sub-
27 division of the state, including without limitation, a town, city,
28 borough, district, school board, board of regents, public and quasi-pub-
29 lic corporation, housing authority or other authority established by

1 law, and a person designated by the public employer to act in its in-
2 terest in dealing with public employees;

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

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

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

10 * Sec. 7. Nothing in this Act terminates or modifies a collective bar-
11 gaining unit, recognition of exclusive bargaining representative, or collec-
12 tive bargaining agreement if the unit, recognition, or agreement is in effect
13 on the effective date of this Act.

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

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

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BLUE RIBBON COMMISSION
February 15, 1979

MINUTES

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

PUBLIC TESTIMONY

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

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

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

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

1. CLASSIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. EXAMINATION PROCESS

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

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

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

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

3. RECRUITMENT

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

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

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

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

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

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

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

4. CAREER SERVICE

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

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

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

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

QUESTIONS

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

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

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

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

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

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

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

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

DIVISION OF DATA PROCESSING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STAFF REPORT

1. Summary of Correspondence

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

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

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

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

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

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

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

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

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

3. Budget for 1979

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

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

5. Division of Legislative Finance Computer

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

6. USCSC Conference, February 28 and March 1

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

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Darlene Howard

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

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

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

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

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

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

What recourse do I have to correct this inequity?

CATEGORIES OF EMPLOYEES
Work Session Summary, February 6, 1979

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

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

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

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

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

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

4. Technical amendments were suggested:

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

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

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

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

The bill would give considerable discretion to the Director

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Scope of Commission activity: Concern was expressed that

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

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

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

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

STAFF NOTE:

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

CLASSIFICATION, CERTIFICATION & RECRUITMENT SUBCOMMITTEE
Work Session Summary, February 5, 1979

Don Fisher chaired the work session in the absence of Senator Ray.

ISSUES DISCUSSED (See Issue Summary, dated January 21, 1979)

1. Centralization or decentralization of Personnel Administration.

There was general discussion on this topic and of the questions raised in the issue summary. Some of the points mentioned follow:

Collective bargaining has acted as a centralizing force in personnel matters. Where disputes arise, the grievance procedure which, in step IV, results in a decision by the Commissioner on the question, creates uniformity of application for all members of that bargaining unit.

Decentralization would further diversify the state's personnel practices. The state must be concerned with providing fair and consistent treatment for all of its employees. Decentralization increases the likelihood of abuse by departmental staff. Increased auditing would be required of the Division of Personnel. Decentralization may also require an increase in departmental personnel staff and therefore be more expensive. A decentralized system could result in a more cumbersome application process if each department maintained its own application files.

In a centralized system, there will be fewer checks on the authority of the head of that system. The Division of Personnel and Labor Relations has unclear authority to set uniform policies in some areas of personnel procedure which has been delegated to departments, leading to a diversity of practices among the departments.

Some of the problems which have been identified in the personnel system (for example, the time required to evaluate applications) result from inadequate staffing and budget within the Division of Personnel. Providing increased funding to the Division would resolve a number of these.

It is possible to decentralize the authority to perform certain tasks while leaving the policy setting and interpretation role in a centralized agency.

The question of whether to centralize or to decentralize

should be resolved after the Commission makes its decisions on what kind of system it wishes to recommend. For example, if the Commission recommends that the state adopt a broad-band classification system and a Department of Employee Relations, then those decisions would lean towards a centralized system. The Commission needs to recognize in its debate that parts of the personnel system are people oriented (examination and application processes) and that parts are management oriented (classification and pay).

The Commission should analyze personnel functions and ask for each whether the present vehicle works well or whether changes are needed. If changes are indicated, is the problem a result of understaffing or do the methods need to be stream-lined or the priorities re-defined?

Departmental Personnel Officers. Whether the system is centralized or decentralized, there will still have to be departmental personnel officers, either employed by the department or by the central agency. The kinds of tasks they do and the skills they need will depend upon the decisions the Commission reaches on the question of centralization or decentralization.

At present, personnel officers can be caught in a battle between the departmental commissioners, who may want to do something in conflict with the rules, and the Director of the Division of Personnel and Labor Relations. A centralized system, with personnel officers as employees of the Division, would require the commissioners to argue directly with the Director instead of placing the personnel officer in the middle.

Wherever the personnel officers are employed, they will still be subject to two sources of authority, and between those two will still be an undefined area, the limits of which will have to be resolved in a case-by-case manner.

The question of who should employ departmental personnel officers deserves a full subcommittee hearing to which each of the personnel officers of the departments should be invited.

Department of Employee Relations. There was general agreement that the subcommittee should recommend the creation of a new Department of Employee Relations for Commission consideration. Some of the points raised in discussion follow:

The Commissioner of the new department should be required by statute to have labor relations experience, either in the public or private sector. The Commissioners of Administration of the state have not understood the intricacies of labor relation prior to assuming their posts, which required that there

be a time spent in gaining the necessary background.

Functions of the new department:

1. Labor Relations
2. Personnel
3. Benefits - The negotiation of benefits would be part of the labor relations functions of the new department. The running of the Public Employees Retirement System would remain the responsibility of the Department of Administration, as would the details of the Blue Cross-Blue Shield contract and the record keeping for credit under the retirement programs of the state.
4. Safety and training programs - See discussion in the Merit System/Collective Bargaining issue summary.
5. Equal Employment Opportunity. The subcommittee suggested that the new department would be a logical place to house the state's EEO office.

The Human Rights Commission has adopted a position that wherever the state EEO office is located, it should receive the prestige, support, budget and technical advisors it needs to be effective. It has been recommended that the office be located in the Office of the Governor. Given the increased status that a Department of Employee Relations would have when compared to a division within the Department of Administration, the Human Rights Commission might be receptive to the placement of the EEO office within the new department, provided that its importance and effectiveness were recognized and maintained.

The Department of Administration would be left with the following divisions: Data Processing, Finance, General Services and Supply, Pioneer's Benefits, Retirement and Benefits, and Internal Audit.

Ken Kareen doubted that there is any other state where government employment has as great an impact on the state's economy as is the case in Alaska, and where the state is as deeply involved in collective bargaining. What rank should the person in charge of these functions hold in state government?

Cost of the new department. The existing staff of the Division of Personnel and Labor Relations would be transferred, as would the staff of the EEO office, should that office be placed within the new department. A commissioner's salary would have to be added to the budget.

When the Department of Transportation and Public Facilities was created, there was a zero increase fiscal note accompanying the legislation.

It is possible that ultimately, the state would save money by creating the new department, since the increased authority and access to the Governor by the Commissioner of the department would result in a more consistent application of the terms of the collective bargaining agreements and lead to fewer arbitrations.

Some federal programs in which the state participates identify a portion of the funding to be used for administrative services. The state's practice is to charge the department for support services provided by the Department of Administration but to place those portions of the federal funds into the general fund rather than to transfer them directly to the Department of Administration.

Ken Humphreys was requested to review statutes of other states (such as Hawaii and Pennsylvania, as well as Wisconsin) when drafting the statutes for the Department of Employee Relations.

2. Audits of the personnel system. There was general agreement that annual audits of the system would be useful. Discussion revolved around who should perform the audit, what the scope should be, and to whom the auditor should report.

Scope

1. Audit against the goals adopted by the Division of Personnel and Labor Relations.

2. The Blue Ribbon Commission should set goals of the audit, identifying different functions for different audits.

3. The Blue Ribbon Commission should set the scope for review of its recommendations so that there would be identification of problems or non-compliance with its proposals.

4. Audit according to the standards established in the Personnel Rules and the labor contracts.

By Whom

1. Legislative Audit - There would need to be guidelines for the audit clearly stated so that Legislative Audit would know the intent of the audit.

2. Internal audit office within the department.

3. An outside CPA firm.

Report to Whom

1. The legislature.

2. A special committee of the legislature, for example, composed of the commissioner from another department and the chairperson of the State Affairs Committee. This committee should have the authority to define the annual audit as they felt necessary and to delegate audit responsibilities accordingly. They should have an adequate budget for this purpose.

There was general concern that the audit be non-political and be performed against standards that were valid for the conditions in Alaska. The scope should be defined to make the topic manageable and useful. As the Commission adopts recommendations, it should consider defining the results it expects so that these would be the basis for future audits.

The subcommittee decided to hold the questions of the audit until the Commission has decided what it wishes to recommend on other topics. It was generally agreed that some provision should be made for audits to evaluate the effectiveness of the Commission's recommendations and the effectiveness of the personnel system as a whole.

Committee consideration of EEO matters. The subcommittee will invite Karen Cory, the Director of the state's EEO office, to join in discussions when it is ready to consider the state hiring practices in detail. Her comments will be most useful and important in that context.

Word processing centers. The subcommittee will also arrange for a later meeting with John Mitchell, Coordinator of Word Processing, on the question of the word processing centers and the selection of supervisors for those centers.

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

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

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

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

DISCUSSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCUSSION

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

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

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

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

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

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

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

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

CLARIFICATION OF AMENDMENT OF MOTION:

Ken Humphreys suggested two amendments: that a section

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The subcommittee decided to table this issue.

Issue 8. Due process rights for temporary employees.

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

BLUE RIBBON COMMISSION HEARING
Anchorage Historical Museum
January 27, 1979

MINUTES

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

PUBLIC TESTIMONY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

tions.

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

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

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

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

employee relations manual for supervisors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

unable to identify funding for permanent positions.

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

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

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

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

MEETING SCHEDULES

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

IN ATTENDANCE

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

OTHERS IN ATTENDANCE

Darlene Howard

STATE
of ALASKA

MEMORANDUM

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

DATE : 27 January, 1979

FROM: Daniel DeNardo
Revenue Auditor
Department of Revenue
Anchorage Office

SUBJECT: Violations of Personnel
Rules and State Law

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

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

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

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

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

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

No prior approval by the Commissioner of Administration was granted. These actions are in violation of Rule:

13.15-Purchases of Commodities and Services

13.16-Conflicts of Interests -

13.18-Penalties

13.18.1-Action to be taken by the Director

11.05.1-Dismissal for violation of Rule 13

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Attached are memos.



Daniel DeNardo

MEMORANDUM

State of Alaska

TO:

Thomas Williams
Director, Petroleum Revenue Division

DATE:

January 19, 1979

FILE NO:

TELEPHONE NO:

FROM:

Daniel DeNardo
Revenue Auditor I

SUBJECT:

Inquiry to Correct Personnel
Rules Violation

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

STATE
of ALASKA

MEMORANDUM

TO: Daniel DeNardo
Revenue Field Auditor I
Petroleum Revenue Division

DATE : January 22, 1979

FROM: Thomas K. Williams *TKW*
Director
Petroleum Revenue Division

SUBJECT: Your Request for a Meeting about
Personnel Rules Violations

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

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

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

Thank you for bringing the matter to my attention.

TKW

January 26, 1979

Tom Williams
Director, Petroleum Revenue


Dan DeNardo
Revenue Auditor

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

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

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

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

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

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

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

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

January 27, 1979

DEPARTMENT OF NATURAL RESOURCES STATEMENT
TO THE BLUE RIBBON COMMISSION
ON STATE EMPLOYMENT ACT

Ladies and gentlemen of the Blue Ribbon Commission,

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

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