

# MEMORANDUM

**State of Alaska**  
**Department of Administration**  
**Division of Personnel & Labor Relations**

**To:** Nicki Neal  
Director

**Date:** October 15, 2009

**From:** Cindy Gouveia *CG*  
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**Subject:** Petroleum Economic Policy Analyst Class Study

**Preamble:**

The Commissioner of the Department of Revenue (DOR) and the Director of the Tax Division requested creation of a new job class in early 2009. It is an offshoot of the Petroleum Economist (Economist) Study of 2008. The department submitted a position description to establish the new job class.

**Study Scope:**

The study addresses a single position whose work is not properly allocated to an existing job class.

**Study Contacts:**

The primary contact for this study was Jonathan Iversen, Director of the Tax Division. The Commissioner of Revenue also served as a contact to the Director of Personnel and Labor Relations and to the Commissioner of Administration.

**History of Job Class:**

This is a new job class, established October 16, 2009. Originally DOR requested that a third level be added to the Petroleum Economist I-II job class series. However, a review of the duties and responsibilities of the submitted position revealed that such an addition was not feasible. Rather, it was determined that a unique job class would need to be established.

**Class Analysis:**

The State's classification plan provides for the grouping of positions into job classes when they are sufficiently similar with respect to duties and responsibilities, degree of supervision exercised and received, and entrance requirements so that: 1) the same title can be used to clearly identify each position; 2) the same minimum qualifications for initial appointment can be established for all positions; 3) the same rate of basic pay can be fairly applied to all positions; and 4) employees in a particular class are considered an appropriate group for purposes of layoff and recall. Job classes should be constructed as broadly as is feasible as long as the tests of similarity are met.

This is a single position class, specific to the Department of Revenue. The Petroleum Economic Policy Analyst provides consultative services to DOR top management, including analysis, policy and regulatory development, regarding economic issues related to current and future petroleum activities. The Petroleum Economic Policy Analyst, serving as a chief advisor and consultant to the Commissioner of Revenue and the Director of the Tax Division, provides policy analysis on a wide variety of economic and taxation issues related to oil and gas activities in the State. It is distinguished from Petroleum Economist I or II, and Special Assistant to the Commissioner I or II, by its primary role as a petroleum economic policy advisor to executive management and top level administrators in DOR.

**Class Title:**

A class title should be the best descriptive title for the work. It is intended to concisely and accurately convey the kind and level of work performed and should be brief, easily recognized, gender neutral, and understood by potential applicants. Petroleum Economic Policy Analyst is the best descriptive title for the subject job class. In four words it illustrates, what is the essential nature of the work.

**Minimum Qualifications:**

The minimum qualifications established for a job class must relate to the knowledge, skills and abilities needed to perform the work and must not create an artificial barrier to employment of individuals in protected classes. Required training should be limited to the basic formal training that customarily prepares individuals for work in the field. Experience requirements are intended to ensure new employees can successfully perform the work after a period of orientation or familiarization. Required experience should be directly related to the actual duties of positions in the class and should not be equivalent to the work to be performed.

To ensure candidates have the knowledge, skills and abilities needed to succeed in the position the required qualifications include a bachelor's degree with major course emphasis in economics, accounting, public or business administration, petroleum engineering, industrial engineering or a closely related field and extensive professional economics experience focusing on the oil and gas industry. The minimum qualifications are directly related to those for the Petroleum Economist I and II, the classes most likely to provide experienced candidates for the Petroleum Economic Policy Analyst class.

**Class Code:**

A class code is assigned based on the placement of the job class in the classification schematic of Occupational Groups and Job Families. Occupational Groups are made up of related Job Families and encompass relatively broad occupations, professions, or activities. Job Families are groups of job classes and class series that are related as to the nature of the work performed and typically have similar initial preparation for employment and career progression.

Petroleum Economic Policy Analyst is assigned class code PD0224. This denotes its appropriate placement in the Economic Research family within the Government Management and Infrastructure occupational group.

**AKPAY Code:**

AKPAY codes are assigned to job classes for use in legacy computer systems which cannot use the six-digit Codes. AKPAY code K0065 is the next sequentially available alphanumeric designator. It is therefore assigned to the new class.

**Fair Labor Standards Act (FLSA):**

An employee in the position in this study is covered by the minimum wage and maximum hour provisions of the Fair Labor Standards Act of 1938, as Amended (FLSA). While exemption from the provisions of the Act are determined based on the specific circumstances of an individual employee on a work-week basis, there are general aspects of the classes and their influence on the exemptions for employees in bona fide executive, professional, or administrative positions that can be addressed in general.

This position meets the criteria for the Administrative Exemption by, 1) being compensated above \$455 per week; and 2) because the primary duty is directly related to the management of State of Alaska business practices by serving as the direct economic advisor on all matters oil and gas to the Department of Revenue Commissioner and the Director of the Tax Division. The scope of the primary duty and the assigned authority and level of discretion meet the FLSA Administrative Exemption.

**Salary Analysis:**

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

This new job class will be placed in the PD Government Management and Infrastructure occupational group which includes families of classes that advise on, administer, supervise or perform work related to the organization and development of government, infrastructure development, economic research, planning, and property management.

Within that larger occupational group is the PD02 Economic Research family. This job family includes classes of positions that administer, supervise or perform work that requires application of economics knowledge and analysis of economic data. Initial preparation for employment is typically through advanced education in economics with subsequent career progression based on progressively higher education or responsible experience.

The nature of the Petroleum Economist Policy Analyst, while related to the economic research work of the other classes in the PD02 family, is notably distinct. Its role is to serve as a highly specialized consultant and advisor to the executive management of the Department of Revenue and the Tax Division, without having managerial responsibilities over a group of subordinates. Thus it cannot be compared to supervisory positions in this family. It exceeds the level of the Petroleum Economist I (SR-20) and II (SR-22), and the Economist III (SR-20) by its primary

function as a policy analyst and advisor to top departmental management. It is therefore clearly beyond SR-22 work. It is below the Assistant Chief, Economic Research (SR-25) which has a broader scope of responsibility to supervise and coordinate regional staff. Therefore we must look beyond the PD02 family and the PD occupational group to find the better comparisons for this work.

The Special Assistant to the Commissioner I (SR-21) and II (SR-23) classes are unavoidable comparisons. Like the Petroleum Economic Policy Analyst, the Special Assistants to the Commissioner serve as assistants to the executive manager of the department. They perform substantive research and data gathering in support of executive level decision-making and management processes. However, they are not subject matter experts in a specialized area of knowledge such as petroleum economics. Nor do they serve as policy consultants and advisors at the level of expertise of the Petroleum Economics Policy Analyst. They are more generalists, who may serve as a department spokesperson to the legislature on any matter; develop and implement management systems and control mechanisms for department activities; advise and assist department executives and managers on administrative issues such as personnel, staffing, budget, and fiscal control; or act as a hearing officer in the resolution of complaints or appeals. While similarities exist, as detailed above, the Petroleum Economics Policy Analyst class represents a practitioner who possesses a highly specialized body of knowledge that can be used to provide expert consultative and advisory services to the department head.

In this way, the subject class is similar to the Natural Resource Specialist (NRS) V (SR-23) which is a chief policy analyst for the Division of Oil and Gas in regard to royalty-in-kind contracts, and other oil and gas leases, licenses, contracts, regulations, environmental policy and legislation; or is a single position that is the chief policy analyst for the Alaska Natural Gas Pipeline Coordinator's Office with respect to State and federal environmental policy, agency procedure, legislation, and regulation; or a single position that is the Division of Forestry's expert policy advisor on forest management and practices.

However, while the NRS V serves as a top policy advisor to the head of a division or office, the Petroleum Economics Policy Analyst performs this role not for a division head alone, but for the executive manager of the department i.e. the Commissioner of Revenue. And the subject area of the consultation and advice that the Petroleum Economics Policy Analyst provides is the one that supplies in excess of 70% of the current state revenues (oil), and with the construction and operation of the upcoming gas line, will be the primary source of future state revenues (gas). Simply put, oil and gas production is the primary source of revenue that enables state government to function.

Thus the vital nature of the work, reporting relationships, placement in the organizational hierarchy, and specialized nature of the work indicate that this is beyond SR-23 work. Assignment of SR-24 for the subject job class is a logical recommendation. The work of this new job class, is similar to SR-23 job classes, yet is of a higher level.

At SR-24 we have a similar, specialized, non-manager class in the Geological Scientist II, in which incumbents serve as high-level technical experts, research scientists, and expert witnesses

in one or more specific geologic sub-disciplines; where they and their work further the understanding of executive decision-makers, assist in achieving inter-agency communication and knowledge transfer, and serve as expert witnesses.

The classes which are assigned SR-24 represent a rarified level of the classified service in state government. At this level, the work usually, but not always, includes substantial supervisory responsibilities including serving as a section chief or higher. Nonetheless, for all the reasons detailed above, SR-24 emerges as the logical salary range assignment recommendation for Petroleum Economic Policy Analyst.

**Conclusions:**

The Department of Revenue has asked for a job class to be created between the Petroleum Economist II (SR-22) and the Assistant Chief, Economic Research Group (SR-25).

The Petroleum Economic Policy Analyst class is established at salary range 24.

PCN 043285 is reclassified to Petroleum Economic Policy Analyst. The position is moved from the Supervisory Unit to the General Government Unit. An employee in the position is exempt from the overtime provisions of the FLSA.

These actions are effective October 16, 2009.

Correspondence on the allocation of PCN 043285 is being distributed through the OPD system.

Attachment:

Final Class Specification

cc: Patrick Galvin, Commissioner  
Department of Revenue

Annette Kreitzer, Commissioner  
Department of Administration

Jonathan Iversen, Director  
Tax Division  
Department of Revenue

Sharon Dick, Human Resources Manager  
General Services Service Center  
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