

ALASKA STATE PERSONNEL BOARD MEETING

May 25, 2017

8:30 A.M.

Frontier Building

3601 C Street, Conference Room 934

Anchorage, Alaska

In person:

Al Tamagni, Chair

Dr. Keith Hamilton, Board Member

Johanna Hickel, Board Member

Kate Sheehan, Secretary to the Board/Director, Division of Personnel & Labor Relations

David Jones, Attorney V, Department of Law

Maria Bahr, Attorney IV, Department of Law

Clare Sullivan, Deputy Commissioner, Department of Corrections

William Vajda, Chief Information Officer, Office of Information Technology

Jim Steele, Deputy Chief Information Officer, Office of Information Technology

Catherine Hatch, Communications Manager, Office of Information Technology

Annie Knight, APEA Union, Field Representative

Brian Penner, APEA Union, Southcentral Regional Manager

Present by teleconference:

April Wilkerson, Administrative Services Director, Department of Corrections

Kimberley King, Human Resource Consultant V, Department of Health & Social Services

Division of Personnel & Labor Relations staff present by teleconference:

Nancy Sutch, Deputy Director

Pam Day, Human Resource Consultant V

Kim Garrett, Human Resource Consultant IV

Keith Murry, Human Resource Consultant IV

Tres Causey, Human Resource Consultant II

Sophie Lager, Human Resource Consultant II

Sharon Mondich, Human Resource Consultant II

Kirk Thorsteinson, Human Resource Consultant II

Jeff Hahnen, Human Resource Consultant I

1. CALL TO ORDER

Chairman Tamagni called the meeting to order at 8:32 a.m.

2. APPROVAL OF AGENDA

The agenda was moved and approved.

3. APPROVAL OF MINUTES

The minutes of the November 03, 2016, meeting were moved and approved.

4. ETHICS DISCLOSURE – PERSONNEL BOARD MEMBERS

The board members had no disclosures or conflicts of interest that they were aware of.

5. EXPANSION OF THE PARTIALLY EXEMPT SERVICE

Deputy Commissioner Clare Sullivan explains the justification for moving PCN 20-5675 for Deputy Director to the partially exempt service. They've received approval from the Chief of Staff to establish the position. They have sacrificed two positions in order to create this position. Classification has already approved the duties of the Deputy Director. Deputy Commissioner Sullivan stated that given there's an expanded role of the department under SB91. This position will be expected to reach out to communities, deal with external agencies, and handle a lot of complex tasks at a senior level that was not being done under the prior Deputy Assistant Director. The previous position focused on the internal department institutions audits and such but this position now will have a far more reaching responsibility in the communities and across the state. Chairman Tamagni stated that it sounds like this change is a result of moving away from an operation that is more fragmented to one that is more consolidated. Deputy Commissioner Sullivan stated that the intent was more about having a position with oversight over 12 or 13 different institutions to try and smooth the operations for them all, as well as the ability to work with the community and different departments. Board Member Dr. Hamilton asked what two positions were discontinued and if it was for financial reasons. Deputy Commissioner Sullivan confirmed it was for financial purposes to eliminate those positions. One position was the superintendent of Mat-Su Pre-Trial facility. Director April Wilkerson stated that the second position eliminated was a global Administrative Officer II within the Division of Institutions. The board approved PCN 20-5675.

PCN 025183, Project Manager for Shared Services, was removed from consideration during this meeting.

Deputy Chief Information Officer Jim Steele explained that the Chief and the Deputy Chief Information Officer positions (PCN 02-T183 and 02-3001) are formed by Administrative Order 284, which consolidates the State of Alaska's information technology (IT) services into the Office of Information Technology (OIT). Chairman Tamagni asked what the corresponding range and pay assigned to these positions would be. Keith Murry, the class studies supervisor for Classification, explained that they have a proposed range for these positions but that their analysis has not been finalized. The board approved PCN 02-T183.

Chief Information Officer William Vajda explained to the board that Administrative Order 284 restructures the State's IT services from individual department controlled services to a single consolidated section. For thirty years the State has had individual IT managers spread across all departments, which allowed for inconsistencies to develop. About 15 IT managers will still exist in each department to focus on their individual department needs but the new OIT positions will help ensure that all policies and procedures are consistently applied across all departments in a way that wasn't being done in the past.

Board Member Dr. Hamilton asked if there has been a cost analysis done by the State to see how much money might be saved by this reorganization. Chief Information Officer William Vajda said that the five Chief Information Officer positions replace seven other positions resulting in the same or less cost. There have been a couple analyses done and the projection is that this consolidation could result in a 30% reduction in IT costs. Annie Knight asked a question about the 15 IT managers and where they would report. Mr. Vajda replied that those people will still continue to exist in the department and will continue to focus on commodity IT services. The first phase will focus on consolidating commodity IT services such as email and infrastructure connections for the network. The positions who focus on things like fish biology research will continue to report to their department during this phase. Once the first phase has been successfully implemented then another phase will be implemented to consolidate more IT services. The board approved PCN's 02-3001, 02-6301, 02-6400, 07-5080, 02-5174 and 02-X069.

Keith Murry, Class Studies Supervisor, explained that PCN 02-8135, Economist III, will need to be a specialist in health care with health insurance policies and their effect on costs. The position will look for ways to assist the State's health insurance planners in developing more health insurance programs that will save money in the future. The reason for this position to be in the partially exempt service is because of the difficulty in finding the mixture of knowledge and skill that is both health care and economics. Prior recruitment difficulties have shown that this type of high level position will be difficult to fill. Director Kate Sheehan went over recent changes to the State of Alaska's health insurance plans that were needed due to the rising cost of health care and explained that this position would be a key part of any changes going forward. The board approved PCN 02-8135.

6. REVIEW OF QUARTERLY ETHICS REPORTS AND SUBMITTAL COMPLIANCE

The board made note that they only have quarterly ethics reports through the second quarter of 2016 and are missing more current reports. Board Member Hickel pointed out that the Veterans Advisory Council and the Wood-Tikchik State Park Management Council consistently fails to provide their ethics reports. Chairman Tamagni asked if they could issue them a fine for failing to report and Attorney David Jones stated that they do not have that authority but they could put pressure on these two agencies to try and get them to comply. Chairman Tamagni stated that if these agencies continue to not submit these reports that the employee's responsible for this function should face disciplinary action for failure to perform a required function of their position.

Board Member Hickel asked about the Department of Environmental Conservation ethics determination outlined in the 2016 Second Quarter Ethics Report where the state employee explained that she spent time working while attending a personal training seminar but did not claim any of this work time on her timesheet. The determination goes on to address the ethics complaint but does not address the financial liability that the State incurs by having an employee

work but not claim that time on their timesheet. Attorney David Jones stated that if this employee is a non-salaried classified employee then they should be paid for time worked but that he did not work on this report and could not answer specific questions. Board Member Hickel stated that in the future for a situation like this it will be helpful if the report stated that this person was not due compensation for their time worked or that their time worked has been compensated in accordance with the pay procedures governing that position.

7. EXECUTIVE SESSION UNDER AS 44.62.310(c)(3)

The Personnel Board went into executive session at 9:02 a.m. to review the confidential ethics case logs.

8. UPDATE FROM THE DIRECTOR OF PERSONNEL & LABOR RELATIONS

Director Kate Sheehan stated that they've been recently bargaining with six unions. The State has reached an agreement with the Public Safety Employees Association that represents the State Troopers, Court Services Officers and Airport Police and Fire Officers. Those monetary terms have been submitted to the legislature for their approval. An agreement has also been reached with the Alaska Vocational Technical Center Teacher's Unit and those monetary terms have also been submitted to the legislature for approval. The State continues to bargain with the three marine unions: Marine Engineer's Beneficial Association, International Organization of Masters, Mates, and Pilots, and the Inlandboatmen's Union representing the Unlicensed Marine Unit. The State also continues to bargain with the Teachers' Education Association of Mt. Edgecumbe.

Layoffs will be taking place effective July 1st due to the budget situation. At this point we still don't have a budget so there is the possibility that layoff notices will be sent to approximately 18,000 state employees. There was discussion about the amount of time and cost spent on this effort.

Board Member Hickel asked how the negotiations were going and Director Sheehan answered that she wasn't sure that an agreement would be reached with the marine unions. The State is looking at not giving any pay increases for these unions but they don't have merit steps or pay increments like other State employees, and rely on cost of living adjustments. Work rules are also something that that marine unions and the State constantly go back and forth on during negotiations. With the teacher unions Director Sheehan is hopeful that they will reach an agreement soon.

Chairman Tamagni asked about the monetary factors around the contracts that the State has agreed upon. Director Sheehan said that for the Alaska Vocational Technical Center Teacher's Unit they do not have cost of living adjustments and their pay is different than most other State employees. Their pay is set up like most teachers in that it is based on time, experience, and education. The biggest thing to come out of their negotiation was an employee contribution towards the economy health insurance plan. In the past, the employee only contributed towards the standard and premium plans but the State has always paid the full

contributions towards the economy plan; now the union agreed to pay 15% of the employer contribution for the economy plan. The Public Safety Employees Association is suffering from a recruitment and retention problem. State Troopers pay significantly less than the Anchorage police department, so to help with this problem the State has agreed to provide a 6% cost of living adjustment. They've also implemented a cap on their pay increment steps to end at R step so that they can no longer continue to earn increases indefinitely. They also bargained language regarding a rate for the health trust so it is evenly funded.

9. OTHER MATTERS THAT MAY COME BEFORE THE BOARD

None.

10. ADJOURNMENT

The meeting adjourned at 9:15.