

**Classification System Conversion**

**FY2012 Request: \$500,000**

**Reference No: 51590**

**AP/AL:** Appropriation

**Project Type:** Research / Studies / Planning

**Category:** General Government

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Cheryl Lowenstein

**Estimated Project Dates:** 07/01/2011 - 06/30/2016 **Contact Phone:** (907)465-5655

**Brief Summary and Statement of Need:**

The Division of Personnel will use the services of a contractor to assist in converting its current position classification system (whole job method) to a point factor system which will reduce staff processing time and the number of staff required to perform the classification function.

<b>Funding:</b>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Total</u>
Gen Fund	\$500,000						\$500,000
<b>Total:</b>	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

No previous funding requested

**Project Description/Justification:**

The State of Alaska's Classification Plan covers positions in the classified and partially exempt (PX) service. The State currently uses the Whole Job Method that involves comparative analysis by which the full duties of a position are evaluated in order to determine the proper allocation of a position to a job class and a job class to a salary range. The current classification system is over 40 years old. While it has served its purpose, much has changed in regard to best practices.

Our current classification plan includes 1,077 job classifications. A recent salary survey conducted on behalf of the State revealed that other state governments average 828 job classifications and all have substantially more employees than the State of Alaska. The large number of job classifications in addition to the method of classification used, makes the process overly cumbersome and contentious, something all departments have complained of for some time.

In keeping with the short and long-term goals set forth in Administrative Order No. 237, the Division of Personnel and Labor Relations is proposing to substantially reduce the number of job classifications in addition to procuring the services of a contractor to convert the current classification method to a point factor evaluation system.

A point factor evaluation system uses defined compensable factors and levels within each factor to establish the value of a position. Factors represent the requirements, responsibilities, and conditions

used to measure the relative value of the particular job being evaluated. The importance of each compensable factor is indicated by its relative weight. Position descriptions are compared to the definitions of the factor levels to determine the appropriate level for that position. The corresponding points for that level are awarded to the position and the points for all factors are combined to derive a total score. The total score determines the salary rate for the position.

The following advantages and disadvantages are commonly mentioned for the point factor method of job evaluation in job analysis training materials:

#### Advantages

- It is relatively reliable;
- It is relatively objective;
- It is easy to evaluate new or revised positions;
- Compensable factors can be tailored to the state's internal value system.

#### Disadvantages

- It is expensive to develop or purchase;
- It is time-consuming to maintain given that factors and levels within a class must be developed each time a job classification is developed or modified. NOTE: Although this is a disadvantage commonly attributed to this method, given the complexity of our current method and the large number of job classifications currently maintained, it is extremely unlikely that ongoing maintenance will require more resources than currently devoted. In fact, it is likely to require less.

#### Expected Results

- Fewer resources will be devoted to position allocations.
- Additional staff time developing specific factors and levels within a class will be offset by the need for fewer studies.
- Less disagreement regarding the appropriate job classification and salary range assignment.