

RECORD

PERSONNEL COMMITTEE

9.16.2013, 11:45 p.m., Little Rock Headquarters

The meeting was called to order by Chairman Pickard, who noted the presence of members Commissioners Lamberth, Scott and Baldrige. Also present were Director Woosley, Internal Auditor Brown, HR Director Valerie Basham and staff members Block, Vick and others.

The first item for discussion was a follow-up to the August 26 committee meeting, during which Commissioner Pickard tasked Mr. Brown and Ms. Basham to poll other state agencies regarding the periodicity of the respective agencies' personnel evaluations. Mr. Brown reported that he and Ms. Basham had talked to the Department of Finance & Administration, the Game & Fish Commission, the State Highway Commission, and to various institutions of higher learning. He stated that there are no set standards for personnel evaluations, and that each agency conducts them differently. He said that one agency doesn't even have a formal performance evaluation process – that all merit recommendations are based on supervisor input. Another agency conducts its performance reviews closer to the end of the fiscal year, when merit pay is awarded. Commissioner Pickard asked Mr. Brown and Ms. Basham if they had any opinion about the ALC process and if they had any suggested changes. Mr. Brown said that, speaking as an employee in the private sector in the past, his evaluations were always tied to the next merit decision.

Commissioner Scott asked if any state agency performed 360 evaluations, that is, evaluations in which subordinates give input that could tie to merit pay. Mr. Brown and Ms. Basham both agreed that there were no state agencies that performed that type of evaluation. Mr. Brown explained that perhaps that was because there are statutes which dictate the parameters of the evaluation process. He said that most agencies modeled their evaluations on the law, although there were disparities in practice.

Commissioner Pickard made a motion to change the ALC evaluation period to have an end of May deadline for the current fiscal year, with merit recommendations payable on the last payday of the current fiscal year. The motion was seconded by Commissioner Lamberth and the motion passed unanimously.

Next, Commissioner Pickard addressed the dilemma of ALC employees who had already received evaluations at the end of June 2013 on which FY14 merit pay would be based, but who would also be receiving evaluations in May 2014. He recommended that those employees receive the higher of the two scores on which to base FY14 merit pay. After some discussion, the committee deferred making an immediate decision on the matter, and Commissioner Pickard asked that Chief Legal Counsel Block and CFO Fetzer draft language that would properly convey the intent of his recommendation.

Continuing the subject of employee evaluations, Commissioner Pickard said that he had asked Mr. Brown to research ALC employee rating levels, and he inferred from the statistics that the ALC evaluators were in need of training. He stated that approximately 50% of ALC employees

had been placed in the highest rating category, with the majority of those remaining receiving the next highest rating. He recommended that the evaluators receive additional training before the next evaluation period.

Commissioner Scott asked about the time-frame for filling the Public Affairs Director position.

Director Woosley stated that he was awaiting a recommendation from the ALC Chair.

Commissioner Baldrige said that Chairman Hammons had asked her to pass along to the committee the information that she had provided to him regarding her previous position [as ALC Public Affairs and Legislative Relations Director] when he asked her to explain the different facets of the job. She said that she had been hired for the position in the middle of 2009 and brought to the Lottery her newspaper, press relations and legislative experience.

Subsequently, Director Woosley was hired, and he also had legislative experience. She said that in 2009 there was much greater need for that type of experience due to the newness of the agency, but that legislative work has since fallen off. She added that during legislative sessions, legislators prefer to see the ALC Director representing the Lottery, and Lottery vendors Intralot and Scientific Games have excellent lobbyists whose positions support ALC.

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Commissioner Pickard reminded the committee that there is a requirement that any position which pays above \$80,000 must go through the personnel committee before being advertised.

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The next Personnel Committee meeting will be on October 16, 2013, immediately following the ALC meeting.

There being no further business, the meeting was adjourned.

1. Any merit bonus paid to an employee in **CY2014** will be based upon the higher performance category percentage received by that employee as between his/her **FY2013** and **FY2014** performance evaluations.
2. Any merit bonus paid to an employee in **CY2015** will be based upon the employee's **FY2015** performance evaluation.
3. This process will continue in all following years.