

MINUTES

STATE EMPLOYEE PAY PLAN OVERSIGHT COMMITTEE

December 5, 2011
Room 152-S—Statehouse

Members Present

Senator Vicki Schmidt, Chairperson
Representative Annie Tietze, Vice-chairperson
Senator Laura Kelly
Representative Randy Garber
Steve Anderson, Director, Division of Budget
Steven Kearney

***Ex Officio* Members**

Karin Brownlee, Secretary of Labor (represented by Justin McFarland)
Dennis Taylor, Secretary of Administration

Member Absent

Representative Charles Roth

Staff Present

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Jim Wilson, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Ann McMorris, Committee Assistant

Charge

The purpose of the Committee is to study the progress made in the development, implementation, and administration of the new classified state employee pay plans and the associated performance management process. The Oversight Committee is required to report annually to the Legislature. The Committee will sunset on July 1, 2014.

LCC Assigned Topics

- Study the effects of the classified state employee market pay adjustments for Fiscal Year 2010 and Fiscal Year 2011; and

- Evaluate whether such pay adjustments accomplished the goal of having classified state employees paid comparable salaries and fringe benefits when compared to private sector employees.

Chairperson Schmidt opened the meeting and introduced Steven Kearney, member newly appointed to the Committee by the Governor.

Approval of Minutes

Senator Kelly moved, seconded by Mr. Anderson, to approve the minutes of the November 3, 2011, meeting of the State Employee Pay Plan Oversight Committee. Motion carried (Attachment 1).

Salary Survey Methodology

Kraig Knowlton, Department of Administration, reviewed the methodology used when conducting salary surveys in accordance with KSA 75-2938 and KSA 75-5551. He discussed the process by which the surveys are conducted (Attachment 2).

Additional Requested Information

Ken Otte, Department of Administration, provided the following information, which was requested at the November 3, 2011, Committee meeting:

- 5,724 - number of employees (30 percent) have not received any market adjustments;
- 87 percent - classified employees paid below market;
- \$47.3 million – total spent on market adjustments in FY 2009, FY 2010, FY 2011;
- \$56.7 million – cost estimate to achieve 90 percent market; and
- \$126.7 million – cost to fully align with market.

Other information provided included: chart giving days of annual leave accrual by years of services; the number of paid holidays in eight states, and a listing by class where employees have not received market adjustments (Attachment 2).

Market Adjustment by Fiscal Year

The Department of Administration prepared a listing of classifications covered in market adjustment for FY 2008, FY 2009, FY 2010, and FY 2011 (Attachment 3).

Employee Compensation Comparison

The Department of Administration added several columns to this document to provide additional information on the 2006 Hays Findings to the most current results. Columns added were: State Emp. 2006 - # Emp. & Avg. \$; Current State Emp. - # Emp. and Avg. \$; % Change Emp. Avg. (Attachment 4).

Employee Benefits Study

Dylan Dear, Kansas Legislative Research Department, discussed the summary of findings on pages eight, nine, and ten of the Employee Benefits Study on Market Competitiveness (Attachment 5).

Federal Bureau of Labor Statistics

Inayat Noormohmad, Kansas Department of Labor, briefed the Committee on the use of Federal Bureau of Labor Statistics in the salary survey process. This process is used on standard and classified jobs, and is the same in all 50 states. A book entitled "Standard Occupational Classifications Manual 2010" provides the basis for all states. He agreed to prepare written testimony of the information he discussed (Attachment 6).

Committee Deliberation and Recommendations

Chairperson Schmidt asked the members to consider funding of the market adjustments plan for FY 2012 and FY 2013.

Vice-chairperson Tietze read the charge to the Committee and asked whether progress is being made. After considerable discussion and a consensus that progress has been made, the Committee recommended as follows:

Recommendation made to request the legislative committee that deals with these funding issues to reinstate funding for the market adjustments plan at up to 7 ½ percent; and the information prepared by the Department of Administration in Attachment 2 be included in the funding request.

The Chairperson asked for a vote – Voted in favor by majority. *Representative Garber and Mr. Anderson requested their "NO" votes be recorded.*

The meeting adjourned.

Prepared by Ann McMorris
Edited by Dylan Dear

Approved by the Committee on:

January 17, 2012
(Date)