

## **MINUTES**

### **STATE EMPLOYEE PAY PLAN OVERSIGHT COMMITTEE**

January 13, 2010  
Room 159-S—Statehouse

#### **Members Present**

Representative Pat George, Chairperson  
Senator Vicki Schmidt, Vice-chairperson  
Senator Laura Kelly  
Representative Charles Roth  
Carol Foreman, Deputy Secretary, Department of Administration  
Jane Carter, Kansas Organization of State Employees  
Jim Garner, Secretary, Department of Labor

#### **Member Absent**

Representative Tom Hawk

#### **Staff Present**

Alan Conroy, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Jim Wilson, Office of the Revisor of Statutes  
Shirley Jepson, Committee Assistant

#### **Conferees**

Ken Otte, Division of Personnel Services, Department of Administration  
Kraig Knowlton, Division of Personnel Services, Department of Administration

#### **Other Attendees**

See attached list.

The meeting was called to order at 3:05 p.m. by Chairperson Pat George, who explained that the Committee was established in legislation to oversee the five-year implementation of the new State Employee Pay Plan and provide a yearly report to the Legislature.

## **Report on the Survey of Group Two Employees**

Ken Otte, Division of Personnel Services, Department of Administration, presented a report on the Survey of Group 2 Employers (Attachment 1). Mr. Otte explained that the survey was sent to approximately 800 city and county organizations in the eight surrounding states, including Nebraska, Iowa, Missouri, Arkansas, Oklahoma, New Mexico, Colorado, and Wyoming. They realized an approximate return rate of 20 percent on the survey. If fewer than four responses were received for a specific classification, the survey was sent to additional employers. In incidents where there were questions concerning the comparison of the level of work or type of work performed, phone calls were made to verify that similar job duties were being compared. Some classifications require certain certification; however, the survey did not take educational requirements into consideration. Mr. Otte explained that in some cases, they were unable to find any matches for a job classification; however, will continue to strive to obtain comparable data. In those cases where no outside data was available, state data will be used. The goal of the survey is to establish a market rate for each classification.

*Jane Carter moved to accept the recommendations as presented in the survey. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.*

## **Update on Status of Implementation of New State Employee Pay Plan**

Kraig Knowlton, Division of Personnel Services, Department of Administration, presented an update on the status of implementation efforts for Groups 1 and 2 of the new State Employee Pay Plan as well as the new Performance Management Process (PMP) for the state (Attachment 2). Mr. Knowlton stated that the three-year program is progressing on schedule at this time. The focus of efforts during FY 2010 has been on Group 2 with a comprehensive review of every position allocated to a classification assigned to Group 2. The other major effort was the required annual salary survey for one-third of the state's workforce. Agencies were informed of the recommendations of the Classification Review Teams for the 8,650 positions that were reviewed within the nearly 150 classifications assigned to Group 1 in June 2009. The agencies were provided an opportunity to appeal any of the recommended allocations that were proposed as well as make comments and suggestions with respect to the proposed new job classifications. Staff from the Division of Personnel Services (DPS) are currently in the process of reviewing the responses from agencies with resolution of all issues planned no later than March 2010.

The new Performance Management Process (PMP) was implemented in October 2009. Staff has conducted several train-the-trainer sessions for agency trainers and human resource staffs. All classified employees were to have had their performance planning meetings under the new process sometime between October 1 and December 31, 2009. It is anticipated that by January 2011, the entire workforce will have had a full year's experience with the new PMP and all classified employees will have had a performance evaluation.

The Committee expressed concern of whether the evaluation program is being implemented as planned by the legislation. The Committee noted that it is important to have data that shows that the evaluation process is working; all trainers are providing the appropriate training; and a program is built into the system to provide oversight of supervisors. The Committee expressed concern that

the evaluation form is too long, and whether it could be consolidated. Mr. Knowlton noted that these concerns will be reviewed.

## **Budget Concerns**

Mr. Knowlton stated that the pay plan calls for the market adjustment for state employees in Group 2 as well as moving a large number of state employees to the new pay plan in FY 2011. This move would present a substantial impact to the state budget because of the large number of employees. It is anticipated that funding the move to the new pay plan would require approximately \$5-\$6 million of which approximately \$3 million is from the State General Fund (SGF). This would be in addition to the \$8.5 million needed to bring Group 2 to market pay.

The Governor's FY 2011 budget advocates funding the market adjustment for Group 2 in the amount of \$8.5 million. The Governor's FY 2011 budget does not provide funding for the pay adjustment for Group 1.

The Committee discussed the possibility of recommending the funding of bringing Group 2 to market pay and delay the implementation of the pay plan until the state is in a better financial position to fund the pay plan adjustment. Some members of the Committee had concerns that delaying the implementation of the pay plan would result in a negative to state employees. The Committee noted it is important to maintain the integrity of the program, and yet address the reality of the current state finances.

Mr. Knowlton stated it is important to continue to move state employees' salaries to market; however, indicated that a delay or pause in implementing the pay increase because of the state's financial condition would not be detrimental to the program. Mr. Knowlton noted that the market adjustments are the real key to moving the program forward.

## **Committee Action**

*Senator Kelly moved to adopt the recommendation of the appropriation of \$8.5 million to implement market adjustments for Group 2 of the state employees and delay moving employees in Group 1 to the steps in the new pay plan for one year. The motion was seconded by Representative Roth. Motion carried on a voice vote with one "no vote."*

Jane Carter stated that she could not support the motion because it appeared the action did not support the integrity of the program and was unfair to the employees of the State of Kansas.

The meeting was adjourned at 4:15 p.m. The next meeting of the Committee will be "on call of the Chair."

Prepared by Shirley Jepson  
Edited by Cody Gorges

Approved by Committee on:

January 29, 2010

(Date)