

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Sharon Schwartz at 9:00 A.M. on January 23, 2008, in Room 514-S of the Capitol.

All members were except:

Representative Pat George - excused

Committee staff present:

Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Reed Holwegner, Legislative Research Department  
Cody Gorges, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Nobuko Folmsbee, Revisor of Statutes  
Nikki Feuerborn, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Neville Kenning, Hay Group  
Carol Foreman, Department of Administration  
Kathy Greenlee, Secretary, Department on Aging

Others attending:

See attached list.

- Attachment 1 2008 House Budget Committee Deadlines
- Attachment 2 Overview of Pay Plan by Hay Group
- Attachment 3 Proposed Implementation Schedule for Pay Plan
- Attachment 4 Follow-up Response to Committee Questions from Department on Aging

### Introduction of Legislation

Representative Bethell moved to introduce legislation for two bills: (1) concerning the transfer of nurses aide registry from the Department of Health and Environment (KDHE) to the Board of Nursing; and (2) transfer of surveyors of long-term care units of hospitals from the Department of Health and Environment to the Department on Aging. The motion was seconded by Representative Holmes. Motion carried.

Representative Feuerborn moved to introduce legislation concerning retirement and pensions for nurses at state hospitals and juvenile justice system. The motion was seconded by Representative Bethell. Motion carried.

### 2008 House Budget Committee Deadlines

Reed Holwegner, Legislative Research Department, provided the Committee with copies of the 2008 House Budget Committee deadlines for submitting their respective agency budgets to the full Appropriations Committee (Attachment 1).

### Review of Proposed Pay Plan

Chair Schwartz recognized Neville Kenning, Hay Group, who presented an overview of the Pay Studies performed by the Hay Group for the 2008 Legislature (Attachment 2). Mr. Kenning stated that the first phase of the project was to conduct a salary survey of private businesses and governmental agencies to analyze salary ranges and actual salaries. From these surveys, the market value of salaries was determined. Mr. Kenning noted that the survey concluded that the salaries of the classified staff were 8 - 10 percent behind the market. In addition, 33 percent of the classified staff was assigned to Step 5 of the current pay plan and not in line with the market. The Hay Group recommends the establishment of five pay plans for the State's classified staff:

## CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on January 23, 2008 in Room 514-S of the Capitol.

- Management Pay Plan
- Professional Individual Contributor Pay Plan
- Protective Services Pay Plan
- Basic Vocational Pay Plan
- General Classified Pay Plan

Responding to questions from the Committee, Mr. Kenning stated that the survey by the Hay Group did not look at unclassified staff, employee benefits or productivity. Mr. Kenning noted that the salaries of a few classified positions are above the market average.

Carol Foreman, Department of Administration and Chair of the Pay Commission, continued the discussion and explained that the charge of the Commission was to review overall compensation of state employees and make recommendations for a new pay plan to retain and attract talented workers (Attachment 2). The Commission adopted the following recommendations:

- Transfer from the current matrix to five matrixes.
- Implement the new pay plan over a 5-year period.
- Perform market studies on one-third of the classified staff each year to maintain salaries within the market.
- Develop and implement a new statewide evaluation tool.
- Identify positions as under market and bring those positions to market within the 5-year period.
- Establish a commission to oversee the implementation of the new pay plan.

The Commission presented its findings and recommendations to the Legislature's Special Committee on the State Employee Pay Plan. Ms. Foresman stated that the proposed pay plan is supported by state employees and state agencies. The cost for the base pay with benefits in the new plan will cost an estimated \$84 million over the 5-year period. Ms. Foresman indicated that future market studies are anticipated to keep the pay plan on target. The new pay plan does not address regional differences between the various parts of the State.

A copy of the Proposed Implementation Schedule for the Pay Plan was distributed to the Committee (Attachment 3).

### **Department on Aging**

Kathy Greenlee, Secretary, Department on Aging, informed the Committee that a report resulting from a study performed by the University of Kansas on the demographics of seniors across the State and entitled "Planning for Long-Term Care Services in Kansas" is available from the University of Kansas and may be of interest to Committee members.

Ms. Greenlee introduced Bill McDaniel, Commissioner of Program and Policy, Department on Aging, who presented a follow-up response to questions of Committee members at the joint meeting of House Appropriations and Senate Ways and Means Committees pertaining to the budget review on December 17, 2007 (Attachment 4). Most of the questions were directed at the Medicaid program and included trends in nursing homes as well as home-based services, number of residents, cost trends in the waiver program and information on the Program of All Inclusive Care for the Elderly (PACE) program. Mr. McDaniel noted that there is an increase in the use of home-based services by the elderly.

The meeting was adjourned at 10:40 a.m. The next meeting of the Committee will be held on January 24, 2008.

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Sharon Schwartz, Chair