

Approved February 5, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR MERRILL WERTS, VICE CHAIRMAN at
Chairperson

11:00 a.m./~~p.m.~~ on February 3, 1988 in room 123-S of the Capitol.

All members were present except:

Senators Bogina and Harder were excused.

Committee staff present:

Research Department: Scott Rothe, Russ Mills, Ed Ahrens
Committee Staff: Judy Bromich, Nedra Spingler, Secretary Pro Tem

Conferees appearing before the committee:

H. Edward Flentje, Secretary of Administration

The Vice Chairman introduced the Secretary of Administration, Ed Flentje, who reported on the classified salary plan revisions and the job rate reclassification study as they relate to the Governor's budget.

Secretary Flentje stated that the salary survey related to Phase III of the reclassification study. The options of implementing Phase III of the reclassification study with a 1% cost of living salary increase or a 4% cost of living increase across the board with a one-step increase and a longevity bonus were considered. After assessing recent compensation raises, the Governor's conclusion was to recommend the latter option for classified employees. The Secretary said this, if adopted, will be the best compensation package state employees have had for some time. The cost to reclassify all Phase III positions would have been \$16 to \$19 million. There is no plan to reclassify Phase III positions this year although nurses and certain health care professional positions in this Phase were advanced. He noted that the 4% COLA recommendation was built into the base budget which the Governor proposes, with the longevity provision being a separate line-item. He said that all salary recommendations would be in the budget for each agency.

There was discussion regarding health care benefits for state employees. The Secretary stated that a national search for an experienced health care benefits management position is being made and should be filled soon. Advisory committees are set to start in April to formulate recommendations for 1989.

The Secretary said there is a supplemental request in the Governor's budget that will address, for 1989 and one-half of 1988, the shortfall caused by changes in benefits for employees, amounting to \$7 million from the General Fund.

With regard to a possible self-insurance program for the State, Secretary Flentje said he did not want to implement such a plan without a legislative study to understand the aspects and risks. He believed the benefits manager would have helpful expertise in this matter. A member noted the many constituent concerns regarding their increased state health care insurance costs under the new formula. The Secretary said Kansas' costs are still lower than many other states.

The Secretary stated that before a possible "cafeteria" type health care plan be considered the State should have a benefits manager in charge of all aspects of the benefits package to consolidate them and stabilize the program. He would have more expertise on the merits of a "cafeteria" plan.

With regard to the Judicial pay plan, Secretary Flentje said he has discouraged his staff from getting involved in the issue as the Judiciary has a separate pay plan. He preferred not to comment on it.

The minutes of the meeting of February 1, 1988, were approved.

The meeting was adjourned at 11:45 a.m.

