

Approved: 3-7-97

Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 24, 1997 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Mark Burenheide, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Janet Henning, Committee Secretary

Conferees appearing before the committee: Bill McGlasson, Director of Personnel Services, Department of Administration
Fred Boesch, Chief Information Architect, Department of Administration
Colonel Jonathan Small, Judge Advocate General, Kansas National Guard
Major General James Rueger, Adjutant General, Kansas Army National Guard

Others attending: See attached list

It was moved by Senator Salmans and seconded by Senator Salisbury that bill draft 7 RS 1123 be introduced as requested by Senator Corbin. The motion was carried on a voice vote.

It was moved by Senator Salmans and seconded by Senator Salisbury that bill draft 7 RS 1125 be introduced as requested by Senator Corbin. The motion was carried on a voice vote.

It was moved by Senator Feleciano and seconded by Senator Salmans that bill draft 7 RS 1138 be introduced as requested by Kathleen Sebelius, Insurance Commissioner. The motion was carried on a voice vote.

Senator Feleciano moved, Senator Salmans seconded, that minutes for February 17, 18, and 19 be approved. The motion carried on a voice vote.

SB 362: State officers and employees, unclassified positions

Mr. Bill McGlasson, Director, Division of Personnel Services, appeared before Committee members in support of **SB 362 (Attachment 1)**. Mr. McGlasson stated this legislation would change the status of Information Resource Manager III (IRM III) positions from the classified to the unclassified service when they become vacant. The classified status of employees currently in IRM III positions would not change.

Mr. Fred Boesch, Chief Information Architect, Department of Administration, appeared before Committee members in support of **SB 362 (Attachment 2)**. Mr. Boesch told Committee members the State of Kansas is encountering greater than normal difficulty obtaining qualified candidates for information systems positions. Mr. Boesch further testified the economy is robust with particularly heavy expansion taking place in telecommunications and the year 2000 problem is draining the market for programmers, project managers, and other technical positions. Information Resource Manger III positions are key leadership and information technology management positions. Questions from Committee members regarding **SB 362** were answered by Mr. McGlasson and Mr. Boesch.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 24, 1997.

motion be withdrawn. The original motion carried on a roll call vote.

SB 210: Exchange of real estate by Kansas military board

Colonel Jonathan Small, Judge Advocate General, Kansas National Guard introduced Major General James Rueger, Adjutant General, Kansas Army National Guard (KSARNG), who spoke to Committee members in support of **SB 210**. Major Rueger informed the Committee that the Kansas Regional Training Site for Maintenance (RTSM) is the training facility for maintenance Military Occupational Specialty (MOS) across the United States. There are thirteen training facilities in the United States and one is in Topeka, Kansas. For the past 2-3 years, the Kansas facility has been rated #1 by the Aberdeen Proving Ground which is the certification command for the maintenance MOS training received. In order to do the maintenance, the KSARNG will have to also train for maintenance. Major Rueger advised Committee members that 33 acres has already been developed into a campus type environment. Major Rueger stated the RTSM will then be the largest in the United States and will bring in more MOS as well as an expansion for Kansas.

Colonel Jonathan Small appeared before Committee members in support of **SB 210** (Attachment 3) Colonel Small told Committee members that **SB 210** authorized a proposed real estate transfer of 3.22 vacant acres in Salina, Kansas between the Kansas Military Board and Mr. and Mrs. Jon Flickinger. The Flickingers would in exchange transfer to the state 3.22 acres with a building which is now used by the National Guard Training Facility. The properties have been appraised and are of approximately equal value. This transfer was required to complete acquisition of a key training facility.

Senator Morris moved, Senator Lawrence seconded, that **SB 210** be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 11:45 a.m.

The next meeting is scheduled for February 25, 1997.

**Testimony To The
Senate Ways and Means**

**By
William B. McGlasson, Director
Division of Personnel Services**

RE: Information Resource Manager III Positions, Senate Bill 362

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today in support of Senate Bill 362. This legislation would change the status of Information Resource Manager III (IRM III) positions from the classified to the unclassified service when they become vacant. The classified status of employees currently in IRM III positions would not change.

The responsibilities of IRM III positions have evolved from technical work to high level policy and management jobs requiring a technical background. These positions are now responsible for short and long term planning that has both statewide and agency impact. They partner with functional managers, while reporting to top management, and are integral members of the management team. The decisions and actions of these positions influence significant amounts of money. In short, they must share the vision for their agencies while linking with information technology in agencies statewide.

IRM III positions make top level policy decisions within State agencies. Decisions made at this level often have statewide impact, and require a wide range of experience and knowledge. Comparable policy making positions in state agencies are unclassified. Unclassifying IRM III's would provide the flexibility in recruitment and pay administration appropriate for positions at this level.

The incumbents in IRM III positions will retain their classified status. These positions would become unclassified only when the current employees vacate the positions.

The Department of Administration appreciates your support of this proposal. I would be happy to answer any questions you may have.

G:\MSS\LEGISLAT.97\TESTIMON.97\KLWSB362.TST; February 24, 1997; 9:11AM

Senate Ways and Means Committee

Date 2-24-97

Attachment # 1

SENATE WAYS AND MEANS COMMITTEE

Testimony by:

Fred Boesch, Chief Information Architect

SB 362

Room 123-S, 11:00 a.m.

2/24/97

Thank you Mr. Chairman, my name is Fred Boesch; I am the Chief Information Architect and I am here as a proponent.

Let me quote from the corporate strategies section, Computerworld, January 20th, 1997. "In today's excruciatingly tight information system job market, recruiters will do just about anything to drum up prospects and ultimately reel in technical talent. Signing bonuses of \$10,000 or more are not uncommon." In sum, if you want skilled information technology personnel you are going to have to hire them from someone else, there will other competitors trying to do the same thing, and the costs are skyrocketing.

I first became aware of this problem late last year when Ken Keen, the information technology manager for Sedgwick County told me that Boeing just hired several of his best people. That is an unusual event. I talked to our Boeing executive on the Kansas Information Resources Council and he told me that Raytheon had raided them offering their technology people substantial salary increases and bonuses. He confirmed that the market was getting tight in Wichita. In discussing the issue with several agency technology directors in Topeka, I found that over the last several months it became clear that we were encountering greater than normal difficulty obtaining qualified candidates for information systems positions, let alone hiring them.

The St. Louis/Kansas City information technology salaries have escalated 20% to 30% over the past 24 months. The reason is twofold: (1) the economy is robust with particularly heavy expansion taking place in telecommunications, and (2) the year 2000 problem is draining the market for programmers, project managers, and other technical positions. Employees know this and are making themselves available to recruiters. Recently there were an estimated 1,000,000 resumes on job sites on the Internet ... but there were 1,200,000 available positions.

Many of our employees would like to stay in the Topeka and Lawrence area. But for a significant salary increase they will go to Sprint in Kansas City that is adding 300 technical jobs in their PCS Division. We know this because several of our people have gone to Sprint for 20% salary increases. I know that two of our information technology directors were approached and are considering other positions. One of our key geographic information systems people is being recruited by another state for a much higher salary. We have a number of vacancies for programmers that will be very difficult to fill with skilled personnel and if we are able to do so, the cost will be higher than anticipated.

Normally, if we have vacancies or peak workloads, we can obtain needed skill sets in the marketplace through technical services firms. That alternative will become increasingly problematic. If they can get skilled people, quality will be an issue and the cost will be very high. A recent Time magazine article stated that starting salaries for the "hot" new programming languages and people skilled in rapid software development start at \$70,000 in many areas. When we contract with firms to provide software and services in support of new or changed programs, we will find that the bid prices escalate to reflect the market for the technical positions and managers that they, the vendors pay. We must have capable managers to deal with these issues.

Senate Ways and Means Committee

Date 2-24-97

Attachment # 2

I cannot predict the future for this market other than to say that the demands resulting from year 2 repairs will drop off quickly after the year 2000. In the meantime, we will face some very difficult challenges. Some of these demands, such as the need to address welfare reform will be unavoidable. Information Resource Manager III positions are key leadership and information technology management positions. If we are to be successful in improving our business processes and applying technology for more cost effective services, we need quality technology employees and managers. In the private sector, we see flexible compensation and benefit plans, that enable firms to compete when and as they need to do so. We also see that these positions are tied to a continuing review of performance. Today, we need that flexibility to recruit capable managers and to retain our managers that deliver the high performance needed for successful state programs.

Thank you. I would be glad to answer questions.



REPLY TO
ATTENTION OF

DEPARTMENTS OF THE ARMY AND THE AIR FORCE
NATIONAL GUARD OF KANSAS
ADJUTANT GENERAL OF KANSAS
2800 SOUTHWEST TOPEKA BOULEVARD
TOPEKA, KANSAS 66611-1287



24 February 1997

MEMORANDUM

TO: SENATE WAYS AND MEANS COMMITTEE

FROM: COLONEL J. P. SMALL
Judge Advocate General
Kansas National Guard

RE: 1997 Senate Bill 210

1. Purpose:

1997 Senate Bill 210 authorizes a proposed real estate transfer in Salina, Kansas between the Kansas Military Board and Mr. and Mrs. Jon Flickinger. This transfer is required to complete acquisition of a key training facility.

2. Facts:

a. The Kansas Army National Guard (KSARNG) has received Federal funds to purchase an existing 31,360 square foot building from Mr. and Mrs. Jon Flickinger in Salina for its Regional Training Site.

b. The property is located in the Salina Airport area on a tract of land containing 3.22 acres on the North East corner of Arnold Avenue and Schilling Road.

c. Federal funds cannot be used to purchase the land in accordance with congressional language on military construction.

d. The Kansas Military Board holds title to 3.22 acres also located in the Salina Airport area at the North East corner of Bailey and Scanlan. (approximately 4 blocks away) The Flickinger's have agreed to transfer their 3.22 acres for this vacant, unused property.

e. The transfer of these two like properties will be at no cost to the State of Kansas (Kansas Military Board). Their appraised value is approximately equal.

f. This property transfer, which would allow the KSARNG to purchase the Flickinger building, is the key to completion of a \$10 million Federally funded complex in Salina.

3. Conclusion:

Legislative approval is requested to allow the Kansas Military Board to complete this transaction.

Senate Ways and Means Committee

Date 2-24-97

Attachment # 3