

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:00 a.m. on January 10 in Room 514-S of the Capitol.

All members were present except: Representative Phil Kline
Representative John Toplikar

Committee staff present: Alan Conroy, Legislative Research
Robert Chapman, Legislative Research
Rae Anne Davis, Legislative Research
Julian Efrid, Legislative Research
Debra Hollon, Legislative Research
Amy Kramer, Legislative Research
Stuart Little, Legislative Research
Amory Lovin, Legislative Research
Audrey Nogle, Legislative Research
Leah Robinson, Legislative Research
Kathie Sparks, Legislative Research
Paul West, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Bobbi Mariani, Director, Kansas Division of Personnel Services, Department of Administration

Others attending: See Attached

Chairman Wilk welcomed Committee members and asked for introduction of staff from Research, the Office of Revisor of Statutes, and House Appropriations. Budget Committee Chairpersons Neufeld, Schwartz, Shultz, Peterson, and Pottorff were also introduced. It was noted that Representative Kline would be Chairman of the Public Safety Budget Committee but was unable to be in attendance.

Representative Neufeld moved for the introduction of legislation at the request of the Joint Committee Rules and Regulations Committee regarding the filing of certain publications with the Secretary of State. Motion seconded by Representative Stone. Motion carried.

Representative Neufeld moved for the introduction of legislation regarding school finance in communities in which community colleges exist. The motion was seconded by Representative Pottorff. Motion carried.

Representative Neufeld requested introduction of the Governor's budget in three appropriation bills: An FY 2001 supplemental bill, and an FY 2002 appropriations bill with biennially budgeted agencies and FY 2003 appropriations, and a capitol improvements bill. Motion was seconded by Representative Pottorff. Motion carried.

Bobbi Mariani, Director, Division of Personnel Services, Department of Administration, presented highlights from the State of Kansas Workforce Report 2000 (Attachment 1 on file in Appropriations Office) (Attachment 2) Average salaries, age of employees, aging trends of employees, and the problems of low entry wages were addressed by Director Mariani. Reference was made to the Governor's recommendation of eliminating the first three steps of every pay grade as a measure to increase entry level salaries in FY 2001 (Attachment 3). This will allow for faster movement through the steps, thus increasing employees' salaries at a faster rate than currently exists. This is proposed as an incentive for employee recruits as well as longevity bonus payments. Currently 63% of new state employees leave within the first five years of service. More detailed exit interviews are being planned in an attempt to ascertain exact reasons for state employees leaving state employment. Under the Governor's plan there would be no step movement in FY 2002. There will be a definite fiscal impact because one-fourth of all state employees are on the first three steps. The Committee expressed concern regarding the hiring of 18 year olds as prison guards at Lansing. Director Mariani assured them there were exacting standards for the hiring of such guards. This hiring has been authorized only at the Lansing Correctional Facility as a test case due to the extreme shortage of applicants and the large number of vacancies.

The meeting was adjourned at 10:15 a.m. The next meeting is scheduled for January 11, 2001.

COMMITTEE GUEST LIST

DATE: Jan 10, 2001

NAME	REPRESENTING
Shelley King	Knicker, Braden, Bonbray Assoc.
Melinda Gaul	Division of the Budget
Kim Fowler	Judicial Branch
Jerry Sloan	Judicial Branch
Judy Rickerson	Doc
Jack Rickerson	SRS
Karen Watney	DOA/DPS
B. Morrison	DOA/DPS
Don Conway	DOB
Don Ryan	S. EAK
Mara Fettel	INTERHAS
Eric L. Ferts	WSU
Andy Sanchez	KAPE
Marty Vines	KAPE
Denielle Noe	DOA

Workforce Planning Statistics

2nd Quarter FY 2001

Issue 2

Page 1

KS Dept of Administration
Division of Personnel Services
Workforce Planning & Management
Landon State Office Building
900 SW Jackson, Room 951-S
Topeka, KS 66612

Direct Questions and Comments to:
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E-mail:
workforce.planning@state.ks.us



The timeframe for this report is FY 2000, unless otherwise stated. The data was generated by agency input into SHARP.

What's Ahead

3rd Quarter
Recruitment

4th Quarter
FY 2001
Workforce Report

* Terminations:

Retirements, voluntary, involuntary, and neutral terminations

Voluntary Terminations:
Resignations

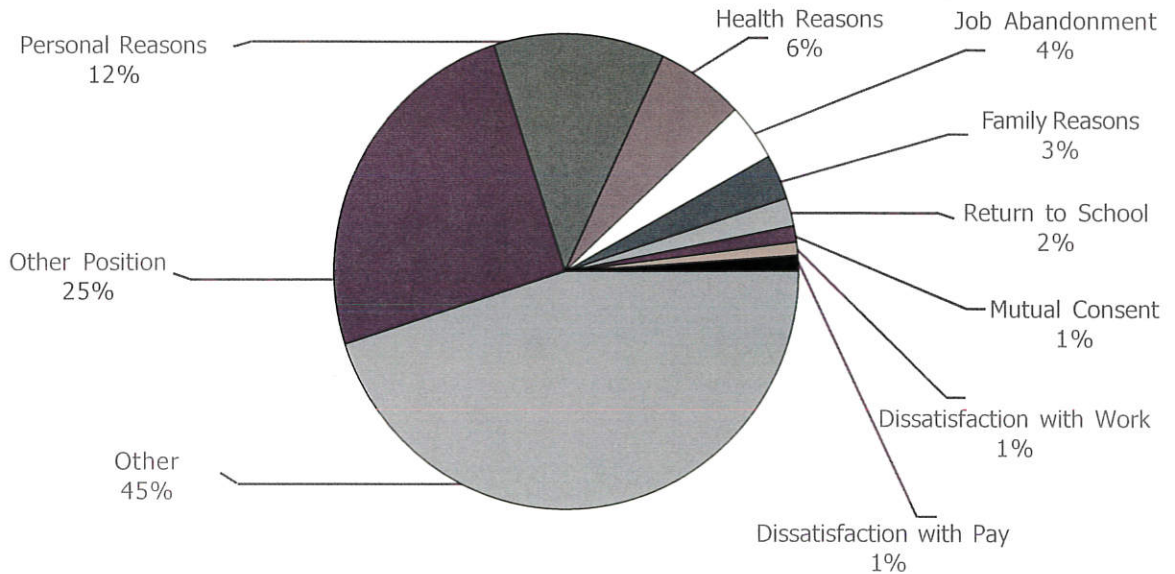
Involuntary Terminations:

Layoffs and Dismissals related to personal conduct, unsatisfactory work performance or end of limited term appointment

Neutral Terminations:
Deaths

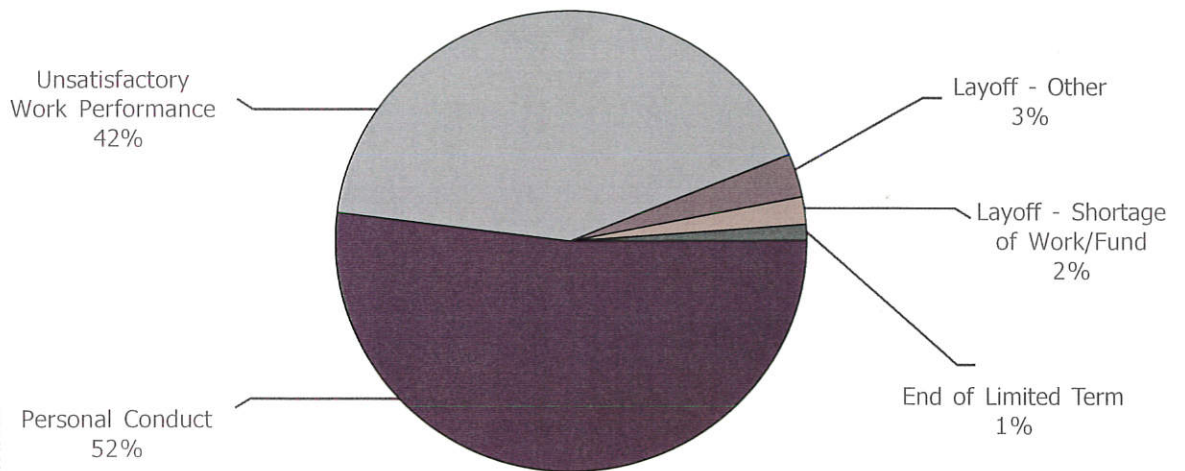
Statewide Voluntary Turnover

Classified Employee Turnover Due to Leaving State Service



Statewide Involuntary Turnover

Classified Employee Turnover Due to Leaving State Service



Definition of Turnover Rate:

$$\text{Turnover} = \frac{\text{*Terminations 100\%}}{(\text{Begin Count} + \text{End Count})/2}$$

Total # of Terminations during FY 2000
Multiply by 100 to change decimal to percent

^A HOUSE APPROPRIATIONS

Source: SHARP (7-1-99 to 6-30-00); Excludes unclassified, temporary and student emp Budget Report with Legislative Authorizations.

DATE 1/10/01
ATTACHMENT 2

Workforce Planning Statistics

2nd Quarter FY 2001



Statewide Turnover Averages

FY 1998- 12.97%
 FY 1999- 13.07%
 FY 2000- 13.01%

These percentages include retirements, voluntary, involuntary, and neutral terminations.

Turbulence:

A disturbance or interruption of the usual course of workflow due to vacancy or training (formal and on-the-job)

The number of employees leaving state service is increasing while the average length of service is decreasing.

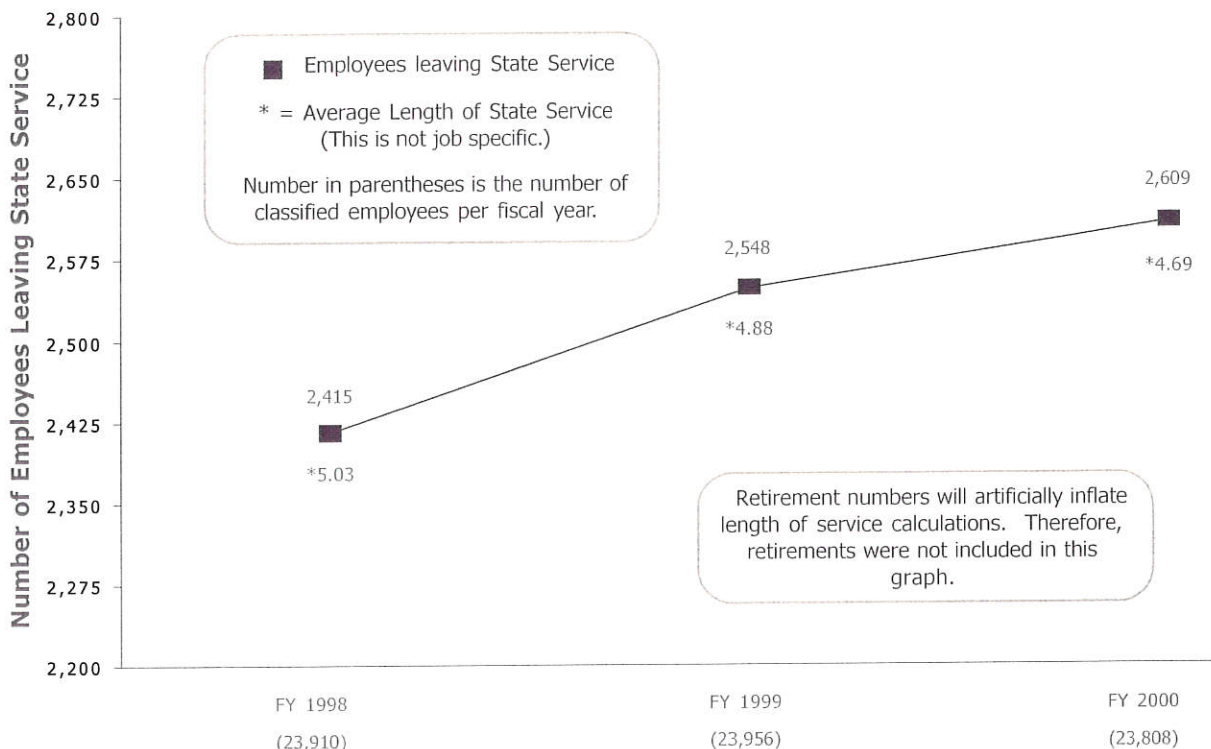
The turbulence within the state agencies is fairly stable, with the average length of service decreasing.

The average statewide classified length of service has been relatively stable the last three fiscal years at 12 years.

The University of Kansas Medical Center was excluded from the graphs on this page.

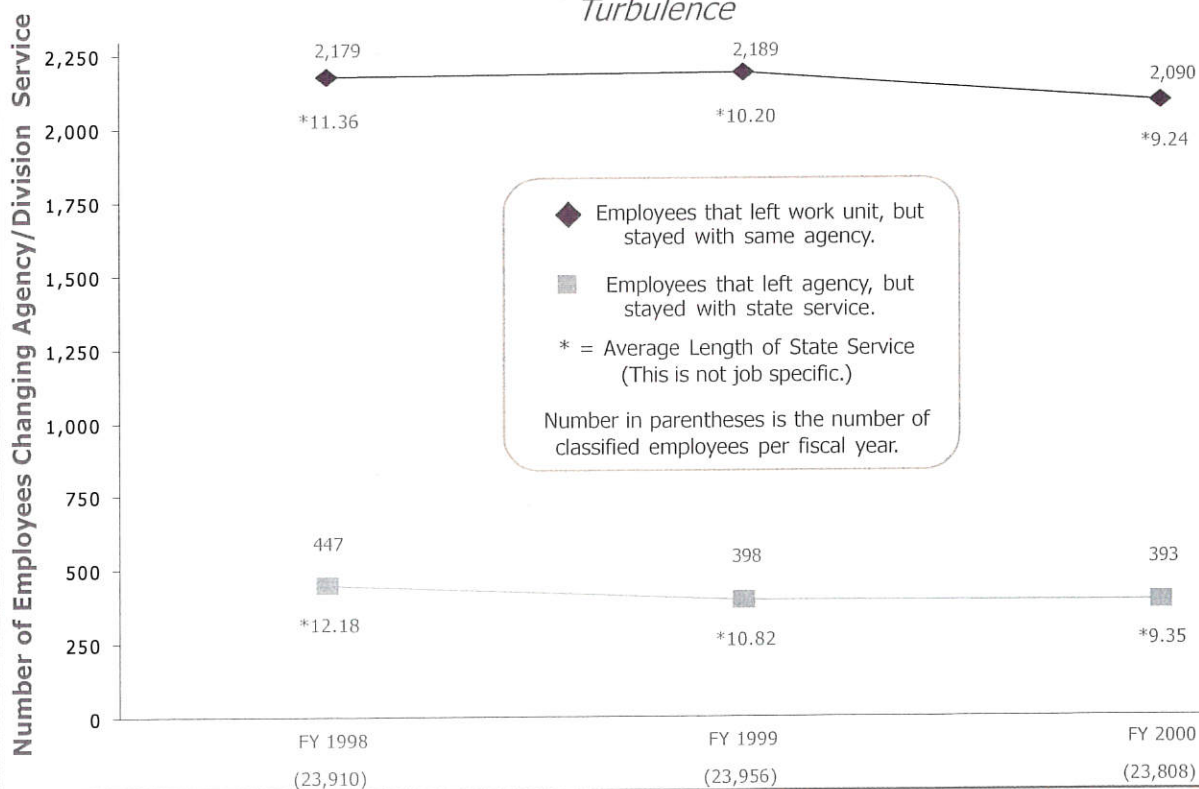
When the KU Hospital portion became a public authority, approximately half of KUMC's FTE was transferred out of the state agency.

Classified Employee External Turnover



Classified Employee Internal Turnover

Turbulence



Source: SHARP (7-1-97 to 6-30-00); Excludes unclassified, temporary and student employees; Fiscal Year 2000 Report, The Governor's Budget Report with Legislative Authorizations.

Workforce Planning Statistics

2nd Quarter FY 2001



FY 2000 Statewide Turnover Average 13.01%

Statewide turnover has been relatively stable over the past few years.

53% of the internal turnover is due to promotions.

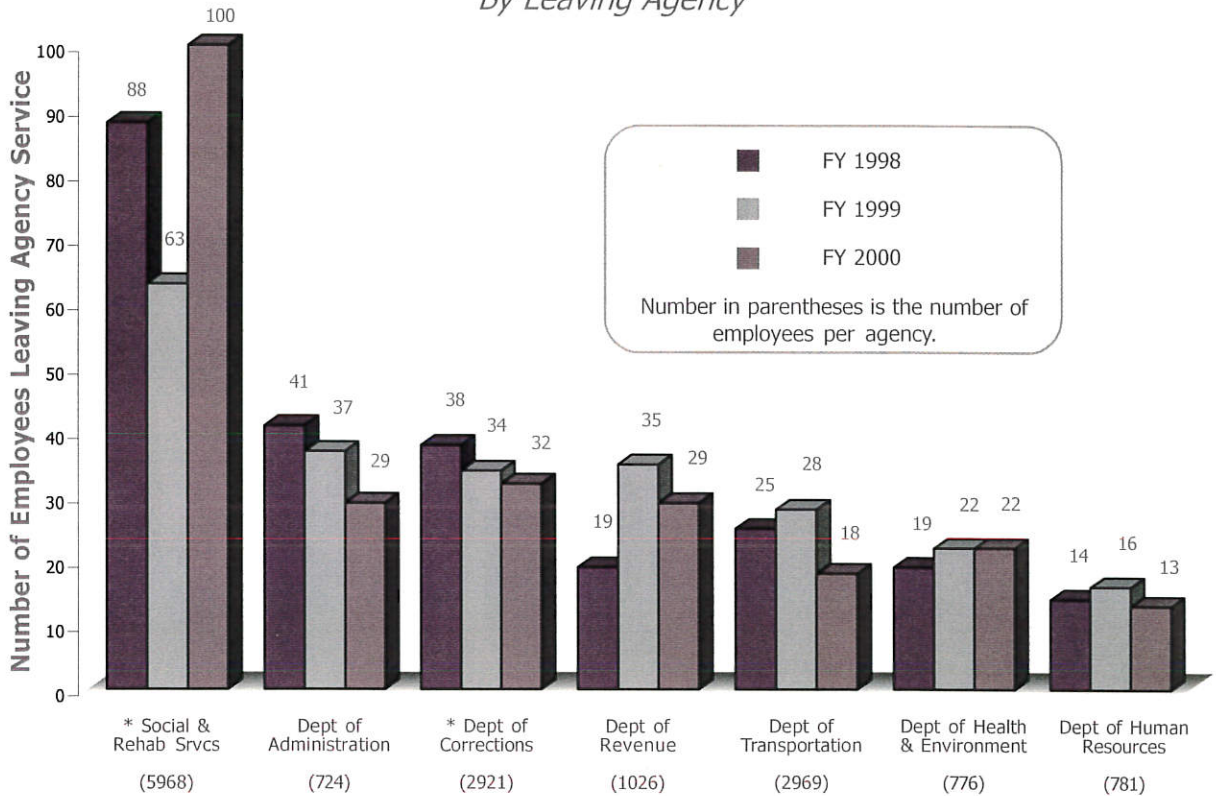
Roughly one-third of the internal turnover is related to lateral transfers.

Employees tend to stay with their original occupational category.

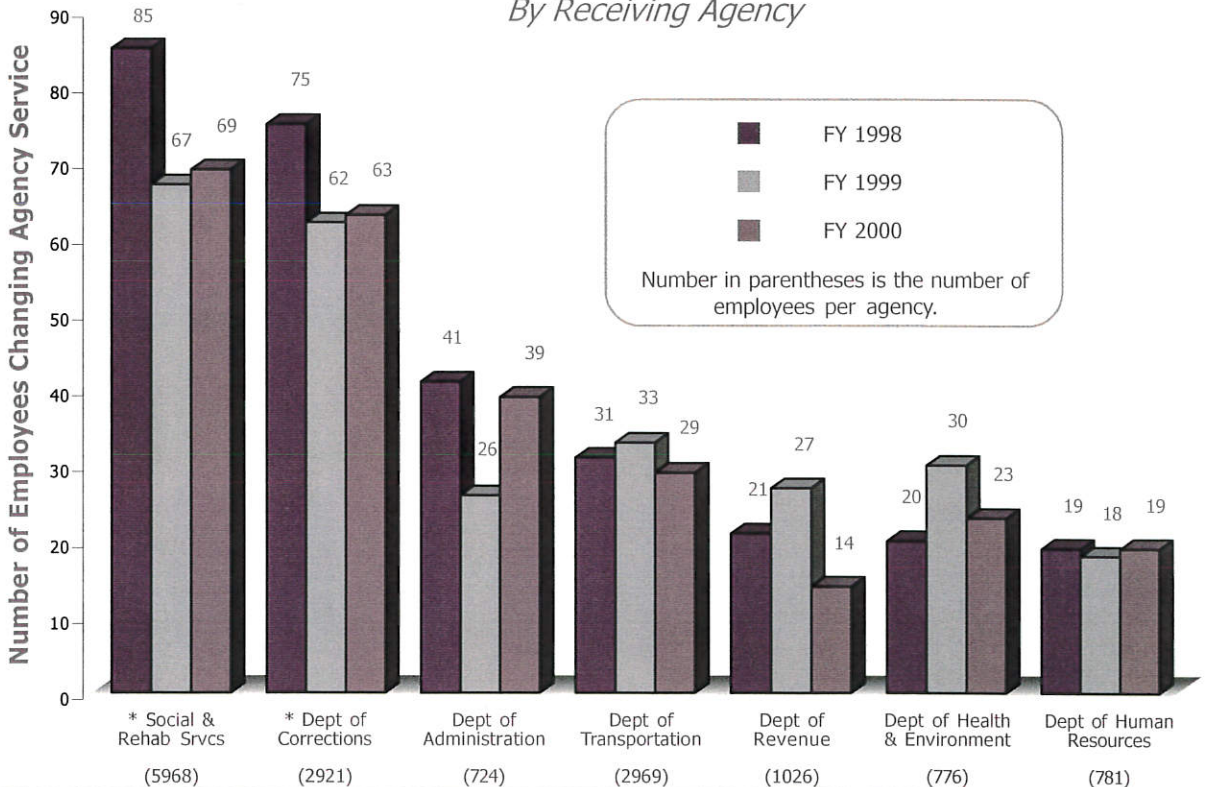
Regents were excluded from the graphs on this page.

* All KDOC and SRS facilities are included.

Classified Employee Internal Turnover By Leaving Agency



Classified Employee Internal Turnover By Receiving Agency



Source: SHARP (7-1-97 to 6-30-00); Excludes unclassified, temporary and student employees; Fiscal Year 2000 Report, The Governor's Budget Report with Legislative Authorizations.

Workforce Planning Statistics

2nd Quarter FY 2001



Job Classes and Agencies with less than ten classified employees were not included in the data at the right.

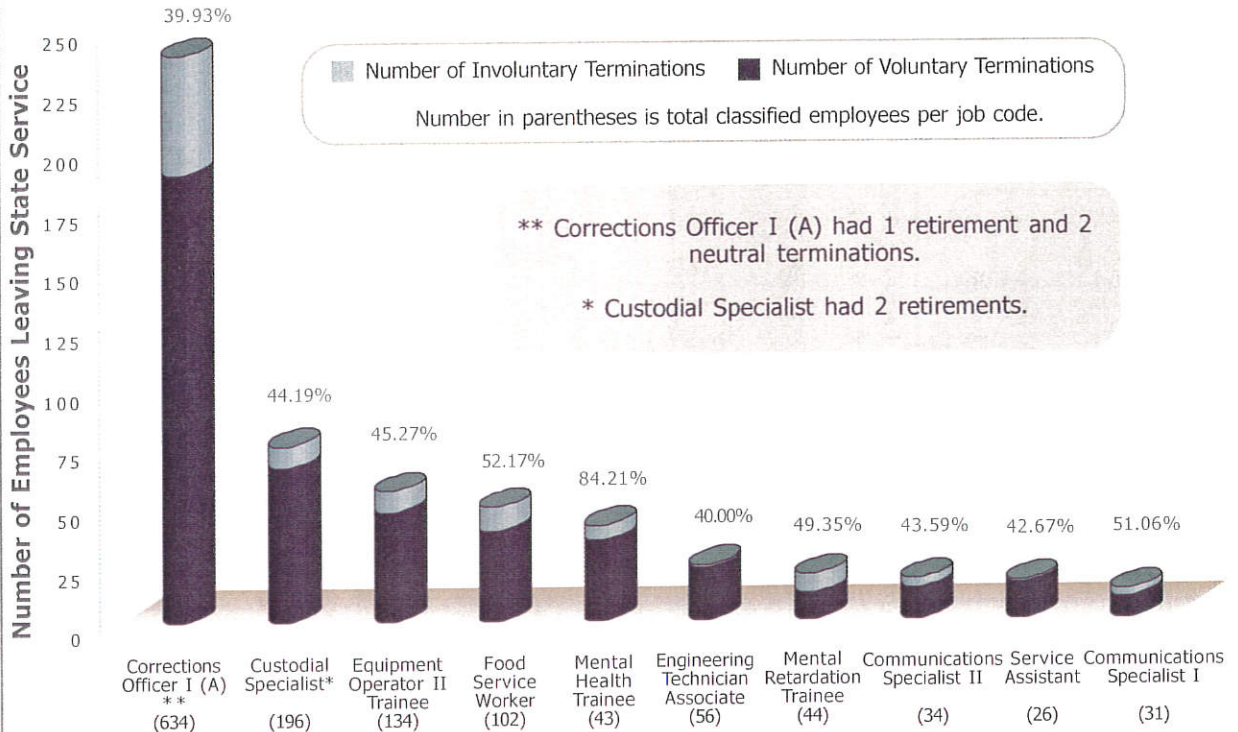
Categories with a low number of employees may have an artificially inflated turnover rate. Actual counts should be considered when examining turnover rates.

Retirements are included even if the employee returned to state service of any kind before the end of Fiscal Year 2000. Some positions may experience more than one termination during the report period.

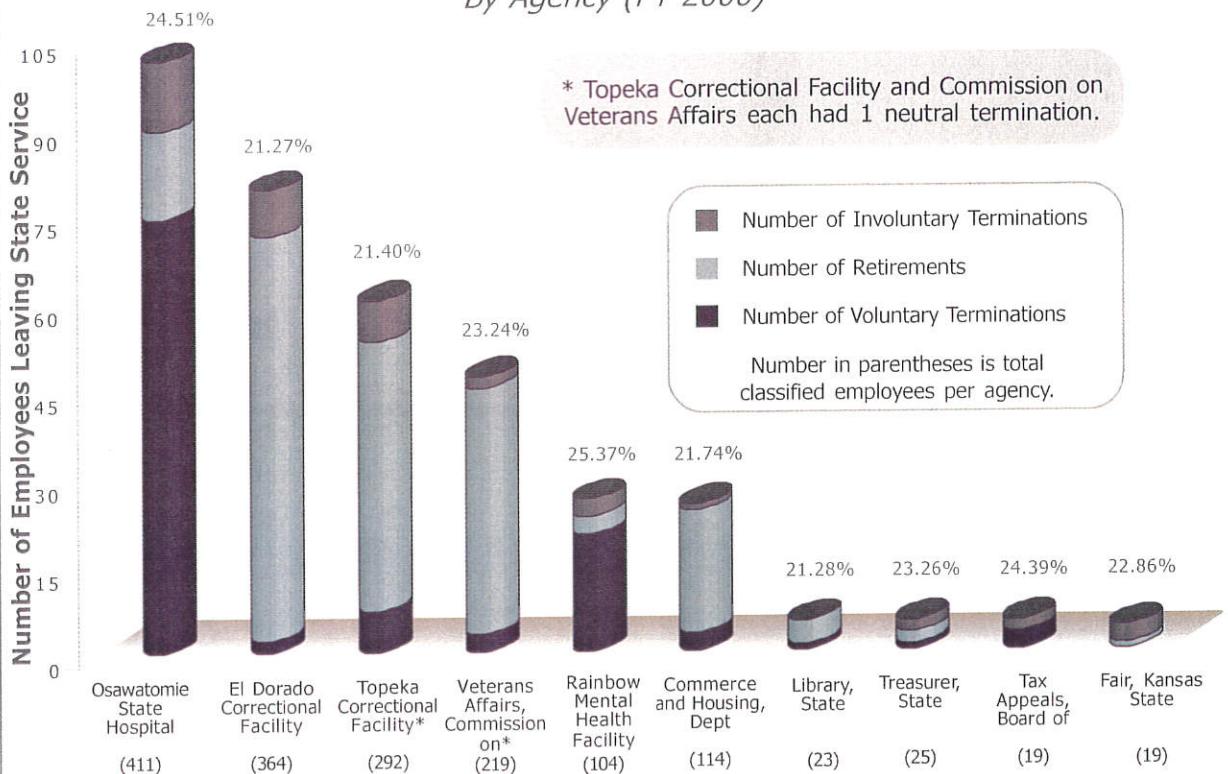
FY 1999 Top 5 by Agency

1. KU Medical Center 34.6%
2. School for the Blind 32.4%
3. Bd of Cosmetology 31.6%
4. Veterans Commission 31.4%
5. Rainbow Mental Health Facility 28.6%

Classified Employee Turnover Due to Leaving State Service By Job Code (FY 2000)



Classified Employee Turnover Due to Leaving State Service By Agency (FY 2000)



Source: SHARP (7-1-99 to 6-30-00); Excludes unclassified, temporary and student employees; Fiscal Year 2000 Report, The Governor's Budget Report with Legislative Authorizations.

Governor's Recommended Pay Plan Adjustments FY 2002

The Governor recommends FY 2002 pay plan adjustments totaling \$59.8 million, including \$40.6 million from the State General Fund, as outlined below:

Classified Employees (\$33.0 million, including \$18.7 million from the State General Fund)

Under the Governor's recommended pay plan adjustments for classified employees:

- Classified employees at steps 1, 2, and 3 of each pay grade on the current pay matrix would be moved to step 4 effective with the pay period that begins February 4, 2001. All new hires would start at the current step 4. In addition, a 16th step would be added to the top of the matrix beginning in FY 2002, although no employee would be eligible to move to the next step until FY 2003. ***In FY 2000, of the 24,454 classified state employees, 3,298 (13.5 percent) were at step 15 of their respective pay grades, and nine were above range.***
- No classified step movement is recommended for FY 2002.
- In lieu of classified step movement, for FY 2002, the Governor recommends an annualized 3.0 percent classified base salary adjustment with 1.5 percent effective at the beginning of the fiscal year and 1.5 percent effective half way through the fiscal year. The FY 2002 adjustments represent an increase of 2.25 percent for the budget year. ***The cost of financing the base salary adjustment is \$18.9 million, including \$10.0 million from the State General Fund.***
- Full funding is provided for longevity bonus payments in FY 2002. ***The Governor's budget recommends \$11.3 million, including \$6.1 million from the State General Fund for longevity bonus payments.***
- **Uniformed Corrections Officers.** In addition to the pay plan recommendations for all classified employees, the Governor recommends a 2.5 percent increase to the base salary of uniformed corrections officers at correctional facilities and for juvenile correctional officers and safety and security officers in each juvenile correctional facility. This would provide a annualized 5.5 percent base salary adjustment for uniformed corrections officers (an increase of 4.75 percent for FY 2002). ***The Governor recommends funding of approximately \$1.8 million from the State General Fund for the additional base salary increase.***
- **Highway Patrol Troopers.** In addition to the pay plan recommendations for all classified employees, the Governor's recommendation includes funding to provide all sworn Highway Patrol officers a 5.0 percent base salary increase. This would result in an annualized 8.0 percent base salary adjustment (an increase of 7.25 percent for the budget year). ***The Governor's budget includes slightly less than \$1.0 million, including \$0.8 million from the State General Fund for the additional base salary increase.***

Unclassified Employees (\$26.8 million, including \$21.9 million from the State General Fund)

The Governor's recommendations for unclassified employees include the following:

- For unclassified employees, the Governor recommends an unclassified merit pool equivalent to the recommended classified base salary adjustment. ***To finance the unclassified merit pool, the Governor recommends a total of \$18.4 million, including \$13.5 million from the State General Fund.***
- **Regents Faculty.** Under funding formulas contained in 1999 SB 345, the Higher Education Reform Act, the Governor recommends additional funding equivalent to a 3.2 percent increase for teaching and research faculty at Regents institutions in addition to the unclassified merit pool increase recommended for all unclassified employees. This is the second year of the four-year initiative established in SB 345. As with merit pool funding, each university can distribute the funding to faculty members as it considers appropriate. This would provide an annualized 6.2 percent adjustment for faculty members (an increase of 5.0 percent for the budget year). ***The Governor's recommendation includes \$8.4 million from the State General Fund for the additional faculty salary increase.***