

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld on January 19, 2006, at 9:00 A.M. in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Julian Efird, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Duane Goossen, Budget Director, State of Kansas
Carl Hill, Chief of Staff, Kansas Association of Public Employees (KAPE)
Brian Thompson, President, Kansas Association of Public Employees (KAPE)
Gary Adkins, Executive Director, State Employees Association of Kansas (SEAK)

Others attending:

See attached list.

Representative Landwehr moved to introduce legislation concerning biennial budgets. The motion was seconded by Representative Pottorff. Motion carried.

Representative Gatewood moved to introduce legislation for a pilot project to allow 1000 private sector employees to access the state health plan. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Bethell moved to introduce legislation regarding eligibility for state assistance for treatment of certain diagnosis. The motion was seconded by Representative Henry. Motion carried.

Representative Bethell moved to introduce legislation concerning the tracking of pharmaceuticals through wholesalers. The motion was seconded by Representative Henry. Motion carried.

Representative Willa DeCastro appeared before the committee on behalf of the Joint Committee on Children's Issues, to request the introduction of two pieces of legislation concerning committee membership and the foster care educational assistance act.

Representative Pottorff moved to introduce legislation concerning membership on the Joint Committee on Children's Issues. The motion was seconded by Representative Lane. Motion carried.

Representative Landwehr moved to introduce legislation concerning the Kansas foster care educational assistance act. The motion was seconded by Representative Sawyer. Motion carried.

Alan Conroy, Legislative Research Department, provided an overview of the State pay plan with regard to the Governor's FY 2007 State Employee Salary Adjustments (Attachment 1), Increases in Salaries for State Classified Employees FY 1994-FY 2007 (Governor's recommendation) (Attachment 2), and Increases in Salaries for State Classified Employees FY 1987-FY 2007 (Governor's recommendation - revised January 19, 2006) (Attachment 3). Mr. Conroy reminded the Committee that FY 2006 budgets include funds to cover a 27th payroll check, funds that are not needed in FY 2007 because of the normal 26 pay periods, which will result in a decrease in budget allocated to payroll in FY 2007.

CONTINUATION SHEET

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

With respect to the State's classified employees, the Committee requested additional information on:

- A total percentage of payroll costs paid by the State for all benefits on an average classified salary, including vacation, sick leave and holiday pay.
- Amount of increase in employer contributions since 1987.

The Chair recognized Duane Goossen, State Budget Director, who provided testimony on the State Employee Pay Plan Proposal (Attachment 4). Mr. Goossen noted that the Governor's budget includes a proposal to enhance corrections officer's salaries and increase salaries for maintenance and building trade job classes to aid in recruitment and reduce turnover. Mr. Goossen explained that there are fifteen pay ranges within each step on the salary scale; however, there is no movement from one step to the other unless the employee changes job classification or if a step is funded pursuant to law and the classified employee receives a satisfactory evaluation. A classified employee may not receive a step increase if such employee has reached Step 15. When cost-of-living adjustments are given, they are applied to each step on the pay scale. Mr. Goossen noted that the package for corrections officers does not include officers within the Juvenile Justice Authority or supervisory corrections officers.

Mr. Goossen stated that the state will be contributing the same amount to the health care plan for state employees in FY 2007 as is being contributed in FY 2006; however, the employee's contribution will be less because of changes to the health plan. At this time, the State subsidizes 95 percent of the health plan cost for employees and approximately 45 percent of the cost for their dependents. Mr. Goossen noted that state employee's dependents are not eligible for the Healthwave program because of federal regulations. Due to legislation passed by the Legislature, assistance is available during this plan-year for those otherwise Healthwave eligible dependents, in which the state will pay approximately 90 percent of the health plan cost. Approximately 1,000 children have been enrolled across the State for this plan. Responding to a question from the Committee, Mr. Goossen stated that the health care plan is subject to the bid process whenever applicable.

The Committee requested additional information on:

- Comparison of how Kansas rates with reference to corrections officer's salaries to other states.
- Comparison of how Kansas rates with reference to maintenance and building trade job salaries in other states and the private sector, to include pay scale, benefits and any tax benefits.
- Information on the process for securing a carrier for the dental plan.

Information, provided by Legislative Research Department, concerning the Kansas Civil Service basic pay matrix was distributed to the Committee (Attachment 5).

Chairman Neufeld recognized Carl Hill, Chief of Staff, Kansas Association of Public Employees (KAPE), who provided testimony on the state pay plan and suggestions for improvements (Attachment 6). Mr. Hill noted that it is important to make improvements to the pay plan to insure retention of state employees and reduce the movement of employees to the private sector. Mr. Hill stated that he felt step movement through the pay plan is KAPE's priority.

Brian Thompson, President of KAPE, noted that the management for KAPE is new. The Association is currently working to address issues with the matrix and make suggestions for improvements to the employees pay plan. Mr. Thompson stated that the Association is recommending a step increase. Additionally, Mr. Thompson felt it is important to make minor changes to the current plan until they have had more time to address extensive changes.

The Committee requested additional information on:

- The attrition rate for the last five years as it relates to not having step movement in the pay plan.

The Chairman recognized Gary Adkins, Executive Director, State Employees Association of Kansas

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

(SEAK), who provided testimony with regard to the state pay plan (Attachment 7). SEAK is advocating for a 3.5% cost-of-living adjustment for active state workers, assistance in payment of health insurance benefits and a cost-of living increase for retired state workers.

HB 2594 was referred to the General Government and Commerce Budget Committee.

The next meeting of the Committee will be "on call of the Chairman". The meeting was adjourned at 10:40 a.m.



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

January 19, 2006

9:00 A.M.

NAME	REPRESENTING
Bryan Melli	KAPE
Fran Mello	KAPE
Kraig Knowlton	Dept of Admin
Kev Otte	Dept of Admin.
Robbie Berry	Dept of Admin
Dick Gerth	KDWP
Joe Ford	KWO
Bob Berk	SRS
Ad Meach	CBR
Kim Foulk	Judicial
William Idelsel	Budget
Cheri Trostker	Budget
Cathy Kunder	KAPE Member
Berton Bowers	KAPE
Ed Lewis	ICAPE
Ry/Kina	KAPE
Brian R Thompson	KAPE
Karen Watney	ICSD
Al Dorsey	KAPE
Courtney George	Inteen for Rep. Lane
JEREMY S BARCLAY	KDOC
Don M Bezac	SEAK
GARY ADKINS	SEAK

GOVERNOR'S FY 2007 STATE EMPLOYEE SALARY ADJUSTMENTS

	Millions	
	State General Fund	All Funds
<p>A. Base Salary Adjustment. For classified employees of the executive branch, the Governor recommends a 2.5 percent base salary adjustment effective June 13, 2006, the first pay period attributable to FY 2007. For unclassified employees, including statewide elected officials, Regents employees, legislative and judicial branch employees, including legislators and judges, a 2.5 percent unclassified merit pool, to be distributed on the basis of performance is recommended. (This total includes funding of \$24.6 million, including \$11.8 million from the State General Fund for Regents pay increases. The funding is included as part of the Regents operating grant recommended by the Governor.)</p>	\$ 24.8	\$ 50.0
<p>B. Annualization of FY 2006 Base Salary Adjustment. The 2005 Legislature approved a phased in 2.5 percent base salary adjustment for FY 2006. Of the increase, 1.25 percent was received at the beginning of the fiscal year and an additional 1.25 percent became effective halfway through the fiscal year. Additional funding was approved only for the mid-year increase. The Governor's recommendation fully funds, or "annualizes" the FY 2006 increase in FY 2007.</p>	11.5	23.2
<p>C. Longevity. The Governor recommends funding for longevity bonuses (\$40 a year for each year of service for those classified employees that have at least ten years of service up to a maximum of 25 years) in FY 2007.</p>	0.1*	0.3*
<p>D. Kansas Public Employees Retirement System (KPERs) Rate Increases. The FY 2007 rate for KPERs regular and school members of 5.77 percent is an increase of 0.5 percent above the FY 2006 rate of 5.27 percent of salaries. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs Fund.</p>	3.6	7.3

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<p>E. KPERS Death and Disability Contribution Rate. The Governor's FY 2007 recommendation funds the KPERS Death and Disability contribution rate at 1.0 percent of salaries. This is an increase in the rate from the 0.8 percent of salaries funded in the FY 2006 budget. (This amount assumes that the Regents will elect to provide the institutions with funding for this adjustment.) <i>This amount does not include KPERS-School.</i></p>	1.5	3.0
<p>F. Corrections Officer Enhancement Package. For FY 2007, the Governor recommends a Corrections Officer enhancement package, which combines the Corrections Officers IA, IB, and II position classes into a single Corrections Officer class on pay grade 20 of the classified pay matrix.</p>	3.2	3.2
<p>G. Building Trades Retention Incentive. The FY 2007 recommendation includes a retention incentive for skilled trades job classes, such as carpenters, plumbers, painters, electricians, power plant operators, and utility workers.</p>	0.5	0.9
<p>Subtotal - FY 2007 Salary Increases</p>	<hr/> <p>\$ 45.2</p>	<hr/> <p>\$ 88.9</p>
<p>H. One Less Payroll Period in FY 2007 than in FY 2006. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the system and the way the pay dates have fallen since the system was implemented in 1995, a 27th payroll period will occur on June 30, 2006, the last day of FY 2006. One-time funding for this "extra" payroll period is included in each FY 2006 agency budget. The FY 2007 budget contains the usual 26 payroll periods, one less than in FY 2006. The agency request and the Governor's recommendation reflect this reduction in the number of payroll periods.</p>	(32.6)	(65.1)
<p>GRAND TOTAL</p>	<hr/> <p><u>\$ 12.6</u></p>	<hr/> <p><u>\$ 23.8</u></p>
<p>* Longevity amounts reflect the difference between the Governor's recommendation for FY 2006 and the amount of longevity bonus payments that are estimated to be paid in FY 2007.</p>		

**INCREASES IN SALARIES FOR STATE CLASSIFIED EMPLOYEES
FY 1994-FY 2007 (Gov. Rec.)**

Fiscal Year	Step Movement*	Base Salary Adjustment	Base Salary Increase Excluding Longevity	Longevity Bonus Payment**	Percent Increase CPI-U***
1994	2.5%	0.5%	3.0%	\$400 to \$1,000	2.6%
1995	2.5	1.5 effective 9/18/94	4.0	\$400 to \$1,000	2.9
1996	2.5	1.0	3.5	\$400 to \$1,000	2.7
1997	2.5	--	2.5	\$400 to \$1,000	2.9
1998	2.5	1.0	3.5	\$400 to \$1,000	1.8
1999	2.5	1.5	4.0	\$400 to \$1,000	1.6
2000	2.5	1.0	3.5	\$400 to \$1,000	2.2
2001	2.5	--	2.5	\$400 to \$1,000	2.8
2002	--	1.5 effective 6/10/01; 1.5 effective 12/9/01	3.0	\$400 to \$1,000	1.6
2003	--	--	--	\$400 to \$1,000	2.3
2004	--	1.5 effective 7/20/03	1.5	\$400 to \$1,000	2.7
2005	--	3.0	3.0	\$400 to \$1,000	3.1 (est.)
2006	--	1.25 effective 6/5/05 1.25 effective 12/4/05	2.5	\$400 to \$1,000	3.2 (est.)
2007 (Gov. Rec.)	--	2.5	2.5	\$400 to \$1,000	2.7 (est.)

Footnotes

* Increase is granted on the employees anniversary of state service, assuming satisfactory performance.

** Longevity of \$40 a year for each year of service for those employees that have at least ten years (\$400) of service up to a maximum of 25 years (\$1,000). The estimated additional salary on average translates into 1 percent additional pay.

*** Consumer Price Index -- All Urban Consumers.

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**INCREASES IN SALARIES FOR STATE CLASSIFIED EMPLOYEES
FY 1987-FY 2007 (Gov. Rec.)**

Fiscal Year	Step Movement*	Base Salary Adjustment	Base Salary Increase Excluding Longevity	Longevity Bonus Payment**	Percent Increase CPI-U***
1987	2.5% ^a	3.0%	5.5%	No	2.2%
1988	2.5 ^b	2.0 effective 12/18/87	4.5	No	4.1
1989	2.5 ^c	4.0	6.5	No	4.6
1990	2.5 ^d	3.0	5.5	\$400 to \$1,000	4.8
1991	2.5 ^e	1.5	4.0	\$400 to \$1,000	5.5
1992	2.5	--	2.5	\$400 to \$1,000	3.2
1993	2.5	1.0 effective 12/18/92	3.5	\$400 to \$1,000	3.1
1994	2.5 ^f	0.5	3.0	\$400 to \$1,000	2.6
1995	2.5 ^g	1.5 effective 9/18/94	4.0	\$400 to \$1,000	2.9
1996	2.5	1.0	3.5	\$400 to \$1,000	2.7
1997	2.5	--	2.5	\$400 to \$1,000	2.9
1998	2.5	1.0	3.5	\$400 to \$1,000	1.8
1999	2.5	1.5	4.0	\$400 to \$1,000	1.6
2000	2.5	1.0	3.5	\$400 to \$1,000	2.2
2001	2.5	--	2.5	\$400 to \$1,000	2.8
		1.5 effective 6/10/01;			
2002	--	1.5 effective 12/9/01	3.0	\$400 to \$1,000	1.6
2003	--	--	--	\$400 to \$1,000	2.3
2004	--	1.5 effective 7/20/03	1.5	\$400 to \$1,000	2.7
2005	--	3.0	3.0	\$400 to \$1,000	3.1 (est.)
2006	--	1.25 effective 6/5/05	2.5	\$400 to \$1,000	3.2 (est.)
		1.25 effective 12/4/05			
2007 (Gov. Rec.)	--	2.5	2.5	\$400 to \$1,000	2.7 (est.)

Employer Paid Health Insurance Costs

For FY 2007 the employer's paid health insurance costs in the Governor's recommended budget contains an annual single member health insurance premium of **\$4,813**, plus an annual dependent health insurance premium of **\$2,227**. The FY 2007 total budgeted health insurance premium for each state employee with dependents that the state pays is **\$7,040**.

Employer Contributions

The following employer contributions will be made for state employees in FY 2007:

Kansas Public Employees Retirement System (Assumes membership in KPERS-Regular)	5.77%
FICA (Composite Rate for OASDI and Medicare)	7.65
Workers Compensation Assessment*	1.06
Unemployment Insurance Assessment	0.18
State Leave Payment Assessment	0.65
TOTAL	15.31%

* Actual rate is experienced-based by agency.

On the average (FY2005) classified state employee's salary of \$32,634, the above employer costs for fringe benefits would total an average of **\$4,996**. These employer costs, when combined with employer health insurance (member and dependent), would bring the total fringe benefits costs for an average state employee to **\$12,036**.

Vacation and Sick Leave

State employees earn vacation leave hours based on the number of years of service with the state. For an employee with less than five years of service the individual earns 12 days a year. For an employee with 15 or more years of service the individual earns 21 days of vacation leave a year. State employees all earn 12 days of sick leave a year. Employees when they retire who have at least eight years of service and who have accumulated 100 days or more of sick leave may receive compensation for their sick leave upon retirement. The compensation ranges from 30 days to 60 days of salary depending on the years of service with the state.

Paid Vacation Days

For calendar year 2006 state employees receive ten paid holidays, including a discretionary day.

Footnotes

- * Increase is granted on the employees anniversary of state service, assuming satisfactory performance.
- ** Longevity of \$40 a year for each year of service for those employees that have at least ten years (\$400) of service up to a maximum of 25 years (\$1,000). The estimated additional salary on average translates into 1 percent additional pay.
- *** Consumer Price Index -- All Urban Consumers.
- a) In addition, salary upgrades for the clerical job series were approved beginning last six months of FY 1987. (Phase I of salary upgrade program.)
- b) Plus salary upgrades for the mechanics, repairers, and operators job classes, and for registered nurses and licensed therapists; all effective mid-FY 1988. (Phase II of salary upgrade program.)
- c) Plus salary upgrades for employees in direct care and other service worker classes (effective mid-FY 1989). (Phase III of salary upgrade program.)
- d) Plus salary upgrades for security and law enforcement personnel. (Phase III of salary upgrade program.) The Legislature also replaced the three-year time-on-step requirement for steps above step D in each pay range with a one-year requirement and added two additional steps at the top of each pay range. An employee starting at step A should reach the top step after 13 years of elapsed time instead of the previous 23 years, assuming no changes occur in the employee's pay range assignment.
- e) Plus salary upgrades for licensed practical nurses.
- f) Plus salary upgrades for employees in health, scientific, and engineering job classes (effective 6/18/93), and information technology job classes (effective 12/18/93).
- g) Plus salary upgrades for accountants and auditors, human resource professionals, purchasing and marketing professionals, general administrative job classes, social scientists, attorneys (effective 6/18/94), and of management classes (effective 12/18/94).

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State Employee Pay Plan Proposal

All classified and unclassified employees

2.5 percent COLA for all 26 pay periods of FY 2007

Cost without Regents: \$13.0 million State General Fund, \$25.4 million total

Cost for Regents: \$11.8 million State General Fund, \$24.6 million total (The SGF portion is included in the budget as part of the Regents Operating Grant.)

Corrections Officer Package

Combine Corrections Officer IA, IB, and II position classes into a single class on pay grade 20 to aid recruitment and to reduce turnover

Cost: \$3.2 million State General Fund

Building Trades Retention Incentive

2.0 percent increase for maintenance and building trade job classes to aid recruitment and to reduce turnover

Cost: \$499,719 State General Fund, \$857,203 total

In addition to the amounts included in the budget for the employee pay plan proposal, agency budgets for FY 2007 have been adjusted to:

- Eliminate funding included in FY 2006 for a 27th paycheck
- Cover the KPERS rate increase of 0.5 percent
- Cover the Death and Disability rate increase from 0.8 to 1.0 percent
- Annualize FY 2006 salary increases that were funded for only half of FY 2006

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ATTACHMENT 4

Kansas Civil Service Basic Pay Plan (effective December 4, 2005)

Basic Steps (Bi-Weekly Rates)

Pay Grade	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18	\$978.40	\$1,002.40	\$1,026.40	\$1,051.20	\$1,078.40	\$1,104.80	\$1,132.80	\$1,159.20	\$1,188.00	\$1,218.40	\$1,248.80	\$1,277.60
19	\$1,026.40	\$1,051.20	\$1,078.40	\$1,104.80	\$1,132.80	\$1,159.20	\$1,188.00	\$1,218.40	\$1,248.80	\$1,277.60	\$1,311.20	\$1,341.60
20	\$1,078.40	\$1,104.80	\$1,132.80	\$1,159.20	\$1,188.00	\$1,218.40	\$1,248.80	\$1,277.60	\$1,311.20	\$1,341.60	\$1,376.00	\$1,409.60
21	\$1,132.80	\$1,159.20	\$1,188.00	\$1,218.40	\$1,248.80	\$1,277.60	\$1,311.20	\$1,341.60	\$1,376.00	\$1,409.60	\$1,444.00	\$1,480.80
22	\$1,188.00	\$1,218.40	\$1,248.80	\$1,277.60	\$1,311.20	\$1,341.60	\$1,376.00	\$1,409.60	\$1,444.00	\$1,480.80	\$1,517.60	\$1,552.00
23	\$1,248.80	\$1,277.60	\$1,311.20	\$1,341.60	\$1,376.00	\$1,409.60	\$1,444.00	\$1,480.80	\$1,517.60	\$1,552.00	\$1,592.80	\$1,632.00
24	\$1,311.20	\$1,341.60	\$1,376.00	\$1,409.60	\$1,444.00	\$1,480.80	\$1,517.60	\$1,552.00	\$1,592.80	\$1,632.00	\$1,671.20	\$1,713.60
25	\$1,376.00	\$1,409.60	\$1,444.00	\$1,480.80	\$1,517.60	\$1,552.00	\$1,592.80	\$1,632.00	\$1,671.20	\$1,713.60	\$1,756.80	\$1,799.20
26	\$1,444.00	\$1,480.80	\$1,517.60	\$1,552.00	\$1,592.80	\$1,632.00	\$1,671.20	\$1,713.60	\$1,756.80	\$1,799.20	\$1,844.80	\$1,888.80
27	\$1,517.60	\$1,552.00	\$1,592.80	\$1,632.00	\$1,671.20	\$1,713.60	\$1,756.80	\$1,799.20	\$1,844.80	\$1,888.80	\$1,936.00	\$1,982.40
28	\$1,592.80	\$1,632.00	\$1,671.20	\$1,713.60	\$1,756.80	\$1,799.20	\$1,844.80	\$1,888.80	\$1,936.00	\$1,982.40	\$2,033.60	\$2,081.60
29	\$1,671.20	\$1,713.60	\$1,756.80	\$1,799.20	\$1,844.80	\$1,888.80	\$1,936.00	\$1,982.40	\$2,033.60	\$2,081.60	\$2,134.40	\$2,188.00
30	\$1,756.80	\$1,799.20	\$1,844.80	\$1,888.80	\$1,936.00	\$1,982.40	\$2,033.60	\$2,081.60	\$2,134.40	\$2,188.00	\$2,240.80	\$2,296.80
31	\$1,844.80	\$1,888.80	\$1,936.00	\$1,982.40	\$2,033.60	\$2,081.60	\$2,134.40	\$2,188.00	\$2,240.80	\$2,296.80	\$2,353.60	\$2,411.20
32	\$1,936.00	\$1,982.40	\$2,033.60	\$2,081.60	\$2,134.40	\$2,188.00	\$2,240.80	\$2,296.80	\$2,353.60	\$2,411.20	\$2,471.20	\$2,529.60
33	\$2,033.60	\$2,081.60	\$2,134.40	\$2,188.00	\$2,240.80	\$2,296.80	\$2,353.60	\$2,411.20	\$2,471.20	\$2,529.60	\$2,594.40	\$2,657.60
34	\$2,134.40	\$2,188.00	\$2,240.80	\$2,296.80	\$2,353.60	\$2,411.20	\$2,471.20	\$2,529.60	\$2,594.40	\$2,657.60	\$2,724.00	\$2,789.60
35	\$2,240.80	\$2,296.80	\$2,353.60	\$2,411.20	\$2,471.20	\$2,529.60	\$2,594.40	\$2,657.60	\$2,724.00	\$2,789.60	\$2,860.00	\$2,929.60
36	\$2,353.60	\$2,411.20	\$2,471.20	\$2,529.60	\$2,594.40	\$2,657.60	\$2,724.00	\$2,789.60	\$2,860.00	\$2,929.60	\$3,004.00	\$3,077.60
37	\$2,471.20	\$2,529.60	\$2,594.40	\$2,657.60	\$2,724.00	\$2,789.60	\$2,860.00	\$2,929.60	\$3,004.00	\$3,077.60	\$3,152.00	\$3,233.60
38	\$2,594.40	\$2,657.60	\$2,724.00	\$2,789.60	\$2,860.00	\$2,929.60	\$3,004.00	\$3,077.60	\$3,152.00	\$3,233.60	\$3,310.40	\$3,393.60

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ATTACHMENT 5

5-2

Kansas Civil Service Basic Pay Plan (effective June 5, 2005)

Basic Steps (Bi-Weekly Rates)

Pay Grade	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16 *
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18	966.40	989.60	1014.40	1038.40	1064.80	1091.20	1118.40	1145.60	1173.60	1204.00	1233.60	1261.60	1295.20
19	1014.40	1038.40	1064.80	1091.20	1118.40	1145.60	1173.60	1204.00	1233.60	1261.60	1295.20	1324.80	1359.20
20	1064.80	1091.20	1118.40	1145.60	1173.60	1204.00	1233.60	1261.60	1295.20	1324.80	1359.20	1392.00	1426.40
21	1118.40	1145.60	1173.60	1204.00	1233.60	1261.60	1295.20	1324.80	1359.20	1392.00	1426.40	1463.20	1499.20
22	1173.60	1204.00	1233.60	1261.60	1295.20	1324.80	1359.20	1392.00	1426.40	1463.20	1499.20	1533.60	1572.80
23	1233.60	1261.60	1295.20	1324.80	1359.20	1392.00	1426.40	1463.20	1499.20	1533.60	1572.80	1612.00	1650.40
24	1295.20	1324.80	1359.20	1392.00	1426.40	1463.20	1499.20	1533.60	1572.80	1612.00	1650.40	1692.80	1735.20
25	1359.20	1392.00	1426.40	1463.20	1499.20	1533.60	1572.80	1612.00	1650.40	1692.80	1735.20	1776.80	1822.40
26	1426.40	1463.20	1499.20	1533.60	1572.80	1612.00	1650.40	1692.80	1735.20	1776.80	1822.40	1865.60	1912.80
27	1499.20	1533.60	1572.80	1612.00	1650.40	1692.80	1735.20	1776.80	1822.40	1865.60	1912.80	1958.40	2008.80
28	1572.80	1612.00	1650.40	1692.80	1735.20	1776.80	1822.40	1865.60	1912.80	1958.40	2008.80	2056.80	2108.80
29	1650.40	1692.80	1735.20	1776.80	1822.40	1865.60	1912.80	1958.40	2008.80	2056.80	2108.80	2160.80	2213.60
30	1735.20	1776.80	1822.40	1865.60	1912.80	1958.40	2008.80	2056.80	2108.80	2160.80	2213.60	2268.80	2324.80
31	1822.40	1865.60	1912.80	1958.40	2008.80	2056.80	2108.80	2160.80	2213.60	2268.80	2324.80	2381.60	2441.60
32	1912.80	1958.40	2008.80	2056.80	2108.80	2160.80	2213.60	2268.80	2324.80	2381.60	2441.60	2499.20	2563.20
33	2008.80	2056.80	2108.80	2160.80	2213.60	2268.80	2324.80	2381.60	2441.60	2499.20	2563.20	2625.60	2691.20
34	2108.80	2160.80	2213.60	2268.80	2324.80	2381.60	2441.60	2499.20	2563.20	2625.60	2691.20	2756.00	2825.60
35	2213.60	2268.80	2324.80	2381.60	2441.60	2499.20	2563.20	2625.60	2691.20	2756.00	2825.60	2894.40	2967.20
36	2324.80	2381.60	2441.60	2499.20	2563.20	2625.60	2691.20	2756.00	2825.60	2894.40	2967.20	3040.00	3113.60
37	2441.60	2499.20	2563.20	2625.60	2691.20	2756.00	2825.60	2894.40	2967.20	3040.00	3113.60	3193.60	3269.60
38	2563.20	2625.60	2691.20	2756.00	2825.60	2894.40	2967.20	3040.00	3113.60	3193.60	3269.60	3352.80	3436.00

* Step 16 is not funded and will not be in Fiscal Year 2006

5-3

Kansas Civil Service Basic Pay Plan (effective June 6, 2004)
Basic Steps (Bi-Weekly Rates)

Pay Grade	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16*
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18	954.40	977.60	1001.60	1025.60	1052.00	1077.60	1104.80	1131.20	1159.20	1188.80	1218.40	1246.40	1279.20
19	1001.60	1025.60	1052.00	1077.60	1104.80	1131.20	1159.20	1188.80	1218.40	1246.40	1279.20	1308.80	1342.40
20	1052.00	1077.60	1104.80	1131.20	1159.20	1188.80	1218.40	1246.40	1279.20	1308.80	1342.40	1375.20	1408.80
21	1104.80	1131.20	1159.20	1188.80	1218.40	1246.40	1279.20	1308.80	1342.40	1375.20	1408.80	1444.80	1480.80
22	1159.20	1188.80	1218.40	1246.40	1279.20	1308.80	1342.40	1375.20	1408.80	1444.80	1480.80	1514.40	1553.60
23	1218.40	1246.40	1279.20	1308.80	1342.40	1375.20	1408.80	1444.80	1480.80	1514.40	1553.60	1592.00	1630.40
24	1279.20	1308.80	1342.40	1375.20	1408.80	1444.80	1480.80	1514.40	1553.60	1592.00	1630.40	1672.00	1713.60
25	1342.40	1375.20	1408.80	1444.80	1480.80	1514.40	1553.60	1592.00	1630.40	1672.00	1713.60	1755.20	1800.00
26	1408.80	1444.80	1480.80	1514.40	1553.60	1592.00	1630.40	1672.00	1713.60	1755.20	1800.00	1842.40	1888.80
27	1480.80	1514.40	1553.60	1592.00	1630.40	1672.00	1713.60	1755.20	1800.00	1842.40	1888.80	1934.40	1984.00
28	1553.60	1592.00	1630.40	1672.00	1713.60	1755.20	1800.00	1842.40	1888.80	1934.40	1984.00	2031.20	2082.40
29	1630.40	1672.00	1713.60	1755.20	1800.00	1842.40	1888.80	1934.40	1984.00	2031.20	2082.40	2134.40	2186.40
30	1713.60	1755.20	1800.00	1842.40	1888.80	1934.40	1984.00	2031.20	2082.40	2134.40	2186.40	2240.80	2296.00
31	1800.00	1842.40	1888.80	1934.40	1984.00	2031.20	2082.40	2134.40	2186.40	2240.80	2296.00	2352.00	2411.20
32	1888.80	1934.40	1984.00	2031.20	2082.40	2134.40	2186.40	2240.80	2296.00	2352.00	2411.20	2468.00	2531.20
33	1984.00	2031.20	2082.40	2134.40	2186.40	2240.80	2296.00	2352.00	2411.20	2468.00	2531.20	2592.80	2657.60
34	2082.40	2134.40	2186.40	2240.80	2296.00	2352.00	2411.20	2468.00	2531.20	2592.80	2657.60	2721.60	2790.40
35	2186.40	2240.80	2296.00	2352.00	2411.20	2468.00	2531.20	2592.80	2657.60	2721.60	2790.40	2858.40	2930.40
36	2296.00	2352.00	2411.20	2468.00	2531.20	2592.80	2657.60	2721.60	2790.40	2858.40	2930.40	3002.40	3075.20
37	2411.20	2468.00	2531.20	2592.80	2657.60	2721.60	2790.40	2858.40	2930.40	3002.40	3075.20	3154.40	3229.60
38	2531.20	2592.80	2657.60	2721.60	2790.40	2858.40	2930.40	3002.40	3075.20	3154.40	3229.60	3311.20	3393.60

* Step 16 is not funded and will not be used in Fiscal Year 2005

T E S T I M O N Y

By

The Kansas Association of Public Employees

Before the House Committee on Appropriations

The Honorable Melvin Neufeld, Chairman

Thursday, January 19, 2006 -- Kansas Statehouse -- Topeka, Kansas

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Carl Hill, chief of staff of the Kansas Association of Public Employees. On behalf of our President, Brian R. Thompson, and other representatives of our organization who appear here, we appreciate the opportunity to discuss with you the state pay plan. KAPE represents more than 20,000 public employees and retirees across Kansas.

The foundation of our legislative agenda is improvement of pay and benefits for both active and retired state employees. KAPE's common sense approach uses 3 R's:

1. State government is a service industry. And as such, its employees must be Rewarded for the valuable service they provide to the customer – our fellow citizens and taxpayers.
Likewise, retired state employees laid the foundation for the progress our government now claims. They also should be rewarded with modest increases in their benefits packages.
2. Praise and congratulation costs very little, but goes a long way in increasing employee morale, and ultimately productivity. That is why KAPE believes it is critical that state employees be Recognized as professionals and the resources that they are.
3. With approximately 60 percent of the total state workforce at Step 8 or less – and a majority of those at Steps 4 and 5, it is clear that, in our judgment, state employment has become nothing more than a “farm system” for private enterprise instead of a place where an employee can make a career in public service. That is why employees must be Retained because of the experience and knowledge they possess.

Each of these points is inter-related, and we believe that a sound and consistent system of salary and benefits enhancements, along with a meaningful recognition, translates into higher morale and greater productivity.

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It makes no sense to invest training time and dollars in an employee if he or she can be lured away to the private sector because salaries and benefits are not commensurate. The costs of training new hires to replace career employees who have gone to better jobs is substantial in terms of time and money. That does not include the expertise that also walks out the door with that career employee.

Specifically, the Kansas Association of Public Employees is asking for support for the following. The first two issues involve active public employees:

STEP INCREASE:

Without question a step increase is KAPE's highest priority. We regard step movement as a "standard of living" issue. For instance, when a worker begins his or her career at Step 4, he or she should have the satisfaction of progressive pay increases to retirement as skills and experience are acquired. Without step movement, there is a horrid inequity for the long-term employee. As an example: It is possible to have employees with anywhere from five to eight years of service sharing Step 4 with new hires. That means each earn the same salary despite the years of service differential.

State employees are continually being asked to do more with less. This has resulted in substantial savings to the state -- \$1 billion according to the Governor's State of the State Address -- but those increased efficiencies have not translated into benefits to those who have made it happen -- state employees. The Fiscal Year 2007 budget proposal addresses only the status quo -- a 2.5 percent base pay adjustment. The current administration has never proposed a step increase in any of its budget messages, which means two things: 1) Career employees have been marking time at the same pay level for those years and 2) Recently hired employees usually are on a par with those career employees, when in fact, the longer-term worker should be earning more due to experience and ability. Step movement would ensure that such inequities are resolved.

With the exception of the past five years -- through the lean times and the fat times -- state employees have enjoyed progressive pay raises while acquiring skills and experience that lend true service to the state's taxpaying customers. It is time to restore step movement to the state pay plan.

BASE SALARY ADJUSTMENT:

We view the 2.5 percent base salary adjustment as lacking; and, the facts speak for themselves. Since Fiscal Year 2004, state cost-of-living adjustments have increased 9.5 percent; while the Social Security Administration adjustment for the same period has increased 11 percent – a 1.5 percent differential. However, KAPE acknowledges that the base salary adjustments in Fiscal Years 2005 and 2006 did modestly outpace the cost-of-living adjustments granted by the Social Security Administration, by 3-tenths and 4-tenths of 1 percent, respectively.

The 2.5 percent adjustment proposed by the administration should be increased by an additional one-half percent to the base salary adjustment, making it 3 percent for Fiscal Year 2007.

KAPE offers two proposals with regard to retirees because they also speak to the current employee retention issue. The attractiveness of state employment is the benefits package, including retirement. For too long, those retirees have been ignored and we need to right this injustice.

EXTRA CHECK:

The last time public employee retirees received any type of increase in benefits was a 3 percent cost-of-living adjustment in 1998. We believe that it is time to recognize the valuable service those persons provided to the taxpayers of Kansas by issuing a one-time extra check to all KPERS retirees during Fiscal Year 2007. These checks would be issued during the anniversary month of their retirement of public service. Some of you may recall that on October 1, 2000, all public employee retirees received a one-time "half-check."

RETIRED STATE EMPLOYEE MEDICAL CARE COST ASSISTANCE:

Initiating a small monthly stipend for the 12,000-plus retired state employees to help defray medical expenses and would signal to them their value as career employees is not lost. KAPE proposes a \$5 stipend for each year of service, paid monthly, to assist with state retiree medical care costs whether it be physician co-pays, pharmaceuticals or insurance premiums.

Example: \$5x22 years of service = \$110 per month/\$1,320 per year.

(NOTE: The average length of service is 22 years)

In summary, KAPE has adopted as its new slogan, "Kansas Works Because We Do." Whether it is a Kansas Highway Patrol trooper, a Corrections officer, a nurse at a state hospital or a mail processor, they must be Rewarded with an equitable and progressive pay plan and a cost-of-living adjustment that reflects the times. Coupled with a Recognition program that celebrates employee achievement, productivity will be maintained as career employees are Retained.

Thank you, Mr. Chairman, for the opportunity to appear today. May I invite your questions?

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Testimony Before the House Appropriations Committee
By Gary Adkins, Executive Director
State Employees Association of Kansas
January 19, 2006

Mr. Chairman and members of the committee, I am Gary Adkins, the newly appointed Executive Director of the State Employees Association of Kansas (SEAK). SEAK, in existence since 1994, acts as an advocate for employees of the State of Kansas.

Today, I wish to share with you SEAK's legislative priorities for the 2006 Session. Our concerns are with both active and with retired state workers.

For active workers, we are advocating a 3.5% Cost of Living Adjustment. We are also requesting assistance in payment of health insurance benefits. Although State of Kansas employees received a raise last year, they still remain below the average wage paid to state workers in states making up the Central States Salary Survey. Furthermore, in 2004, the State of Kansas ranked 30th in average state pay. Another issue regarding active state workers is in health insurance costs. While the State of Kansas pays about 95% of the cost of single coverage, there is very little assistance in the payment for family coverage. Finally, we are concerned that many state workers who lose their jobs through no fault of their own do not have a formal severance package available. While we appreciate the efforts by the Legislature in assisting health care workers in the closing of State hospital facilities, we would like to see an expansion of this kind of package to other workers in a similar situation.

SEAK is also concerned with the plight of retired state workers. Retirees have not received a cost of living increase since 1998. Since that time, the Consumer Price Index has increased by about 16%. Also, health insurance costs for these employees have almost doubled. We are advocating a Cost of Living Adjustment of 5% with assistance in health insurance costs of 2.5%.

On behalf of the officers and members of our association, I would like to thank the committee for their past efforts and state our appreciation for any consideration you may give to the SEAK Legislative Agenda.

Let me introduce my colleague, Mr. Don Rezac who also represents SEAK. We stand ready to address any questions you may have. Thank you.



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