

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 11:55 A.M. on February 23, 2006, in Room 123-S of the Capitol.

All members were present except:

- Senator Carolyn McGinn- excused
- Senator Chris Steineger- excused

Committee staff present:

- Michael Corrigan, Revisor of Statutes Office
- Alan Conroy, Director, Kansas Legislative Research Department
- J. G. Scott, Kansas Legislative Research Department
- Reagan Cussimano, Kansas Legislative Research Department
- Amy Deckard, Kansas Legislative Research Department
- Audrey Dunkel, Kansas Legislative Research Department
- Judy Bromich, Chief of Staff
- Mary Shaw, Committee Secretary

Conferees appearing before the committee:

- Don Rezac, State Employees Association of Kansas
- Carl Hill, Kansas Association of Public Employees
- Senator Anthony Hensley

Others attending:

See attached list.

Chairman Umbarger opened the public hearing on:

SB 577—State officers and employees, salaries and compensation, increases for FY 2007, certain expense allowances, classified step movement for FY 2007

Alan Conroy, Director, Kansas Legislative Research Department, briefed the Committee on the bill. Mr. Conroy provided detailed information as follows:

- Overview of 2006 **SB 577** (Corrected), FY 2007 State Employee Pay Adjustments (Attachment 1)
- Governor's FY 2007 State Employee Salary Adjustments (Attachment 2)
- Increases in Salaries for State Classified Employees, FY 1987 - FY 2007 (Governor's Recommendation) (Attachment 3)
- Kansas Civil Service Basic Pay Plan (effective December 4, 2005) (Attachment 4)

Chairman Umbarger welcomed the following conferees:

Don Rezac, representing the State Employees Association of Kansas (SEAK), spoke in support of **SB 577** (Attachment 5). Mr. Rezac mentioned that the bill places into statute the step movements for state employees and that SEAK is on record as an advocate of the annual step movement for state employees and therefore supports the concept of the bill. He indicated that there are obvious benefits to the passage of the bill and SEAK believes that it would both improve morale of state employees and encourage greater productivity.

Carl Hill, representing the Kansas Association of Public Employees (KAPE), testified in support of **SB 577**. (No written testimony was provided). No written testimony was submitted. Mr. Hill explained that KAPE would like to see this become a base salary adjustment and not just a FY 2007 adjustment and would concur on it. He noted that they support annual step movement for state employees and this bill appears to be a step in the right direction. Mr. Hill noted that they feel that the pay matrix does need to be looked at in the future.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 11:55 A.M. on February 23, 2006, in Room 123-S of the Capitol.

Senator Anthony Hensley provided information in a letter addressed to him from Duane Goossen, Secretary, Kansas Department of Administration, regarding the FY 2007 Pay Plan (Attachment 6). Senator Hensley explained that the memorandum lists the several options available to the Legislature as the issue is addressed. He noted that bullet point three in the memorandum is his preference and what he explained to the Committee which is the cost of a 2.5% COLA for unclassified employees is \$27 million dollars. The cost of a 2.5% COLA for classified employees is \$23 million dollars. The cost of step movement for classified employees, granted at the start of FY 2007, is \$23 million dollars, as opposed to the anniversary date of the employee. Senator Hensley suggested looking at the first and third sentences of that bullet and described several examples.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 577**. (No written testimony was provided.)

Senator Kelly moved, with a second by Senator Schmidt, to move the Hensley plan to enact it at the beginning of the fiscal year rather than the anniversary date so it is equal beginning in FY 2007 and not the anniversary date, and which would not include the bonus. Motion carried on a voice vote.

Senator Wysong moved, with a second by Senator Betts, to recommend **SB 577** favorable for passage as amended. Motion carried on a roll call vote. Senator Barone suggested a interim study to look at the entire pay plan matrix and Senator Morris suggested looking at it before the end of the year to develop the study.

The meeting adjourned at 1:30 p.m. The next meeting was scheduled for February 24, 2006.

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February 23, 2006

Overview of 2006 SB 577 (Corrected) FY 2007 State Employee Pay Adjustments

- The bill requires that step movement (2.5 percent) for Executive Branch classified state employees be re-instituted for FY 2007 on the anniversary date of state service for those employees receiving satisfactory or better in their employee evaluation.
 - Cost: \$10.7 million - All funds
\$ 5.0 million - State General Fund

- The step movement would include funding for those at Step 15 to move to Step 16.
 - Cost: \$1.0 million - All funds
\$0.5 million - State General Fund

- Those classified employees above pay grade would receive an increase of 2.5 percent on their anniversary of state service.
 - Cost: \$62,396 - All funds
\$29,139 - State General Fund

- In addition, all classified employees would receive a single one-time bonus payment of \$550 at the beginning of the fiscal year.
 - Cost: \$14.1 million - All funds
\$6.6 million - State General Fund

- Unclassified employees of the Executive Branch, Judicial Branch, and Legislative Branch (excluding legislators) would receive a 2.5 percent merit pool, to be distributed on the basis of performance.
 - Cost: \$27.0 million - All funds
\$12.1 million - State General Fund

- The appropriation of \$22.3 million from the State General Fund for the Executive Branch would be made to the State Finance Council for release after the most recent salary and wage

recalculations are made on behalf of the agencies by the Division of the Budget. The State Finance Council would also be authorized to increase agency special revenue fund limitations to finance the salary increase.

- Direct appropriations totaling \$2.4 million from the State General Fund for the 2.5 percent unclassified merit pool for employees of the Judicial Branch (including judges) and Legislative Branch (excluding legislators).
- The FY 2007 salary (including the 2.5 percent pay increase) for state-wide elected officials is statutorily set by SB 577.
- Regents institutions salary enhancement funding (classified and unclassified) is included within the State Finance Council amounts.
- Legislators are excluded from this bill. (Legislator pay increase is included in SB 573.)
- With the one exception of the dollars related to the legislator pay increase (approximately \$96,000 State General Fund), SB 577, in total, expends the same dollars as recommended by the Governor for the FY 2007 state employee 2.5 percent base salary adjustment, which totals:
 - \$24.7 million from the State General Fund; and
 - \$49.9 million from all funds.

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/> \$ 45.2	<hr/> \$ 88.9
<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/> \$ 12.6	<hr/> \$ 23.8
<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 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).

Kansas Civil Service Basic Pay Plan (effective December 4, 2005)
Basic Steps (Hourly 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	\$6.49	\$6.65	\$6.82	\$6.98	\$7.13	\$7.32	\$7.51	\$7.70	\$7.87	\$8.07	\$8.26	\$8.48
6	\$6.82	\$6.98	\$7.13	\$7.32	\$7.51	\$7.70	\$7.87	\$8.07	\$8.26	\$8.48	\$8.70	\$8.90
7	\$7.13	\$7.32	\$7.51	\$7.70	\$7.87	\$8.07	\$8.26	\$8.48	\$8.70	\$8.90	\$9.12	\$9.36
8	\$7.51	\$7.70	\$7.87	\$8.07	\$8.26	\$8.48	\$8.70	\$8.90	\$9.12	\$9.36	\$9.57	\$9.83
9	\$7.87	\$8.07	\$8.26	\$8.48	\$8.70	\$8.90	\$9.12	\$9.36	\$9.57	\$9.83	\$10.07	\$10.29
10	\$8.26	\$8.48	\$8.70	\$8.90	\$9.12	\$9.36	\$9.57	\$9.83	\$10.07	\$10.29	\$10.57	\$10.82
11	\$8.70	\$8.90	\$9.12	\$9.36	\$9.57	\$9.83	\$10.07	\$10.29	\$10.57	\$10.82	\$11.10	\$11.35
12	\$9.12	\$9.36	\$9.57	\$9.83	\$10.07	\$10.29	\$10.57	\$10.82	\$11.10	\$11.35	\$11.64	\$11.93
13	\$9.57	\$9.83	\$10.07	\$10.29	\$10.57	\$10.82	\$11.10	\$11.35	\$11.64	\$11.93	\$12.23	\$12.53
14	\$10.07	\$10.29	\$10.57	\$10.82	\$11.10	\$11.35	\$11.64	\$11.93	\$12.23	\$12.53	\$12.83	\$13.14
15	\$10.57	\$10.82	\$11.10	\$11.35	\$11.64	\$11.93	\$12.23	\$12.53	\$12.83	\$13.14	\$13.48	\$13.81
16	\$11.10	\$11.35	\$11.64	\$11.93	\$12.23	\$12.53	\$12.83	\$13.14	\$13.48	\$13.81	\$14.16	\$14.49
17	\$11.64	\$11.93	\$12.23	\$12.53	\$12.83	\$13.14	\$13.48	\$13.81	\$14.16	\$14.49	\$14.85	\$15.23
18	\$12.23	\$12.53	\$12.83	\$13.14	\$13.48	\$13.81	\$14.16	\$14.49	\$14.85	\$15.23	\$15.61	\$15.97
19	\$12.83	\$13.14	\$13.48	\$13.81	\$14.16	\$14.49	\$14.85	\$15.23	\$15.61	\$15.97	\$16.39	\$16.77
20	\$13.48	\$13.81	\$14.16	\$14.49	\$14.85	\$15.23	\$15.61	\$15.97	\$16.39	\$16.77	\$17.20	\$17.62
21	\$14.16	\$14.49	\$14.85	\$15.23	\$15.61	\$15.97	\$16.39	\$16.77	\$17.20	\$17.62	\$18.05	\$18.51
22	\$14.85	\$15.23	\$15.61	\$15.97	\$16.39	\$16.77	\$17.20	\$17.62	\$18.05	\$18.51	\$18.97	\$19.40
23	\$15.61	\$15.97	\$16.39	\$16.77	\$17.20	\$17.62	\$18.05	\$18.51	\$18.97	\$19.40	\$19.91	\$20.40
24	\$16.39	\$16.77	\$17.20	\$17.62	\$18.05	\$18.51	\$18.97	\$19.40	\$19.91	\$20.40	\$20.89	\$21.42
25	\$17.20	\$17.62	\$18.05	\$18.51	\$18.97	\$19.40	\$19.91	\$20.40	\$20.89	\$21.42	\$21.96	\$22.49
26	\$18.05	\$18.51	\$18.97	\$19.40	\$19.91	\$20.40	\$20.89	\$21.42	\$21.96	\$22.49	\$23.06	\$23.61
27	\$18.97	\$19.40	\$19.91	\$20.40	\$20.89	\$21.42	\$21.96	\$22.49	\$23.06	\$23.61	\$24.20	\$24.78
28	\$19.91	\$20.40	\$20.89	\$21.42	\$21.96	\$22.49	\$23.06	\$23.61	\$24.20	\$24.78	\$25.42	\$26.02
29	\$20.89	\$21.42	\$21.96	\$22.49	\$23.06	\$23.61	\$24.20	\$24.78	\$25.42	\$26.02	\$26.68	\$27.35
30	\$21.96	\$22.49	\$23.06	\$23.61	\$24.20	\$24.78	\$25.42	\$26.02	\$26.68	\$27.35	\$28.01	\$28.71
31	\$23.06	\$23.61	\$24.20	\$24.78	\$25.42	\$26.02	\$26.68	\$27.35	\$28.01	\$28.71	\$29.42	\$30.14
32	\$24.20	\$24.78	\$25.42	\$26.02	\$26.68	\$27.35	\$28.01	\$28.71	\$29.42	\$30.14	\$30.89	\$31.62
33	\$25.42	\$26.02	\$26.68	\$27.35	\$28.01	\$28.71	\$29.42	\$30.14	\$30.89	\$31.62	\$32.43	\$33.22
34	\$26.68	\$27.35	\$28.01	\$28.71	\$29.42	\$30.14	\$30.89	\$31.62	\$32.43	\$33.22	\$34.05	\$34.87
35	\$28.01	\$28.71	\$29.42	\$30.14	\$30.89	\$31.62	\$32.43	\$33.22	\$34.05	\$34.87	\$35.75	\$36.62
36	\$29.42	\$30.14	\$30.89	\$31.62	\$32.43	\$33.22	\$34.05	\$34.87	\$35.75	\$36.62	\$37.55	\$38.47
37	\$30.89	\$31.62	\$32.43	\$33.22	\$34.05	\$34.87	\$35.75	\$36.62	\$37.55	\$38.47	\$39.40	\$40.42
38	\$32.43	\$33.22	\$34.05	\$34.87	\$35.75	\$36.62	\$37.55	\$38.47	\$39.40	\$40.42	\$41.38	\$42.42

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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
	\$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

Testimony Before the Senate Ways and Means Committee
By Don Rezac Representing the
State Employees Association of Kansas
Thursday, February 23, 2006 – Kansas Statehouse – Topeka, Kansas

Mr. Chairman and members of the committee, I am Don Rezac representing the State Employees Association of Kansas (SEAK). SEAK, in existence since 1994, acts as an advocate for active employees and retirees of the State of Kansas. Thank you for allowing me to speak today on behalf of our members.

Today I am here to focus on a bill relating to the State Pay Plan. The bill under consideration today is SB 577, which places into statute step movements for state employees. SEAK is on record as an advocate of annual step movement for state employees and, therefore, we support this bill in concept.

This bill, as we understand it, authorizes and directs the governor to modify the pay plan for fiscal year 2007. One modification consists of a salary bonus for classified personnel. Upon a satisfactory rating on their latest performance review, classified personnel on pay step 15 or lower would qualify for a step movement. The base pay rate would increase equal to 2.5%.

There are obvious benefits to passage of this bill. We feel it would both improve morale of state employees and encourage greater productivity. State employees would have an incentive to do better work because their salary becomes tied to how well they perform. We feel this is good for both state workers and for citizens of the State of Kansas.

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.

I would be happy to answer any questions you may have. Thank you.

PO Box 4091
Topeka Kansas 66604-0091

State Employees Association of Kansas

www.seakis4you.org

785.267.1515
seak1@mindspring.com

Senate Ways and Means
2-23-06
Attachment 5



KANSAS

DUANE A. GOOSSEN, SECRETARY
CAROL L. FOREMAN, DEPUTY SECRETARY

DEPARTMENT OF ADMINISTRATION

KATHLEEN SEBELIUS, GOVERNOR

MEMORANDUM

TO: Sen. Anthony Hensley

FROM: Duane Goossen
Secretary of Administration

DATE: February 20, 2006

RE: FY 2007 pay plan

As requested, below is information on the Governor's FY 2007 proposal for a 2.5% Cost of Living Allowance for all state employees, and how that proposal compares with the cost of step movement for classified employees.

- The Governor has proposed a 2.5% COLA for all classified and unclassified employees. The total cost is \$50 million:
 - Cost without Regents: \$13.0 million SGF, \$25.4 million total
 - Cost for Regents: \$11.8 million SGF, \$24.6 million total
- The cost of step movement for all classified employees, granted on the employee's anniversary date, is \$11.7 million.
 - A step would be a 2.5% increase granted on each classified employee's anniversary date
 - \$11.7 million includes granting step movement to those employees currently on step 15, as well as those employees whose salary is not tied to the pay matrix
- The cost of a 2.5% COLA for unclassified employees is \$27 million. The cost of a 2.5% COLA for classified employees is \$23 million. The cost of step movement for classified employees, granted at the start of FY 2007, is \$23 million.