

Approved: March 14, 2008

Date

MINUTES OF THE SELECT COMMITTEE ON STATE EMPLOYEE PAY PLAN

The meeting was called to order by Chairman Pat George at 12:10 P.M. on March 6, 2008 in Room 786 of the Docking State Office Building.

All members were present.

Committee staff present:

Alan Conroy, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Jim Wilson, Revisor of Statutes Office  
Cyndie Rexer, Committee Assistant

Conferees appearing before the committee:

Representative Pat George, Chairman  
Gary Adkins, Executive Director, State Employees Association of Kansas  
Barbara Nagel, The Kansas Council of Classified Senates  
Jane Carter, Kansas Organization of State Employees

Others attending:

See attached list.

The minutes of February 20, 2008 were distributed. Representative Hawk moved the minutes be approved. Representative Tafanelli seconded the motion. The minutes were approved.

The Chairman thanked Wichita State University, Pittsburg State University, Kansas State University and Fort Hays State University for providing lunch for the committee and staff.

Chairman George turned the meeting over to Vice Chairman Tafanelli who recognized the Chairman as the first conferee. Chairman George spoke in support of **HB 2916** as a new way of thinking, a new way for state employees to be rewarded, and a new way for the State of Kansas to do business. He stated the key points and components of the bill and explained that in the first year of the plan, the longevity bonus currently paid to employees will move to their base salary. There will be no longevity bonus after the first year. The new plan takes all factors, including how long you have been employed, into account when rewarding employees. (Attachment 1) Chairman George stood for questions. Representative Hawk asked for a written response on the mechanics of the bill. Staff will provide the response.

Gary Adkins spoke in support of the bill with the exception of eliminating longevity bonuses. Elimination of the longevity bonus would break tradition and show the hardworking employees of the State of Kansas that their efforts toward gaining experience to better serve the citizens of the State of Kansas has no value. He stated that the provision that calls for replacing the bonus with a like increase in base salary is flawed in that the employee who is presently above market and is eligible for a longevity bonus would receive a base salary increase equal in value to their bonus thus raising their salary even further above market. For the employee below market rate, the increase in the base salary to replace their longevity bonus would cause the employee to partially fund the raising of his or her salary to market rate. Those employees who have 9 years of experience and anticipating a longevity bonus in the next year would lose forever the benefits of a longevity bonus. Mr. Adkins feels that eliminating a long-held tradition of rewarding dedicated and loyal employees causes a lack of trust between the employee and the State of Kansas. (Attachment 2)

Barbara Nagel fully supports **HB 2916**. The Oversight Commission has done excellent work in defining the parameters of the compensation problem and recommending changes to the state pay plan system and believes this bill clearly lays a foundation for implementing those recommendations to establish a quality and competitive pay plan. The continuation of an Oversight Committee will be vital to the success and on going evaluation and she recommends that one member of that committee be a state classified employee. (Attachment 3)

Jane Carter encouraged the committee to support the recommendations of the Governor regarding compensation for state employees at the minimum. The proposed 2.5% COLA is necessary to keep those employees currently at market rate from falling to a point below market and the Governor's recommendation

CONTINUATION SHEET

MINUTES OF THE Select Committee on State Employee Pay Plan at 12:10 P.M. on March 6, 2008 in Room 786 of the Capitol.

for funding a \$50 longevity bonus per year of service after ten years recognizes the fact that tenure yields valued experience. (Attachment 4)

The conferees stood for questions.

The meeting was adjourned at 1:15 P.M. The next meeting will be Friday, March 7, 2008, 8:00 A.M. in Room 531-N.



Select Committee on State Employee Pay Plan  
Representative Pat George  
HB 2916  
March 6, 2008

Vic Chairman Representative Tafanelli and Select Committee members, before you today, HB 2916, is more than another bill, more than a pay plan....2916 is a new way of thinking, a new way for state employees to be rewarded, a new way for the State of Kansas to do business!

The following are key points in regards to HB 2916:

- \* A bipartisan Commission consisting of all Branches of Government passed the recommendations unanimously.

- \* 5 year implementation plan that takes into consideration the importance of preparation, education, and transparency.

- \* An Oversight Committee to guide and monitor progress and implementation (part of resolution, balloon to bill).

Key components of HB 2916 are:

- \* 2.5% base salary adjustment for all classified employees this year.

- \* First of Five years of market salary adjustment (\* HB 2916 contains 5 years appropriation that funds entire market adjustment).

- \* Moves the longevity bonus that is paid to current employees to their base salary. Upon hearing testimony that longevity bonuses are not consistent with new market based pay plan and that today's employee will change jobs on an average of 6 times during their lifetime, the "roll into base" will mitigate the sudden loss of the longevity bonus and prevent those employees that are at or above market from going backwards. The intent of discontinuing longevity bonus from the new market driven plan is done to be consistent with the new plan. The new plan takes "all" factors, including how long you have been employed, into account when rewarding employees.

I would like to say that the State will reward you today, not in 10 years, for your contributions.

Finally I want to say that HB 2916 represents a "major" undertaking, a whole new mind set on how the State of Kansas workforce is rewarded, treated and thought of. It involves a lot of change, most people get heartburn about change, but in 5 years we will have a workforce that is not only the envy of the nation but one in which both employee and employer are proud to be a part of.





Testimony on House Bill 2916 Presented to the Select  
Committee on State Employee Pay Plan  
March 6, 2008

Mr. Chair, Ladies and Gentlemen of the Committee: My name is Gary Adkins and I am Executive Director of the State Employees Association of Kansas, more popularly known as SEAK. On behalf of our membership and Board of Directors, thank you for the opportunity to provide testimony today on House Bill 2916.

Over the past year or so, SEAK has been fully supportive of the committee's efforts in modernizing the State of Kansas payroll system and we laud your work which has culminated in House Bill 2916. SEAK fully supports the provisions in this bill to implement the new system and to provide multi-year funding for its implementation. We are, however, in opposition of the provision that eliminates longevity bonuses. Today, I would like to share our rationale in opposing this provision.

The State of Kansas has a long tradition of providing monetary rewards for employees who stay the course in gaining experience to better serve the citizens of the State of Kansas. My experience with the system spans over 40 years and, throughout that time, there has been a mechanism to reward employees who stay with the State of Kansas, even though they could receive greater financial rewards elsewhere. Elimination of the longevity bonus would break this tradition and show the hardworking men and women employed by the State of Kansas that their efforts toward gaining experience to better serve the citizens of the State of Kansas has no value.

Our next concern is that the provision in the bill that calls for replacing the bonus with a like increase in base salary for eligible employees is seriously flawed. Let me share some examples:

- First take an employee whose present salary is above market level and is eligible for a longevity bonus. He or she would receive a base salary increase equal in value to their bonus thus raising even more, their already above market salary.
- In the case of an employee currently below market rate, the increase in the base salary to replace their longevity bonus would in effect cause the employee to partially fund the raising of his or her salary to market rate.

- Finally, take the example of an employee who has nine years experience with the state and is anticipating a longevity bonus in the next year. Although they would have their salary increased to market level, they would lose forever the benefits of a longevity bonus.

Our next concern regarding elimination of the longevity bonus has to do with the issue of trust between the State of Kansas as an employer and its employees. The new pay system calls for state employees to trust the legislature to do the right thing in bringing salaries up to market and in adequately rewarding employees for exemplary performance. This trust extends to the legislature providing adequate funding over time to accomplish this gargantuan task. While asking employees to place trust in the legislature to do the right thing, this trust is violated by the elimination of a long-held tradition of rewarding dedication and loyalty to the State of Kansas.

Proponents of this provision say that bringing salaries up to market and eliminating the bonus is adequate for the state's needs. They point out that prevailing workforce demographics show that employees, in general, have several jobs and, in some case, careers over their working life. I contend that the demographics for State of Kansas run counter to the general population. Please take into consideration that the average state employee has over 13 year's seniority. Further consider that 12,000 of the 21,000 classified employees currently receive the longevity bonus. This is evidence shows that State of Kansas employees believe in the concept of public service and seek a career in meeting citizen's needs.

Think, if you will, of the message you are sending employees. You are raising salaries to market level in hopes of reducing double digit turnover and its inherent costs and, at the same time, eliminating the longevity bonus that rewards employees for staying with the State of Kansas. As an employer, is this message you really wish to send. While the amount of money expended in making longevity bonuses is not small in absolute dollars, it is minor when considered against the total state payroll and in the implications it will have for eligible workers.

I'll be happy to answer any questions you may have.





**Testimony on HB2916,  
Select Committee on State Employee Pay Plan  
Submitted by Barbara Nagel  
President, Classified Senate Kansas State University  
Representing The Kansas Council of Classified Senates  
March 6, 2008**

Classified Senate  
105 Anderson Hall  
Manhattan, KS 66506-0121

Chairman George and Members of the Select Committee on State Employee Pay Plan:

Thank you for the opportunity to appear before you today to testify on behalf of the 4,500+ employees represented by the Kansas Council of Classified Senates from the six Regents Universities, Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, Wichita State University, and the University Support Staff Senate of the University of Kansas, who fully support the findings and recommendations of the State Employee Compensation Oversight Commission and HB2916.

The Kansas Council of Classified Senates has played an integral part in the new pay plan process. From the very beginning with the formation of the Oversight Commission, the Kansas Council of Classified Senates attended meetings on behalf of the Regents employees to stay abreast of the Commission's work. Jennyfer Owensby, President-Elect of Classified Senate at Kansas State University, and a member of the Kansas Council of Classified Senates, testified on two separate occasions to the Oversight Commission concerning the Regents input on the state pay plan system. To further our support of the Oversight Commission's work, the Kansas Council of Classified Senates passed a resolution on November 5, 2007 acknowledging the Commission's diligent work and supporting the recommendations on behalf of all Regents employees.

The Oversight Commission has done excellent work in defining the parameters of the compensation problem and recommending changes to the state pay plan system. We believe HB2916 clearly lays a foundation for implementing those recommendations to establish a quality and competitive pay plan for the state employees of Kansas. A market based system provides a competitive pay to attract and retain employees along with offering a system that monitors and responds to market pay changes proactively. The true effectiveness of the pay plans will rest heavily upon the implementation from the Department of Personnel Services. The degree to which they provide interactive and hands-on support will be crucial in establishing standardized guidelines for training supervisors, developing merit assessment, defining measurable criteria for employee evaluations, and consistent classifications of positions across state agencies. The continuation of an Oversight Committee will be vital to the success and on going evaluation and I would go one step further in recommending that one member of that committee be a state classified employee.

On behalf of the Kansas Council of Classified Senates, I want to express our appreciation and gratitude to the Legislature for making the pay plan a priority this year and addressing this important issue early in the legislative session.

The Kansas Council of Classified Senates strongly urges this committee and the other Kansas Legislators to support and pass HB2916.

**RESOLUTION FOR THE ESTABLISHMENT OF FY 2009  
CLASSIFIED EMPLOYEE LEGISLATORS ACTION POINTS**

- BY:** The Kansas Council of Classified Senates representing the Classified Senates of Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, Wichita State University, and the University Support Staff Senate of the University of Kansas, and in turn representing a combined 4,500+ employees at those universities; (For the purpose of this document “employees” refers to Classified Staff and University Support Staff.)
- WHEREAS,** Employees contribute to the quality of education which is essential to the economic future of Kansas;
- WHEREAS,** Employees are capable, loyal, interested, accomplished, possessing institutional memory, and are skilled at their respective positions;
- WHEREAS,** The Kansas legislature has acknowledged severe problems with the current compensation system;
- WHEREAS,** A compensation plan should be based on the principles of fairness and the value of compensation based on the appropriate market value of the job;
- WHEREAS,** The State Employee Compensation Oversight Commission has done excellent work in defining the parameters of the compensation problem and recommending a possible solution;
- WHEREAS,** We appreciate the work of the State Employee Compensation Oversight Commission on behalf of all university employees.



**THEREFORE, BE IT RESOLVED THAT:**

**FY2009 POSITION PAPER**

**SECTION 1.** The Kansas Council of Classified Senates requests the 2008 Legislature support and implement the following actions:

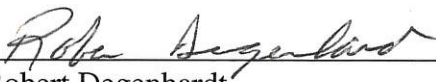
1. Fully fund an annual compensation plan.
2. Appoint at least one classified employee to any current or future compensation committees.
3. Support 2007 Senate Bill 21 to match unclassified vacation leave.
4. Provide health insurance premiums for retirees under the 85 point plan until eligible for Medicare benefits.

**SECTION 2.** A copy of this resolution shall be sent to the Governor, Lt. Governor, State Representatives in the Kansas Legislature, State Senators in the Kansas Legislature, Kansas Board of Regents Members, Regents University Presidents, Regents Classified Senate Presidents, Regents Faculty Senate Presidents, and Regents Student Senate Presidents.

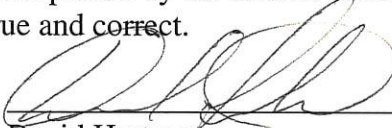
**THIS RESOLUTION PASSED  
THE KANSAS COUNCIL OF CLASSIFIED SENATES  
ON NOVEMBER 5, 2007 BY A ROLL CALL VOTE OF 6-0-0.**

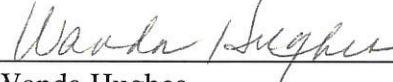
We, the undersigned, hereby certify this resolution was passed by the Kansas Council of Classified Senates and testify the above-printed is true and correct.

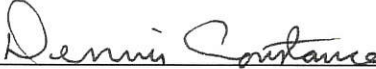
  
\_\_\_\_\_  
Art Gutierrez  
President, Classified Senate  
Emporia State University

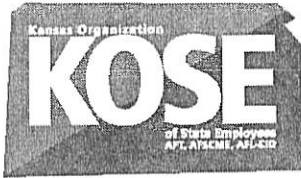
  
\_\_\_\_\_  
Robert Degenhardt  
President, Classified Senate  
Fort Hays State University

  
\_\_\_\_\_  
Barbara Nagel  
President, Classified Senate  
Kansas State University

  
\_\_\_\_\_  
David Hartman  
President, Classified Senate  
Pittsburg State University

  
\_\_\_\_\_  
Wanda Hughes  
President, Classified Senate  
Wichita State University

  
\_\_\_\_\_  
Dennis Constance, President  
University Support Staff Senate  
University of Kansas



A New Day... A Better Way... For State Employees

---

Select Committee on State Employee Pay Plan  
Testimony Presented by Jane Carter  
March 6, 2008

On behalf of the members of the Kansas Organization of State Employees, I would like to thank the Chairman and the Committee for the opportunity to express our position on state employee pay.

We find ourselves today in a position needing to play catch up on state employee salaries because of the State's failure to fund step increases over the past several years. Had step increases been given, many employees playing catch up would be at or near the market salary.

It is the position of KOSE that this committee should support the recommendations of the Governor regarding compensation for state employees at the minimum. Such a compensation program for FY 2009, including the COLA and longevity bonus, is based upon fair and equal principles. The plan presented by the Governor shows a commitment to State Employees that includes funding that would bring those employees severely behind market up to a more adequate level. The proposed 2.5% COLA is necessary to keep those employees currently at market rate from falling to a point below market. Additionally, the Governor's recommendation for funding a \$50 longevity bonus per year of service after ten years recognizes the fact that tenure yields valued experience.

The Governor's recommendations, as presented in the budget report, addresses the value of state service.

\*\*\*\*\*

*Established in 2007, the Kansas Organization of State Employees is the large*

Kansas Organization of State Employees, AFT/AFSCME,  
1301 SW Topeka Boulevard • Topeka, KS 66612 • (785) 35

Select Committee On  
State Employee Pay Plan  
3-6-08  
Attachment 4