

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:00 a.m. on February 11, 2009, in Room 143-N of the Capitol.

All members were present.

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes  
Theresa Kiernan, Office of the Revisor of Statutes  
Jim Wilson, Office of the Revisor of Statutes  
Alan Conroy, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
J.G. Scott, Kansas Legislative Research Department  
Kelly Cure, Chief of Staff  
Kathy Holscher, Committee Assistant

Conferees appearing before the committee:

None

Others attending:

See attached list.

- Attachment 1 Overview of the New Pay Plan
- Attachment 2 KOSE Health Insurance Contribution Moratorium
- Attachment 3 Government Performance Project
- Attachment 4 Commission on Veterans Affairs Budget Committee Report
- Attachment 5 No-fund Warrants 79-2939
- Attachment 6 No-fund Warrants Amendment **HB 2095**
- Attachment 7 Contingency Reserve Funds Amendment **HB 2095**

Chairman Yoder welcomed Committee members and reviewed the Committee meeting agenda.

The minutes from the January 13, 14, 15, 20, 21 and 22 were distributed. Representative Mast moved to approve the minutes. The motion was seconded by Representative Whitham. Motion carried

Introduction of Legislation

Representative Henry moved to introduce legislation regarding 1) an act for licensed professional and practical nurses, and 2) state employees salary, wages and compensation. The motion was seconded by Representative Ballard. Motion carried.

Representative Faber moved to introduce legislation regarding life insurance companies and reserves. The motion was seconded by Representative Whitham. Motion carried.

Representative McLeland moved to introduce legislation regarding insurance reimbursement for certain dietary formulas. The motion was seconded by representative Sawyer. Motion carried.

Representative Watkins moved to introduce legislation for Representative Brown regarding Johnson County and archery deer permits. The motion was seconded by Representative Mast. Motion carried.

Duane Goossen, Secretary, Department of Administration, presented an overview on the employee pay plan (Attachment 1). The 2008 Legislature formally authorized and adopted the five pay plan, which will be implemented over a five year period, beginning FY 2009. The Governor's budget reflects a one lump sum that will be distributed, with the approval of the Finance Council, prior to the new fiscal year and appropriated the same as last year. In addition, the Governor's proposal includes a 1 percent salary increase, which agencies would absorb. Duane Goossen responded to questions from Committee members regarding increasing the 1 percent pay increase for employee wages, budget reductions and staffing issues.

## CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00 a.m. on February 11, 2009, in Room 143-N of the Capitol.

Kraig Knowlton, Department of Administration, explained the Job Classification spreadsheet, and provided data relating to turn-over rates and retirement eligible employees.

- Information requested
  - 2008 State Employee Report
  - Breakdown of full-time and part-time teaching loads

Jane Carter, Executive Director, Kansas Organization of State Employees (KOSE), presented an overview on the Health Insurance Contribution Moratorium (Attachment 2), and discussed the employee Pay Plan. Data was compiled by Pew Center (Attachment 3), The Hay Group and US Bureau of Labor Statistics, which shows State of Kansas employee benefits and pay ranking is among the lowest paid benefits in the nation. Salary increases for classified employees FY 1994 to FY 2008 were reviewed.

Jane Carter responded to questions from Committee members regarding the union's position on recommended budget cuts. Suggestions for Committee consideration included: supervisors per classified staff; use of agency owned vehicles; and a funded pay plan.

Representative Mast presented the Kansas Commission on Veterans' Affairs Budget Report, (Attachment 4). The Governor's FY 2010 recommendation is 12.4 percent below the FY 2010 agency request, which includes the KPERS Death and Disability insurance and group health insurance fund moratoriums. Committee recommendations were noted.

Representative Mast made a motion to approve the Veterans' Affairs Budget Report. The motion was seconded by Representative Ballard.

Representative Mast responded to questions from Committee members regarding Scratch-Lotto funds and the expansion of the National Guard Museum.

Wayne Bollig, Director, Kansas Committee of Veterans' Affairs, responded to questions from Committee members regarding funding sources, fee-based homes for veterans, and resident occupancy. Budget cuts and the impact on the Kansas Soldiers' Home were discussed.

Committee members expressed concerns for these reductions at a time when our nation is at war, expectations and quality of resources available to veterans and their families based on ability to pay.

Chairman Yoder stated that all budgets have a moratorium on KPERS death and disability and the employee health insurance plan, which were in the Governor's FY 2009 and FY 2010 proposals.

Chairman Yoder made a motion to remove the KPERS Death and Disability and Employee Health Insurance Fund moratoriums from agency budgets, with the intent of placing the moratoriums in the budgets if the rescission bill does not become law. The motion was seconded by Representative Watkins. Motion carried.

Secretary Goossen responded to questions from Committee members regarding KPERS Death and Disability and Employee Health Insurance Fund, the impact of the moratorium and ending balances for the calendar year.

Representative Gatewood made a motion to appropriate \$50,000 from ELARF for the National Guard Museum expansion. The motion was seconded by Representative Lane. Discussion by Committee members followed. Representative Gatewood amended the motion to appropriate \$50,000 from ELARF for the National Guard Museum expansion, which would be reviewed at Omnibus. Motion carried.

Representative Crum made a motion to move the language from the Conference Committee report to allow the transfer of funds from the Veterans' Home to the Soldiers' Home on the FY 2010 Budget. The motion was seconded by Mast. Motion carried.

Representative Mast renewed the motion to adopt the Veterans' Affairs Conference Committee Report for FY

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00 a.m. on February 11, 2009, in Room 143-N of the Capitol.

2010 as amended. Motion carried.

**HB 2095 - School finance; capital outlay; cash-basis law, exemption; LOB authority.**

Theresa Kiernan, Office of the Revisor of Statutes, presented an overview of the No-fund Warrants 79-2939, (Attachment 5). If the governing body of a municipality or taxing district determines that it is impossible to pay for unforeseen expenses without incurring indebtedness in excess of the adopted budget they may make application to the state court of tax appeals for authority to issue no-fund warrants. The application process was reviewed.

Theresa Kiernan responded to questions from Committee members regarding steps involved and repayment requirements of five years.

Theresa Kiernan presented an overview of the Adopted Amendment to **HB 2095**, (Attachment 6). The amendment would allow the board of education to issue no-fund warrants for the purpose of paying teacher salaries and benefits if the general funds are insufficient to finance the adopted budget of expenditures. The authority to issue no-fund warrants would expire June 30, 2011..

Committee members discussed the use of no-fund warrants for school districts that do not have contingency funds.

Theresa Kiernan presented an overview of the Proposed Amendment to **HB 2095**, (Attachment 7). The purpose of the amendment is to allow the board of education to issue no-fund warrants to pay teacher salaries and benefits, if the general funds are insufficient to finance the adopted budget of expenditures and if the district has not established a contingency reserve fund or if there are no monies in the contingency reserve fund. The authority to issue no-fund warrants would expire June 30, 2011. Theresa Kiernan responded to questions from Committee members regarding fund balances and limitations or restrictions for exhausting funds.

Committee members stated the need to allow districts flexibility and at the same time look at all available opportunities to meet funding needs.

Dale Dennis, Department of Education, responded to Committee questions in regards to district fund accounts, and the utilization of excess funds which can be transferred to other fund accounts.

Representative Kelley made a motion to adopt the Proposed Amendment. The motion was seconded by Representative Mast.

Committee members discussed contingency funds and determined that further discussion would be needed prior to taking action on the bill.

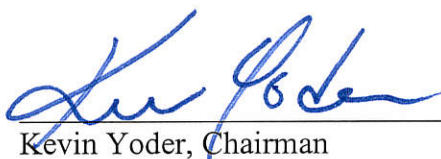
Representative Craft made a substitute motion to include the statement that prior to issuing no-fund warrants the school district must report to the local taxpayers the total dollar amount in the contingency reserve fund and the purpose for which those dollars will be spent.

Committee members discussed the impact to tax payers of no-fund warrants.

Chairman Yoder stated that when the Committee comes back to this bill we will be in the middle of the Kelley amendment.

The next meeting is scheduled for February 12, 2009.

The meeting was adjourned at 11:00 a.m.

  
Kevin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-11-09

NAME	REPRESENTING
Dennis Phillips	KSCFF
Berend Koops	Hein Law Firm
Jane Carter	KS Organization of State Employees
Tom Kutz	KASB
Dodie Wilkerson	USA/Kansas
Wayne Bally	KCUA
Marshall Kennedy	KCUA
John Paul	KCUA
John Paul	KHPA
Victor Lynn Hill	Budget
MARK BORANYAK	CAPITOL STRATEGISTS
Wil Leiker	KS AFL-CIO
Robbie Berry	SRS
Natalie Haag	Security Benefit
KOD MERRY	KEMMER & Assoc.
Jeff Swingle	Intern

# Overview of the New Pay Plan

Before the House Committee on Appropriations  
February 4, 2009

By Carol Foreman, Deputy Secretary  
Department of Administration

Mr. Chairman, members of the committee, my name is Carol Foreman and I am the Deputy Secretary of the Department of Administration. Thank you for the opportunity to appear before you today.

## State Employee Compensation Oversight Commission

As I am sure you are all aware, the 2007 Legislature authorized the formation of both the State Employee Compensation Oversight Commission (the Commission) and the State Employee Pay Philosophy Task Force (the Task Force) to meet during the interim and make important decisions regarding the pay for the State's classified workforce. Both of these groups were composed of 11 members representing all three branches of State government. The members of these groups can be seen on *Attachment I*.

The Task Force met first and worked through a session facilitated by Neville Kenning, the National Director of State Government Consulting Practice for the Hay Group, to prepare a compensation philosophy to serve as the philosophical framework for the work of the Commission. The philosophy that was prepared by the Task Force can be seen in *Attachment II*.

The Commission then met four times throughout the summer and fall of 2007, reviewing the State's current practices, hearing from key stakeholders and discussing the new direction for compensation that would meet the changing needs of the modern workforce. On October 15, 2007, Mr. Kenning presented the Hay Group's proposals for the redesign and implementation of a new pay plan for the State of Kansas. At the conclusion of the meeting, the Commission voted unanimously to propose the plans recommended by the Hay Group to the 2008 Legislature.

Following the unanimous approval of a Joint Committee at the beginning of the 2008 Legislature, the Commission's recommendations were set out in legislation. The 2008 Legislature formally authorized and adopted the Commission's recommendations by passage of 2008 Substitute for House Bill 2916, and the bill was signed into law by the Governor on May 16, 2008.

## Proposed Pay Plans

The Hay Group's proposal is to adopt five pay plans, with each plan addressing the specific occupational issues of the job classifications assigned to the plan. As an employer, the State of Kansas has the most diverse workforce in the State, and no other employer would have such diverse occupations within one enterprise. Because of this, the "one-size-fits-all" plan that is currently in existence simply does not work.

Appropriations Committee

Attachment 1-1

Date 2-11-09

Budget \_\_\_\_\_

The Hay Group's recommended plans are as follows:

1. Basic Vocational Pay Plan – Classifications assigned to this plan perform very structured, routine work and performance can be measured on a pass/fail basis. The plan is a step plan, with more narrow pay grades than those that exist under the current plan.
2. General Classified Pay Plan – Classifications assigned to this plan are those that do not fall within the parameters established for any of the other plans. This plan is a hybrid model with movement based on steps up to market and an open range, regulated through the use of zones, beyond market.
3. Management Pay Plan – Classifications assigned to this plan are limited to exempt, high level managerial jobs. Incumbents of these classifications are involved in managerial functions of planning, leading, organizing, controlling, motivating and innovating. The actual *supervision* of various activities is largely delegated. A classification in this plan has managerial concern for integrating the sub-functions which report to it. This plan consists of open pay grades with pay movement based in position-in-range and performance.
4. Professional Individual Contributor Pay Plan – Classifications assigned to this plan are characterized by having knowledge that requires an understanding of the principles and theories of a professional discipline normally gained through a college curriculum. This plan is an open range model with market anchors.
5. Protective Services Pay Plan – All uniformed officers of the Department of Corrections and Juvenile Justice Authority, troopers of the Kansas Highway Patrol and all classifications that meet the definition of “police officer” or “law enforcement officer” set out in K.S.A. 74-5602 are assigned to this pay plan. This plan is a step model.

This proposed system aligns both wage rates and compensation practices with industry and market standards, allowing the State to provide for true competitive compensation for employees in diverse occupations. In addition, the proposed system moves employees to the “market rate” for their particular occupation faster than the current system.

The initial proposed assignment of job classifications to one of the five pay plans can be viewed in *Attachment III*. The basis for the assignments to each of the plans is the definition for each of the plans as set out in the descriptions above, along with a number of additional considerations such as cost, internal equity and ease of transition. The numbers in the “plan” column of the attachment correspond with the numbering of the pay plans used above. This and other information regarding the new pay plans can be found at the following website: <http://www.da.ks.gov/newpayplans/default.htm>

### Implementation

Based on the recommendations of the Hay Group, these pay plans will be implemented over a five year period, beginning in FY2009 and lasting through FY2013. For implementation purposes, the classified workforce was divided into three groups and each group will go through its own separate three-year implementation phase during the overall, five-year implementation period.

The five-year implementation period was recommended for a number of reasons, with one of the foremost being cost. Given that the estimated cost of bringing the classified workforce to market is nearly \$72 million, it was determined that a five-year implementation plan would allow for the funding to be broken up over the entire implementation period. In addition, successful implementation will require a great deal of work. *Attachment IV* shows how the implementation process will occur and highlights the activities that will occur during each group's implementation phase.

With over 22,000 positions in the classified workforce, the classification review of all classified positions is an immense process, but one that must be completed to insure that employees are properly classified before moving to the new pay plans. Policies, procedures and regulations must also be developed and amended to implement the new system, as must the State's automated payroll and accounting system.

Another very important reason for the five-year implementation period is that it will allow for each implementation group to go through a "dry run" year. This is something that was strongly recommended to the Commission by the panel of public and private sector representatives who discussed the transitions to their own new compensation systems. We believe that this is a crucial step in the implementation strategy as it will allow for policies, procedures and systems to be thoroughly tested and for employees, supervisors and managers to gain hands-on experience with the new system before it is actually implemented.

### Performance Management

In addition to hearing from State employees about the problems with the State's pay plan, the members of the Commission heard from State employees that the State's current performance review system does not work. Employees told the members of the Commission that they did not believe that their supervisors were capable of effective performance management and several expressed concern with the possibility of allowing supervisors to have an impact on employees' pay. Based on this information, the Hay Group's recommendations to the Commission also included a proposal to develop a new performance management system.

### Funding

The final, and most important, piece of the plan is the funding that will be necessary to begin implementation of the plan. With the goal of moving all classifications as close to market as possible by the time they move to the new plans, strategic funding is critical to the success of the plan.

The 2008 Legislature supported the Governor's proposal for \$16 million worth of market adjustments for State employees beginning in FY2009, and made a strong demonstration of commitment to this initiative, by including a funding plan for the remainder of the five-year implementation period in the legislation authorizing and enacting the implementation of the new plans. The Governor has again proposed \$16 million for the continuation of these critical market adjustments for FY2010. As indicated in *Attachment IV*, these strategic increases will not be limited to classifications assigned to a particular pay plan or implementation group, but will be provided to employees throughout the State workforce, as they were in FY2009.

## Implementation Oversight

The final component of the Commission's recommendation is that a group similar in nature, role and representation to the Commission be established to provide oversight regarding the implementation of the new systems. The focus of this group was recommended to be to ensure that the plans and processes developed for the new system are being managed and administered in accordance with the State's compensation philosophy.

In recognition of this, 2008 Substitute for House Bill 2008 included provisions establishing the State Employee Pay Plan Oversight Committee. This committee includes members from both the House and Senate as well as appointees of the Governor, including one member representing employee organizations. This Committee has met on three occasions since the 2008 Legislative session, hearing information and providing direction on the implementation of the new pay plans.

## Implementation Efforts to Date

### **Group 1 Salary Survey**

In order to ensure that the new compensation system keeps pace with the market, beginning in FY2009, salary surveys will be conducted for one-third of the classified workforce on an annual basis. While it would be ideal to survey the entire workforce every year, such a comprehensive annual survey would be extremely detailed and based on past experience, it is likely that many of those requested to complete the survey would decline to participate. The recommended practice strikes a reasonable balance by establishing a regular survey cycle with manageable surveys so that compensation decisions will always be based on data that is no more than two years old.

Pursuant to this system, a salary survey was conducted in the Fall of 2008 for benchmark classifications assigned to Group 1. Surveys were sent to 465 employers, including private and public employers within the State, as well as to other states. Responses were received from 178 of the employers, but after quality control efforts, it was determined that only 157 of the responses can be used. This results in a 34% response rate and a list of the respondents is included as *Attachment V*.

While this may seem like a very low response rate, this was not an unforeseen occurrence. Largely due to the types of industries that were included in the survey, a low response rate was anticipated so the survey was intentionally over built. So, while the response rate appears low, it is important to remember that the 157 responses is over two times the number of responses that the Hay Group received to their survey in 2006 and the Group 1 survey focused on only a third of the workforce. As a result, staff from DPS who are conducting the surveys are very comfortable with the number of responses and have no concerns that the low response rate will have any impact on the validity of the survey.

In addition, the amount of quality control that was performed means that DPS has a very high degree of confidence in the data that was received. However, due to the extent of the quality control that was performed, the process has taken significantly longer than anticipated. As a result, the results are not finished and have not been presented to the Oversight Committee at this time. It is anticipated that the work will be completed within the next few weeks.



## **Classification Review**

With respect to the comprehensive classification review of the positions in classifications assigned to Group 1, the teams of DPS and agency staff who conducted those reviews completed their work in November. Staff from DPS are currently in the process of finalizing a report that will list each agency's positions along with the classification to which the position is recommended to be allocated.

In addition to the review of the positions, the review teams also conducted a review of the classifications themselves. As a result of this review, there will also be a number of changes proposed to existing classifications, several new classifications as well as a new format for the class specifications. These recommendations were based primarily on information obtained from focus groups that have been conducted with employees over the past year. This information will be posted to the DPS website within the next few weeks, and will be done in conjunction with the notification to agencies about the recommended allocation of their positions in Group 1.

## **New Performance Management Process**

The new Performance Management Process was developed through the work of two teams, with assistance and expertise provided by staff from DPS and the Hay Group. The first of these teams was the Design Team which was comprised of employees from different roles, agencies, levels of responsibility and representing classifications assigned to all five of the new pay plans. As the name implies, the Design Team was responsible for the design of the new PMP.

The second team that was formed was the Steering Committee. This team was comprised of Agency Heads, or their non-HR designees, two HR Managers, an employee representative, and Senator Vicki Schmidt, who represented the Commission. As leaders in the State of Kansas workforce, the role of the Steering Committee was to insure that the work of the Design Team coincided with the best interests of State government, and once the new process was designed, to champion and support the new process as it is implemented statewide.

The new PMP is intended to be a cooperative system based on the employee and supervisor communicating to agree upon goals and objectives, and has a particular emphasis on performance planning, coaching and feedback. The intent is to involve employees in the performance planning process so that they not only have a role in setting their goals, but also have a clear understanding of what is expected of them.

The new PMP has several important differences from the State's current system, including:

- The incorporation of competencies for employees, which provide a way to evaluate and recognize not only the duties the employee performs, but also the manner in which those duties are completed.
- The inclusion of two pass/fail measures of dependability and adherence to agency values for all employees, that if not passed, the employee cannot obtain a satisfactory performance rating.
- Five overall ratings as opposed to the three ratings that are currently in place.
- A requirement that performance reviews be conducted between October 1<sup>st</sup> and December 31<sup>st</sup> of each year, as opposed to on the employee's anniversary date.

All of these factors have been incorporated into a new form, which will be required to be utilized on a statewide basis. The new form is included as *Attachment VI*. The form itself contains explanations of many of the new measures and practices, but there is also a Resource Guide that will be available on the website should it be needed. This Resource guide can be seen at the following link: <http://www.da.ks.gov/pmp/mgrresguide.pdf>

Staff from the Department of Administration have held several informational meetings with employees at locations across the State to discuss the new PMP and the new pay plans, and are scheduled to hold several more in the coming months. So far, there have been meetings in Dodge City, Hays, Hutchinson, Manhattan, Pittsburg, and Wichita. Additional meetings in Manhattan, Topeka and Wichita are planned as are meetings in Salina and in the Kansas City area. To date, there have been 18 meetings with over 1,800 employees.

Finally, staff from DPS have completed four train-the-trainer sessions developed jointly by staff from the Hay Group and DPS for 146 trainers and HR staff from 45 different State agencies. These trainers and HR staff will then take the training out to their own agencies, and train managers and supervisors throughout the State on the new PMP, and several agencies have already begun to do so. While the actual trainer may vary, this method assures that the curriculum, materials and presentation used in the training will be the same for all supervisors and managers throughout the State.

### Conclusion

This new proposed system is a collaborative effort of all Branches of State Government and was designed by the Hay Group, which is widely regarded as one of the foremost experts in the field of compensation practices. The proposal is also based on a comprehensive Compensation Philosophy for the State of Kansas which contains guiding principles for the effective administration of compensation throughout the State workforce.

We believe these new plans and PMP adopt the correct balance between the incorporation of private industry concepts and the principles of the merit system. The new system addresses a serious deficiency in State government and will provide for improved efficiency and a more effective return on investment.

I thank you again for the opportunity to have this discussion with you today. I would be happy to stand for any questions that the Committee may have.

Attachment I

# State Employee Compensation Oversight Commission

**Appointed by the Governor**

Carol Foreman, Chairperson  
Deputy Secretary of Administration

Secretary Jim Garner  
Kansas Department of Labor

George Vega  
Director of Personnel Services  
Department of Administration

**Appointed by the President of the Senate**

Senator Roger Reitz

Senator Vicki Schmidt

**Appointed by the Senate Minority Leader**

Senator Laura Kelly

**Appointed by the Speaker of the House**

Representative Pat George, Vice-Chairperson

Representative Lee Tafanelli

**Appointed by the House Minority Leader**

Representative Tom Hawk

**Appointed by the Chief Justice of the  
Kansas Supreme Court**

Patricia Henshall  
Director of Personnel  
Kansas Judicial Branch

**Appointed by the Chairperson of the  
Kansas Board of Regents**

Dr. Richard Lariviere  
Provost & Executive Vice Chancellor  
University of Kansas

Attachment I

## State Employee Pay Philosophy Task Force

**Appointed by the Governor**

Carol Foreman  
Deputy Secretary of Administration

Secretary Jim Garner  
Kansas Department of Labor

George Vega  
Director of Personnel Services  
Department of Administration

**Appointed by the President of the Senate**

Senator Roger Reitz

Senator Vicki Schmidt

**Appointed by the Senate Minority Leader**

Senator Marci Francisco

**Appointed by the Speaker of the House**

Representative Pat George, Chairperson

Representative Lee Tafanelli

**Appointed by the House Minority Leader**

Representative Tom Hawk

**Appointed by the Chief Justice of the  
Kansas Supreme Court**

Patricia Henshall  
Director of Personnel  
Kansas Judicial Branch

**Appointed by the Chairperson of the  
Kansas Board of Regents**

Dr. Richard Lariviere  
Provost & Executive Vice Chancellor  
University of Kansas

## Attachment II

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**STATE OF KANSAS**

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**STATEMENT OF COMPENSATION PHILOSOPHY****Umbrella Statement**

The compensation program (compensation and benefits opportunity and delivery) for State employees will be designed to support the mission of the various branches of government and the agencies and departments within those branches. The foundation of the compensation program is to attract and retain quality employees with competitive compensation based on relevant labor markets. The programs will be based upon principles of fairness and equity and will be administered with sound fiscal discipline.

**Component Statements**

1. The Legislature will be accountable for the adoption of the compensation philosophy and framework. The Executive Branch through delegated authority from the Governor to the Department of Administration will be accountable for the consistent administration of the program for classified employees. Agency Heads will be accountable for proper administration of the program within their Agencies. The Chief Justice, through delegated authority to the Office of Judicial Administration will be accountable for the consistent administration of the program for Judicial Branch employees. The Board of Regents, through delegated authority to the Chief Executive Officer of each campus, will be accountable for the consistent administration of the program for higher education faculty and non-classified employees.
2. The compensation program will be based on consistent principles of fairness throughout the State, yet will be flexible to meet changing needs. This will allow for multiple pay plans to fit different needs and market variables for the different Branches of government and within those Branches.
3. Establishing the value of compensation will be primarily based on establishing the appropriate market value of the job. For positions for which a market value cannot be readily identified, the value of compensation for those positions will be based on a fair, defensible and understandable method.
4. While recognizing that service and tenure yields valued experience, pay delivery mechanisms will be based on a combination of achievement of performance objectives, recognition of differences in job content, acquisition and application of further skill and education and pay for the achievement of team/unit or department goals.
5. All aspects of compensation (base salary, benefits, lump sum payments, allowances and other variable elements of compensation) will be considered as a total compensation package for State employees. The State's pay programs will utilize both fixed and variable compensation as well as non-cash reward and recognition programs.

6. Total compensation, as defined above, will be targeted at a competitive level when compared to the appropriate labor markets to allow the State to attract and retain the quality and quantity of employees needed to fulfill service commitments to its citizens.
7. The State is committed to ensuring that its salary structures are up to date through the conduct of market surveys at regular intervals. There will be a planned approach to ensure that the classification structure and classification of employees is kept current.
8. The compensation programs will reinforce a work culture and climate where employees are recognized and rewarded for their contribution. Any changes to compensation must be reasonable and take into consideration the needs of the State as an employer, the work culture afforded to the employees as public service providers and the citizens receiving services from the State.

### Attachment III

Job Classification	Emp Count	Pay Plan	Group	PG
Accountant I	103	2	2	23
<b>Accountant II</b>	98	2	2	24
Accountant III	91	4	2	26
<b>Accountant IV</b>	60	4	2	29
Accountant V	12	3	3	32
<b>Accounting Specialist</b>	173	2	2	19
<b>Activity Specialist I</b>	47	2	2	22
<b>Activity Specialist II</b>	13	2	2	24
<b>Activity Therapist I</b>	39	2	2	22
<b>Activity Therapist II</b>	14	2	2	24
<b>Activity Therapy Technician</b>	18	2	2	14
Administrative Assistant	871	1	1	13
<b>Administrative Law Judge</b>	6	4	1	33
<b>Administrative Officer</b>	151	2	2	21
Administrative Specialist	1033	2	2	18
<b>Adv Regstrd Nurse Practitioner</b>	3	4	1	34
Advertising Coordinator	1	2	2	32
<b>Agricultural Assistant</b>	14	1	1	13
Agricultural Inspector II	75	2	2	22
<b>Agricultural Inspector III</b>	14	2	2	25
Agricultural Technician	13	1	1	17
<b>Animal Science Technician I</b>	31	1	1	16
<b>Animal Science Technician II</b>	24	1	1	18
Applications Developer I	48	4	2	27
<b>Applications Developer II</b>	144	4	2	29
Applications Developer III	90	4	2	31
<b>Applications Development Supv</b>	36	4	2	33
Applications Support Technicn	5	4	2	21
<b>Archeologist I</b>	0	4	1	22
Archeologist II	4	4	1	24
<b>Archeologist III</b>	1	4	1	27
Architect I	0	4	2	24
<b>Architect II</b>	3	4	2	27
Architect III	5	4	2	30
Architectural Intern	1	4	2	23
Architectural Project Designer	3	4	2	23
Assistant Director, Workers Comp	0	4	3	34
Assistive Technology Specialis	4	2	2	17
<b>Attorney I</b>	56	4	1	28
Attorney II	52	4	1	31
Attorney III	15	4	1	33
<b>Attorney IV</b>	3	4	1	35
Audio Visual Technician	3	2	1	18
<b>Automotive Driver</b>	13	1	1	9
<b>Aviation Technician</b>	4	2	3	22
<b>Barber Shop Inspector</b>	1	2	2	19
Beauty Shop Inspector	5	2	2	19
Bookbinder	4	2	2	X
Bookbinder Apprentice	0	2	2	X
Bookbinder Apprentice Senior	0	2	2	X
Bookbinder Senior	7	2	2	X
<b>Broadcast Engineer</b>	5	2	2	30
<b>Building Construction Insp</b>	8	2	3	24
Building Systems Engineer I	1	4	2	29

### Attachment III

<b>Building Systems Engineer II</b>	1	4	2	32
<b>Building Systems Engineer III</b>	6	4	2	35
<b>Buildings System Technician</b>	49	2	3	19
<b>Capitol Area Guard I</b>	13	1	1	15
Capitol Area Guard II	2	1	1	17
<b>Carpenter</b>	8	2	3	16
Carpenter Senior	47	2	3	19
Certified Asbestos Worker	3	2	3	20
Certified Asbestos Wrkr Senior	5	2	3	22
<b>Certified Nurse Aide I</b>	72	2	1	14
<b>Certified Nurse Aide II</b>	50	2	1	16
Certified Nurse Aide Trainee	0	2	1	12
<b>Chemical Depend Rec Prog Dir</b>	4	2	1	25
<b>Chemical Dependency Counselor</b>	7	2	1	22
<b>Chemist I</b>	4	4	2	23
Chemist II	16	4	2	25
<b>Chemist III</b>	8	4	2	28
Chief Eng/Dir Water Resource	1	4	2	38
<b>Client Training Supervisor</b>	82	2	2	22
<b>Clinical Chaplain</b>	17	4	1	24
Clothing Specialist	2	1	1	11
<b>Collector</b>	3	2	2	19
Collector Senior	8	2	2	21
<b>Communications Special Super</b>	7	2	3	22
Communications Specialist I	18	2	3	17
<b>Communications Specialist II</b>	42	2	3	19
Compliance Officer	1	2	2	19
Computer Oper Facility Tech	2	2	2	24
<b>Computer Operations Manager</b>	4	2	2	26
<b>Computer Operations Supv</b>	16	2	2	24
<b>Computer Operator I</b>	15	2	2	19
Computer Operator II	37	2	2	21
Conservation Worker	3	1	1	22
<b>Conservator</b>	0	2	1	23
<b>Cook</b>	56	1	1	12
Cook Senior	31	1	1	14
Coord Of Children's Service	5	2	1	26
<b>Correctional Facilities Spec 2</b>	6	2	3	26
Correctional Industries Mgr	20	4	2	22
<b>Correctional Industries Mgr Sr</b>	12	4	2	26
<b>Corrections Counselor I</b>	82	2	3	22
Corrections Counselor II	79	2	3	24
Corrections Manager I	22	3	3	27
Corrections Manager II	12	3	3	29
<b>Corrections Manager III</b>	9	3	3	31
Corrections Officer I (A)	655	5	3	17
<b>Corrections Officer I (B)</b>	398	5	3	18
Corrections Officer II	429	5	3	19
<b>Corrections Specialist I</b>	303	5	3	22
Corrections Specialist II	88	5	3	24
Corrections Specialist III	52	5	3	26
<b>Cosmetologist</b>	1	2	1	11
Custodial Crew Leader	31	1	1	12
<b>Custodial Manager</b>	18	2	1	20
Custodial Specialist	380	1	1	12
<b>Custodial Supervisor</b>	72	1	1	16



### Attachment III

Custodial Supervisor Sr	24	1	1	18
<b>Custodial Worker</b>	150	1	1	10
Dairy Foods Assistant	2	1	1	18
<b>Database Administration Supv</b>	3	4	2	33
Database Administrator I	2	4	2	27
<b>Database Administrator II</b>	11	4	2	29
Database Administrator III	9	4	2	31
Dental Assistant	1	2	2	15
<b>Developmntl Disblty Specialist</b>	15	2	1	18
<b>Dietitian I</b>	2	4	2	25
Dietitian II	3	4	2	27
<b>Dietitian III</b>	3	4	2	29
Director of Reference Library	0	2	1	29
<b>Disease Intervention Spec</b>	5	2	2	23
<b>Driver License Examiner</b>	14	2	2	16
Driver License Examiner Coor	8	2	2	22
<b>Driver License Examiner Senior</b>	54	2	2	18
Driver License Examiner Spec	41	2	2	20
Economic Development Rep I	8	4	2	24
<b>Economic Development Rep II</b>	21	4	2	28
Economic Development Rep III	27	4	2	30
<b>Economic Development Rep IV</b>	9	4	2	32
<b>Education Program Consultant</b>	49	4	2	30
<b>Education Specialist</b>	3	2	1	22
Educational/Info Rep I	5	2	2	18
<b>Educational/Info Rep II</b>	12	2	2	21
<b>Electrician</b>	14	2	3	17
Electrician Senior	38	2	3	20
Electronic Control Center Sup	4	2	3	23
<b>Electronic Control Center Tech</b>	7	2	3	20
<b>Electronics Technician</b>	13	2	3	21
Electronics Technician Sr	27	2	3	23
<b>Electronics Technologist</b>	10	2	3	27
Emerg Med Services Specialist	2	2	3	23
<b>Enforcement Agent</b>	35	5	3	27
Engineering Associate I	8	4	2	25
<b>Engineering Associate II</b>	33	4	2	28
Engineering Associate III	86	4	2	30
<b>Engineering Project Designer</b>	6	4	2	26
<b>Engineering Technician</b>	320	2	2	19
Engineering Technician Assoc	34	2	2	14
Engineering Technician Senior	178	2	2	23
<b>Engineering Technician Spec</b>	109	2	2	26
Environmental Scientist I	56	4	2	27
<b>Environmental Scientist II</b>	112	4	2	29
Environmental Scientist III	46	4	2	31
Environmental Scientist IV	44	4	2	32
<b>Environmental Scientist V</b>	21	4	2	34
Environmental Technician I	1	2	2	15
<b>Environmental Technician II</b>	5	2	2	20
Environmental Technician III	53	2	2	24
<b>Environmental Technician IV</b>	28	2	2	27
<b>Equipment Body Mechanic</b>	5	2	3	19
Equipment Mechanic	62	2	3	19
<b>Equipment Mechanic Senior</b>	63	2	3	21
<b>Equipment Mechanic Specialist</b>	9	2	3	23
Equipment Operator	515	2	3	16

### Attachment III

<b>Equipment Operator Senior</b>	477	2	3	18
<b>Equipment Operator Specialist</b>	116	2	3	20
Equipment Operator Trainee	110	2	3	14
<b>Equipment Planning Techn I</b>	23	2	2	29
<b>Equipment Planning Techn II</b>	10	2	2	31
<b>Extension Nutritional Asst I</b>	15	1	1	11
Extension Nutritional Asst II	2	1	1	13
Facilities Maintenance Super	146	2	3	21
<b>Facilities Specialist</b>	125	2	3	20
<b>Financial Economist</b>	4	4	2	33
Financial Examiner	20	4	2	24
<b>Financial Examiner Administrtr</b>	3	4	2	34
Financial Examiner Principal	26	4	2	31
<b>Financial Examiner Senior</b>	14	4	2	28
Fire Investigation Supervisor	0	5	3	27
<b>Fire Investigator</b>	11	5	3	27
<b>Fire Prevention Inspector</b>	17	2	3	26
Fire Protection Specialist	3	2	3	27
<b>Food Service Manager</b>	6	2	1	20
<b>Food Service Supervisor</b>	38	1	1	16
Food Service Supervisor Senior	2	1	1	18
<b>Food Service Worker</b>	77	1	1	10
Food, Drug And Lodg Surv I	15	2	2	22
Food, Drug And Lodg Surv II	0	2	2	24
<b>Food, Drug And Lodg Surv III</b>	3	2	2	26
Forensic Scientist I	5	4	2	25
<b>Forensic Scientist II</b>	2	4	2	29
Forensic Scientist III	1	4	2	31
<b>Forensic Scientist IV</b>	0	4	2	32
Funeral Home Crematory Inspect	1	2	2	21
Gen Maint And Repair Tech	69	2	3	13
Gen Maint And Repair Tech Sr	177	2	3	17
Geology Associate	12	4	2	27
Geology Trainee	1	4	2	25
Grain Mill Supervisor	0	1	1	22
Grain Mill Technician	2	1	1	18
Grain Warehouse Examiner I	1	2	1	22
<b>Grain Warehouse Examiner II</b>	5	2	1	24
Grain Warehouse Examiner III	1	2	1	27
Graphic Designer	7	2	1	21
<b>Graphic Designer Senior</b>	16	2	1	24
Graphic Designer Specialist	9	2	1	27
<b>Grounds Maintenance Super I</b>	8	1	1	17
Grounds Maintenance Super II	13	1	1	19
Health Care Assistant	3	1	1	12
<b>Health Care Technician I</b>	1	1	1	17
Health Care Technician II	4	1	1	19
<b>Health Facility Surveyor I</b>	74	4	2	26
Health Facility Surveyor II	13	4	2	29
<b>Health Facility Surveyor III</b>	10	4	2	31
Health or Environmental Pgm Analyst	24	2	2	29
Health or Environmental Planning Cons.	5	2	2	27
Highway Patrol Captain	20	3	3	35
<b>Highway Patrol Lieutenant</b>	75	5	3	32
<b>Highway Patrol Major</b>	3	3	3	37

### Attachment III

<b>Highway Patrol Master/Tech Trooper</b>	184	5	3	29
Highway Patrol Trooper	188	5	3	26
<b>Highway Patrol Trooper Trainee</b>	8	5	3	24
Historic Preservation Spec I	0	2	1	21
<b>Historic Preservation Spec II</b>	4	2	1	23
<b>Historic Site Curator I</b>	8	2	1	18
Historic Site Curator II	2	2	1	21
Human Resource Prof I	37	2	3	23
<b>Human Resource Prof II</b>	53	2	3	26
<b>Human Resource Prof III</b>	37	4	3	29
Human Resource Prof IV	11	4	3	32
Human Services Assistant	280	1	1	15
Human Services Consultant	132	2	1	24
Human Services Counselor	115	2	1	26
<b>Human Services Specialist</b>	897	2	1	21
Human Services Supervisor	127	2	1	27
Industrial Hygienist	1	4	2	26
Industrial Safety Coordinator	1	2	2	29
Information Resource Mgr III	1	3	3	36
<b>Information Systems Manager I</b>	6	3	3	32
Information Systems Manager II	8	4	2	35
Investigative Agent	3	5	3	26
IT Architecture Analyst I	4	4	2	30
IT Architecture Analyst II	0	4	2	32
IT Project Analyst	1	4	2	30
<b>IT Project Manager</b>	11	3	3	32
IT Security Analyst I	5	4	2	30
<b>IT Security Analyst II</b>	5	4	2	32
IT Security Analyst III	2	4	2	34
Juvenile Corrections Director	4	5	3	26
<b>Juvenile Corrections Officer I</b>	218	5	3	17
<b>Juvenile Corrections Officer II</b>	49	5	3	20
<b>Juvenile Corrections Officer III</b>	27	5	3	23
Juvenile Corrections Specialist	1	5	3	20
<b>Labor Conciliator I</b>	4	2	3	23
Labor Conciliator II	0	2	3	26
Labor Conciliator III	1	2	3	30
Laboratory Educational Technician	10	2	2	20
Laboratory Improvement Specialist	6	4	2	29
Laboratory Technician I	3	2	2	15
<b>Laboratory Technician II</b>	22	2	2	17
Laboratory Technician III	29	2	2	20
Laborer Supervisor	2	1	1	14
<b>Land Surveyor I</b>	13	4	2	31
Land Surveyor II	2	4	2	34
Landscape Architect I	0	4	2	24
<b>Landscape Architect II</b>	2	4	2	27
Landscape Technician	3	2	2	21
<b>Laundry Manager</b>	9	2	1	19
<b>Laundry Supervisor</b>	8	1	1	15
<b>Laundry Worker</b>	15	1	1	9
Law Clerk	0	2	1	17
<b>Law Enforcement Officer I</b>	18	5	3	23
Law Enforcement Officer II	34	5	3	25
<b>Law Enforcement Officer III</b>	12	5	3	28
<b>Legal Assistant</b>	56	2	1	20

### Attachment III

Librarian I	19	2	1	22
<b>Librarian II</b>	6	2	1	25
Librarian III	5	2	1	27
Library Assistant I	22	2	1	16
<b>Library Assistant II</b>	57	2	1	18
Library Assistant III	38	2	1	20
<b>Licensed Mental Health Tech</b>	77	2	1	17
Licensed Pharmacy Inspector	1	4	2	32
<b>Licensed Practical Nurse</b>	52	2	1	18
Licensed Practical Nurse Sr	81	2	1	20
Lifeguard	0	1	1	6
<b>Lock System Specialist</b>	3	2	3	17
Lock System Specialist Sr	12	2	3	20
Long-Term Care Ombudsman	8	2	2	24
<b>Machinist</b>	4	2	3	19
Management Systems Analyst I	79	2	2	26
<b>Management Systems Analyst II</b>	82	2	2	29
Management Systems Analyst III	16.	4	2	32
Manufacturing Manager	3	2	2	30
Marketing Manager	1	2	2	28
Mechanic	18	2	3	16
<b>Mechanic Senior</b>	4	2	3	18
Mechanic's Helper	4	1	1	11
Media Production Director	3	2	1	26
<b>Media Production Technician</b>	11	2	1	21
Medical Record Supervisor	1	2	2	22
<b>Mental Health Develop. Disability Tech.</b>	741	2	1	17
MHDD Technician Trainee	124	2	1	14
<b>Microbiologist I</b>	5	4	2	24
Microbiologist II	19	4	2	26
Microbiologist III	8	4	2	29
Motor Carrier Inspector I	8	1	1	17
<b>Motor Carrier Inspector II</b>	31	1	1	19
Museum Assistant	3	2	1	18
Museum Exhibits Director	2	2	1	26
Museum Exhibits Technician	2	2	1	18
<b>Museum Specialist</b>	6	2	1	21
<b>Natural Resource Officer I</b>	59	5	3	26
Natural Resource Officer II	17	5	3	27
<b>Natural Resource Officer III</b>	11	5	3	29
Natural Resource Officer IV	8	3	3	31
<b>Network Control Supervisor</b>	2	2	2	29
Network Control Technician I	5	2	2	23
<b>Network Control Technician II</b>	17	2	2	26
Network Control Technician III	4	2	2	28
<b>Network Service Supervisor</b>	2	2	2	30
Network Service Technician I	7	2	2	23
<b>Network Service Technician II</b>	26	2	2	26
Network Service Technician III	21	2	2	28
Nursing Education Specialist	2	4	1	32
Nursing Practice Specialist	1	4	1	32
Nutritionist	3	4	2	27
Nutritionist Senior	2	4	2	29
<b>Office Assistant</b>	125	1	1	11
Painter	16	2	3	16

### Attachment III

<b>Painter Senior</b>	22	2	3	19
Park Attendant	0	1	1	11
<b>Parole Officer I</b>	74	5	3	22
Parole Officer II	34	5	3	24
<b>Parole Supervisor</b>	16	5	3	26
<b>Petroleum Ind Reg Tech I</b>	1	2	2	22
Petroleum Ind Reg Tech II	26	2	2	25
Petroleum Ind Reg Tech III	8	2	2	29
Pharmacy Compliance Inspector	2	2	2	24
<b>Photographer</b>	3	2	1	18
Photographer Senior	7	2	1	21
Photographic Platemaker Comb	3	2	2	X
Photographic Platemaker Comb App	1	2	2	X
Physical Plant Supervisor	90	2	3	23
<b>Physical Plant Supervisor Sen</b>	43	2	3	25
Physical Plant Supervisor Spec	12	2	3	28
Pilot	0	2	3	23
Planner I	0	2	2	23
<b>Planner II</b>	4	2	2	27
Planner III	0	2	2	31
<b>Plant Science Technician I</b>	11	1	1	16
Plant Science Technician II	37	1	1	18
<b>Plumber</b>	9	2	3	17
Plumber Senior	35	2	3	20
Policy And Program Analyst	6	2	2	29
<b>Power Plant Operator</b>	8	2	3	14
Power Plant Operator Senior	21	2	3	17
Prepress Technician	0	2	2	x
Print Shop Manager	3	2	2	25
<b>Print Shop Supervisor</b>	7	2	2	22
Printer	1	2	2	11
Printer Senior	10	2	2	15
<b>Printer Specialist</b>	23	2	2	19
Printer-Electronic Photocomp	3	2	2	x
Printer-Electronic Photocomp Appren.	0	2	2	x
Printing Press Operator	7	2	2	x
Printing Press Operator Apprentice	0	2	2	x
Printing Press Operator Assistant	0	2	2	x
Printing Press Operator Asst. Appren.	0	2	2	x
Printing Process Supervisor	6	2	2	20
Printing Service Coordinator	7	2	2	19
Procurement Officer I	24	2	2	23
<b>Procurement Officer II</b>	19	2	2	26
Procurement Officer III	9	4	2	29
<b>Procurement Officer IV</b>	11	4	2	32
Professional Civil Eng I	69	4	2	33
<b>Professional Civil Eng II</b>	90	4	2	35
Professional Civil Eng III	9	4	2	37
<b>Professional Civil Eng IV</b>	2	4	2	38
Professional Environ Eng I	13	4	2	33
<b>Professional Environ Eng II</b>	17	4	2	35
<b>Professional Environ Eng III</b>	9	4	2	37
<b>Professional Geologist II</b>	27	4	2	29
Professional Geologist III	26	4	2	31

### Attachment III

<b>Professional Geologist IV</b>	8	4	2	32
<b>Program Consultant I</b>	201	2	2	24
Program Consultant II	212	2	2	27
Program Services Manager I	1	2	2	25
Program Services Manager II	52	2	2	27
Program Services Manager III	16	2	2	29
<b>Program Specialist I</b>	92	2	2	20
Program Specialist II	93	2	2	22
Program Specialist III	3	2	2	25
Property Appraiser I	21	2	2	24
<b>Property Appraiser II</b>	19	2	2	27
<b>Property Appraiser III</b>	10	2	2	30
Property Appraiser IV	1	3	3	35
Psychologist I	1	4	1	26
<b>Psychologist II</b>	27	4	1	30
Psychologist III	11	4	1	32
<b>Psychologist IV</b>	4	4	1	34
Public Health Educator	3	2	2	27
Public Health Nurse I	3	4	1	25
<b>Public Health Nurse II</b>	2	4	1	27
Public Health Nurse III	10	4	1	28
<b>Public Information Officer I</b>	3	2	2	24
Public Information Officer II	2	2	2	26
Public Prog/Perform Technician	3	2	1	18
Public Service Administrator I	320	2	3	24
Public Service Administrator II	192	2	3	27
Public Service Administrator III	61	2	3	29
Public Service Executive I	136	4	3	29
Public Service Executive II	231	4	3	32
Public Service Executive III	92	3	3	34
Public Service Executive IV	26	3	3	36
Publications Editor	2	2	2	27
<b>Publications Writer I</b>	4	2	2	21
Publications Writer II	6	2	2	24
<b>Qualified Dev Disability Prof</b>	23	2	2	26
Radiation Control Inspector	0	2	2	28
<b>Radiologic Technologist I</b>	4	2	1	23
Radiologic Technologist II	0	2	1	25
Real Estate Specialist	3	2	2	21
<b>Refrig And A C Svc Tech</b>	4	2	3	17
Refrig And A C Svc Tech Senior	32	2	3	19
<b>Registered Nurse</b>	13	4	1	25
<b>Registered Nurse Administrator</b>	5	4	1	34
<b>Registered Nurse Senior</b>	203	4	1	28
Registered Nurse Specialist	37	4	1	31
<b>Rehab Support Worker I</b>	4	2	2	12
Rehab Support Worker II	1	2	2	14
Rehabilitation Instructor	5	2	2	17
Research Analyst I	22	2	1	20
Research Analyst II	30	2	1	23
<b>Research Analyst III</b>	27	2	1	25
Research Analyst IV	13	2	1	28
<b>Research Analyst V</b>	6	4	1	30
Research Instrument Operator	1	2	3	22
<b>Research Technologist</b>	13	2	2	25
Revenue Customer Rep	54	2	2	19
<b>Revenue Customer Rep Senior</b>	80	2	2	21

## Attachment III

Revenue Customer Rep Specialist	111	2	2	24
Right-of-Way Agent I	10	2	2	23
<b>Right-of-way Agent II</b>	2	2	2	24
Right-of-way Agent III	5	2	2	27
Right-of-way Property App I	7	2	2	25
<b>Right-of-way Property App II</b>	2	2	2	27
Right-of-way Property App Sup	1	2	2	29
<b>Safety And Health Specialist</b>	14	2	2	24
Safety And Health Technician	1	2	2	23
Safety And Security Chief	3	1	1	19
<b>Safety And Security Officer I</b>	95	1	1	15
Safety And Security Officer II	21	1	1	17
Sales Representative	3	2	2	20
School Food Service Consultant	13	4	2	27
Seasonal Park Ranger	0	5	3	X
Seasonal Worker	0	1	1	5
Seasonal Worker Senior	2	1	1	6
Securities Special Invest I	1	5	3	27
<b>Securities Special Invest II</b>	5	5	3	29
Securities Special Invest III	0	5	3	30
Securities Special Invest IV	2	3	3	32
<b>Senior Administrative Asst</b>	1110	1	1	15
<b>Senior Administrative Spec</b>	101	2	2	19
Senior Laboratory Scientist	4	4	2	32
<b>Senior Special Agent - KBI</b>	48	5	3	32
Service Assistant	11	1	1	7
Sign Shop Supervisor	1	2	3	22
Sign Shop Worker	5	2	3	17
<b>Social Work Supervisor</b>	57	2	1	27
<b>Social Worker</b>	35	2	1	22
Social Worker Specialist	381	2	1	24
Special Agent - KBI	14	5	3	30
<b>Special Agent in Charge - KBI</b>	9	5	3	35
<b>Special Investigator I</b>	46	2	3	22
Special Investigator II	51	2	2	24
<b>Speech Pathologist/Audio I</b>	2	4	1	26
Speech Pathologist/Audio II	1	4	1	29
<b>Staff Development Special I</b>	56	2	3	26
Staff Development Special II	11	4	3	29
State Audit Administrator	1	3	3	34
State Auditor I	21	2	2	24
<b>State Auditor II</b>	70	2	2	26
<b>State Auditor III</b>	36	4	2	29
State Auditor IV	11	4	2	32
Storekeeper	1	1	1	10
<b>Storekeeper Senior</b>	58	1	1	14
Storekeeper Specialist	66	1	1	17
Surplus Property Agent	3	2	2	20
System Software Analyst I	7	4	2	27
<b>System Software Analyst II</b>	30	4	2	29
System Software Analyst III	27	4	2	31
System Software Staff Consultant	9	4	2	33
<b>System Software Supervisor</b>	5	4	2	33
Tax Examiner	0	2	2	16
Tax Examiner Manager	1	2	2	24
Tax Examiner Senior	6	2	2	19
Tax Examiner Specialist	0	2	2	21

### Attachment III

<b>Tax Specialist</b>	9	3	3	32
Technology Support Consultant I	61	2	2	25
<b>Technology Support Consultant II</b>	69	2	2	27
Technology Support Consultant III	51	2	2	29
<b>Technology Support Supervisor</b>	24	2	2	30
Technology Support Tech I	12	2	2	19
<b>Technology Support Tech II</b>	33	2	2	22
Therapy Services Supervisor	4	3	3	30
Tourist Counselor	3	1	1	15
<b>Unit Team Manager</b>	42	5	3	26
University Detective	3	5	3	25
University Police Captain	9	3	3	30
University Police Corporal	3	5	3	23
University Police Lieutenant	1	5	3	28
<b>University Police Officer</b>	62	5	3	21
University Police Officer Trainee	3	5	3	19
<b>University Police Sergeant</b>	21	5	3	25
<b>Utility Worker</b>	31	1	1	11
<b>Veterinarian</b>	6	4	1	38
Veterinary Anesthesia Tech	3	2	1	22
<b>Veterinary Technician I</b>	0	2	1	18
Veterinary Technician II	16	2	1	20
<b>VIN Inspector</b>	1	1	1	15
VIN Inspector Lead	21	1	1	17
VIN Inspector Supervisor	3	1	1	20
<b>Volunteer Services Coordinator</b>	8	2	2	21
<b>Warden III</b>	4	3	3	35
Warden IV	4	3	3	37
<b>Welder</b>	9	2	3	18
Wildlife/Parks Assistant Mgr	9	2	3	23



## Attachment IV

### Proposed Implementation Schedule

	FY 2009*	FY 2010	FY 2011	FY 2012	FY 2013
<b>Group 1</b> 7,758 emp. 152 classes	<b>Preparation &amp; Market Adjustments</b>	<b>Dry Run &amp; Market Adjustments</b>	<b>Implement &amp; Market Adjustments</b>	<b>Maintain</b>	<b>Maintain</b>
<b>Group 2</b> 6,833 emp. 256 classes	Market Adjustments	<b>Preparation &amp; Market Adjustments</b>	<b>Dry Run &amp; Market Adjustments</b>	<b>Implement &amp; Market Adjustment</b>	<b>Maintain</b>
<b>Group 3</b> 7,395 emp. 145 classes	Market Adjustments	Market Adjustments	<b>Preparation &amp; Market Adjustments</b>	<b>Dry Run &amp; Market Adjustment</b>	<b>Implement &amp; Market Adjustment</b>

\*FY2009 will also involve the development of a new Performance Management system for the State of Kansas. Information and training will be made available and presented to all employees, supervisors and managers prior to the adoption and implementation of this new system. Additional information for this new system can be found at the following website: <http://www.da.ks.gov/pmp/>

#### Market Adjustments

Recommendations for market adjustments for jobs within any Group will be part of each year's activities. Market alignment among classes varies substantially at this time and it may take several years of providing adjustments to bring some occupations to market while others may be achieved over a much shorter time period. Employees in some classes which are in Group 2 or 3 will receive market adjustments prior to the first year of their 3-year study cycle. The intent is to bring each class up to market, or as close to market as possible, by the time the class moves to full implementation on the new plan. Once the plan is fully implemented, annual market studies will be conducted on 1/3 of the State's workforce to identify any need for adjustment in order to maintain market alignment.

#### First Year Activities

The first year of each Group's 3-year cycle will involve a great deal of preparation. The most important component of this year will be a comprehensive review of each classification assigned to the Group which will involve the review of every position description of each class assigned to the Group. Based on the review, reallocations will be made to the proper classification and modifications will be made to recommended to classifications, when necessary. This step is necessary to insure that employees are properly classified as implementation of the new pay plans proceeds,

which is crucial to the development of accurate compensation recommendations. Employees will continue to be compensated under the State's current system during the first year of the 3-year cycle for their Group.

#### Second Year Activities

The second year of each Group's 3-year cycle will involve a "dry run" of the new system. Employees will be evaluated using the new Performance Management system and agencies will provide the Division of Personnel Services (DPS) with a report detailing the performance evaluation experience, so that any issues or problems can be addressed before being fully implemented. In addition, agencies will also report to DPS how the agency would have allocated their annual classified employee salary budget if the new pay plans were in place, the results of such actions, and any proposed changes to the system they believe are needed. Once again, employees will continue to be paid under the new employee compensation system.

#### Third Year Activities

The third year of each Group's 3-year cycle will involve full implementation of the new pay plans for the classifications assigned to that Group. Employees will be evaluated using the new Performance Management system and compensation will be provided on the basis of the new pay plans. Agencies will work with DPS to identify areas requiring further modification and actions.

#### Beyond the Third Year

After a Group is implemented on the new pay plans, annual market studies will be conducted to identify any need for adjustments to ensure continued market alignment. The new employee compensation system and Performance Management system will continue to be reviewed and evaluated to identify any needs for change.

## Attachment V

### List of Survey Respondents

Allen County Hospital  
Area Mental Health Center  
Atchison Valley Hope  
Bert and Wetta Abilene, Inc.  
Blue Cross Blue Shield of KS  
Blue Hills Animal Hospital  
Blue Valley Schools  
Boeing  
Cargill, Inc.  
Center for Counseling & Consultation  
Central Kansas Foundation  
Central KS Mental Health  
Cessna Aircraft Company  
City of Atchison  
City of Dodge City  
City of Emporia  
City of Hays  
City of Larned  
City of Lawrence  
City of Manhattan  
City of Norton  
City of Olathe  
City of Osawatomie  
City of Overland Park  
City of Parsons  
City of Pittsburg  
City of Salina  
City of Topeka  
City of Wichita  
City of Winfield  
Coffeyville Regional Med Center  
COMCARE of Sedgwick County  
Comprehensive Counseling/Consulting,  
LLC  
Copy Center of Topeka  
County of Cowley  
County of Crawford  
County of Ellis  
County of Finney  
County of Ford  
County of Johnson  
County of Labette  
County of Leavenworth  
County of Miami  
County of Riley  
County of Saline  
County of Sedgwick  
County of Shawnee  
Cowley County MHC  
KCTC  
Deluxe Cleaners  
Dodge City Community College  
Draco Digital, LLC  
Edwards County Hospital & Healthcare  
Center  
Elizabeth Layton Center Inc.  
Emporia Gazette  
Exide Technologies  
Family Life Center, Inc.  
Family Service & Guidance Center of  
Topeka  
Farmer's Union Coop Business  
Association  
Foot Locker, Inc.  
Forcade Associates Inc.  
Four County Mental Health Center, Inc.  
Fredonia Regional Hospital  
Galina Community Theatre  
Girard Medical Center  
Graphic Systems Inc  
Halstead Valley Hope  
Hays Medical Center  
HBI Farms, Inc., Taylor Feed Farms  
High Plains Mental Health Center  
Horizons MHC  
Hutchinson News  
International Media and Cultures  
Jackson Dairy  
Jim's Formal Clothing  
Johnson County Community College  
Kansas City KS Public Schools  
Kanza Mental Health  
KTKA 49 ABC News  
Labette Center for Mental Health  
Services, Inc.  
Labette Community College  
Lakewood Rehab Center  
Lawrence Memorial Hospital

## List of Survey Respondents (cont.)

Lawrence Public Schools – USD 497	Southeast Kansas Mental Health Center
Leavenworth County	St. Catherine Hospital
Little Apple Veterinary Hospital	State of Alaska
Lowen Corporation	State of Arizona
Lyric Opera of Kansas City	State of Arkansas
Marillac	State of Colorado
Master Cleaners	State of Illinois
McCall Pattern Company	State of Iowa
Mcperson County Feeders	State of Louisiana
Meade District Hospital	State of Minnesota
Menorah Medical Center	State of Missouri
Mercy Health System of Kansas, Inc.(Ft. Scott)	State of Nebraska
Mercy Hospital (Independence, Ks)	State of Nevada
Minneola District Hospital	State of New Mexico
Mission Market, LLC	State of North Dakota
Missouri Valley Hope	State of Oklahoma
Monsanto	State of Texas
Ness County Hospital	State of Utah
Olathe – USD 233	State of Wisconsin
Old Cowtown Museum	State of Wyoming
Orpheum Performing Arts Center	Sullivan Gang
Overland Park Regional Medical Center	Sumner Regional Med Center
Pawnee Mental Health Services	The World Company
Pittsburg Community Schools – USD 250	Topeka Capital-Journal
Prairie View Inc.	Topeka Civic Theatre & Academy
Pratt Regional Med Center	Trego Co. Lemko Hospital
Promise Regional Medical Center	Truman Medical Centers
Providence Living Center	Univ. of Missouri-Vet. Med. Teach Hospital
Ransom Memorial Hospital	Valeo Behavioral Health Care
Reser's Fine Foods	Veterinary Specialty & Emergency Center
Salina Art Center	Washburn University
Salina Community Theatre	Westview Manor of Peabody
Saylor Cleaners, Inc.	Wichita Public Schools – USD 259
Security Benefit Group	Wichita Sedgwick County Museum
Shawnee Mission Medical Center	William Newton Hospital
Smokey Hill Foundation for Chem. Dependency, Inc.	Winfield – USD 465
South Central Kansas Reg. Med. Center	Young's Bridal

Attachment VI  
 State of Kansas  
 Performance Management Process

Identification Information (please print)		
Employee Name (Last, First, MI):	Person Completing Review:	
Employee ID:	Agency Name:	
Class Title:	Position Number:	Date of this Review:
_____ To _____ (Month/Day/Year) Timeframe Being Evaluated (Month/Day/Year)	Review Type:	
Overall Performance Rating:	<input type="radio"/> Probationary <input type="radio"/> Recommend permanent status <input type="radio"/> Extend probationary status <input type="radio"/> Not recommended for permanent status	
<input type="radio"/> Unsatisfactory <input type="radio"/> Needs Improvement <input type="radio"/> Meets Expectations <input type="radio"/> Exceeds Expectations <input type="radio"/> Exceptional	<input type="radio"/> Annual <input type="radio"/> Special <input type="radio"/> Unclassified	

**Part I: Performance Planning**

**Instructions:** Identify objectives for the employee based on the manager/employee performance planning discussion. Please ensure each objective is a SMART objective (Specific, Measurable, Attainable, Relevant, Time-Based). In setting the objectives, be as specific as possible using quantitative (e.g., numbers, data, quotas, dates) and/or qualitative measures or feedback where helpful.

Indicate how progress against the objectives will be observed or measured (tracked). Modify objectives as needed throughout the performance management cycle. The number of objectives should be based on the outcomes of the performance planning discussion; you may add more lines below (objectives as necessary). In the Annual Performance Review, indicate employees overall performance against each objective.

Objectives		Measurement	
List Objectives in the Table Below		A measurement scale and target should be established for each objective.	
Obj	Description	Tracking Method	Annual Performance Review
1			
2			
3			
4			
5			

## State of Kansas Performance Management Process

### Part I: Performance Planning (continued)

**Instructions:** Considering the employee's overall strengths and weaknesses, identify the critical competencies (from pages 4-7), for this review period that the employee should focus on. Consider those competencies that are critical for achievement of responsibilities and objectives for the coming year in addition to those that are important from a developmental perspective (important for a future position and/or for increased or changed responsibilities). The competencies chosen should be based on information from manager/employee performance planning discussion(s), any items identified through the development planning process, and any items from the most recent performance review. For each competency, provide any project or on-the-job suggestions that the employee can engage in to help in development.

Competency	Project or On-the-Job Suggestions
1.	
2.	
3.	
4.	

### On-Going Feedback and Coaching Process

**Instructions:** Identify the process to be used throughout the year to provide feedback and coaching to the employee. Identify any customer input tools that will be used to provide feedback throughout the year. In addition, identify the timing for the mid-year review and/or any other coaching sessions. Identify any employee responsibilities in the process. For instance, you may wish to identify when and how on-going feedback will be delivered, who has responsibility for setting up coaching sessions, when the mid-year review will happen, if current customer input tools will be used, etc.

### On-Going Feedback and Coaching Process

# State of Kansas Performance Management Process

## Part II: Mid-Year Discussion

**Instructions:** Document progress against the Objectives and Competencies as defined in the Performance Planning process. Be as specific as possible about the employee's actual performance to date, documenting specific observable results wherever possible, and adding qualitative information or feedback wherever helpful. Any valid updates to employee's objectives, which are based on changes in State or agency needs, may also be documented in this section.

## Mid-Year Discussion and Coaching Progress

## Part III: Essential Requirements

**Instructions:** Considering the level the employee typically or consistently operates at, check the box which best describes his/her behavior for the competency below. A behavioral example must be provided for the Unsatisfactory rating.

**Dependability:** Recognizes their responsibilities to the agency and applies effective work habits and attitudes to meet work requirements. Accomplishes tasks by showing concern for all aspects of the job and manages workload or completes tasks in a timely manner.

- Attends work regularly and on time
- Plans appropriately for absences
- Assumes personal accountability for work

Unsatisfactory * <input type="checkbox"/>	Meets Expectations <input type="checkbox"/>
--	--

Example:

**Agency Values:** Individuals adhering to agency values align their actions with high standards of conduct, accept responsibility for behavior and exhibit personal integrity at all times. Acts as a role model for other employees and does the right thing, even when no one is watching. Individual does not waste agency resources (i.e., time, material).

- Demonstrates personal integrity and ethical behavior
- Displays good stewardship of public resources
- Adapts to changes in processes, procedures or responsibilities

Unsatisfactory * <input type="checkbox"/>	Meets Expectations <input type="checkbox"/>
--	--

Example:

\* An Unsatisfactory rating in Dependability or Agency Values will result in an Overall Performance Rating of Unsatisfactory

# State of Kansas Performance Management Process

## Part IV: Annual Performance Review - Competencies

Instructions: Considering the level the employee typically or consistently operates at, check the box which best describes his/her behavior for the competency below. A behavioral example should be provided for each competency.

### CORE COMPETENCIES (FOR ALL EMPLOYEES):

**Job Responsibilities:** Please rate the individual on execution of their expected day-to-day responsibilities, and specialized knowledge as outlined in the job description. Specialized Knowledge is the knowledge of and/or skill in a particular field (e.g., marketing, engineering, etc.) or trade (e.g., electrician, housekeeping, etc.) and the ability to apply that knowledge and/or skill in a variety of business situations

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Learner:</b> <ul style="list-style-type: none"> <li>- Limited ability to conduct job responsibilities; needs more experience or practice.</li> <li>- Requires clear and specific instructions to get the job done.</li> <li>- Understands enough to independently handle some routine tasks of the job.</li> <li>- Understands regulations and policies; correctly applies them.</li> </ul>	<b>Experienced Knowledge:</b> <ul style="list-style-type: none"> <li>- Technically experienced and competent.</li> <li>- Has thorough working knowledge of the area.</li> <li>- Handles most routine tasks of the job; needs direction for more difficult tasks</li> <li>- Supervises others effectively through proper delegation, communication, and follow-up.</li> </ul>	<b>Expert Knowledge:</b> <ul style="list-style-type: none"> <li>- Can exercise independent judgment regarding all technical issues and responsibilities.</li> <li>- Understands how area of responsibility relates to broader issues.</li> <li>- Requires assistance for the most difficult aspects of the job.</li> <li>- Supervises others with a focus on coaching for effective performance.</li> </ul>	<b>Transferring Knowledge:</b> <ul style="list-style-type: none"> <li>- Independently handles the most difficult aspects of the job.</li> <li>- Understands how the area of knowledge relates to broader departmental or agency goals.</li> <li>- Plays a role in transferring skills and knowledge to others.</li> <li>- Takes responsibility for projects and tasks that have broader departmental or agency impact.</li> </ul>

**Behavioral Example:**

**Communication:** Understands others' ideas and expresses thoughts and information effectively, utilizing appropriate gestures, tone, organization, grammar, format and materials. Maximizes performance through effective communication and develops a communication style that optimizes individual and team performance. It includes expressing ideas, requesting actions, summarizing events, and formulating plans by means of clear and effective writing, communicating, or presenting.

Employee does not demonstrate any of the levels below; this competency will be included in the employee's development plan.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Shares Information:</b> <ul style="list-style-type: none"> <li>- Shares relevant information and keeps others informed.</li> <li>- Listens to others' opinions.</li> <li>- Explains reasons for decisions.</li> </ul>	<b>Facilitates Participation:</b> <ul style="list-style-type: none"> <li>- Communicates objective and purpose and how individual is critical to team success.</li> <li>- Encourages participation from all team members.</li> <li>- Runs effective meetings; uses agendas, outlines expectations, keeps group focused.</li> <li>- Negotiates for win-win solutions.</li> </ul>	<b>Tailors Communication:</b> <ul style="list-style-type: none"> <li>- Understands audience and tailors communication so that it is perceived as being clear, relevant, and even handed.</li> <li>- Develops a communication style to facilitate a positive team environment and advance the team's agenda.</li> <li>- Adjusts style/approach to build partnerships with others and to ensure acceptance of ideas.</li> </ul>	<b>Uses Communication to Promote Agency Effectiveness:</b> <ul style="list-style-type: none"> <li>- Uses communication to promote broad learning, effectiveness and efficiency.</li> <li>- Communicates with different people at different levels throughout the agency to ensure the buy-in of others.</li> <li>- Communicates broadly to ensure others understand the link between the current task and long-term strategies.</li> </ul>

**Behavioral Example:**



# State of Kansas Performance Management Process

**Customer Service:** Addresses underlying customer needs that add value, to remove causes of customer's problems and ensure the long-term viability of the relationship. It includes demonstrating understanding of the customer's point of view, delivering on commitments, gaining the confidence of customers, and maximizing customer satisfaction. Customers include external and internal customers or clients, suppliers, etc.

Employee does not demonstrate any of the levels below; this competency will be included in the employee's development plan.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Maintains Communication:</b></p> <ul style="list-style-type: none"> <li>- Follows through on customer inquiries, requests, and complaints.</li> <li>- Keeps customer up-to-date about progress of projects.</li> <li>- Gives friendly, cheerful service and distributes helpful information to customers.</li> <li>- Maintains clear communication with customers regarding mutual expectations.</li> </ul>	<p><b>Takes Personal Responsibility:</b></p> <ul style="list-style-type: none"> <li>- Takes personal responsibility for correcting customer-service problems.</li> <li>- Corrects customer-service problems promptly and un-defensively.</li> <li>- Makes self fully available to the customer, especially when they are going through a critical period.</li> </ul>	<p><b>Addresses Underlying Customer Needs</b></p> <ul style="list-style-type: none"> <li>- Seeks information about the real, underlying needs of the customer beyond those expressed initially.</li> <li>- Makes concrete attempts to add value to the customer, to make things better for the customer in some way.</li> <li>- Gets at the root of a customer problem and removes the cause of the problem.</li> </ul>	<p><b>Uses Long-Term Perspective</b></p> <ul style="list-style-type: none"> <li>- Develops strategies and solutions that have long-term benefits for the customer.</li> <li>- Addresses customer problems with a focus on the long-term relationship.</li> <li>- Proactively builds customer relationships and maintains good relationships with the customer over the long term.</li> </ul>

**Behavioral Example:**

**Initiative:** Identifies a problem, obstacle or opportunity and takes action to address current or future problems or opportunities.

Employee does not demonstrate any of the levels below; this competency will be included in the employee's development plan.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Addresses Current Opportunities or Problems:</b></p> <ul style="list-style-type: none"> <li>- Recognizes when a situation calls for a different approach from the usual.</li> <li>- Pulls together ideas, issues and observations when a new perspective emerges.</li> <li>- Recognizes and acts on current opportunities</li> </ul>	<p><b>Is Decisive in a Crisis:</b></p> <ul style="list-style-type: none"> <li>- Acts quickly and decisively in a crisis situation.</li> <li>- Makes decisions and takes action where the norm is to wait and hope the problem will resolve itself.</li> <li>- Is prepared to try out different solutions or take a different approach.</li> </ul>	<p><b>Plans Ahead and Takes Action:</b></p> <ul style="list-style-type: none"> <li>- Looks for opportunities to make improvements.</li> <li>- Looks beyond the facts in order to develop solutions that have currently not been used in the agency before.</li> <li>- Generates new and varied solutions to problems.</li> <li>- Identifies changes that will improve performance in own agency.</li> </ul>	<p><b>Anticipates and Prepares for Long-Term Problems:</b></p> <ul style="list-style-type: none"> <li>- Anticipates situations 6 months to a year ahead or more acts to create opportunities or avoid problems that are not obvious to others.</li> <li>- Applies and modifies learned concepts, methodologies or ideas that have been used in other departments or agencies, to develop new solutions to problems.</li> </ul>

**Behavioral Example:**

1-29

## State of Kansas Performance Management Process

**Teamwork:** Achieves team objectives by developing and sustaining cooperative relationships. Employee works cooperatively with others as part of the team, as opposed to working separately or competitively. At the highest levels, it includes an ability to ensure the cohesiveness of the team and to ensure success.

Employee does not demonstrate any of the levels below; this competency will be included in the employee's development plan.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Cooperates:</b></p> <ul style="list-style-type: none"> <li>- Cooperates willingly with others.</li> <li>- Ensures all group members have the relevant and needed information</li> <li>- Speaks positively of other team members.</li> </ul>	<p><b>Solicits Input:</b></p> <ul style="list-style-type: none"> <li>- Solicits ideas and opinions from others to help form specific decisions or plans.</li> <li>- Genuinely values others' input and expertise and is willing to learn from others.</li> </ul>	<p><b>Encourages Others:</b></p> <ul style="list-style-type: none"> <li>- Takes specific steps to create a team environment and model desired behavior.</li> <li>- Encourages all members of the group to contribute.</li> <li>- Publicly recognizes the contributions of other team members.</li> </ul>	<p><b>Promotes the Team:</b></p> <ul style="list-style-type: none"> <li>- Acts to promote a friendly climate, good morale and cooperation within the team.</li> <li>- Protects and promotes the team's reputation with others.</li> <li>- Resolves team conflicts. Brings conflict within the team into the open and encourages or facilitates a beneficial resolution.</li> <li>- Partners with other teams and promotes collaborative decision making to solve problems.</li> </ul>

**Behavioral Example:**

# State of Kansas Performance Management Process

## Leadership Competencies (For Managers only):

**Performance Management:** Promotes employee development opportunities and fosters the long-term learning or development of others. Sets clear goals and expectations, ensures feedback and addresses performance issues in a timely manner. It includes the ability to apply State of Kansas regulations and policies, to delegate effectively, to deal with performance issues, and to hold others accountable.

Employee does not demonstrate any of the levels below; this competency will be included in the employee's development plan.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Sets Clear Objectives and Expectations</b></p> <ul style="list-style-type: none"> <li>- Gives detailed explanations of specific goals and objectives to others.</li> <li>- Delegates effectively to employees to enable focus on managerial responsibilities.</li> </ul>	<p><b>Holds People Accountable for Performance:</b></p> <ul style="list-style-type: none"> <li>- Sets goals or objectives for employees that drive high performance.</li> <li>- Holds employees accountable for their performance.</li> <li>- Reviews employees' performance against clear standards and objectives, and rectifies performance issues.</li> <li>- Provides timely feedback and performance evaluations to employees.</li> </ul>	<p><b>Coaches for Effective Performance:</b></p> <ul style="list-style-type: none"> <li>- Provides real-time coaching to others to improve performance.</li> <li>- Addresses performance problems early to ensure minimal department or agency impact.</li> <li>- Utilizes employee recognition to reinforce positive outcomes and behaviors.</li> <li>- Identifies training or development needs for team or group of employees.</li> </ul>	<p><b>Creates Climate for High Performance:</b></p> <ul style="list-style-type: none"> <li>- Implements specific tactics to create a climate for high performance.</li> <li>- Interfaces with other leaders to develop best-practice people practices for the good of the agency.</li> <li>- Develops employees for future roles.</li> </ul>

**Behavioral Example:**

**Leadership:** Outstanding State of Kansas managers view themselves as leaders of people. They recognize that they are responsible for facilitating the work of their employees, which may mean providing essential information, creating efficient work structures or processes, or securing additional resources. These leaders inspire confidence in people and create excitement about the work and purpose.

Employee does not demonstrate any of the levels below; this competency will be included in the employee's development plan.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Keeps People Informed:</b></p> <ul style="list-style-type: none"> <li>- Provides clear, consistent, and ongoing communication to team members.</li> <li>- Lets people affected by the team know what is happening and the status of decisions.</li> <li>- Makes sure the team has all the information it needs to make decisions and carry out its responsibilities, individually and collectively.</li> <li>- Explains the reasons behind a decision promptly and candidly.</li> </ul>	<p><b>Promotes Team Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Creates the conditions that enable the team to perform at its best (e.g., setting clear direction, delegating responsibility, getting the right people).</li> <li>- Makes team membership (including selection and dismissal) and assignments in a manner that promotes morale and productivity of the team.</li> <li>- Obtains input from others to promote the effectiveness of the team.</li> </ul>	<p><b>Takes Care of the Team:</b></p> <ul style="list-style-type: none"> <li>- Obtains needed resources and information that the team needs to meet its goals.</li> <li>- Provides or secures needed support and development for individuals or the team as a whole.</li> <li>- Holds team members accountable for their contributions to team success, including bringing team resources to their assistance.</li> </ul>	<p><b>Inspires the Team:</b></p> <ul style="list-style-type: none"> <li>- Generates excitement, enthusiasm, and commitment to agency and/or departmental goals.</li> <li>- Develops a workforce plan that positions the department or agency for long-term success.</li> <li>- Inspires confidence in the mission of the agency.</li> <li>- Models desired behavior.</li> </ul>

**Behavioral Example:**

# State of Kansas Performance Management Process

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## Part IVb: Annual Performance Review - Summary Discussion Points

Based upon your ratings in the previous sections, identify the employee's major strengths in this job, and areas for improvement. In addition, include any additional accomplishments. Comments summarized here will help focus your end of year performance review discussion, and help you prioritize relevant objectives and development priorities for the coming year.

**Additional Accomplishments:**

**Employee's Major Strengths in this Job:**

**Areas Where Improvement Would Benefit Job Performance:**

# State of Kansas Performance Management Process

## Part IVc: Annual Performance Review - Overall Performance Review Rating

**Instructions:** Indicate which level most appropriately describes the overall performance level of the individual. Add any comments that provide clarification to the Overall Review (may include unique circumstances, relevant career objectives, or other considerations).

**Overall Performance Level:**

Unsatisfactory <input type="checkbox"/>	Needs Improvement <input type="checkbox"/>	Meets Expectations <input type="checkbox"/>	Exceeds Expectations <input type="checkbox"/>	Exceptional <input type="checkbox"/>
<ul style="list-style-type: none"> <li>- Employee is not making the contributions expected of an employee in this role.</li> <li>- Employee may not be appropriately placed in the job or the agency.</li> <li>- Immediate improvement is required.</li> </ul>	<ul style="list-style-type: none"> <li>- Employee is inconsistent in performance.</li> <li>- Employee sometimes meets expectations and requirements.</li> <li>- Continual improvement is required to fully meet expectations.</li> </ul>	<ul style="list-style-type: none"> <li>- Employee is making meaningful and valuable contributions.</li> <li>- Employee has shown consistent and continual performance throughout the review period.</li> </ul>	<ul style="list-style-type: none"> <li>- Employee is making significant contributions and often exceeds objectives and expectations.</li> <li>- Employee demonstrates a high level of competency.</li> </ul>	<ul style="list-style-type: none"> <li>- Employee is making outstanding contributions on a continual basis.</li> <li>- Employee's achievements are clearly distinguishable from solid performers, and are highly valued by others.</li> <li>- Employee consistently performs at a high level of competency.</li> </ul>

**Manager Comments:**

**Employee Comments:**

### Signatures

**Performance Planning Discussion**

Employee's Signature\*: \_\_\_\_\_ Date: \_\_\_\_\_

Manager's Signature (completed by): \_\_\_\_\_ Date: \_\_\_\_\_

**Mid Year Discussion**

Employee's Signature\*: \_\_\_\_\_ Date: \_\_\_\_\_

Manager's Signature (completed by): \_\_\_\_\_ Date: \_\_\_\_\_

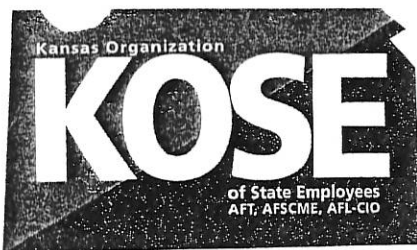
**Annual Performance Review Discussion**

Employee's Signature\*: \_\_\_\_\_ Date: \_\_\_\_\_

Manager's Signature (completed by): \_\_\_\_\_ Date: \_\_\_\_\_

Reviewer's Signature (reviews by): \_\_\_\_\_ Date: \_\_\_\_\_

*\*Note: Signature does not imply agreement with the content of the review. It only indicates the employee's awareness of the information contained herein. A permanent employee, within (7) calendar days after being advised of his/her rating, may appeal to the agency head. See K.A.R. 1-7-12.*



## A NEW DAY... A BETTER WAY... FOR STATE EMPLOYEES

### *Appropriations Committee Briefing on Health Insurance Contribution Moratorium*

TO: Chairman Yoder and Members of the Appropriations Committee

FROM: Jane Carter, Executive Director

DATE: February 11, 2009

On behalf of the 11,000 executive branch employees represented by the Kansas Organization of State Employees I am here today to provide the employees' side to the proposed moratorium on the State's contribution to the Employee Health Insurance Fund. First, I would like to thank you for this opportunity to bring to light the full impact of the moratorium to the state employee insurance funds. As the only certified, State recognized employee organization for state employees in the executive branch, we appreciate this opportunity to address issues that affect our members.

We all understand that times are tougher than ever. Elected representatives have tough decisions in front of them this session, and there are sure to be cuts everywhere. However, cuts to state employees or attempts to shift costs to employees is a wrong path to walk.

This proposal has lasting affects on state employees, and ultimately will add additional costs to an already disappointing benefit plan. This is an issue that is important to all state employees, and it is a step that could pass additional costs to employees who already can't afford the current insurance plan. Although the fund may be solvent in the next year with a moratorium, this lapse and suspension of payment will ultimately cost the fund greatly. For the last year, expenses have exceeded revenues and this trend is expected to continue. These costs will eventually be shifted either to the Employer or the employee. Past practice has proven the employee will bear the burden of the budget once again.

Currently, employees making less than \$27,000 per year with single coverage pay an average of \$24.00 per pay period for their premium. An employee making \$27,000 to \$47,000 per year with a family pays more than \$160 per month. The premium cost does not reflect co-pays, deductibles, specialist care, or emergency room care. Some state employees making \$39,000 per year can't afford to cover their families. At the end of the pay period, they would end up owing the state money. When looking at the premium costs, the 5% employee contribution compared to the State contribution seems exceptionally beneficial to employees. This is deceiving, as most state employees have families that rely on their income and health insurance. Dependent care costs for the employee can range from 45% to 75%.

Appropriations Committee

Attachment 2-1

Date 2-11-09

Budget \_\_\_\_\_

Kansas Organization of State Employees, AFT/AFSC

1301 SW Topeka Boulevard • Topeka, KS 66612 • 785-354-1174 • toll free 1-8



Statewide, turnover is an avoidable cost that is harming the state. State employees are leaving their positions due to an overwhelming work load, insufficient benefits, and embarrassing low wages. Information from national independent organizations and the US Department of Labor reveal a poignant portrait of the current condition of state employees in Kansas:

- Employee benefits per dollar of salary are the worst in the nation - *Pew Center*
- The state's workforce is in pretty dire shape, thanks to an inconsistent pay system that can't compete in the labor market - *Pew Center*
- Kansas ranks 40<sup>th</sup> in the nation for pay - *US Bureau of Labor Statistics*
- The total average compensation is well below the national average - *Pew Center*
- One in three state employees are more than 25% below the market - *The Hay Group*

For years, state employees have been the last to be funded and the first to be cut. Neither COLAs nor adjustments were budgeted or approved from 2001 to 2007, resulting in severe underpayment for the employees and the work they do. According to the Central States Survey, Kansas ranks 26<sup>th</sup> out of 26 states for benefits, charging employees more than any other state for the benefits they receive. State employees have helped balance this budget in the past - they continue to work with unacceptable benefits and strikingly low salaries.

When KOSE polled the membership, the responses were heart-felt, and sad:

- "How does anyone think that we can survive on more expensive benefits, or if more has to come out of our paycheck."
- "I bring home \$632 every two weeks; If I had to pay out another \$150 - \$200 per paycheck, what would I have left to meet bills? My check barely makes our house payment now."
- "I have a single plan and I am thankful that I do not need a family plan as I don't think I would be able to afford it."
- "I have worked for the state 45 years and this is the Thank You I get."

Again, state employees are well aware of the budget crisis across the nation, and the full impact to the state of Kansas. Balancing the budget once again on the back of state employees is not fair. Because of the low pay and poor benefits, state employees have actually helped balance the budget in the past.

**Increases in Salaries for State Classified Employees  
FY 1994 to FY 2008**

Fiscal Year	Step Movement	Base Salary Adjustment	Percent Increase CPI-U
1994	2.5%	0.5%	2.6%
1995	2.5%	1.5% effective 9/18/94	2.9%
1996	2.5%	1.0%	2.7%
1997	2.5%		2.9%
1998	2.5%	1.0%	1.8%
1999	2.5%	1.5%	1.6%
2000	2.5%	1.0%	2.2%
2001	2.5%		2.8%
2002	---	1.5% effective 6/10/01; 1.5% effective 12/9/01	1.6%
2003	---	---	2.3%
2004	---	1.5% effective 6/5/05	2.3%
2005	---	3.0%	3.4%
2006	---	1.25% effective 6/5/05; 1.25% effective 12/4/05	3.2%
2007	2.5% effective 9/10/06	1.5%	2.4%
2008	---	2.0%	2.3%

**NOTES**

1. Step increases are granted on the employee's anniversary of service as long as performance reviews are "satisfactory".
2. Longevity of \$40 a year for each year of service for employees 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 approximately 1% additional pay.
3. CPI-U: Consumer Price Index - All Urban Consumers
4. For FY 2008 only, the Legislature approved an increase to \$50 per year in longevity, with the same required years service( 10 years: \$500, 25 years: \$1,250).
5. In FY 2008, the Legislature approved a one-time bonus payment of \$860 for receipt on December 14, 2007.



## Cost of Living Versus Employee Pay Increases

From 1998 to 2008, the Cost of Living and the Consumer Price Index increased nearly 30%, however, state employee wages and pay stagnated for five years, and base pay was only slightly adjusted.

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total Increase
KS CPI/Cost of Living <sup>1</sup>	2.1%	3.4%	2.7%	1.2%	1.9%	2.4%	3.2%	2.4%	2.6%	2.8% <sup>2</sup>	27.2%
Step Increase	2.5%	2.5%	2.5%	NONE	NONE	NONE	NONE	NONE	2.5% <sup>3</sup>	NONE	10%

Source: Bureau of Labor Statistics, Kansas Legislative Briefing Book, 2008.

Special Salary Adjustments										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Corrections Officers				2.5%						2.5% <sup>4</sup>
Highway Patrol Troopers				5.0%		10.0%	7.5%	7.5%		
KBI Special Agents								7.5%		
Larned State Hospital										2.5% step increase for hazard pay
Building Trades										\$.30 per hour
Fire Protection Inspector									up to 15.8%	
Capital Area Security Police (KHP)									10% to 15%	
Motor Carrier Inspector III (KHP)									10% to 15%	

<sup>1</sup> Bureau of Labor Statistics.

<sup>2</sup> Estimate according BLS.

<sup>3</sup> Step increase not effective till 9/10/2006

<sup>4</sup> Step increase of 2.5% and hiring rate increase to step 6 (5%) higher rate.

# B- Kansas

Governor Kathleen Sebelius holds a master's degree in public administration, and it shows. Where preceding governors tended to ignore the everyday workings of the state bureaucracy—and allowed some segments of it to fall into general disrepair—Sebelius has involved herself in managerial detail and forced agencies to collaborate on everything from water policy to training for state personnel. Kansas is just small enough for this kind of approach to be feasible. "This ship is like a medium-sized cruise boat," says Burdett Loomis, a professor of political science at Kansas University. "It's not easy to turn around, but it's possible."

That's the good news. The bad news is that there's quite a bit to turn around. Among the most significant challenges is a \$5.4 billion pension liability—proportionally one of the largest in the country. An education funding settlement is also putting fiscal pressure on the state. At the insistence of the Kansas Supreme Court,

## The Kansas personnel system has no real way to reward government employees who excel at doing their jobs.

the legislature increased education funding by \$466 million over three years. The state relies on conservative revenue estimates and large ending balances in lieu of a rainy day fund, and this year, it's spending down that balance to meet the school-funding obligations.

The state's workforce is in pretty dire shape, thanks to an inconsistent pay system that can't compete in the labor market and sometimes compensates veteran employees little more than new hires. "Anyone who's worth their weight in salt, we lose them to private industry," says state Senator Dwayne Umberger, who chairs the Ways and Means Committee. "We need to do what we can to retain high-quality workers." Given this reality, the absence of a meaningful workforce plan is particularly troubling.

There's a comprehensive pay-plan redesign up for debate this spring. It has a significant pay-for-performance component, and would better align salaries with the market rate. This would be a significant change, because the state currently has little way to reward employees who excel. If it passes—and right now, that seems likely—Kansas also will dramatically change its performance-review system to a more centralized, mandatory model. Supervisors and managers would receive training on how to fairly assess employees.

Kansas' current job-classification system is set up on formalized career ladders, charting rigid routes for state employees as they move from title to title, and requiring them to become supervisors in order to receive significant raises. The new pay plan would simplify the labyrinth of classifications and allow more flexibility for employees to map their own careers. It would create a dual path so that employees wouldn't have to take on managerial responsibilities in order to move forward in their careers. "You can lose a great employee and get a bad supervisor by promoting them into a supervisory class," says Kraig Knowlton, manager for personnel policies and regulations. "Now, they won't be topped out from a pay perspective."

These changes are much needed. The current system isn't particularly helpful or well enforced. Because there's been pay compression, or a lack of salary separation between new and more seasoned employees, there's a tendency to give "exceptional" ratings for average work.

The Sebelius administration has intentionally strengthened and streamlined the power of the public-employee organizations by consolidating bargaining units and reducing the number of them from 42 to 17. Some of the smaller units were poorly represented and so were left behind. This is being embraced as an important step in the state, a sign that the administration is more responsive to its employees.

For additional data and analysis, go to [pewcenteronthestates.org/gpp](http://pewcenteronthestates.org/gpp)

### Money B-

Long-Term Outlook	●
Budget Process	●
Structural Balance	●
Contracting/Purchasing	●
Financial Controls/Reporting	●

### People C+

Strategic Workforce Planning	●
Hiring	●
Retaining Employees	●
Training and Development	●
Managing Employee Performance	●

### Infrastructure C+

Capital Planning	●
Project Monitoring	●
Maintenance	●
Internal Coordination	●
Intergovernmental Coordination	●

### Information B

Strategic Direction	●
Budgeting for Performance	●
Managing for Performance	●
Performance Auditing & Evaluation	●
Online Services & Information	●

Population (rank): 2,764,075 (33)

Average per capita income (rank): \$23,818 (26)

Total state spending (rank): \$12,553,494,000 (34)

Spending per capita (rank): \$4,542 (37)

Governor: Kathleen Sebelius (D)

First elected: 11/2002

Senate: 40 members: 10 D, 30 R

Term Limits: None

House: 125 members: 47 D, 78 R

Appropriations Committee

Attachment 3-1

Date 2-11-09

Budget \_\_\_\_\_

For almost a decade, the Pew Center on the States, Governing Magazine and a group of academic experts have collaborated on this project to assess the quality of management in state government.

## CHARTING THE COURSE FOR EXCELLENCE IN GOVERNMENT PERFORMANCE

# Kansas

**B-**

*Amid growing concerns among Americans about job stability, health care and education, there is a new demand for government to work better and cost less. Innovative solutions, particularly at the state level, are driving reform and progress. For Kansas to make significant management gains, the state needs to find a better balance between centralized control and agency flexibility.*

*In some areas, such as transportation planning, the legislative and executive branches have disagreed on how to adapt to diverse and changing needs. In other areas, such as workforce planning, strategic planning and asset management, resistance to consolidating some functions has kept the state from making far-reaching improvements.*

### Executive Summary

The Kansas Legislature is considering a comprehensive pay plan overhaul that would increase the focus on employees' performance and bring salaries more in line with the market—an important step for a state with acute employee-retention challenges. Hiring already is improving. Agencies now lead recruitment and hiring efforts, which has sped up the process. Individualized recruitment campaigns are helping the state target key candidate groups. The state has implemented a branding campaign called "Making Big Things Happen."

Kansas does not have a formal statewide strategic plan, though the governor's budget helps set a strategic direction. Governor Kathleen Sebelius outlines her priorities and performance measures and, where possible, includes progress toward achieving results in the budget document. Agencies must submit their own strategic plans along with their biennial budget requests.

The Legislative Division of Post Audit's performance audit function has improved in recent years, with more ambitious audits and increased cost-analysis capabilities aiding the division's efforts. The public can easily access key government services on the state's Web site, and credible information about the performance of key state programs is readily available.

## TAKING ACTION

### Key Recommendations

The Government Performance Project's team of management analysts offers the following suggestions. State policy makers and business leaders may wish to consider:

#### People

- Developing a statewide workforce plan that includes training and development
- Implementing a competency management system
- Developing an online job application feature and an e-recruitment and selection system to help increase the number of applications per job opening

#### Information

- Focusing on strategic planning at the statewide and agency levels
- Ensuring that plans look beyond the current budget cycle and incorporate performance measures that will help assess progress in achieving statewide and agency goals
- Updating and improving coordination among information technology systems

#### Money

- Continuing to strengthen the pension system
- Expanding opportunities for citizen input in the budget process
- Advancing the creation and use of cost data across branches of government to strengthen performance

Kansas faces significant fiscal challenges, including a \$5.4 billion pension liability that is proportionally one of the nation's largest such obligations. In addition, an education funding settlement is applying fiscal pressure, and in order to meet that obligation, the state is currently spending down its ending balance from the past fiscal year. At the insistence of the Kansas Supreme Court, the legislature increased education funding by \$194.5 million in school year 2006-2007, \$149 million in school year 2007-2008 and \$122.7 million in school year 2008-2009. The state relies on conservative revenue estimates and large year-end balances in lieu of a rainy-day fund.

Kansas does not calculate the accumulated value of deferred maintenance and lacks a statewide capital plan for general infrastructure. Instead, it relies on five-year agency plans. A legislatively mandated ten-year Comprehensive Transportation Program has reduced the policy flexibility of the Department of Transportation. A fixed ten-year list of projects contained in legislation limits resources and inhibits the department's ability to address major changes in infrastructure needs.

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**THE PEW CENTER ON THE STATES' Government Performance Project**

The Pew Charitable Trusts applies the power of knowledge to solve today's most challenging problems. Pew's Center on the States identifies and advances effective policy approaches to critical issues facing states.

The mission of the Government Performance Project, an initiative of the Pew Center on the States, is to improve service to the public by strengthening government policy and performance. The Project evaluates how well states manage employees, budgets and finance, information and infrastructure. A focus on these critical areas helps ensure that states' policy decisions and practices actually deliver their intended outcomes.  
[www.pewcenteronthestates.org](http://www.pewcenteronthestates.org)

**TAKING ACTION****Key Recommendations  
(continued)****Infrastructure**

- Linking funding for infrastructure maintenance to the information collected by condition assessments for general infrastructure and transportation infrastructure
- Prioritizing funding of maintenance and calculating deferred maintenance
- Reviewing the transportation planning process to encourage periodic updates
- Developing a statewide capital plan that prioritizes agency five-year capital plans

# PEOPLE

C+

## Strategic Workforce Planning

The state has no workforce plan or human capital plan, though data are compiled into an annual statewide workforce report. The central human resources (HR) agency uses this report to identify areas of high turnover where it could assist agencies with recruiting. HR also provides statistical analyses to agencies to support workforce planning efforts and consults with agencies in developing or updating workforce plans, which exist in most midsized and larger agencies.

The state's HR management information technology system is better than average, offering such components as compensation management, demographics, job classifications, performance management and recruitment. Kansas does not have a competency management system.

## Hiring

Agencies are responsible for their own hiring, and the state doesn't track the percentage of acceptances. Although time-to-hire is well below the national average, Kansas also receives fewer applications per classified job opening than other states. The state has worked well with agencies to identify successful employees and develop recruiting strategies and interview questions designed to attract those with similar traits. As in most states, nurses and some "skilled trades" tend to be the most difficult positions to fill, and Kansas does not offer referral or signing bonuses. Fewer new hires are fired during their probationary period than the national average, but more new hires than average quit during that same period.

Kansas has a decent e-recruitment system but lacks an online application feature. The state has strong feeder programs. College sophomores majoring in engineering are eligible for tuition assistance from the Department of Transportation, and Child Protective Services has instituted a paid practicum for social workers. Kansas officials believe a pending pay-plan reform would improve its ability to recruit talented employees. The plan awaits legislative approval and funding.

## PERFORMANCE

- Strategic Workforce Planning
- Hiring
- Retaining Employees
- Training and Development
- Managing Employee Performance

○ weakness    ● mid-level    ● strength

## TAKING ACTION

### Suggestions that state policy makers and business leaders may wish to consider:

- Developing a statewide workforce plan that includes training and development
- Implementing a competency management system
- Developing an online job-application feature and an e-recruitment and selection system to help increase the number of applications per job opening

## Retaining Employees

The pay plan would likely boost retention as well, as pay compression has become severe. Voluntary turnover is above the national average for classified employees, and overall voluntary turnover has been increasing.

The total average compensation is well below the national average, and employees use more annual leave and sick leave than average. Employee benefits per dollar of salary are the worst in the nation. On the plus side, grievances and appeals per 1,000 employees are well below the national average, and discrimination charges are almost nonexistent.

## Training and Development

The quality of Kansas agencies' training varies. The state does not track overall training data. A cross-agency Statewide Training Action Team regularly meets to share innovations, but Kansas lacks a statewide training and development plan, as do the agencies surveyed.

A new pay plan would streamline the state's grade-classification system and build career paths through which employees could gain raises without becoming supervisors. The statewide promotion rate is among the nation's highest. Agencies have leadership programs tied to succession planning, and a partnership with the University of Kansas provides other opportunities. Mentoring and cross-team training help to ensure the knowledge is retained when employees leave.

## Managing Employee Performance

The pay-plan overhaul would provide Kansas with a better way to reward top performers, though the performance review system may need to follow a more standardized model and be applied regularly. Currently, appraisals are not always conducted on time, and the review process is not well enforced.

Awards of up to \$1,000 are given for exceptional performance and separately for innovations that are implemented, but only 1 percent of employees receive such bonuses. The employee suggestion program offers no such rewards and is used infrequently. Agency surveys are common, and Kansas has used them in drawing up the pay-plan redesign. The state's discipline and termination policy appears to work efficiently and effectively.

## PEOPLE

### Perspectives on this area of state performance:

People form the living core of any organization.

To assess state performance in the People category, the Government Performance Project team examined how well a state manages its employees. Among many other factors, the team reviewed how states hire, retain, develop and reward high-performing employees.

Given the challenges of an aging workforce, new expectations of younger workers and competition for top performers with the private and nonprofit sectors, the ways in which a state conducts business in this crucial area are vital to its ability to serve the public.

Grades in the People category ranged from A in Virginia to D in New Hampshire and Rhode Island. The national average among the 50 states for the People category was C+, and ten states received that grade. Twenty-three states earned grades above the national average (grades of B- and above), and 17 states received grades below the national average (C and below).

A number of promising new practices in recruitment strategies and leadership development emerged from this year's study. The Project will provide additional detail on these practices in the coming months.

# INFORMATION

## B

### Strategic Direction

Kansas does not have a statewide strategic plan, though the governor's budget helps set a strategic direction. The governor outlines her priorities and includes performance measures and, where possible, progress toward them. Agencies must submit their own strategic plans along with their biennial budget requests.

The state information technology (IT) plan does not include performance information and is not comprehensive, focusing mostly on e-government. Kansas has a "federated" model for IT governance in which a multiagency Information Technology Executive Council (ITEC) sets policy based on direction from the governor and legislature. State managers report that this environment invites discussion of important issues and provides a forum to sort through competing IT interests.

### Budgeting for Performance

Kansas produces a fair amount of performance and cost information through the governor's budget and agency performance reports, though the quality of these reports varies. The Division of Budget requires agencies to submit both outcome and output measures with their requests and explain how funding changes relate to performance.

The most pertinent performance information is included in the governor's budget and includes such policy areas as transportation, education and health care, which account for most state spending. The governor's budget lacks outcome data on several major policy areas, including public safety and the environment, however.

### Managing for Performance

The three branches of government are jointly planning new data centers and disaster recovery initiatives, but structural barriers to cooperation and information sharing exist, and some information systems are incapable of communicating and sharing data. Although software upgrades have begun to advance, many agencies still use legacy systems. Governor Sebelius is said to have a greater interest in helping state government function day to day than recent predecessors and has fostered cross-agency collaboration in particular sectors, such as water policy and training for state personnel.

## PERFORMANCE

- Strategic Direction
- Budgeting for Performance
- Managing for Performance
- Performance Auditing and Evaluation
- Online Services and Information

○ weakness    ● mid-level    ● strength

## TAKING ACTION

### Suggestions that state policy makers and business leaders may wish to consider:

- Focusing on strategic planning at the statewide and agency levels
- Ensuring that plans look beyond the current budget cycle and incorporate performance measures that will help assess progress in achieving statewide and agency goals
- Updating and improving coordination among information technology systems

## Performance Auditing and Evaluation

The Division of Legislative Post Audit produces high-quality performance audits that cover programs that affect a large percent of Kansas residents. Although small, the division has controls in place to ensure valid and reliable results and recently added a specialist in data mining and analysis who has enabled the office to perform more complex audits.

Several new staff have launched a massive cost study of education and will continue to focus on education issues.

## Online Services and Information

Citizens can easily perform many transactions from the state's Web site, including renewing vehicle and boat registrations, filing income taxes, applying for unemployment and Medicaid benefits, locating unclaimed property and filing insurance complaints.

Performance information is available for schools, as is graduation information for higher education. Residents may sign up for an interactive homework help service.

## INFORMATION

### Perspectives on this area of state performance:

Advances in information technology offer the promise of propelling every organization toward greater efficiency and accomplishment. Growing demands for public-sector transparency and for 24/7 public access to services are spurring a new level of creativity in meeting citizens' needs and improving internal business processes.

To evaluate performance in the Information category, the Government Performance Project examined how well state officials deploy technology and the information it produces to measure the effectiveness and results of state programs, make budget and other management decisions and communicate with one another and the public.

Grades in the Information category ranged from A in five states (Michigan, Missouri, Utah, Virginia and Washington) to D+ in New Hampshire and South Dakota. The national average among the 50 states for the Information category was B-, and 13 states received that grade. Fifteen states earned grades above the national average (grades of B and above), and 22 states received grades below the national average (C+ and below).

The study uncovered a number of promising new practices that are engaging the public, streamlining business processes, and improving the quality and utility of the information upon which state leaders rely to make policy and program decisions. The Project will provide additional detail on these practices in the coming months.



# MONEY

**B-**

## Long-Term Outlook

Kansas faces significant fiscal challenges, including a \$5.4 billion pension liability that is proportionally one of the largest in the country. However, the state has implemented a long-term plan to fund the employee retirement system fully. The plan will draw from a \$500 million bond issue and higher payroll contributions for employees hired on or after July 1, 2009. Moody's bond rating service downgraded the state's bond rating in October 2006 but now rates Kansas as stable after the resolution of an education-related lawsuit.

The consensus forecasting process in Kansas appears to work well. Representatives from three agencies and three universities meet twice each year, and the group publishes its estimate, which binds the budget. The state also forecasts a range of expenditures, going into great detail for the first two years and somewhat less detail over five years for large and ongoing programs. The Division of the Budget and the Department of Revenue consult with other agencies to write fiscal notes for all tax and spending bills. Kansas only uses debt for capital projects and specific operational functions.

## Budget Process

Kansas typically passes its budget well before the deadline through a straightforward, efficient process. Agencies are asked to provide performance measures, and the governor and legislature review them in formulating the budget. A readable synopsis of the budget is available online during budget deliberations.

## Structural Balance

The education funding settlement is putting fiscal pressure on the state, which is spending down the ending balance from the past fiscal year to meet this obligation. Kansas has a well-balanced revenue structure, and though it lacks a rainy-day fund, it uses large ending balances as a countercyclical planning device. Income and sales taxes bring in most of the revenue, while current resources were equal or close to twice the debt from 2004 to 2006.

## PERFORMANCE

- Long-Term Outlook
- Budget Process
- Structural Balance
- Contracting/Purchasing
- Financial Controls/Reporting

○ weakness    ● mid-level    ● strength

## TAKING ACTION

**Suggestions that state policy makers and business leaders may wish to consider:**

- Continuing to strengthen the pension system
- Expanding opportunities for citizen input in the budget process
- Advancing the creation and use of cost data across branches of government to strengthen performance

## Contracting/Purchasing

Kansas disperses contracting and purchasing responsibilities to various agencies, which conduct about 40 percent of service contracting; the remainder is conducted by central purchasing. Fewer than 25 percent of transactions are conducted electronically, with only a handful of the most commonly supported online activities offered in the state. An incentive program enables agencies to keep one-half of the savings that result from under-spending.

## Financial Controls/Reporting

From 2004 to 2006, Kansas prepared its Comprehensive Annual Financial Reports in a timely manner and in accordance with generally accepted accounting principles. The reports received unqualified opinions all three years. The 2006 single audit received a clean opinion on the financial statements. The executive budget office and legislature use cost analysis on a limited basis, while certain agencies use it more actively.

## MONEY

### Perspectives on this area of state performance:

Having adequate financial resources and managing them well allows states to turn policies into results that matter for people. A state's fiscal systems are especially important in navigating today's uncertain economic climate.

To gauge how well a state is functioning in the Money category, the Government Performance Project evaluated the degree to which a state takes a long-term perspective on fiscal matters, the timeliness and transparency of the budget process, the balance between revenues and expenditures, and the effectiveness of a state's contracting, purchasing, financial controls and reporting mechanisms.

Grades in the Money category ranged from A in Utah to D+ in California and Rhode Island. The national average among the 50 states for the Money category was B-, and ten states received that grade. Twenty states earned grades above the national average (grades of B and above), and 20 states received grades below the national average (C+ and below).

Transparent financial transactions and unfettered public access to fiscal information have become two of the leading indicators of a state that is functioning well in this area. Several promising new practices in real-time tracking of statewide expenditures and budgeting decisions, as well as joint executive and legislative revenue forecasting approaches, are highlighted in this year's study. The Project will provide additional detail on these practices in the coming months.

# INFRASTRUCTURE

C+

## Capital Planning

The Kansas Department of Transportation (KDOT) has a ten-year Comprehensive Transportation Program. But the legislature has reduced the agency's flexibility by adopting a fixed ten-year list of projects. This limits resources and inhibits the department's ability to address major changes in infrastructure needs.

Kansas has no statewide capital plan, and though agencies have five-year plans, the state has unreliable information on the condition of some of its facilities. The Department of Corrections has no such plan but does analyze capacity needs based on demographic trends. The budget office prioritizes projects and appears to communicate well with legislators. Agencies must submit capital improvement plans to the state building advisory commission, the budget division and the Joint Committee on State Building Construction. Existing maintenance tends to take priority over new construction. Although required in budget instructions, only some operations and maintenance costs are taken into account.

## Project Monitoring

The state monitors its core buildings with weekly status reports for quality and monthly reports for cost overruns, delays, efficiency and safety. Non-core buildings receive less regular attention. Contractors take one day to address safety issues, one week for poor quality, two to three weeks for delays, one to two months for inefficiencies and three to six months for cost overruns.

KDOT rigorously tracks individual activities, sets milestones and holds monthly production control meetings where projects that have missed deadlines are scrutinized and corrective actions are taken. An increased focus on performance measurement—along with better technology and new engineering approaches for some activities—have helped keep projects on time and within budget. Contractors must update their project schedules regularly, receiving one day to correct poor quality or safety problems and one week on inefficiencies, cost overruns or delays.

## PERFORMANCE



## TAKING ACTION

### Suggestions that state policy makers and business leaders may wish to consider:

- Linking funding for infrastructure maintenance to the information collected by condition assessments for general infrastructure and transportation infrastructure
- Prioritizing funding of maintenance and calculating deferred maintenance
- Reviewing the transportation planning process to encourage periodic updates
- Developing a statewide capital plan that prioritizes agency five-year capital plans

## Maintenance

Kansas fails to fund maintenance at an adequate level. It is unclear the extent to which the Division of Facilities Management actively assists agencies in assessing building conditions. Core buildings have reliable annual condition assessments that help set priorities, but that process is decentralized and less consistent across the state. Kansas does not calculate the accumulated value of deferred maintenance.

## Internal Coordination

The Budget Office and the legislative building construction committee review agency five-year plans to create the capital budget based on recommendations from the building advisory commission. The Division of Facilities Management helps agencies with design and construction-related services, property leasing and building management, while maintaining a database of leased property and providing space inventory reports. KDOT coordinates with other state agencies, metropolitan planning organizations and local governments.

## Intergovernmental Coordination

Kansas holds regular meetings with key stakeholders to ensure cross-state coordination on capital projects. As laid out in its Long Range Transportation Plan, KDOT has made a conscious effort to spend more time with city and county governments as well as other stakeholders to better communicate prior to making project-related decisions.

KDOT's partnership project with local governments helps establish performance measures, communicate among entities, and attain environmental clearances, among other activities.

## INFRASTRUCTURE

### Perspectives on this area of state performance:

A state's capital assets are the literal crossroads of the effects of the other three categories—People, Information and Money.

Incidents such as the Minneapolis bridge collapse and the levee failures in New Orleans after Hurricane Katrina prove that few functions of state government—in partnership with the federal government and other jurisdictions—have a greater impact on people's daily lives than maintaining and securing the state's infrastructure.

To assess how well a state is managing its roads, bridges and buildings, the Government Performance Project team factored the degree to which a state has transparent and effective capital planning and project monitoring processes, maintains its assets and coordinates this work within the state and with other jurisdictions.

Grades in the Infrastructure category ranged from A in Utah to D+ in Massachusetts and New Hampshire. The national average among the 50 states for the Infrastructure category was B-, and ten states received that grade. Seventeen states earned grades above the national average (grades of B and above), and 23 states received grades below the national average (C+ and below).

In assessing how states select, prioritize, monitor and maintain their infrastructure projects over the long term, the Project found a variety of laudable practices. The Project will provide additional detail on these practices in the coming months.

STATE	OVERALL PERFORMANCE GRADES											
Utah Virginia Washington											A-	
Delaware Georgia Michigan Missouri Texas											B+	
Indiana Iowa Louisiana Maryland Nebraska											B	
Arizona Connecticut Florida Idaho <b>KANSAS</b> Kentucky Minnesota New Mexico New York North Carolina North Dakota Ohio Pennsylvania South Carolina Tennessee Vermont Wisconsin Wyoming											B-	— NATIONAL AVERAGE
Alabama Colorado Hawaii Mississippi Montana Nevada Oklahoma Oregon South Dakota West Virginia											C+	
Alaska Arkansas California Illinois Maine Massachusetts New Jersey											C	
Rhode Island											C-	
New Hampshire											D+	
	D	D+	C-	C	C+	B-	B	B+	A-	A		
<b>NATIONAL AVERAGE</b>											<b>B-</b>	

**THE PEW CENTER ON THE STATES' Government Performance Project**

The Pew Charitable Trusts applies the power of knowledge to solve today's most challenging problems. Pew's Center on the States identifies and advances effective policy approaches to critical issues facing states.

The mission of the Government Performance Project, an initiative of the Pew Center on the States, is to improve service to the public by strengthening government policy and performance.

The Project evaluates how well states manage employees, budgets and finance, information and infrastructure. A focus on these critical areas helps ensure that states' policy decisions and practices actually deliver their intended outcomes.

[www.pewcenteronthestates.org](http://www.pewcenteronthestates.org)

The Project grades but does not rank states. All states within a given grade category receive the same grade and are listed alphabetically.

## Glossary

Following are some of the factors the Project team considered in evaluating state performance. For a list of the detailed criteria, visit [www.pewcenteronthestates.org/gpp](http://www.pewcenteronthestates.org/gpp).

**Asset Condition Index (ACI):** A standard means of determining an asset's current and future physical condition. ACI is calculated by dividing the dollar amount needed for annual repairs by the amount that would be needed to replace the asset. There are three levels of condition: Good (0 to 5 percent), Fair (5 to 10 percent), and Poor (greater than 10 percent).

**Benchmarks:** Baselines against which the performance of government programs may be measured. The three most common types of benchmarks are past performance levels of the program, performance levels of similar programs in other states or agencies, and performance targets established by law or policy. Other possible types of benchmarks include targets set by federal regulations and standards prescribed by professional organizations.

**Bidder preference:** Advantage given to vendors meeting specific criteria in the bidding process for state product or service contracts.

**Broadbanding:** A technique that consolidates the number of salary grades into fewer but broader pay ranges. The spread of the pay ranges is wider, and there is less overlap among various pay ranges.

**Capital budget:** The spending plan for the year for building or acquiring major infrastructure projects, balanced against revenues or other financial resources. Although states often approve separate capital and operating budgets, capital projects also may be funded in the operating budget. For each item in the capital budget, costs may include those for the structure or land as well as related costs for original furniture and equipment.

**Capital plan or capital improvement plan:** A financial plan for the improvement of state-owned infrastructure assets over several years, including such proposed projects as buildings, roads, bridges, parks, dams and land.

**Capital planning process:** A formal assessment of a state's future infrastructure needs. The review may consider demographics, service demand, public input, federal regulations, health and safety concerns, resource availability and other factors.

**Competency management system:** A process by which an organization develops and manages specific models that include skills and behaviors needed for specific employee positions. These models may then be used in recruitment and hiring, performance appraisal criteria, and training and development.

**Contracting:** The process by which the state obtains necessary services from nongovernmental vendors. (Note: We consider contracting for services different from procurement of goods or products.)

**Consensus forecasting:** A process through which a panel of experts creates a forecast by mutual agreement. For a state's revenue forecast, included experts may include officials from the executive branch and legislature, as well as outside academic researchers, private consultants or citizens.

**Earmarked revenue:** A source of revenue designated by law or state constitution to support a specific program or agency. By definition, "earmarked revenue" cannot include taxes imposed on specific goods, services or businesses; taxes on sale of fuels other than motor fuels; or refunds of fuel taxes.

**E-procurement:** A system utilizing Internet technology to streamline the purchases of goods and products to reduce costs.

**Human capital plan:** A plan for employing, developing and evaluating the workforce of an organization to achieve the organization's strategic goals and objectives. The plan typically is broader than a strategic plan or workforce plan, though it contains elements of both.

**Information technology (IT) plan:** A statewide plan to improve the state's information technology systems that assesses future needs to achieve the state's overall goals and objectives.

**Knowledge management system/strategy:** The process of gathering, organizing, sharing and using the knowledge and experiences of employees within an organization to improve performance. Knowledge management includes a wide range of personal and technological approaches to sharing knowledge.

**Leadership development program:** A training and education program to prepare participants for leadership or senior management positions within the state or agency.

## Glossary (continued)

**Life-cycle approach:** An approach to infrastructure maintenance that aims to keep capital assets in good working order for at least as long as they were originally designed to last.

**Maintenance deferral:** The act of postponing necessary operating and maintenance spending on an infrastructure asset.

**Operating budget:** The annual spending plan for the state's recurring expenses, including salaries, equipment and repairs (as distinct from expenses to build or acquire permanent infrastructure).

**Performance:** The accomplishments of an agency, program or employee relative to stated goals and objectives.

**Performance appraisal:** An evaluation of how well an employee performs his or her job in relation to a set of predetermined standards.

**Performance-based compensation:** A type of employee compensation based on demonstrated accomplishments on the job.

**Performance audits:** Audits that focus primarily on the effectiveness of an agency or program in meeting its objectives (rather than on legal or financial compliance issues).

**Performance management system:** A comprehensive process used to measure, improve and reward the performance of agencies, programs or employees.

**Performance measures:** Indicators of progress toward meeting prescribed objectives. Common measures for evaluating performance include outputs, outcomes and efficiency.

**Procurement:** The process by which the state obtains necessary goods or products from nongovernmental vendors. (Note: We consider procurement of goods or products different from contracting for services.)

**Rainy-day fund:** A type of contingency fund in which money is set aside to be drawn upon in case of a future budget deficit. It often is referred to as a budget-stabilization fund.

**Salary compression:** Inequity in employee pay occurring when the range of pay between the highest and lowest paid employees is unfairly small relative to their range of skills and experience.

**Strategic plan:** A comprehensive plan for accomplishment in relation to stated goals and objectives. Ideally, the plan should cover multiple years, include targets for expected accomplishments and propose specific performance measures to evaluate progress toward those targets.

**Structural balance:** A condition in which ongoing revenues meet ongoing expenses in a given fiscal year (excluding one-time expenses or revenues).

**Succession planning:** A process of systematically and deliberately preparing for future changes of leadership in key positions. The process may identify potential replacements and provide strategies for developing and/or hiring individuals to meet future needs.

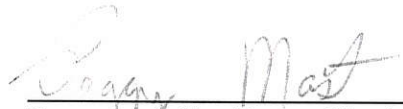
**Tax expenditure budget:** A report showing the estimated reduction in state revenues attributable to tax credits, deductions and exclusions included in the state tax code.

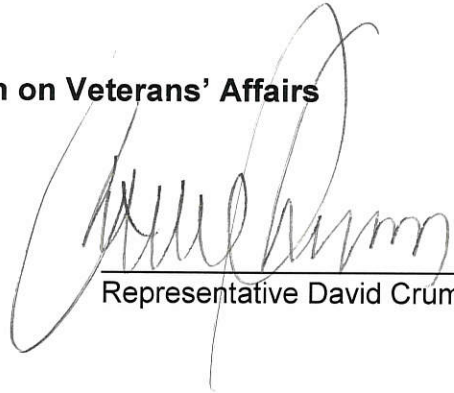
**Workforce plan:** A plan assessing the current and future capacity of a state government or agency workforce, including actions necessary to meet future workforce needs.

FY 2010

**SOCIAL SERVICES BUDGET COMMITTEE**

**Kansas Commission on Veterans' Affairs**

  
\_\_\_\_\_  
Representative Peggy Mast, Chair

  
\_\_\_\_\_  
Representative David Crum

  
\_\_\_\_\_  
Representative Marc Rhoades, Vice-Chair

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Representative Tom Hawk

  
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Representative Jerry Henry,  
Ranking Minority Member

  
\_\_\_\_\_  
Representative Mike Kiegerl

  
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Representative Barbara Ballard

  
\_\_\_\_\_  
Representative Forrest Knox

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## House Budget Committee Report

**Agency:** Kansas Commission on Veteran's Affairs      **Bill No.** HB      **Bill Sec.**

**Analyst:** Dear      **Analysis Pg. No. Vol.-**      **Budget Page No.**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,190,784	\$ 8,956,372	\$ 0
Other Funds	12,867,864	12,126,308	0
Subtotal - Operating	\$ 24,058,648	\$ 21,082,680	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,179,784	1,179,784	0
Subtotal - Capital Improvements	\$ 1,179,784	\$ 1,179,784	\$ 0
<b>TOTAL</b>	<b><u>\$ 25,238,432</u></b>	<b><u>\$ 22,262,464</u></b>	<b><u>\$ 0</u></b>
FTE Positions	533.8	513.0	0.0
Non FTE Uncl. Perm. Pos.	8.0	8.0	0.0
<b>TOTAL</b>	<b><u>541.8</u></b>	<b><u>521.0</u></b>	<b><u>0.0</u></b>

### Agency Request

The **agency** requests FY 2010 operating expenditures of \$24,058,648 an increase of \$2,221,451, or 10.2 percent, above the FY 2009 revised estimate. The request includes \$11,190,784 from the State General Fund, an increase of \$1,686,592, or 17.7 percent, above the FY 2009 revised estimate. The majority of the increase is attributed to enhancements totaling \$2,036,361. Without the enhancements, the request totals \$22,022,287, an increase of \$185,090, or 0.8 percent, above the agency's FY 2009 revised estimate.

Included in this estimate is a decrease of \$65,430 for the Kansas Soldiers' Home base request. The Kansas Soldiers' Home exceeded their base approved amount as calculated by the Division of Budget in their FY 2010 request. This amount was deleted from the agency budget by the Division of Budget and is reflected in the Governor's estimate as well. This change is not reflected in the Governor's Budget Report.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$21,082,680, a decrease of \$306,317, or 1.4 percent, below the Governor's FY 2009 recommendation. The

recommendation is a decrease of \$2,993,784, or 12.4 percent below the agency's FY 2010 request. The Governor recommended FY 2010 State General Fund expenditures of \$8,955,372, a decrease of \$271,120, or 2.9 percent, below the Governors FY 2009 recommendation.

The Governor's FY 2010 recommendation is a decrease of \$2,993,784, or 12.4 percent, below the FY 2010 agency request. The decrease is attributable to a recommendation against the enhancement packages totaling \$2,036,361 and reductions in salaries and wages stemming from the moratorium on State contributions to the Kansas Public Employee Retirement System (KPERs) death and disability insurance fund and group health insurance fund. The moratoriums reduced the KCVA budget by \$655,300. The governor recommends that \$236,244 of the reduction be transferred to the State General Fund, the remainder of the reduction is funded by federal funds and not subject to transfer.

### House Budget Committee Recommendation

The **Committee** concurs with the Governor's recommendation with the following recommendations and notations:

1. The Committee requests that the House Appropriations Committee explore the status of the National Guard Museum expansion currently being supported by Scratch-Lotto funds originally designated for the Kansas Commission on Veterans' Affairs. Specifically, the Committee recommends exploring a delay in the disbursement of these funds and redirecting any remaining funds to the Kansas Commission on Veterans' Affairs.
2. The Committee notes that further reductions at the Kansas Commission on Veterans' Affairs are likely to jeopardize patient care at the Kansas Soldiers Home and the Kansas Veterans' Home and recommends that the Commission pursue reductions which insure that the best care for all Kansas veterans is protected.
3. The Committee further notes that the care of Kansas Veterans within the framework of the Kansas Commission on Veterans' Affairs minimizes State General Fund expenditures by effectively leveraging federal funds which would not be available in private care facilities.
4. The Committee recommends providing the Executive Director of the Kansas Commission on Veterans' affairs the authority to transfer funds between programs under the authority of Kansas Commission on Veterans' Affairs in order to assist in the best allocation of resources within the agency, in FY 2010.
5. The Committee recognizes and commends the diligent efforts and strong leadership of Jack Fowler, Wayne Bollig, Jim Hayes, Steve Dunkin, and Gilbert Cruz in effectively addressing the needs of Kansas Veterans at the Kansas Soldiers' Home and the Kansas Veterans Home, as well as the relationships with Veterans Service Organizations and field offices.

**79-2939. No-fund warrants for emergencies, when; procedure; limitation of amount; notice and hearing; protests; tax levy to pay.** Whenever there is an unforeseen occurrence which causes an expense in any fund of any municipality or other taxing district which could not have been anticipated at the time the budget for the current budget year was prepared, and by reason of such unforeseen occurrence the governing body of any such municipality or taxing district is of the opinion that it will be impossible to pay for such unforeseen expense and pay for the imperative functions of the fund without incurring indebtedness in excess of the adopted budget of expenditures for the current budget year, the governing body may make application to the state court of tax appeals for authority to issue no-fund warrants to pay for such unforeseen expense. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a 3/4 majority of any governing body composed of more than three members. The application shall reveal: (1) The nature of the unforeseen occurrence; (2) a copy of the final budget adopted for the current budget year; and (3) a detailed statement showing why the budgeted expenditures for the current budget year cannot be reduced during the remainder of the current budget year so that the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget. If the state court of tax appeals shall find that the evidence submitted in writing in support of the application shows:

(a) There was an occurrence which could not have been foreseen at the time the budget for the current budget year was prepared; and

(b) that from the time of such unforeseen occurrence to the end of the current budget year it will be impossible to reduce the expenditures of the adopted budget to the extent the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget, the state court of tax appeals is empowered to authorize the issuance of warrants for the payment of that portion(in dollars) of such unforeseen expense which must be in excess of the adopted budget. The amount of such warrants for a public utility fund shall not exceed the amount of money on hand in the utility fund not required for budgeted expenses. The amount of such warrants for any fund, excepting public utility funds, of any municipality or other taxing district, other than a township, shall not exceed the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses of the current budget year, nor shall the amount of such warrants for any fund, of any municipality or other taxing district, other than a township, exceed the amount of money that could have been raised by levy for such fund under the limitation placed upon such fund by reason of the aggregate limit, and in no case shall the total amount of such warrants for all such tax funds, other than warrants issued by a township, exceed the amount of money that would have been raised by levy within the aggregate limit prescribed by law for such municipality or other taxing district for the payment of expenses of the current budget year.

No order for the issuance of such warrants shall be made without a public hearing before the state court of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the state court of tax appeals prescribes, and the expense of such application shall be borne by the municipality or taxing district making application. Any taxpayer interested may file a written protest against such application. Any member of the governing body of the municipality or other taxing district making application hereunder may appear and be heard in person at such hearing in support of the application. All records and findings

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of such hearings shall be subject to public inspection.

Whenever the authority to issue warrants under this section is granted, the governing body of such municipality or other taxing district shall make not more than five equal annual tax levies, as determined by the state court of tax appeals, except as to any public utility funds, at the next succeeding tax-levying periods after such authority is granted, sufficient to pay such warrants, and such tax levy or levies may be levied outside of the aggregate tax levy limit prescribed by law. If there is money in the fund over and above the amount needed for the adopted budget, such money shall be used and the tax levy or levies shall be only for the difference, if any, between the money available and the amount of warrants issued. Any municipality having a surplus in any public utility fund may use such surplus to pay the warrants authorized by the state court of tax appeals under this section. When the money must be raised by a tax levy the taxing unit may issue and sell at par no-fund warrants in multiples of \$100 and place the money in the fund and issue regular warrants in the usual manner. Whenever any municipality or taxing district receives insurance money in payment of damage occasioned by the unforeseen occurrence, and authority to issue warrants is authorized by the state court of tax appeals under this section, such insurance money shall be deposited with the county treasurer immediately and used by the county treasurer in lieu of ad valorem taxes as provided in K.S.A. 79-2940, and amendments thereto. This section shall not require a deposit of insurance money in excess of the total amount of such warrants and interest thereon.

Adopted Amendment to HB 2095

Purpose of amendment: Limit amount of no-fund warrants

New Sec. 2. (a) The board of education of any school district may issue no-fund warrants for the purpose of paying teacher salaries and benefits if the board determines that the revenues of the current school year for the general fund of the district are insufficient to finance the adopted budget of expenditures for such fund. Such no-fund warrants shall be issued by the board in the manner and form and shall bear interest and be redeemable in the manner prescribed by K.S.A. 79-2940, and amendments thereto, except that the warrants may be issued without the approval of the state board of tax appeals, and without the notation required by such section. The board shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon.

(b) The amount of no-fund warrants issued by a district under subsection (a) shall not exceed an amount equal to the amount necessary to pay for teacher salaries and benefits as provided in the budget of the school district adopted after July 1, 2008 and any amendment to that budget adopted prior to the effective date of this act.

~~(b)~~ (c) The authority to issue no-fund warrants under this section shall expire on June 30, 2011.

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Proposed Amendment to HB 2095

**Purpose of Amendment:** Require use of contingency reserve funds prior to issuance of no-fund warrants.

New Sec. 2. (a) The board of education of any school district may issue no-fund warrants for the purpose of paying teacher salaries and benefits if: (1) The board determines that the revenues of the current school year for the general fund of the district are insufficient to finance the adopted budget of expenditures for such fund; and (2) the district has not established a contingency reserve fund or there are no monies in the contingency reserve fund of the district. Such no-fund warrants shall be issued by the board in the manner and form and shall bear interest and be redeemable in the manner prescribed by K.S.A. 79-2940, and amendments thereto, except that the warrants may be issued without the approval of the state board of tax appeals, and without the notation required by such section. The board shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon.

(b) The authority to issue no-fund warrants under this section shall expire on June 30, 2011.

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