

Approved: March 8, 2007

Date

MINUTES OF THE SELECT COMMITTEE ON STATE EMPLOYEE PAY PLAN

The meeting was called to order by Chairman Pat George at 7:30 A.M. on March 6, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Kansas Legislative Research Department

J. G. Scott, Kansas Legislative Research Department

Cyndie Rexer, Committee Assistant

Conferees appearing before the committee: None

Others attending:

See attached list.

The minutes of March 5, 2007 were distributed. Representative Stan Frownfelter moved the minutes be approved. Representative Tom Hawk seconded the motion. The minutes were approved.

Chairman George opened the meeting by stating the committee's intent is to move our work force from being under compensated to being a leader in pay plans and one for other states to look to as a model. This task may take an extended period of time to achieve. The committee wishes to move forward to some extent this year and therefore proposes the House Alternative Pay Plan consisting of a 1% base increase for all employees, a 5% increase for classified employees that are 25% or more below market (1,533 employees), and a flat bonus to be paid in two installments of \$2,100. This would be equal to the \$44.3 million the Governor proposed in her budget. It is important to note that the committee has worked in conjunction with the House and Senate to negotiate this figure which is more than formerly appropriated in past years. Chairman George would like for this committee to become an interim committee or task force beginning in May to develop the next phase of the pay plan so it can be given to the Governor in the fall before she begins work on her budget.

The floor was opened for committee members to discuss the proposal.

Representative Tom Hawk stated that his priorities would include keeping the dollar expenditure at the \$44.3 million amount, a block grant to be given to the Regents to be distributed among their employees at their discretion, adjust compensation for those employees at below market, increase base compensation using perhaps part of the bonus money to achieve it, award longevity, and the ultimate goal would be to have a buy-in from the state employees. He would like to continue with an interim study, and insure the state computer system is adequate to administer the new pay plan. Representative Hawk also suggests the bonus be divided and part be given in a check and the rest be added to base pay.

Representative Ann Mah expressed concern as to whether the bonus would be included in retirement calculations. Alan Conroy will check on the possibility.

Representative Lee Tafanelli has three (3) concerns: Do no harm to employees, address pay inequalities, and whatever is done needs to support the transition to a new pay matrix to avoid expanding greater pay differences.

Representative Stan Frownfelter suggested increasing those employees who are 25% or more below market to the next grade and all other employees to the next step within their present grade. Representative Frownfelter points out that the younger employees would prefer the bonus in their check, the older employees would prefer it to be in their base pay so it will effect retirement. You can't make everyone happy.

Representative Joann Pottroff expressed the importance of communication.

Representative Tom Hawk would like to see how the figures would look if each installment of the bonus was split, perhaps half in a check and half in base pay and the longevity bonus be raised to \$45 a year.

Representative Charles Roth likes the idea of the one time bonus because it doesn't compound that bonus in

CONTINUATION SHEET

MINUTES OF THE Select Committee on State Employee Pay Plan at 7:30 A.M. on March 6, 2007 in Room 519-S of the Capitol.

the following years. He does agree that the bonus needs to be included in the retirement calculations.

Staff was asked to figure the cost if Representatives Hawk and Frownfelter suggestions were implemented. Also how would the addition to base pay effect the cost of retirement benefits. Alan Conroy distributed copies of Draft Report House Select Committee on State Employee Pay. (Attachment 1)

The meeting was adjourned at 8:30 A.M. The next meeting will be held Thursday, March 8, 2007 at 7:30 A.M. in room 519-S.