

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

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

All members were present.

Committee staff present:

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

Conferees appearing before the committee:

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

Others attending:

See attached list.

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

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

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

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

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

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

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

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

CONTINUATION SHEET

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

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

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

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

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

The Committee requested additional information on:

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

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

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

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

The Committee requested additional information on:

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

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

CONTINUATION SHEET

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

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

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

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

Melvin Neufeld, Chairman