

MINUTES

STATE EMPLOYEE PAY PLAN OVERSIGHT COMMITTEE

November 3, 2011
Room 152-S—Statehouse

Members Present

Senator Vicki Schmidt, Vice-chairperson
Senator Laura Kelly
Representative Randy Garber
Representative Annie Tietze
Steve Anderson, Director, Division of Budget

***Ex Officio* Members**

Karin Brownlee, Secretary of Labor (represented by Justin McFarland)
Dennis Taylor, Secretary of Administration

Members Absent

Representative Charles Roth
Jane Carter, Executive Director, Kansas Organization of State Employees (KOSE)

Staff Present

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Jim Wilson, Office of the Revisor of Statutes
Ann McMorris, Committee Assistant

Charge

The purpose of the Committee is to study the progress made in the development, implementation, and administration of the new classified state employee pay plans and the associated performance management process. The Oversight Committee is required to report annually to the Legislature. The Committee will sunset on July 1, 2014.

LCC Assigned Topics

The LCC assigned topics are as follows:

- Study the effects of the classified state employee market pay adjustments for FY 2010 and FY 2011; and
- Evaluate whether such pay adjustments accomplished the goal of having classified state employees paid comparable salaries and fringe benefits when compared to private sector employees.

Chairperson Schmidt opened the meeting and welcomed the new members appointed to the Committee since the last meeting.

Election of Committee Leadership

Moved by Senator Kelly, seconded by Mr. Anderson, to nominate Senator Vicki Schmidt to serve as Chairperson of the State Employee Pay Plan Oversight Committee. Motion carried.

Moved by Senator Kelly, seconded by Mr. Anderson, to nominate Representative Annie Tietze to serve as Vice-chairperson of the State Employee Pay Plan Oversight Committee. Motion carried.

Review of Committee Responsibilities as Assigned by House Sub. for SB 2014 (the Omnibus Appropriations Bill)

Jill Wolters, Senior Assistant Revisor, Office of the Revisor of Statutes, reviewed the proviso contained in the Omnibus Appropriations Bill, which charged the State Employee Pay Plan Oversight Committee with studying the effects of the classified state employee market pay adjustments for FY 2010 and FY 2011; and evaluate whether such pay adjustments accomplished the goal of having classified state employees paid comparable salaries and fringe benefits when compared to private sector employees.

History of the State Employee Pay Plan Oversight Committee and Update on the Implementation of the State Employee Pay Plan

Kraig Knowlton, Department of Administration, reviewed the actions that have been taken to study the effects of the classified state employee market pay adjustments. He reviewed the Hay Survey results and noted the Committee approved recommendations of the Hay Survey. There was some discussion on the Revised Implementation Schedule for the undermarket pay plan and revised step movement. Mr. Knowlton agreed to provide a written copy of his remarks ([Attachment 1](#)).

Briefing on the Results of the Multi-State Public Sector and Private Sector Employee Salary Surveys

Ken Otte, Department of Administration, reviewed a chart comparing employee compensation from the 2006 Hay Findings to the most current results ([Attachment 2](#)).

There was concern that comparison of public and private sector employees was not accurate and that the private sector has had many changes in market rate compensation and workforce composition.

There was further discussion on factoring in benefits and direct compensation in various states. There were comments regarding the considerable changes in benefits provided by the private sector since the survey was made and this matter needed to be revisited. A request was made for the amount of funding that was used to complete the study.

Further data was requested for the 2011 State Employee Pay Plan Oversight Committee to consider before making final recommendations. That data included:

- Updated information on the inclusion of bonus compensation for private sector employees;
- Additional information on the methodology used to compare positions between private sector and public sector employees, and a list of those the Department of Administration is concerned may not be accurate;
- The job classifications (identified on the chart) that have received market adjustments;
- The number of funded and unfilled vacancies in each job category;
- Percentage difference between 2006 and present for both the state employees and the private sector employees;
- Percentage and list of employees who have not received a market adjustment; and
- The total amount of funds expended for undermarket adjustments and the total amount required to implement the next two phases of the undermarket plan.

It was noted the deadline for recommendations to the Legislature is December 31, 2011.

Next Meeting

The State Employee Pay Plan Oversight Committee will meet on December 5, 2011, at 10:00 a.m. to discuss and approve its recommendations to the Legislature.

The meeting adjourned.

Prepared by Ann McMorris
Edited by Dylan Dear

Approved by Committee on:

November 14, 2011
(Date)