

MINUTES

STATE EMPLOYEE PAY PLAN OVERSIGHT COMMITTEE

May 22, 2009
Room 545-N—Statehouse

Members Present

Representative Pat George, Chairperson
Senator Vicki Schmidt, Vice-Chairperson
Senator Laura Kelly
Representative Charles Roth
Jane Carter, Kansas Organization of State Employees
Carol Foreman, Deputy Secretary of Administration
Jim Garner, Secretary, Department of Labor
Kathy Greenlee, Secretary, Department on Aging

Member Absent

Representative Tom Hawk

Staff Present

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Jim Wilson, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Shirley Jepson, Committee Assistant

Conferees

Kraig Knowlton, Division of Personnel Services, Department of Administration
Ken Otte, Division of Personnel Services, Department of Administration

Others Attending

See attached list.

The meeting was called to order at 10:05 a.m. by Chairperson Pat George.

Election of Chairperson and Vice-Chairperson

Senator Schmidt moved to cast a unanimous ballot for Representative Pat George for Chairperson of the State Employee Pay Plan Oversight Committee. The motion was seconded by Senator Kelly. Motion adopted by acclamation.

Representative George moved to cast a unanimous ballot for Senator Vicki Schmidt for vice-Chairperson of the State Employee Pay Plan Oversight Committee. The motion was seconded by Representative Roth. Motion adopted by acclamation.

Update on Implementation of New State Employee Pay Plan and FY 2010 Market Adjustment Methodology Recommendations

Kraig Knowlton and Ken Otte, Division of Personnel Services, Department of Administration, presented information on the following:

- Results of Group 1 Market Survey (Attachment 1);
- Summary of Market Alignment (Attachment 2);
- Map of eight surrounding states and all central states (Attachment 3);
- FY 2009 Market Adjustments (Attachment 4); and
- Recommended Market Adjustments for FY 2010 (Attachment 5).

Mr. Knowlton stated that the implementation of the new pay plan continues to move forward as proposed in the adopted five-year plan. A series of training sessions on the performance management procedures have been held and will continue to be held for agency supervisors. Rules and regulations are being adopted and a public hearing with regard to the rules and regulations will be held on July 1, 2009. It is anticipated that proposed amendments will be reviewed and there will be final adoption by October 1, 2009. Responding to a question from the Committee, Mr. Knowlton noted that the draft proposal is available on the website. In addition, recommendations are being developed for 2011 and a review of employee classifications in Group 2 is in process.

Mr. Otte reviewed the survey comparison information received from in-state employers, eight surrounding states and all central states as a result of the Group 1 Market Survey (Attachment 1). Mr. Otte indicated that the Central States Compensation Association (CSCA) is made up of 26 states who determine the methodology and survey benchmarks to be used in a particular survey. It was noted that there was a 38 percent response rate to the survey. In some instances where no matching data was received, the Department will work to develop and improve the survey to obtain comparison data.

The Committee voiced concern that there were only four administrative law judges in the survey within the state—all of whom had the same salary in the survey.

Mr. Otte stated that Attachment 4 shows those job classifications that received market adjustments in FY 2009 and Attachment 5 indicates those job classifications that are recommended for market adjustments in FY 2010. It was noted that the recommendations for market adjustments are directed at Group 1, as addressed in the Market Survey.

The Committee noted that one reason for using the CSCA results in determining the market adjustment is because it provides a broader scope of the market and sets the state on a better

course for the future. Mr. Knowlton stated that 4,834 employees would receive increases if the CSCA market results were used and 6,176 employees would receive increases if the eight-state market results are used.

The Committee voiced some concern that all parties involved in the process have not had adequate voice in the outcome or been allowed to review the recommendations before the recommendations were presented to the Committee for a final determination.

Responding to a question from the Committee, Mr. Knowlton stated that recommendations for the pay plan adjustments and market adjustments are developed, presented to the Committee, and then acted upon by the Committee.

The Chairperson reminded the Committee that this is the second year of a five-year pay plan being implemented to bring state employee salaries within market as determined by the Hay Group project. It was noted that the Legislature approved the funding for the market adjustment for FY 2010 even though the state is burdened with balancing the budget during the current economic downturn.

Chairperson George stated that it is important to have all parties involved in the process in agreement as well as have cooperation and mutual trust to keep the project on target. The Chairperson noted the importance of maintaining the funding stream each year as the Legislature develops the state budget and not delay the process.

Because of Committee concerns, Chairperson George stated that no decision will be made at today's meeting and the Committee will meet again on June 4, 2009, to take action. The Chairperson proposed that the parties involved in the Pay Plan Memorandum of Agreement (MOA) meet and address any concerns they may have with the process.

The Committee requested information on the employee average percentage increase between using the eight-state market adjustment and the CSCA market adjustment. The Committee also requested that recommendations to be addressed by the Committee be highlighted on future reports.

Update on Open Records Issue Related to Salary Surveys

Jim Wilson, Office of Revisor of Statutes, appeared before the Committee to explain legislation concerning open records as passed by the 2009 Legislature in SB 34 ([Attachment 6](#)).

Adjournment

The meeting was adjourned at 12:07 p.m. The next meeting of the Committee will be held on June 4, 2009.

Prepared by Shirley Jepson
Edited by Cody Gorges

Approved by Committee on:

June 4, 2009

(Date)