

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 11:55 A.M. on February 23, 2006, in Room 123-S of the Capitol.

All members were present except:

Senator Carolyn McGinn- excused

Senator Chris Steineger- excused

Committee staff present:

Michael Corrigan, Revisor of Statutes Office

Alan Conroy, Director, Kansas Legislative Research Department

J. G. Scott, Kansas Legislative Research Department

Reagan Cussimano, Kansas Legislative Research Department

Amy Deckard, Kansas Legislative Research Department

Audrey Dunkel, Kansas Legislative Research Department

Judy Bromich, Chief of Staff

Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Don Rezac, State Employees Association of Kansas

Carl Hill, Kansas Association of Public Employees

Senator Anthony Hensley

Others attending:

See attached list.

Chairman Umbarger opened the public hearing on:

SB 577–State officers and employees, salaries and compensation, increases for FY 2007, certain expense allowances, classified step movement for FY 2007

Alan Conroy, Director, Kansas Legislative Research Department, briefed the Committee on the bill. Mr. Conroy provided detailed information as follows:

- Overview of 2006 **SB 577** (Corrected), FY 2007 State Employee Pay Adjustments (Attachment 1)
- Governor's FY 2007 State Employee Salary Adjustments (Attachment 2)
- Increases in Salaries for State Classified Employees, FY 1987 - FY 2007 (Governor's Recommendation) (Attachment 3)
- Kansas Civil Service Basic Pay Plan (effective December 4, 2005) (Attachment 4)

Chairman Umbarger welcomed the following conferees:

Don Rezac, representing the State Employees Association of Kansas (SEAK), spoke in support of **SB 577** (Attachment 5). Mr. Rezac mentioned that the bill places into statute the step movements for state employees and that SEAK is on record as an advocate of the annual step movement for state employees and therefore supports the concept of the bill. He indicated that there are obvious benefits to the passage of the bill and SEAK believes that it would both improve morale of state employees and encourage greater productivity.

Carl Hill, representing the Kansas Association of Public Employees (KAPE), testified in support of **SB 577**. (No written testimony was provided). No written testimony was submitted. Mr. Hill explained that KAPE would like to see this become a base salary adjustment and not just a FY 2007 adjustment and would concur on it. He noted that they support annual step movement for state employees and this bill appears to be a step in the right direction. Mr. Hill noted that they feel that the pay matrix does need to be looked at in the future.

CONTINUATION SHEET

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Senator Anthony Hensley provided information in a letter addressed to him from Duane Goossen, Secretary, Kansas Department of Administration, regarding the FY 2007 Pay Plan (Attachment 6). Senator Hensley explained that the memorandum lists the several options available to the Legislature as the issue is addressed. He noted that bullet point three in the memorandum is his preference and what he explained to the Committee which is the cost of a 2.5% COLA for unclassified employees is \$27 million dollars. The cost of a 2.5% COLA for classified employees is \$23 million dollars. The cost of step movement for classified employees, granted at the start of FY 2007, is \$23 million dollars, as opposed to the anniversary date of the employee. Senator Hensley suggested looking at the first and third sentences of that bullet and described several examples.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 577**. (No written testimony was provided.)

Senator Kelly moved, with a second by Senator Schmidt, to move the Hensley plan to enact it at the beginning of the fiscal year rather than the anniversary date so it is equal beginning in FY 2007 and not the anniversary date, and which would not include the bonus. Motion carried on a voice vote.

Senator Wysong moved, with a second by Senator Betts, to recommend **SB 577** favorable for passage as amended. Motion carried on a roll call vote. Senator Barone suggested a interim study to look at the entire pay plan matrix and Senator Morris suggested looking at it before the end of the year to develop the study.

The meeting adjourned at 1:30 p.m. The next meeting was scheduled for February 24, 2006.