

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on February 2, 2006, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Revisor of Statutes Office
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
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Duane Goossen, Director, Division of the Budget and Secretary, Kansas Dept. of Administration
Carl Hill, Chief of Staff, Kansas Association of Public Employees
Gary Adkins, Executive Director, State Employees Association of Kansas
Lyndon Wells, Executive Vice President, INTRUST Bank and Chairman, Wichita Metro Chamber of Commerce
Derek Kennedy, Vice President and Lead Controller, Cargill Meat Solutions, Wichita
John Waltner, Mayor, Hesston and Chairman, Regional Economic Area Partnership Legislative Committee
George Kolb, City Manager, City of Wichita (written)
Ben Sciortino, Chairman, Board of County Commissioners, Sedgwick County (written)

Others attending:

See attached list.

Bill Introductions

A motion was made by Senator Steineger, with a second by Senator Morris, to introduce a bill regarding creating a Legislative Compensation Commission (5rs1859). Motion carried on a voice vote.

A motion was made by Senator Morris, with a second by Senator Teichman, to approve the minutes of the meetings of January 11, January 12 and January 13, 2006. Motion carried on a voice vote. Senator Wysong passed on the vote regarding the meeting of January 11, 2006.

Review of the Governor's Proposed Pay Plan

Chairman Umbarger welcomed Alan Conroy, Director, Kansas Legislative Research Department, who presented a staff review of the Governor's Recommended Pay Plan Adjustments. He distributed and explained the following information:

- Governor's FY 2007 State Employee Salary Adjustments (Attachment 1)
- Increases in Salaries for State Classified Employees, FY 1994 - FY 2004, Governor's Recommendations (Attachment 2)
- Increases in Salaries for State Classified Employees, FY 1987 - FY 2007, Governor's Recommendations (Attachment 3)
- Kansas Civil Service Basic Pay Plan (effective December 4, 2005) Basic Steps (Hourly Rates), (Bi-Weekly Rates) (Attachment 4)

The Chairman recognized the following conferees that spoke regarding the Governor's Recommended Pay

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Plan Adjustments.

Duane Goossen, Director, Division of the Budget and Secretary, Kansas Department of Administration, presented information on the State Employee Pay Plan Proposal ([Attachment 5](#)). Director Goossen explained the main points of the Governor's Pay Plan Proposal. He highlighted information regarding all classified and unclassified employees; corrections officer package and building trades retention incentive.

Carl Hill, Chief of Staff, Kansas Association of Public Employees (KAPE), addressed information regarding step increases, base salary adjustment, extra check and retired state employee medical care cost assistance ([Attachment 6](#)). Mr. Hill addressed the foundation of KAPE's legislative agenda which is improvement of pay and benefits for both active and retired state employees. He explained what KAPE refers to as their 3 R's: Rewarded, Recognized and Retained. Mr. Hill noted that without question, a step increase is KAPE's highest priority.

Gary Adkins, Executive Director, State Employees Association of Kansas (SEAK), shared SEAK's legislative priorities for the 2006 Session ([Attachment 7](#)). Mr. Adkins explained that SEAK's legislative priorities for the 2006 Session are concerns are with both active and retired workers. He noted that for active workers, KAPE is advocating a 3.5% Cost of Living Adjustment. Mr. Adkins mentioned that additional concerns are related to active state workers is health insurance costs and severance for active employees who lose their jobs through no fault of their own. Regarding retired state workers, he noted that retirees have not received a cost of living increase since 1998 and the Consumer Price Increase has increased by about 16% and health insurance costs for these employees have almost doubled. He explained that KAPE is advocating a Cost of Living Adjustment of 5% with assistance in health insurance costs of 2.5% for retired employees.

Chairman Umbarger opened the public hearing on:

SB 475--Creating the state affordable airfare fund; moneys from the economic development initiatives fund; implementing a program to provide more flight options, more competition and affordable airfares

Staff briefed the Committee on the bill.

Information was distributed from Andy Schlapp on Affordable Air Fares for Kansans ([Attachment 8](#)). The Chairman welcomed the following conferees:

Lyndon Wells, Executive Vice President, INTRUST Bank and currently Chairman of the Wichita Metro Chamber of Commerce, testified in support of **SB 475** ([Attachment 9](#)). Mr. Wells explained that he was privileged to represent businesses in Kansas who are strong advocates of maintaining affordable and convenient air service in the state. In closing, Mr. Wells noted that there is a need for a long term solution to level the playing field when it comes to air transportation in Kansas. He mentioned that Kansas cannot continue to lose people, businesses and dollars to its neighboring states.

Copies of Fairfares 1 & 2 Supporters were distributed to the Committee from the Wichita Area Chamber of Commerce ([Attachment 10](#)) and Catchment Area Savings with Affordable Air Fares ([Attachment 11](#)).

Derek Kennedy, Vice President and Lead Controller, Cargill Meat Solutions based in Wichita, testified in support of **SB 475** ([Attachment 12](#)). Mr. Kennedy mentioned that Cargill, Inc., is one of the United State's largest privately owned companies and one that aggressively seeks growth opportunities. He explained that they can do business and grow their business in Kansas because of affordable air fares. Mr. Kennedy noted that the state's benefit is more economic development, more employees, more flights in Kansas, and ultimately more taxes paid in from all of these efforts.

John Waltner, Mayor of Hesston, Kansas, and Chairman of the REAP (Regional Economic Area Partnership), spoke in support of **SB 475** ([Attachment 13](#)). Mr. Waltner explained that REAP forms a distinct regional economy that serves as the manufacturing backbone for the state of Kansas. He noted that people in the state of Kansas have saved more than \$230 million which has gone back into the economy, jobs and citizens'

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pockets to spend elsewhere, while also funding the State General Fund. In closing, Mr. Walter mentioned that REAP urges support for affordable airfares for Kansans and for keeping the state competitive in the air service game.

Written testimony in support of **SB 475** was submitted by the George Kolb, City Manager, City of Wichita (Attachment 14) and Ben Sciortino, Chairman, Board of County Commissioners, Sedgwick County, Kansas (Attachment 15).

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 475**.

The meeting adjourned at 12:00 p.m. The next meeting was scheduled for February 6, 2006.