### MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 7, 1995 in Room 123-S of the Capitol.

All members were present except: Senator Vancrum, who was excused

Committee staff present: Alan Conroy, Legislative Research Department

Kathy Porter, Legislative Research Department Eric Milstead, Legislative Research Department Laura Howard, Legislative Research Department

Norman Furse, Revisor of Statutes Michael Corrigan, Revisor of Statutes Judy Bromich, Administrative Assistant Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Eric Sexton, Legislative Liaison, Wichita State University Fred Marrs, Save our Stadium Organization, Wichita, KS Jim Meek, Save our Stadium Organization, Wichita, KS

Jeff Wagaman, Deputy Secretary, Department of Administration

Myrlene Kelley, Executive Director, Kansas Association of Public Employees

Brad Avery, State Employees' Association of Kansas

Others attending: See attached list

It was moved by Senator Lawrence and seconded by Senator Rock that the minutes of the February 1, 1995 and February 2, 1995 meetings be approved. The motion carried on a voice vote.

## SB 143: Appropriations for FY 95 and FY 96, for a capital improvement project for Wichita state university

Eric Sexton, Legislative Liaison for Wichita State University, appeared before the Committee to explain that SB 143 authorizes WSU to issue revenue bonds for the acquisition and renovation of certain projects and authorizes the University to raze portions of Cessna stadium. He stated that revenue from the bonds would allow the University to reimburse the Board of Trustees for the purchase of the Wheatshocker Apartments and to renovate that facility and the two additional residence halls which the University currently owns. Mr. Sexton stated that the University would like to raze the stadium's steel structure for salvage and then refurbish the remaining concrete structure. According to him, this would allow for a 12,500 seat stadium which would accommodate 90-95% of the stadium's current usage. He stated that the monies to raze the stadium would be reallocated internally from the private funds available to the University's athletic association. Mr. Sexton told members that estimates of the costs associated with renovating the stadium range from \$9 million to \$24 million, depending upon the degree to which the facility complies with ADA standards. In answer to questions, Mr. Sexton stated that the stadium was originally built with private funds.

Mr. Fred Marrs, a member of the Save Our Stadium (SOS) organization from Wichita, appeared before the Committee in opposition to the razing of the stadium and told members that the stadium is a community asset. He stated that,

- --according to an estimate from the engineer who was employed by the company that constructed the stadium, the cost of renovation is \$100,000 (\$80,000 for labor and materials and \$20,000 for profit). (Mr. Marrs stated that his organization would send the engineer's report regarding the stadium estimates to Committee members.)
- -- the estimated cost of razing the steel structure is \$400,000
- --there are absolutely no safety issues involved in the renovation and the ADA statute does not apply to maintenance
- --monies from Wichita's 1.5 mil levy could be designated for stadium renovation
- Mr. Marrs said that the University's plan to renovate the concrete structure would provide seating for only

### **CONTINUATION SHEET**

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 7, 1995.

10,000 persons. In answer to questions, Mr. Marrs stated that his organization has been in existence approximately eight weeks and has a membership of forty persons. He stated that his organization is willing to raise the \$100,000 locally but cannot solicit donations without a commitment from the President of the University to retain the stadium at its present capacity. In answer to the Chairman, Mr. Marrs stated that he believed the University consultant's estimate of \$1.5 million for the basic renovation was a report which he was asked to give.

Mr. Jim Meek, a member of the Save Our Stadium organization, appeared before the Committee in opposition to Section 2, subsection b of <u>SB 143</u>. He told members that if authority to raze the stadium is granted, the stadium will be razed. He stated that it is not logical to raze the stadium because, in his opinion, the cost of razing exceeds the renovation costs.

The Chairman stated that **SB 143** would be taken under advisement.

## SB 190: State officers and employees, pay plan COLA and step increases, longevity bonuses, appropriations for FY 96

Alan Conroy, Chief Fiscal Analyst, KLRD, distributed and reviewed copies of a document which reflects the Governor's salary recommendations which were built into each of the agencies' budgets (<u>Attachment 1</u>). He stated that <u>SB 190</u> incorporates the Governor's recommendations for salary adjustments and takes it out of the individual agency budgets. He noted that in <u>SB 190</u> the monies to fund the salary increases would be appropriated from the State General Fund to the Finance Council who would also be authorized to increase spending limitations, and that direct appropriations would be made for the legislative and judicial branches. In terms of step movement, <u>SB 190</u> includes only the cost of the additional step movement in FY 96, not the annualization that will be granted in FY 95.

Mr. Conroy distributed two additional documents (<u>Attachments 2 and 3</u>) which summarize the base salary adjustments for state classified employees, regents' faculty, and classroom teachers of school districts in private sector wages and in the rate of inflation and which factor in the base salary adjustments, step movement, and longevity pay from FY 87 forward. In answer to Senator Kerr, it was stated that the column regarding classroom teachers (<u>Attachment 2</u>) would reflect changes in the composition of the workforce.

Mr. Jeff Wagaman, Deputy Secretary for the Department of Administration, appeared before the Committee in support of <u>SB 190</u> and reviewed his written testimony (<u>Attachment 4</u>). In answer to Senator Karr, Bobbi Mariani, Division of Personnel Services, stated that there is no proposal to extend the pay matrix. Senator Kerr pointed out that the Governor's recommendations include a 3.5% increase for salaries. By comparison, the funding for elementary and secondary education include a .8% increase in the base, no increase for community colleges, and a 3.5% increase for the Regents. He asked for the administrative rationale for those discrepancies.

Myrlene Kelley, Executive Director of the Kansas Association of Public Employees, testified in support of <u>SB</u> 190 (Attachment 5). Following her comments, Senator Kerr pointed out that the base for school districts has not increased in the last two years though the base for state employees has and queried whether there should be equality in increases for education and state employees.

Mr. Brad Avery, State Employees Association of Kansas, testified as a proponent of <u>SB 190</u> (<u>Attachment 6</u>). There was discussion regarding the number of state employees who may have received unfavorable reviews and statutes that govern step movement and longevity pay. The Chairman asked staff for clarification of those statutes.

The Chairman announced that <u>SB 143</u> and <u>SB 190</u> would be acted upon at the earliest possible date. He adjourned the meeting at 12:30 P.M. The next meeting is scheduled for February 8, 1995.

## SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: FEBRUARY 7, 1995

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NAME	REPRESENTING	
Town Twenty 1	SEAK.	
Keil M R //	ICU Classified Senate	
Thelma Simon	KU Classified Senate	
Mylene Kelley	KAPE	
Lills James	KAPE	
G. Sotto	wsa	
Jim Meek	Wichita State Chivens ; tyles	ena studi
PRED L. MARRS	wichirt STATE MAIL, 15.0	15.
Shuian A. Stalen	KSU Classified Senate	
Anna Ancil	KU Classified Scrafe	
Gennife Yocham	State Treasurer's Office	
Scott alisoghi	Div. of Budget	
Mike Bohnhoff	Division of the Budget	-
BILL Hollenbeck	Pitt State Onin	
LINDA McGILL	PETE McGILL E ASSOC.	
David Adams	Kansas Council of Classified Com	neles
Mike Wonderlich	KSU Classified Senate	
Juff Wagamon	D of A	
B. Mariani	Dept of Adn.	

## SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 2-7-95

NAME	REPRESENTING	
Carol Spiker	SRS	
Mike Circhard	Ku Classified Senate	
Jan Jasseran L'	Ku	
Ed Wallsonn	Cookhune U	
Gleather Gray	Genator Jerry Karris Office	
Histher Pandall	Sander Tem Yarr's Porce	
Chris Stanfield	£SHEW	
ata L. Wolf	SRS	
Denny Burgess	KAPE	
Maraut Baker	Univ of Hansen (noticed)	
Gina Eastman	Kansas State Uniw. Classified Dova	rte
Laurai L. Oesterhaux	Kausas Strate Unid Classified Som	
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### **MEMORANDUM**

### Kansas Legislative Research Department

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February 3, 1995

### Governor's FY 1996 State Employee Salary Adjustments

	I. Classified	State General Fund*	All Funds
A.	Step Movement (2.5 percent to all classified employees on their anniversary of state service, assuming satisfactory performance):		
	Annualization of step movement occurring in FY 1995 Cost of additional step movement occurring in FY 1996 Subtotal	4.58 7.76 \$12.34	11.31 14.78 \$26.09
<b>B</b> .	Annualization of 1.5 percent base salary increase that was approved beginning September 18, 1994	1.55	2.54
C.	Annualization of last stage of the Comprehensive Classification and Job Rate Study that was effective December 18, 1994	0.31	0.52
D.	Longevity - Longevity of \$40 a year for each year of service for those employees that have at least ten years of service up to a maximum of 25 years	5.68	12.00
E.	1.0 Percent Base Salary Adjustment	4.12	8.70
	II. Unclassified		
A.	3.5 percent unclassified merit pool:		
	2.5 percent Base Increase for unclassified employees in the executive (including Regents unclassified), judiciary and legislative branches of government, and judges, and elected officials of the executive, judicial, and legislative branches  1.0 percent Base Increase for unclassified in the executive	7.09	15.00
	(including Regents unclassified) judiciary, and legislative branches of government and judges, and elected officials of the executive, judicial, and legislative branches  Subtotal	\$ 9.93	6.00 \$21.00
B.	Annualization of 1.5 percent base salary adjustment for judicial and legislative employees that was approved effective September 18, 1994	0.25	0.25
	GRAND TOTAL	\$34.18	\$71.10

<sup>\*</sup> This tabulation assumes an estimated 47.3 percent of the financing for salary adjustments is from the State General Fund.

SWAM February 7,1995 Attachment 1

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# INCREASES IN SALARIES FOR STATE CLASSIFIED EMPLOYEES, REGENTS' FACULTY AND CLASSROOM TEACHERS OF SCHOOL DISTRICTS, IN PRIVATE SECTOR WAGES, AND IN THE RATE OF INFLATION

Fiscal Year	State Classified Service <sup>1</sup>	Regents' Faculty <sup>2</sup>	Classroom Teachers <sup>(3</sup>	Inflation Rate <sup>4</sup>	Avg. Weekly Wage Private Sector <sup>5</sup>
1974	5.0%	5.5%	*	8.9%	_
1975	5.5%; \$30 minimum increase per month	10.0% - KU and WSU 11.0% - Others	7.25%	11.1	-
1976	5.0% plus \$25 per month	10.0%	10.5	7.1	-
1977	2.8% plus \$15 per month	9.0% - Ft. Hays 8.0% - Others	6.88	5.8	9.9
1978	3.0% or \$25 per month, whichever less; 2.0% for employees on Step F or above who were not eligible for a longevity increase	7.0% - Ft. Hays 6.0% - Others	6.62	6.7	3.7
1979	7.25%, subject to a maximum increase of \$125 per month	7.0%	5.92	9.4	9.8
1980	4% plus \$26 per month	6.5%	7.41	13.3	10.2
1981	New pay plan adopted; it was estimated that nearly all employees received at least an 8% increase and that the average increase was about 11%	9.0%	11.41	11.6	9.7
1982	5.0%	9.0% - Ft. Hays 7.0% - Others	9.4	8.6	8.2
1983	6.5%	10.2% - Ft. Hays <sup>a</sup> 7.5% - Others <sup>a</sup>	9.76	4.3	4.8
1984	4.5% effective 12/18/83	4.5% eff. 12/18/83	5.99	3.7	4.0
1985	5.0% plus \$204 (\$102 in two payments)	7.0%	8.38	3.9	3.5
1986	New pay plan adopted; wide variation in individual percentage increases, but est. to average about 6%	5.0°	7.41	2.9	3.5
1987	3.0% <sup>b</sup>	2.5% <sup>c</sup>	3.68	2.2	3.2
1988	2.0% effective 12/18/87 <sup>d</sup>	3.0% eff. 12/18/87°	4.22	4.1	3.0
1989	4.0% <sup>e</sup>	7.5 <sup>f</sup>	5.62	4.6	2.8
1990	3.0%°	8.5 <sup>g</sup>	4.81	4.8	2.7
1991	1.5% <sup>h</sup>	2.00% to 4.00% <sup>1</sup>	3.69	5.4	4.2
1992		2.5% <sup>J</sup>	3.62	3.2	3.3
1993	1.0% effective 12/18/92	2.5% plus 1% eff. 12/18/92	6.36	3.1	3.9
1994	0.5% <sup>k</sup>	2.25% <sup>c</sup>	3.44 (est.)	2.6	?
1995	1.5% effective 9/18/94 <sup>1</sup>	6% high-4% low <sup>m</sup>	?	?	?

So-called "cost of living" adjustments. The increases shown are in addition to merit pay or step increases, if any, to which individual employees were entitled in the fiscal year. Through FY 1980, merit increases of between 4 percent and 5 percent were typical until an employee reached the top of his range. There were no separate merit increases in FY 1981 when a new pay plan was implemented (classified personnel were assigned to specific ranges and steps on the new plan). Merit increases were approved in the budget for FY 1982, ranging from 5 percent to 7.5 percent for those entitled to such increases. A merit increase of about 1.25 percent for FY 1983, as authorized by the 1982 Legislature, was first deferred by order of the Governor and then was eliminated by the 1983 Legislature. No money was appropriated for merit increases in FY 1984 and 1985. The pay plan adopted in 1985 permitted step increases of approximately 2.5 percent for eligible employees in FY 1986 and thereafter (no "cost of living" increase in FY 1986, but implementation of the new plan included a "catch-up" feature to compensate for step increases not granted in the prior three years). The 1989 Legislature revised the pay plan, effective in FY 1990, to establish an annual bonus payment of \$40 per year of service (if ten or more but not to exceed 25 years or \$1,000), to reduce the three-year time-on-step requirement for employees on upper salary steps to a one-year requirement for the 2.5 percent step increase, and to add two steps to each salary range. No "cost-of-living" adjustment was approved for FY 1992, but money was appropriated to finance step movement and bonus payments for eligible employees, and such appropriations were made again for FY 1993, FY 1994, and FY 1995.

The percentage of increase to base salary budgets which is designated for salary increases for unclassified positions. Institutions under the Board of Regentsallocate their appropriations for salary increases on a merit basis, not by a uniform or flat percentage increase. Thus, some faculty members received a higher percentage increase than shown in this column while others received less.

February 7, 1995 Attachment 2

- 3. Statewing age increase (excluding fringe benefits) for teachers in all unified school districts as reported by the State Department of Equation Beginning. FY 1988, the figures represent the total increase, including federal Section 125 salary reduction plans. Thus, these figures are not comparable with those for prior years.
- 4. Consumer Price Index -- All Urban Consumers (1982-84 equals 100): the increase in the average index for the fiscal year (July-June).
- 5. Source: Kansas Department of Human Resources. Data are for contributing employers to unemployment insurance coverage; prior to FY 1989, essentially for the private sector but includes some governmental units although not Kansas state government; for FYs 1989-FY 1993, includes only the private sector. Data are not available prior to FY 1977.
- a) Also, \$900,000 was appropriated for allocation among faculty in specified curricula at all institutions.
- b) In addition, salary upgrades for the clerical job series were approved beginning in the last six months of FY 1987. (Phase I of salary upgrade program.)
- The state's contribution for faculty retirement was increased from 5 percent to 6 percent in FY 1986, to 7 percent in FY 1987, to 8 percent in FY 1988, to 8.5 percent in FY 1994.
- d) Plus salary upgrades for the mechanics, repairers, and operators job classes, and for registered nurses and licensed therapists; all effective mid-FY 1988. (Phase II of salary upgrade program.)
- Plus salary upgrades for employees in direct care and other service worker classes (effective mid-FY 1989) and for security and law enforcement personnel (effective FY 1990). (Phase III of salary upgrade program.)
- Systemwide average, with increases among the Regents' institutions ranging from 7.3 percent to 9.2 percent. Includes 5 percent basic increase plus percentage equivalent of the amount of the Margin of Excellence program appropriation allocated to salaries. Source: Board of Regents.
- Systemwide average, with increases among the Regents' institutions ranging from 7.3 percent to 10.2 percent. Includes 5 percent basic increase plus percentage equivalent of the amount of the Margin of Excellence program appropriation allocated to salaries. Source: Board of Regents.
- n) Plus salary upgrades for licensed practical nurses.
- WSU, 2.00 percent; KU, 2.03 percent; FHSU, 2.25 percent; KSU; 2.30 percent; PSU, 2.44 percent; KUMC, 2.70 percent; ESU, 2.75 percent; KCT, 3.00 percent; KSU-VMC, 4.00. Source: Board of Regents. The range of increases reflects variations in applying the 1.75 percent General Fund appropriation reductions and other budget adjustments, rather than explicit legislative policy with regard to average salary increases. Prior to the 1.75 percent reduction and irrespective of other budget adjustments, appropriation amounts were based upon 4 percent faculty salary increases.
- Financing was provided to give unclassified health care workers at the Medical Center an average increase of 6.5 percent.
- Also, the 1993 Legislature approved reclassification of employees in health, scientific, and engineering job classes (effective 6/18/93) and in information technology job classes (effective 12/18/93).
- Also, the 1994 Legislature approved reclassification of accountants and auditors, human resource professionals, purchasing and marketing professionals, general administrative job classes, social scientists, and attorneys (effective 6/18/94), and of management classes (effective 12/18/94).
- Ranked faculty: 6 percent KU; 5.25 percent KSU and KSU-ESARP; 5 percent WSU; 4.5 percent KUMC, KSU-VMC, KSU-SCT; and 4 percent ESU, FHSU, PSU.

Not possible to compute percentage increase because comparable data are not available for FY 1973.

Kansas Legislative Research Department July 13, 1994

198.01 07/13/94/RWR

#### **MEMORANDUM**

### Kansas Legislative Research Department

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February 7, 1995

## INCREASES IN SALARIES FOR STATE CLASSIFIED EMPLOYEES FY 1987-FY 1996 (Governor's Recommended)

Fiscal Year	Step Movement*	Base Salary Adjustment	Longevity Bonus Payment**
1987	2.5% <sup>(a)</sup>	3.0%	No
1988	2.5 <sup>(b)</sup>	2.0 effective 12/18/87	No
1989	2.5 <sup>(c)</sup>	4.0	No
1990	2.5 <sup>(d)</sup>	3.0	\$400 to \$1,000
1991	2.5 <sup>(e)</sup>	1.5	\$400 to \$1,000
1992	2.5		\$400 to \$1,000
1993	2.5	1.0 effective 12/18/92	\$400 to \$1,000
1994	2.5 <sup>(f)</sup>	0.5	\$400 to \$1,000
1995	2.5 <sup>(g</sup>	1.5 effective 9/18/94	\$400 to \$1,000
1996 (Gov. Rec.)	2.5	1.0	\$400 to \$1,000

- \* Increase is granted on the employees anniversary of state service, assuming satisfactory performance.
- \*\* Longevity of \$40 a year for each year of service for those employees that have at least ten years (\$400) of service up to a maximum of 25 years (\$1,000).
- a) In addition, salary upgrades for the clerical job series were approved beginning last six months of FY 1987. (Phase I of salary upgrade program.)
- b) Plus salary upgrades for the mechanics, repairers, and operators job classes, and for registered nurses and licensed therapists; all effective mid-FY 1988. (Phase II of salary upgrade program.)
- c) Plus salary upgrades for employees in direct care and other service worker classes (effective mid-FY 1989). (Phase III of salary upgrade program.)
- d) Plus salary upgrades for security and law enforcement personnel. (Phase III of salary upgrade program.)

  The Legislature also replaced the three-year time-on-step requirement for steps above step D in each pay range with a one-year requirement and added two additional steps at the top of each pay range. An employee starting at step A should reach the top step after 13 years of elapsed time instead of the previous 23 years, assuming no changes occur in the employee's pay range assignment.
- e) Plus salary upgrades for licensed practical nurses.
- f) Plus salary upgrades for employees in health, scientific, and engineering job classes (effective 6/18/93), and information technology job classes (effective 12/18/93).
- g) Plus salary upgrades for accountants and auditors, human resource professionals, purchasing and marketing professionals, general administrative job classes, social scientists, attorneys (effective 6/18/94), and of management classes (effective 12/18/94).

SWAM
February 7, 1995
Attachment 3

### **Testimony To The**

### SENATE WAYS AND MEANS COMMITTEE

By Jeff Wagaman Department of Administration

Tuesday, February 7, 1995 RE: Senate Bill 190

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today in support of Senate Bill 190. My name is Jeff Wagaman and I am the Deputy Secretary of the Department of Administration.

The bill before you represents Governor Bill Graves' pay proposal for state employees for Fiscal Year 1996. The Governor recognizes the need to acknowledge state employees who are truly committed to serving our customers--the people of Kansas--and his budget includes a pay increase to reward our employees.

The Governor has proposed salary adjustments associated with a 2.5% step movement on the classified pay matrix and a 1% cost of living adjustment for classified state employees. An equivalent 3.5% salary increase is funded for the unclassified employee merit pool. These adjustments would be effective with the pay period beginning June 18, 1995. The bill also increases the salaries for those employees whose salaries are determined by statute. Finally, the Governor's budget continues funding for longevity bonus payments to acknowledge the service of long-term employees.

I encourage you to support the Governor's recommendation and pass Senate Bill 190. Thank you.

SWAM February 7, 1995 Attachment 4



1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-3920

### PRESENTATION OF

## MYRLENE KELLEY, EXECUTIVE DIRECTOR, KANSAS ASSOCIATION OF PUBLIC EMPLOYEES

Good morning, my name is Myrlene Kelley, Executive Director of the Kansas Association of Public employees. I appreciate the opportunity to appear before you today in support of S. B. 190.

We are well aware of the tight budgeting situation that is faced by all.

However, the actual nation-wide cost of living for all workers for 1994 increased by 2.7%. If any attempt is made to lower the whole pay package once again the budget will be balanced on the backs of the dedicated employees of the state of Kansas.

The Governor's proposed package totaling 3.5% falls short of bringing the state employee pay in line with the current rate of inflation. Within the pay plan only 1% is a cost of living adjustment. The remaining 2.5% is a merit

SWAM February 7, 1995 Atlachment 5



increase that provides employees a career path. This career path aids the state in maintaining an experienced, qualified workforce by giving the employees an incentive for remaining with the state.

With an understanding of how tight the current budget is, KAPE supports the Governor's proposal although it does fall short of keeping up with inflation. By accepting the Governor's recommendation state employees are doing their part to help meet the current budgetary crisis.

There seems to be a strong misconception among many that all state employees receive step increases and longevity. This simply is not true. Many employees would not be eligible for the proposed 2.5% step increase, while many others would not be eligible for any longevity payment. Those who would not be eligible for a step increase would be all of those who are on the highest step of the pay-matrix. (Referred to as step "0"). This number fluctuates between two and three thousand. Only those who have been with the state for ten years and more receive the longevity pay which is \$40 beginning with their tenth year of service and this continues each year until a maximum of \$1000.00 is reached. The purposes of these payments is to encourage valuable workers to remain with the state and build more efficiency into the services which the state provides.

The fact remains and it is painfully true that many employees of the state of Kansas currently qualify for food stamps. We are not talking about wealthy people.

We were initially disappointed that the pay plan was pulled out of the agency budgets as was proposed by the Governor, however, in a spirit of cooperation KAPE strongly supports the Governor's recommendations for a state employee pay plan, including a 2.5% step increase, and 1% cost of living adjustment and longevity bonus for eligible employees which are included in S.B. 190.

We urge you to give favorable considerations to S. B. 190. I will be happy to answer any of your questions.

1254 Randolph Topeka, Ks. 66604 (913) 357-7376

My name is Brad E. Avery representing the State Employees Association of Kansas (S.E.A.K.), and I am here to testify in favor of Senate Bill 190. The portion of the legislation which I will address provides for funding of the classified state employees' pay matrix, a one percent adjustment in each step of the matrix, funding of the longevity bonus for classified state employees and a 3.5 percent adjustment for unclassified employees.

Since Fiscal Year 1981, each classified state employee's position has been assigned to a range and a step on the pay matrix. In Fiscal Year 1986, the difference between the steps was changed to 2.5 percent, and for Fiscal Year 1990 the rate of movement between most steps on the pay matrix was changed from three years to one.

Kansas Administrative Regulation1-5-19b specifies that each classified state employee with a satisfactory evaluation is entitled to a step increase. For classified employees, the Administrative Regulations constitute the state employees' contract of employment which delineates the terms and conditions under which each employee functions.

In recognition of the necessity of movement within a step pay plan, funding for step movements has been regularly placed in the agency budgets by the governor.

While S.E.A.K is happy to be able to discuss the pay plan at this early part of the

SWAM February 7, 1995 AHachment 6 session, I would hope the members of the committee understand the entrenched character of the current pay matrix. While there may be a better way of paying state employees, the current plan has generally functioned well and its revision should be undertaken with care.

Since its inception five years ago, longevity has also traditionally been included within the agency budgets. Longevity is provided pursuant to statute in recognition of state employees who have provided 10 or more years of satisfactory service. It helps to insure that trained and skilled workers continue to work for the state and compensates, in part, for the fact that the pay matrix is limited to 15 steps, leaving those on step O with no step increase.

Wages for state employees, as measured by cost of living adjustments and the step movements combined, have remained virtually flat relative to the rate of inflation during the last five fiscal years. The last real growth in state employee wages of over one per cent occurred in fiscal year 1989 when there was a c.o.l.a. of 4.0 percent, a 2.5 percent step movement and an inflation rate of 4.6 percent.

While S.E.A.K. appreciates the inclusion by Governor Graves of a one percent c.o.l.a. in addition to step movement within his budget, the pay package as a whole is a modest proposal. It is designed to match the increase in inflation, not provide a real, substantial increase in wages.

The realities of the day have dictated that the current topic of political debate nationally and in Kansas is focused not on what government can effectively do, but

rather how small it can be made. While this debate may ultimately prove to be constructive, the work of state government must still be carried on by employees who have families to support and bills to pay. While it is fashionable to be critical of government for being too big, that issue is an entirely separate one from what is a fair wage for the state to pay its workers.

Each year this Legislature has carefully scrutinized the function of the government it manages to insure that only the most necessary of functions are performed at taxpayer expense.

If the convictions of those who now hold power in Congress are fulfilled, the role of state government is going to increase in coming years. The administration of programs formerly run exclusively from Washington will be shifted to state capitols. In order to properly carry out its larger role, state government will be required to retain and attract a quality work force.

S.E.A.K. believes that at least maintaining the current wage base is absolutely necessary if state government is to adequately carry out its responsibilities, and we would therefore urge the committee's support of SB 190.