

Approved: February 23, 2000
Date

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 18, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Downey and Senator Salisbury, who were excused

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:
Bobbi Mariani, Division of Personnel Services, Department of Administration

Others attending: See attached list

It was moved by Senator Feleciano and seconded by Senator Petty that bill draft 9rs 2327 as requested by Senator Feleciano be introduced. The motion carried on a voice vote.

Senator Jordan moved, Senator Ranson seconded, that bill draft 9rs 2312 as requested by Senator Pugh be introduced. The motion carried on a voice vote.

Senator Ranson offered a motion which was seconded by Senator Jordan to introduce bill draft 9rs 2190 as requested by the Governor. The motion carried on a voice vote.

A motion was offered by Senator Ranson and seconded by Senator Morris that bill draft 9rs 2342 be introduced as requested by Senator Bond. The motion carried on a voice vote.

Senator Petty moved Senator Ranson seconded that bill draft 9rs 2328 as requested by Senator Feleciano be introduced. The motion carried on a voice vote.

The Chairman announced that he referred **SB 390**, **SB 449**, **SB 573** and **SB 577** to the KPERS issues subcommittee for consideration. He added that **SB 506** is also being referred to the Judicial Branch subcommittee for consideration.

Senator Morris offered a motion to approve the minutes of the February 15 and 16 meetings. The motion was seconded by Senator Jordan and carried on a voice vote.

Bobbi Mariani, Division of Personnel Services, Department of Administration, presented state employee personnel information including position turnover. (Attachment 1) In the process of reviewing agency budgets, Committee members had expressed concern about the impact of the Retirement Reduction Bill (1993 HB 2211). Ms. Mariani explained that the statute requires each agency, with a few exceptions, to meet its own 25% reduction. However, other agencies must make up that difference so that there is an overall reduction of 25%.

In addition to Attachment 1, Ms. Mariani also referred to information in a booklet called "State of Kansas Workforce Report/Fiscal Year 1999" which is on permanent file with the Department of Administration. She specifically referred to charts showing the number of state government employees, classified employees by county of work, and employment and average salaries in all state governments from 1995

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and 1997 from the U.S. Bureau of the Census. (Attachment 2)

Ms. Mariani told the Committee that statewide turnover of classified employees is on an upward trend and that it is difficult to retain those employees who have worked less than 5 years because they can find more attractive salaries in the private sector. There was discussion of how the state pay plan has been eroded, especially in beginning salaries, by the Legislature's funding of step increases and longevity instead of COLA. Senator Salmans pointed out that the chart illustrating the pay matrix is somewhat misleading because an employee moves through step 1 and 2 in a year and, in that year, receives a 5% salary increase. In answer to a question, Ms. Mariani stated that the value of fringe benefits is approximately 33-37% of an employee's salary which is equivalent to what it is in the marketplace.

Ms. Mariani also pointed out that two-thirds of the workforce is over 40 years of age and, consequently, step 15 of the pay matrix is the most populous step. She noted that this means an increasing number of employees will be eligible to retire in the next four years.

In answer to Senator Petty, Ms. Mariani stated that the information which she provided pertains only to full time equivalent positions. She stated that she did not believe that there has been a significant increase in the number of temporary positions because of the retirement reduction bill, but she would look at that issue.

In answer to a question, Ms. Mariani stated that the employees of the Judicial Branch are not reflected in any of the information which she provided because they are unclassified employees. Senator Ranson asked that information regarding the unclassified employees be provided because they have requested a new pay plan based on performance. Ms. Mariani stated that the Judicial Branch has basically adopted the state pay plan, but they are not required to use it.

In response to Chairman Kerr, Ms. Mariani stated that agencies have the latitude to hire above Step 1, but they do not often do so because it creates morale problems with incumbent employees.

Staff distributed copies of an announcement from the Governor which stated that the state of Kansas may be eligible for up to \$100 million annually by participating in the Inter-governmental Transfer Program. (Attachment 3) The Chairman reviewed the Governor's recommendations for distribution of the potential funds. He said that HCFA has indicated that this proposal will probably be approved after it is published in the Register, but cautioned members that approval is not guaranteed. He also cautioned members about approving recommendations that would build expenses into the base budget.

The Chairman adjourned the meeting at 12:00 noon. The next meeting will be February 21, 2000.