



Comments Regarding the State of Kansas Pay Plan
Presented to the State Employee Compensation
Oversight Commission
June 25, 2007

On behalf of the membership and officers of the State Employees Association of Kansas, thank you for the opportunity to speak before you today. My name is Gary Adkins and I am SEAK's Executive Director.

At the last commission meeting, the members indicated a strong desire to hear from "front-line" employees regarding state salary and benefit issues. The commission also indicated a desire to know something about the organizations providing testimony. As for our organization, it was formed in 1994 with the sole purpose of acting as advocates for all active and retired-state employees. We are not a collective bargaining unit under the laws of the State of Kansas. Our members are represented by a Board of Directors that is made up of active and retired state employees. Any testimony presented on behalf of the association is created through board discussions and has board approval. In this way, our voice is a consensus of our membership.

As for "front-line" input, I was an employee of the State of Kansas for 38 years prior to my retirement. I began my employment as an account clerk while attending college and progressed to a Public Service Executive IV directing the operations of an information technology organization. Over my career, I had the opportunity to learn a great deal about the workings of the state salary system and hear first-hand from employees about its inadequacies.

On behalf of our members, I would like to thank the Legislature for taking up the challenge of lagging State of Kansas pay. No one benefits from an underpaid workforce. It leads to high turnover rates, poor morale, low productivity and increased training costs. One of the handouts from the last meeting showed that the overwhelming majority of voluntary terminations resulted from dissatisfaction with pay.

The 2007 Kansas Legislature made a good first step in providing a salary increase for state employees and in forming this commission to study the present system and determine ways to create a new salary system that would best serve Kansas citizens, in general, and state employees, specifically. We also feel that the decision to look at total compensation, i.e., salary and benefits will give a more comprehensive picture of what needs to be done to attract and retain high quality public service staff.

Today, I am sharing with you a multi-step process for improving state compensation. It is a building block approach starting with the basic premise that state compensation must be improved and it provides a series of steps we believe will enhance the system. Because we believe our recommendations to be comprehensive in nature, we would like them to be considered in total rather than any one step in isolation.

We believe the first step should be to address parity for all state workers with other public sector and private sector employees. The Hay Group study contains a road map for developing a parity model. While not all classifications were included in the study, there should be sufficient guidance to determine what state employees should be paid in select classifications in the near term. We believe that it is critical to immediately bring all state salaries up to the market level during the next legislative session.

Once short-term parity has been achieved, we feel the next step would be to ensure that the salary policy mistakes made in the last six years not be repeated. A good way to ensure this does not happen is to establish a salary model that provides automatic cost-of-living adjustments similar to what the Federal government does for its employees. This recommendation, coupled with a rational pay plan, would eliminate the need for annual legislative wrangling with state salaries.

Next, we feel that as employees gain competence in a job and become more productive, they should receive additional compensation for their work. In the past, step movement has been used to achieve this end. Advantages of step movement include predictability, ease of budgeting, and employees, in general, like the approach. Critics of step movement cite the obvious disadvantage of stellar employees receiving the same pay increase as employees simply doing their job. It is important to note there is nothing wrong with just doing the job. Employees “just doing their job” are fully meeting expectations outlined for their positions. Employees “just doing their job” provide 24 hour care in our hospital facilities. Employees “just doing their job” clear snow and ice from the roads in the worst possible weather conditions. Employees “just doing their job” put their lives on the line daily in law enforcement and in correctional institutions. “Just doing their job” means employees are fully meeting expectations in serving the needs of Kansas citizens.

“Just doing their job” should not be confused with an employee who simply uses up air around themselves and who does not meet job expectations. Rather than address the less than adequate performance through the pay plan, these employees should be subject to a consistently-applied system of progressive discipline and, if there is not sufficient improvement, ultimately

removal from their jobs. Managers failing to take necessary measures to remove such employees should also find their jobs in jeopardy.

We feel an attractive alternative to step movement is implementation of a pay-for-performance system. In this mechanism, the employee working at a rate to meet basic expectations would receive salary advancement, but not to the extent of stellar performers. Employees who work above and beyond performance expectations would receive a higher percentage increase. It is important to note, however, that annual performance-based increases would not be annualized into the employee's base pay rate.

There is no doubt that pay-for-performance leads to greater productivity, but it is very difficult to administer. Implementation will require the establishment of measurable performance standards and the consistent application of these standards across the state workforce. Implementation will require considerable training of managers and employees alike. In addition, it will require a significant investment in the Division of Personnel Services to assist in implementation and subsequent monitoring of the system to ensure consistency throughout state agencies.

A last measure to ensure state salary adequacy is a program of periodic salary and classification review to ensure pay for specific classifications keeps up with the market rate. I would suggest that between 20 and 33% of all state classifications be reviewed annually.

These comments, while brief, contain a lot of food for thought. Since 2001, there has been little attention given to the State of Kansas pay plan. I salute you for taking a long-overdue look at this issue.

I will be happy to address any questions you may have.