

State of Kansas

State Employee Compensation Oversight Commission
Summary of Other State Compensation Programs

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Arkansas	Arkansas relies on a single pay plan with 26 open pay grades to administer employee compensation. There has not been any movement with the pay grades for a long time. They are initiating a study of the current employee compensation this July and hope to have it completed in October 2007. They have 3,600 job classifications and they have 26 pay grades in their pay plan.
Colorado	Colorado currently uses the following 8 occupationally based pay plans in administering employee compensation: Finance Services (50 pay grades), Health Care (85 pay grades), Labor and Trades (65 pay grades), Administrative Support (58 pay grades), Professional (90 pay grades), Physical Science and Engineering (51 pay grades), Teachers correctional facilities (10 pay grades) and Enforcement Public Safety (83 pay grades plus a sub group for troopers). Each of these pay grades are open and employees receive wage increase based on performance. There are a total of 527 job classes. Colorado initiated a “total compensation” initiative in the early 1980’s.
Idaho	Idaho has is in the process of reviewing the internal relativity and grade assignment of all classifications. They are also reviewing their pay structure now that legislation enables the consideration of “geographic” differentials and the use of multiple pay lines. Plan changes had been made 2-3 years ago that had made the plan overly complicated and the Legislature and Division of Human Resources have recognized the need to get “back to basics” without “going back”. Idaho has an effective pay for performance pay delivery process.
Indiana	Indiana is currently designing a broad band system with a goal implementing the new system in early 2008. One of their goals is to reduce the current number of job classifications from 1,200 to approximately 300 broad classifications. The new pay plan would cover all employees with the exception of public safety occupations. The new broadband pay plan will have between 18 to 22 wide pay bands. Each new job class will be assigned to a pay band and each individual job class will have a unique minimum and maximum rate of pay within the assigned pay band. Public safety employees will remain on their current individualized step plans. Public safety employees will achieve wage increase based on step movement tied to time on step. Wage increases for all other employees be on pay for performance which is established on a competency based model.
Iowa	Iowa uses 5 pay plans. Employees covered by AFSCME are on a plan

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	<p>with 46 pay grades which have no pay steps. Employees covered by UEIUP are on a pay plan with 19 pay grades and no steps. Employees on the AFSCME and UEIUP plans gain wage increases within the pay grades through collective bargaining. The public safety pay plan consists of 5 pay grades with 11 steps each. Public safety employees receive wage increases from step movement which is tied to the time an employee is on a pay step. Confidential employees and other employees who are not represented by a union are assigned to a pay plan with 49 pay grades and no steps. Employees on this plan receive wage increase within the pay grade on the basis of performance. Non-elected appointees are on a pay plan with 7 pay grades and no steps. These employees receive within pay grade increases based on merit. There are 843 job classifications in Iowa. There have not been any recent studies concerning class consolidation or alternative employee compensation systems.</p>
Kansas	<p>Kansas uses a single pay plan in compensating all classified employees in the executive branch. The plan consists of 34 pay grades with 13 pay steps. Kansas has consistently sought to maintain the classification system which currently consists of 533 job classes. Employees achieve higher wage rates based on step movement which is based on the time the employee has remained on the pay step.</p>
Louisiana	<p>Louisiana relies on 6 occupationally based pay plans to administer compensation for employees. There are between 23 and 31 pay grades on these pay plans and none of them have pay steps. Agencies can grant annual merit increase of 4%. The state has traditionally lagged the labor market but the after effects of Katrina have resulted in drastic actions in an attempt to attract and retain employees in the current labor market. The pay grades have been increased between 10% to 14% in the past year. Protective service employees have received 25% wage increases in the last 20 months. The state is still not competitive for most jobs and will need additional actions to meet the recruitment and retention problems.</p>
Minnesota	<p>Minnesota has multiple pay plans. The State is about 90% unionized with many different plans to support the various represented and non-represented groups. The bargaining units have step programs with twelve steps being the typical number. The unrepresented groups have a pay range structure. Minnesota has approximately 1900 classifications. That number has been constant over the past few years. Pay is managed by general wage adjustments for the represented and only performance-based increases for the managerial classes.</p>
Mississippi	<p>Mississippi has moved from a step based structure to one with open ranges and no maximums. That was done in conjunction with creating more competitive pay ranges. One feature of the Mississippi plan is</p>

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	<p>legislation that allows the State Personnel Director to authorize what are known as Special Compensation Plans. This has enabled the State to create compensation plans for specific occupational groups or job families to address particular market needs without it having an impact on all other classifications. For example, this Special Compensation Plan “vehicle” has been used for IT positions, Nursing positions, etc. Another innovative feature within the use of these plans is career ladder based job family progressions that are “managed” in partnership between State Personnel and the leadership of the Occupational Group. For example, the IT Professional Development Council.</p>
<p>Missouri</p>	<p>Missouri uses 2 pay plans to compensate employees. The managers are on a pay plan with 3 open pay bands. Individual agencies administer compensation within the pay bands. The rank and file employees are on a pay plan with 40 pay grades which have between 17 to 21 pay steps per pay grade. There are 1,025 job classes. There have been no compensation or classification studies for many years in Missouri.</p>
<p>Nebraska</p>	<p>Nebraska uses 11 pay plans. There are individual pay plans for each of the 9 occupational groups who are represented by the Nebraska Association of Public Employees. None of these pay plans have pay steps and here are between 7 to 15 pay grades on these pay plans. Wage increases for these employees are negotiated. Non-represented employees are on a separate pay plan with 24 open pay grades. Non-represented employees generally receive the same increases received by union employees. Law enforcement employees are on a separate pay plan with 4 pay grades and 15 steps. These employees receive wage increase through step movement which is based on the time an employee spends on the pay step. Nebraska has approximately 1,200 job classes. There have been no compensation or classification studies or changes in Nebraska.</p>
<p>New Mexico</p>	<p>New Mexico has undertake a number of change initiatives in its plan over the past decade. A significant change was undertaken in a project known as NMHR2001. This resulted in a reduction in classifications from over 1000 to less than 300. Separate pay structures were implemented for management positions and TOG’s (Technical Occupational Groups). Wide pay bands were adopted and agencies were given more latitude to utilize in-pay band movements. This took the pressure off reclassifications as being a defacto compensation plan. With the appointment of Governor Richardson came the advent of collective bargaining and while this has had an impact on the pay setting processes, the fundamental design features of the classification and compensation plan developed n NMHR2001 have been maintained. What has been diminished in utilization is what had been a very effective pay for performance process.</p>

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Oklahoma	Oklahoma has a single pay plan. They have eighteen grades (A thru R) with a 75% minimum and a 125% maximum pay range – 67% spread. They currently have 1100 classifications which are down from a high of 1400 classifications. Employees base pay amounts move in two ways: Across the board Legislative increases and by using the following pay movement mechanisms: 1. Job Family market-based increases 2. Equity adjustments 3. Pay-for-Performance increases and 4. Skill-based pay increases that are provided in either a lump sum payment or by using a differential. The Administrator of the Office of Human Resources has significant authority to allow agencies to develop pay movement and delivery mechanisms that are agency specific.
South Carolina	South Carolina has several pay plans – one for Agency Heads, an Executive plan and one for the remaining employees. Their Agency Head Plan is required by law to be reviewed every four years and the way in which it is administered is a model that has been adopted in other States (eg Oklahoma). The all employee plan is a broadbanded structure with 10 pay bands. Emphasis is placed on in band movement with significant delegated authority to agencies. The Office of Human Resources plays a significant quality assurance and internal consultant role. It should be noted that South Carolina was the only State to receive an A rating in the first two Governing Magazine Rating the States surveys conducted by Syracuse University.
Utah	Utah has a very unique model of a pay plan. Their pay plan consists of 117 individual steps (rates of pay). After labor market studies are completed a job classification is assigned a minimum step (minimum pay grade) and maximum pay step (maximum pay grade). Each job classification has a unique pay rate based on their market data. The state designed a pay for performance system but it has not been funded the program for the last seven years. Their system also provides that when an employee reaches the maximum pay step for their job class they will receive a longevity based step movement once every three years. Utah’s sole study concerning their classification and compensation system occurred in 2002 when they reduced the number of job classifications to 1,000.
Virginia	Virginia uses a single pay plan consisting of 9 wide open pay bands. Employees receive within band wage increases based on the value the employee’s jobs and performance bring to the agency. Not all employees will reach the top of the pay band. There are 275 job classifications. Virginia most recently completed a study of employee compensation in 1998. The former compensation system emphasized the classification of the job while the new system focuses on career growth in rewarding the employee. The employee compensation system has essentially shifted from one which focused of assigned duties and

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	<p>responsibilities of the employee to recognizing the employee's contributions to the organization. The new system also enables state agencies more flexibility and responsibility for administering employee compensation.</p>
<p>Washington</p>	<p>Washington previously used two pay plans, one for unclassified managers and executives and a separate plan for all other classified employees. Washington went to collective bargaining in 2005. As a result of this action the state now uses 8 pay plans to administer employee compensation for employees who are represented by various unions and 5 pay plans for non-represented employees.</p> <p>Those pay plans which cover represented employees are generally established on the basis of separate occupational groups and the different unions which represent individual employees. These plans have from 1 pay grade to 85 pay grades. There are between 10 and 20 steps on these plans. Wage increases for employees on these plans are negotiated as part of the collective bargaining process.</p> <p>Two of the pay plans for non-covered employees are identical in structure to those of represented employees (17 to 85 pay grades and 11 to 19 pay steps per plan).</p> <p>The pay plan for teachers consists of 9 pay grades which are based on a combination of the degree level and years in teaching of the employee. There are 9 to 17 steps which reward employees for their years of service in the job.</p> <p>The pay plan for middle level managers consists of 5 pay bands without steps. The executive level managers are on a separate pay plan with 7 open pay bands. Employees on both of these pay plans receive performance based compensation.</p> <p>Washington has recently reduced the number of job classifications from 1,700 to 1,500. Their area of focus and involvement concerns collective bargaining actions rather than evaluating and designing employee compensation programs.</p>
<p>Wyoming</p>	<p>Wyoming uses a single pay plan with 10 open pay bands. They implemented a broad band compensation system modeled after South Carolina in 1998. Agencies were given the opportunity to administer employee compensation within the pay band but this was discontinued in 2004 due to inconsistencies among agencies. Wyoming is currently in the process of redesigning their compensation system. They are</p>

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	currently working on identifying the criteria to be used for rewarding employees with compensation. There is also an interest in allowing agencies more ability to administer employee compensation within statewide guidelines. In this past week, the Governor has announced that he is initiating consideration of merit (performance) based pay movement. There are 500 job classifications.