Testimony to the State Employee Compensation Oversight Commission
By the Council of Kansas Government Engineers and Scientists
June 25, 2007—2:20 p.m.
Room 313-S, Statehouse

First, I thank the members of this commission for soliciting comments and for providing this opportunity today. As that a number of comments have been made, and have yet to be made today, I intend to limit this testimony to an issue concerning compensation that is most salient to the group that I represent—the issue of market pay.

My name is Mark Hurt; I represent the Council of Kansas Government Engineers and Scientists. We are the organization representing PERB Unit #10, the Engineering, Science and Resource unit. We represent engineers, scientists, architects and surveyors employed by the State of Kansas. Job classifications included in this unit share certain characteristics:

- A Bachelor's degree (or more) is required for entry into the field
- Years of practice are required to achieve proficiency
- Many of these job classifications require professional licensure, typically requiring an 8 hour test over fundamentals, 4 years of experience supervised by a professional licensed in the field, professional references, and passing of a second 8 hour test for the license.

Competence in dealing with the technical material, the design codes and the real world conditions found in these fields is typically developed only over the course of years. These employees are an investment; as with any investment, a good rate of return is best achieved with the best initial material.

While the demand for entry-level engineers and scientists has grown over the past few years, entry-level salaries at the State have practically remained level and the number of available graduates has, at best, remained level. Taking civil engineers as an example, after the 2% increase to the civil service matrix, the starting annual salary of an Engineering Associate I is $37,939. Unfortunately, this is significantly below the average offer made to Civil Engineering graduates (Bachelor of Science) at the University of Kansas and at K-State. The K-State Career and Employment Services office reports on their web site that the median offer made to graduates with a BS in Civil Engineering for the year with graduation dates of August 2005, December 2005 and May 2006 was $44,000. The trend is, in fact, upward. The Engineering Career Center at the University of Kansas was kind enough to provide starting salary offers made to BSCE graduates for the past few years, including preliminary results from May 2007.

For the Year	Average Annual Starting Salary (excluding bonuses)	Number of Graduates
2003-2004	$41,427	44
2004-2005	$41,900	31
2005-2006	$45,153	31
2006-2007	$49,312	Not Available

For comparison, an Engineering Associate III at step 6 has an annual salary of $49,670 on the new matrix. Due to the lack of step movement over the past several years, an engineer who hired as an EA I, on a currently non-existing step, with the State seven years ago and had been promoted to an EA III would be making $300 more than the average offer to a KU BSCE graduate this year. Beyond the issue of recruitment, suffered by the agencies, there is a basic issue of equity and fairness to current employees who have been "holding the fort" these several years. Starting salaries for graduates must be taken into account in any determination of market pay.

The lack of step movement has aggravated disparities between State of Kansas pay and market pay. It has also contributed to what our organization feels is a mischaracterization in the Hay Group Salary Study. Among the findings in the study was that upper level engineering classifications, such as Professional Civil Engineer II and Professional Environmental Engineer III, were being compensated above the market rate. We strongly disagree with this finding. A practical item that was overlooked in the study was the fact that a large number of employees in these classes were employees on the other end of wage compression—employees near retirement, employees who had made their way to the right end of the matrix before the practical cessation of step movements. We suspect that as months go by, a new calculation of average pay for these classification would show a significantly reduction in average pay for the State of Kansas.

Our members are certain that the average market salaries used by the Hay Group in comparisons for the Professional Civil and Environmental Engineer classifications are low because they know the offers that they receive from other employers, they know what their friends from school make, they know the offers posted on Monster.com, and they know the salaries that they approve on professional services contracts for the State. A request that our organization makes of this commission is that we be afforded the opportunity to share this expertise in our own fields. Groups representing PERB units are traditionally referred to as "meet and confer" groups. State employees aren't afforded the right to strike, but they are afforded the opportunity to have advocate groups meet with the State in good faith. The Council feels that we could provide valuable information, if given the opportunity to participate early in the process.

Arguably, the best way to measure market pay for particular job classifications is to measure what the State is actually paying the market for those jobs. A particularity of the Engineering and Science job classifications is that the State of Kansas contracts for many of these same services through contracts that pay based on the hourly rates of the professionals contracted. Geology investigations, surveys, construction inspections, road and bridge design—all of these (and others) are tasks performed by State employees which are also contracted out to private firms. For example, a surveying firm will be paid for the hours worked by the personnel involved, times their salary, times an overhead multiplier and an agreed upon profit multiplier. Furthermore, the agencies involved typically audit the contracted firms to verify the payroll and overhead costs. For many jobs, the State already knows exactly what the market rate is.

Rarely does a scientist, or architect, or engineer leave the employment of the State of Kansas for the employment of another state. Far more common is the scenario of leaving for a nearby private sector firm, often one which contracts with the State. These are the State's competitors for professional employees. The position of the Council of Kansas Government Engineers and Scientists is that the State should direct agencies to provide information already in hand to determine market rate for job classifications when available.

Again, I thank the commission for this opportunity. The message that I would most like to leave you with today is that the Council feels it is of the utmost importance to use the actual market rate, regardless of the policy decisions made, to address issues of compensation for engineers and scientists. The determination of market rate should make use of readily available sources of information—namely, starting salaries as reported by state universities, professional services contracts used by state agencies, and the meet and confer groups assigned to the work units.

Respectfully,

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