

J-1
Administrative Rule
and Regulation
Legislative Oversight

J-2
Board of Indigents'
Defense Services

J-3
Home Rule

J-4
KPERs' Retirement
Plans and History

J-5
Options Used to
Address Abandoned
Property

J-6
Senate Confirmation
Process

J-7
State Employee
Issues

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State and Local Government

J-7 State Employee Issues

Classified and Unclassified Employees

The state workforce is composed of classified and unclassified employees. Classified employees comprise 42 percent of the state workforce, while unclassified employees comprise the remaining 58 percent. HB 2391 (2015) revised the Kansas Civil Service Act to direct all persons in newly hired positions, including any rehired employee and any current employee who voluntarily transfers, or is voluntarily promoted or demoted, into an unclassified position. If federal law requires a state agency to maintain personnel standards on a merit basis and that agency has converted classified positions to unclassified positions, the state agency must adopt a binding statement of agency policy to meet the federal requirements.

Classified employees are selected through a competitive process, while unclassified positions can be filled through direct appointment, with or without competition. While unclassified employees are essentially "at will" employees who serve at the discretion of their appointing authority, classified employees are covered by the "merit" or "civil service" system, which provides additional employment safeguards. These safeguards are as follows:

- All actions, including recruitment, hiring, classification, compensation, training, retention, promotion, discipline, and dismissal of state employees, shall be:
 - Based on merit principles and equal opportunity;
 - Made without regard to race, national origin or ancestry, religion, political affiliation, or other nonmerit factors and shall not be based on sex, age, or disability except where those factors constitute a *bona fide* occupational qualification or where a disability prevents an individual from performing the essential functions of a position; and
 - Employees are to be retained based on their ability to manage the duties of their position.

Characteristics of State Employees

In fiscal year (FY) 2018, a profile of classified state employees reflected the following.

| The “average” classified employee: | The “average” unclassified employee: |
|--|--------------------------------------|
| Is 46 years of age; | Is 45 years of age; |
| Has 14 years of service; and | Has 10 years of service; and |
| Earns \$41,203 per year | Earns \$49,610 per year |
| Source: SHARP (June 2018)—Includes classified and unclassified, benefit-eligible employees, including full- and part-time employees. Excludes Regents universities, legislators, student employees, classified temporary, and unclassified non-benefit-eligible temporary employees. | |

State Employee Benefits

Among the benefits available to most state employees are medical, dental, and vision plans; long-term disability insurance; deferred compensation; and a cafeteria benefits plan, which allows employees to pay dependent care expenses and non-reimbursable health care expenses with pre-tax dollars. In addition, state employees accrue vacation and sick leave. The vacation leave accrual rate increases after 5, 10, and 15 years. In general, the State also provides nine to ten days of holiday leave for state employees.

Retirement Plans

Most state employees participate in the Kansas Public Employees Retirement System (KPERs). Employees contribute 6.0 percent bi-weekly based on salary. The state contribution is set by law each year. In addition to the regular KPERs program, there are plans for certain law enforcement groups, correctional officers, judges and justices, and certain Regents unclassified employees. Contributions from both the employee and the State differ from plan to plan. (See J-4 Kansas Public Employees Retirement System’s Retirement Plans and History in this *Briefing Book* for more information.)

Compensation of State Employees

Kansas statutes direct the Director of Personnel Services, after consultation with the Director of the Budget and the Secretary of Administration, to prepare a pay plan for classified employees, which “shall contain a schedule of salary and wage ranges and steps.” The statutes also provide that this pay plan can be modified by provisions in an

appropriation bill or other act. When the Governor recommends step movement on the classified pay plan, a general salary increase, or both, funding equivalent to the percentage increase for classified employees generally is included in agency budgets to be distributed to unclassified employees on a merit basis.

The previous Kansas Civil Service Basic Pay Plan consisted of 34 pay grades, each with 13 steps. The difference between each step was approximately 2.5 percent, and the difference between each salary grade was approximately 5.0 percent. Employees typically are hired into a job at the minimum of the salary grade. Until recently, assuming satisfactory work performance, classified employees would receive an annual 2.5 percent step increase, along with any other general adjustment in salary approved by the Legislature. No classified step movement was recommended or approved from FY 2001 to FY 2006. In FY 2007, the Legislature approved a 2.5 percent step movement, effective September 10, 2006. There has been no further step movement since FY 2009.

New Classified Employee Pay Plans

The 2008 Legislature established five new pay plans for executive branch classified state employees and authorized multi-year salary increases for classified employees, beginning in FY 2009, who are identified in positions that are below market in salary.

The legislation authorized a four-year appropriation totaling \$68.0 million from all funds, including \$34.0 million from the State General Fund (SGF), for below-market pay adjustments (excluding the FY 2009 appropriation of \$16.0 million). Due to budgetary considerations, the

appropriation for FY 2012 was eliminated, bringing the total appropriation to \$58.7 million. The State Finance Council approved an appropriation of \$11.4 million, including \$8.1 million from the SGF for FY 2013.

Finally, the legislation codified a compensation philosophy for state employees, which was crafted by the State Employee Pay Philosophy Task Force. This philosophy was endorsed by the State Employee Compensation Oversight Commission during the 2007 Interim. The pay philosophy includes:

- The goal of attracting and retaining quality employees with competitive

compensation based on relevant labor markets;

- A base of principles of fairness and equity to be administered with sound fiscal discipline; and
- An understanding that longevity bonus payments shall not be considered as part of the base pay for classified employees.

The following table reflects classified step movement and base salary increases since FY 1997.

| Fiscal Year | Salary Adjustment |
|-------------|---|
| 1997 | Step Movement: 2.5 percent Base Adjustment: None |
| 1998 | Step Movement: 2.5 percent Base Adjustment: 1.0 percent |
| 1999 | Step Movement: 2.5 percent Base Adjustment: 1.5 percent |
| 2000 | Step Movement: 2.5 percent Base Adjustment: 1.0 percent |
| 2001 | Step Movement: 2.5 percent Base Adjustment: None |
| 2002 | Step Movement: None Base Adjustment: 3.0 percent, with 1.5 percent effective for full year and 1.5 percent effective for half a year |
| 2003 | Step Movement: None Base Adjustment: None |
| 2004 | Step Movement: None Base Adjustment: 1.5 percent effective for last 23 pay periods |
| 2005 | Step Movement: None Base Adjustment: 3.0 percent |
| 2006 | Step Movement: None Base Adjustment: 2.5 percent, with 1.25 percent effective for full year and 1.25 percent effective for half a year |
| 2007 | Step Movement: 2.5 percent, effective September 10, 2006 Base Adjustment: 1.5 percent |
| 2008 | Step Movement: None Base Adjustment: 2.0 percent |
| 2009 | Step Movement: None Base Adjustment: 2.5 percent; Below Market Salary Adjustments |
| 2010 | Step Movement: None Base Adjustment: None; Below Market Salary Adjustments |

| Fiscal Year | Salary Adjustment |
|-------------|---|
| 2011 | Step Movement: None Base Adjustment: None; Below Market Salary Adjustments |
| 2012 | Step Movement: None Base Adjustment: None |
| 2013 | Step Movement: None Base Adjustment: None |
| 2014 | Step Movement: None Base Adjustment: None Employee Bonus: \$250 Bonus |
| 2015 | Step Movement: None Base Adjustment: None |
| 2016 | Step Movement: None Base Adjustment: None |
| 2017 | Step Movement: None Base Adjustment: None |
| 2018 | Step Movement: None Base Adjustment: 2.5 percent < 5 years; 5.0 percent > 5 years with no adjustment; 2.5 percent Judicial |
| 2019 | Step Movement: None Base Adjustment: 5.0 percent if not included in 2017 Legislative Pay Plan; 2.5 percent if included at 2.5 percent in 2017 Legislative Pay Plan; 5.0 percent uniformed corrections officers; 5.0 percent nonjudicial; 2.0 percent Judicial Branch |
| 2020 | Step Movement: None Base Adjustment: 2.5 percent if not otherwise receiving an increase for FY 2020; 15.9 percent for uniformed corrections officers; 5.0 percent for other correctional employees who routinely work with offenders. |

FY 2020. The FY 2020 approved budget includes 40,866.9 full-time equivalent (FTE) positions and represents an increase of 31.2 positions, or 0.1 percent, above the FY 2019 approved number.

The increase is largely attributable to adding 313.0 FTE positions in the Department of Health and Environment for the KanCare Clearinghouse in FY 2019 and for FY 2020. These positions include the hiring of 27 training and quality support staff and 13 home and community based services (HCBS) staff by October 2018, as well as 273 staff to move long-term care, elderly, and disabled processes back in-house prior to the end of FY 2019.

The increase is also attributable to adding 45.0 FTE positions in the Department for Children and Families to increase child welfare staff, including 3.0 FTE positions to complete licensing and

background checks to meet provisions of the federal Family First Prevention Services Act for FY 2020.

The FY 2020 approved budget also includes a number of salary adjustments for state employees:

- \$41.8 million, including \$22.0 million from the SGF, for a 2.5 percent salary increase for most state employees, including in the Judicial Branch, who do not otherwise receive an increase for FY 2020. Statewide elected officials and legislators are excluded;
- \$11.6 million, all from the SGF, for salary adjustments equivalent to a 15.9 percent salary adjustment for correctional officers I, I(A), II, II(A), and a 5.0 percent salary adjustment for other correctional employees who routinely work with

offenders for FY 2020. These salary adjustments were approved by the State Finance Council in May 2019;

- \$400,000, all from the SGF, for public defender salary increases for FY 2020 based on casework and experience; and
- \$92,082 in FY 2019 and \$261,539 for FY 2020, all from the SGF, for teacher salary increases for the Schools for the Deaf and Blind (Schools). KSA 76-11a16 requires the compensation of teachers at the Schools equal the previous year’s salary of teachers employed in the Olathe School District.

FTE positions are permanent positions, either full time or part time, but mathematically equated

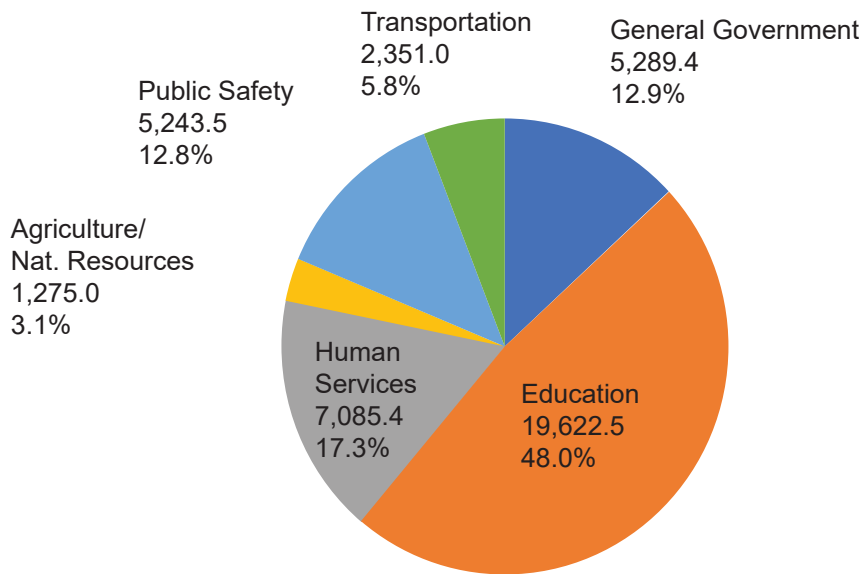
to full time. For example, two half-time positions equal one full-time position.

Non-FTE unclassified permanent positions are essentially unclassified temporary positions that are considered “permanent” because they are authorized to participate in the state retirement system.

For purposes of this article, FTE positions now include non-FTE permanent unclassified positions, but continue to exclude temporary employees.

The following chart reflects approved FY 2020 FTE positions by function of government.

FY 2020 FTE Positions by Function of Government



Total: 40,866.8 FTE

Note: Totals may not add due to rounding.

Largest employers. The following table lists the ten largest state employers and their number of FTE positions.

| Agency | FTE Positions |
|---|---------------|
| University of Kansas | 5,346.8 |
| Kansas State University | 3,864.8 |
| University of Kansas Medical Center | 3,184.0 |
| Department for Children and Families | 2,527.9 |
| Department of Transportation | 2,351.0 |
| Wichita State University | 2,153.0 |
| Judicial Branch | 1,867.6 |
| Department of Health and Environment-Health | 1,123.3 |
| Kansas State University-ESARP | 1,121.1 |
| Fort Hays State University | 1,080.4 |
| Source: 2019 IBARS Approved | |

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