News

State employees receive pay raises Posted on Monday, July 12, 2010 (CST)





By <u>Rachel Whitten</u> July 12, 2010

(KansasReporter) TOPEKA, Kan. – As some Kansans deal with flat or falling incomes during the state's economic struggles, more than 20 percent of state employees are getting pay increases.

<u>Recently the State Finance Council</u>, consisting of the governor, House and Senate leaders and appropriations committee chairmen, figuratively signed the checks on pay raises for 8,662 state employees whose salaries were deemed under the market value by a private company.

The previous month, the <u>State Employee Pay Plan Oversight Committee</u>, a joint legislative committee, had met and approved the method by which the private company, called The Hay Group, created and categorized the way the pay raises were to be distributed.

But it was three years before all that, during the 2008 legislative session that lawmakers appropriated the funds to pay for those salary increases.

House bill 2916, which was signed by former Gov. Kathleen Sebelius, created the new pay plan for state employees under the executive branch. The bill specifies that state employee salary adjustments must bring them up to be competitive with the private sector.

The workers-- with jobs as diverse as custodial specialist and administrative assistant- are Kansas state employees whose current incomes are deemed below market value by private consultants working for the state.

Fiscal year 2011 is the second year of implementation over four years total, and by the end the pay raises will amount to \$68 million. A chunk of that will come out of the state general fund, about \$34 million, while the remainder will come from the all funds category

Each year, about \$8.5 million is obligated to come from the state general fund.

To implement a system for the pay raises, the Hay Group, which is a which is a global management consulting firm, was contracted to create an employee pay plan matrix, which allows for annual reviews and classifies employees into five categories.

The task of the State Employee Pay Plan Oversight Committee was to look at that system and give a green light.

State Rep. <u>Pat George</u>, a Republican from Dodge City is chair of the committee, and said the pay raises are important to reward those who do their jobs well.

"In a market based society, you reward those who exceed expectations and perform the tasks set before them," George said.

The Cato Institute, in Washington, and other critics of government spending, contend that state and local government employees, as a group, already make more money than their private sector counterparts. They cite U.S. Bureau of Labor Statistics reports which indicate that the public sector's traditional pension plans, health packages and other perks boost state and local government workers' compensation to a nationwide \$39.66 an hour average, compared to \$27.42 in the private sector.

But other studies, by the Center for State and Local Government Excellence and the National Institute on Retirement Security among others, contend those comparisons ignore some important differences between the two workforces, such

as longevity on the job and average higher levels of education on the government payrolls, that suggest government workers are underpaid.

And still other studies suggest that what the workers do makes a difference. In California, for example, a state survey found many blue and pink collar workers such as clerks, accountants, custodians and engineers fare far better on state payrolls than in the corporate world, but that highly skilled professionals, such as doctors, nurses and medical technicians don't.