

Attachment VII

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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To: Legislative Coordinating Council

From: Alan D. Conroy, Director

Re: Pay Plan Study

Representatives of the Department of Administration, Revisor of Statutes, and the Legislative Research Department met to discuss the major components of the scope statement for the state employee pay plan study. As you might recall, the Legislative Coordinating Council at a previous meeting directed the staff to prepare an outline of a scope statement for the state employee pay plan study and to work with the Hay Consulting Group (consultant) to determine its interest and availability in assisting with the pay plan study.

Outline of Scope Statement

The proposed scope statement would be composed of two phases and tentatively be completed by no later than the end of March 2007. The consultant would:

- **Conduct salary surveys** for the state (Department of Administration and the Legislative Research Department) for use in establishing market salary amounts and then assist in determining which job classes and industries could receive priority in possible future salary adjustments.
- **Evaluate a tentative new compensation system** that will be prepared by the state (Department of Administration) and offer any appropriate changes or modifications to improve the viability of the new compensation system.

Specific Consultant Responsibilities

The scope statement would require the consultant to provide specific services for each phase of the study.

For **Phase I** (salary surveys), the consultant would be required to:

- Have no less than three face-to-face meetings with staff from the Department of Administration, Division of Personnel Services, and the Legislative Research Department, throughout the course of this phase.
- Work with the Department of Administration, Division of Personnel Services, and the Legislative Research Department in order to insure accurate job matches and the identification of relevant employers and organizations to be included in the survey.

- Provide an analysis of the competitiveness of: (1) current wage rates, and (2) pay grades for classified employees based on current wage data from employers and organizations within the relevant labor market.
- Compare a cross section of job classes representing all occupations which cover at least 80 percent of the state classified employees.
- Provide findings that include recommendations for addressing any deficiencies that might be identified in the study.
- Provide no more than four briefings of its findings to committees, sub-committees, or joint committees of the Kansas Legislature during the 2006 interim period or during the 2007 Legislature on Phase I of the study, including if appropriate, a status report on progress on the completion of Phase I.

For **Phase II** (evaluation of a tentative new compensation system), the consultant would be required to:

- Have no less than four face-to-face meetings with staff from the Department of Administration, Division of Personnel Services, and the Legislative Research Department, throughout the course of this phase.
- Provide relevant data and an overall assessment of the current pay plan for the State of Kansas to the staff of the Department of Administration, Division of Personnel Services, and the Legislative Research Department.
- Provide information on innovative components of other states' compensation plans, especially looking for opportunities to reward outstanding employee performance.
- Provide key elements in a successful public employees' compensation system.
- Evaluate a draft proposal for a new compensation system, including whether or not the proposed new compensation system will address any issues or problems that might exist with the current state pay plan.
- Provide expert analysis and no more than four briefings on any proposed new compensation system as a result of Phase II of the study to committees, sub-committees, or joint committees of the Kansas Legislature during the 2006 interim period or during the 2007 Legislature on Phase II of the study, including if appropriate, a status report on progress on the completion of Phase II.

Legislative Coordinating Council Decision Issues

If the Legislative Coordinating Council wishes to pursue entering into a contract with the Hay Consulting Group based on the preceding scope statement, the Council will need to decide:

- Once a contract has been finalized, should the Chairperson of the LCC be authorized to sign the contract on behalf of the LCC?
- Does the LCC wish to be involved in the monitoring or receive status briefings on the project or does the LCC wish to delegate the monitoring of the project to another legislative committee, such as the Legislative Budget Committee?
- If the LCC does delegate the monitoring of the project to another legislative committee, would the LCC wish to receive a briefing on the final report from the consultant?