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MEMORANDUM

To: Chairman Waymaster and members of the House Appropriations Committee

From: Jill A. Wolters, First Assistant Revisor

Date: March 14, 2023

Subject: **HB2277**, Concerning state agencies; relating to the employee award and recognition program; authorizing hiring, recruitment and retention bonuses; increasing the limitation on such award or bonus to \$10,000; eliminating the secretary of administration's authority to adopt rules and regulations; and requiring such secretary to submit an annual report to certain legislative committees concerning such awards and bonuses.

Currently, K.S.A. 75-37,105 establishes an employee award and recognition program. The program authorizes monetary or nonmonetary awards (medal, award luncheon or public recognition by the House of Representatives or Senate) to be made to state employees by the appointing authority for distinguished accomplishment, meritorious service, innovations, Kansas quality management, volunteerism or length of service. The monetary award is capped at \$3,500 annually for distinguished accomplishments/meritorious service or 10% of a cost reduction (through increased efficiencies or other savings) up to \$5,000 under the state employee suggestion program.

HB2277 increases the amount of the monetary award to an annual cap of \$10,000. The bill makes no amendments to the state employee suggestion program. The bill further expands the award program to authorize an appointing authority to grant a hiring, recruitment or retention bonus.

Under the bill, any monetary award or series of such awards in excess of \$3,500 that is proposed for an employee is subject to approval by the governor and shall not be paid until approved by the governor. This provision does not apply to legislative or judicial branch employees because all such employees are unclassified and their salaries are not subject to the approval of the governor.

The department of administration currently does not have any rules and regulations for the program, and does not see any need for them, therefore the bill repeals the authority to adopt rules and regulations. The secretary of administration has oversight of the program, and the bill clarifies that oversight is for executive branch agencies and appointed state councils and commissions. Such oversight is to provide consistency in the program as well as ensure objective decision-making procedures.

Under current law, a person elected or appointed to a state agency position is not allowed to receive a monetary award under the program. The bill removes appointed person, thus allowing an appointed person to receive a monetary award.

Finally, the bill requires each state agency to annually, on August 1, submit to the secretary of administration a report on the number of monetary awards paid in each category of awards or bonuses and the total dollar amount of each such awards or bonus for the previous fiscal year. At the beginning of each regular session of the legislature, the secretary shall compile and report such information to the House of Representatives committee on appropriations and the Senate committee on ways and means.

The bill becomes effective upon the publication in the statute book.