

March 9, 2015

The Honorable Mark Hutton, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hutton:

SUBJECT: Fiscal Note for HB 2391 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2391 is respectfully submitted to your committee.

HB 2391 would add newly hired employees, including any employee who is rehired into a position and any current state employee who voluntarily transfers into, is voluntarily promoted, or demoted on and after July 1, 2015 to the unclassified service. The bill would allow state agencies that maintain positions in the classified service in order satisfy any federal requirement to meet those requirements by adopting a binding agency policy should the agency chose to fill positions in the unclassified service.

Under HB 2391, state employees in the Executive Branch of government who are eligible to receive longevity bonuses would receive the bonus only if the Legislature appropriates the funding for the bonus in an appropriations act. Current law allows state employees to donate annual and sick leave to other state employees who are suffering from, or who have a family member suffering from, an extraordinary or severe illness, injury, impairment, physical, or mental condition. The bill would only allow annual and sick leave to be donated for a "life threatening medical condition."

The Department of Administration states passage of HB 2391 would have a fiscal effect on most state agencies. According to the Department, unclassified positions tend to be paid more than classified positions and state employees who agree to move from a classified position to an unclassified position would almost certainly receive an increase in pay. The Department indicates that state agencies would manage this without the need for additional funding since the enhanced flexibility provided by utilizing unclassified positions would allow state agencies to realize staffing efficiencies through the distribution of duties from a single position to several other positions.

The Honorable Mark Hutton, Chairperson

March 9, 2015

Page 2—HB 2391

Over the last several years, the Legislature has authorized longevity bonuses, but has provided no funding, according to the Department. The Department estimates there would be savings to state agencies if the Legislature does not provide specific funding for the longevity bonus. Any fiscal effect associated with HB 2391 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Colleen Becker, DofA