

SESSION OF 2016

SUPPLEMENTAL NOTE ON SENATE BILL NO. 501

As Amended by Senate Committee on
Commerce

Brief*

SB 501, as amended, would require the Secretary of Administration to establish criteria for a non-discretionary performance-based bonus program for state employees. The bill also would allow any state agency to implement a non-discretionary performance-based bonus program that had been approved by a committee prior to implementation of the program. The approval committee would consist of a staff member of the Governor's office, the head of the agency submitting the program, the Director of the Budget, the Director of Personnel Services in the Department of Administration, and the Chairperson of the State Civil Service Board.

The bill would require any state agency implementing a bonus program under the bill to establish a system for regular and objective employee performance evaluations for all bonus-eligible employees.

The bill also would require any bonuses paid under the bill to be excluded from compensation for any purpose under the Kansas Public Employees Retirement System. The bonuses would be taxable. The Secretary of Administration would be required to adopt rules and regulations to implement the bill.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill, introduced by the Senate Committee on Ways and Means, was a recommendation contained in the *Kansas Statewide Efficiency Review*. At the Senate Committee on Commerce hearing on the bill, testimony in support of the bill was provided by a representative of the Kansas Department of Administration. Neutral testimony on the bill was provided by a representative of the Kansas Organization of State Employees.

The Senate Committee on Commerce amended the bill to add a requirement that any agency implementing a bonus program under the bill must establish a system for regular and objective employee performance evaluations for all bonus-eligible employees.

The fiscal note provided by the Division of the Budget on the bill as introduced indicated agencies choosing to implement a bonus program would incur additional expenditures from bonus payouts; however, the fiscal effect on agencies cannot be estimated until criteria for the programs are established.