

REVISED
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**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2221**

As Recommended by House Committee on
Government Efficiency

Brief*

Sub. for HB 2221 would update a state employee suggestion program and replace the one that expired on June 30, 2006. Under the new program, employees may submit suggestions for cost reductions by a state agency. Upon adoption of the suggestion by an agency, the employee or employees who made the suggestion would receive a monetary award in an amount not to exceed 10.0 percent of the documented cost reduction, as certified by the agency's chief fiscal officer and appointing authority. After 12 months from the time the suggestion is implemented, the employee or employees who made the suggestion would receive a monetary award, up to a maximum of \$5,000. The state agency would retain 10.0 percent of the documented cost reduction, which would be placed in a separate special revenue fund, to pay monetary awards. All remaining cost savings would revert to the State General Fund.

The bill would delete provisions that relate to the Kansas Savings Incentive Program that ended previously in 2009 when the Legislature concurred with a Governor's budget recommendation to eliminate the program. The bill also would delete the statutory expiration provision for the old state employee suggestion program that ended in 2006.

*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

One conferee appeared in support of the bill on behalf of the Kansas Organization of State Employees. No one appeared in opposition.

The House Committee recommended a substitute bill in order to correct a number of technical issues highlighted by the Office of the Revisor of Statutes that needed to be corrected in the bill as introduced. The House Committee also made other adjustments to the original bill by updating the manner in which the state employee suggestion program will operate and placing new limits on the amount of monetary awards that may be conferred.

According to the Budget Director, HB 2221, as introduced, would require modifications to the state's payroll system, also known as SHaRP (the State Human Resource and Payroll System). Programming costs associated with these changes are estimated to be approximately \$3,000, all from the State General Fund. In addition, the bill would allow state employees to receive incentive and bonus payments, based on estimates of the suggested cost saving measures. Although additional payments would be made to state employees, suggestions given by employees should reduce state expenditures. However, the amount of savings generated because of the program could vary significantly, depending on the type and number of suggestions given, according to the Director of the Budget.