

SESSION OF 2011

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

As Amended by House Committee on
Government Efficiency

Brief*

Sub. for HB 2221, as amended, would institute a state employee suggestion program to replace the one that expired on June 30, 2006. Under the new program to be established by the Secretary of Administration, employees may submit a suggestion 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 in the first year after implementation. The employee or employees who made the suggestion could receive a monetary award up to a maximum of \$5,000 per employee. The state agency would retain 10.0 percent of the documented first-year cost reduction, which would be placed in a separate special revenue fund, to pay for the monetary awards. All remaining cost savings would revert to the State General Fund. The amended bill also would exclude all elected and appointed state officials from being eligible for monetary awards under the program.

The amended bill also would delete statutory provisions related to the Kansas Savings Incentive Program that ended in 2009 when the Legislature concurred with a Governor's budget recommendation to eliminate the program. The amended bill also would delete the statutory expiration date for the previous 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 (KOSE). No one appeared in opposition.

The House Committee recommended a substitute bill in order to correct a number of technical issues highlighted by the Revisor of Statutes Office that needed to be changed in the bill as introduced.

Sub. for HB 2221 was withdrawn from the Calendar and returned to the House Committee.

The House Committee made other adjustments 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 Director of the Budget, 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 could 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.

No fiscal note on Sub. for HB 2221 or Sub. for HB 2221, as amended, was available.