

**To: House Appropriations Committee**  
**From: Samir Arif, Director of Public Affairs, Department of Administration**  
**Kraig Knowlton, Director of Personnel Services, Department of Administration**  
**Re: Testimony in Support of HB 2277**  
**Date: March 14<sup>th</sup>, 2023**

Mr. Chair and members of the committee, thank you for the opportunity to appear in front of you to offer our support of HB 2277.

HB 2277 amends the employee award and recognition program for State of Kansas employees to remove the current limitation that bonuses must be discretionary as defined by IRS rules, and to specifically allow for hiring, recruitment and retention bonuses in addition to the current categories of bonuses allowed by the statute. These types of bonuses can be very effective tools and are utilized frequently by many other employers.

Several agencies have requested to establish these types of bonus programs to help address their staffing issues, but the current language of the statute prohibits them from doing so. Based on these requests, the Department of Administration worked to introduce this legislation.

In addition to the removal of that restriction, this bill would also increase the maximum cap of bonuses that an employee can receive within a fiscal year from the current limit of \$3,500 to \$10,000. A higher-level cap is necessary to allow for effective and meaningful recruiting and retention bonuses, and for executive branch agencies under the jurisdiction of the Governor's Office, review and pre-approval by the Division of Budget, the Division of Personnel, and the Governor's Office would be required in order to provide transparency and accountability.

The bill also requires each agency that has provided a monetary award to submit an annual report of such awards made during the previous fiscal year to the Secretary and the Secretary is then required to compile the information and provide a report to the Legislature every year. Along with the required approval for bonuses over \$3,500 and the oversight and guidance that the statute requires the Department of Administration to provide, this will establish statutory safeguards to prevent abuse or favoritism for bonuses provided to State of Kansas employees.

The Department of Administration is available to answer general questions about what is currently allowed and what the bill would allow, but several agencies are here to share with the Committee specifically how this bill will help them in their efforts to recruit, retain and reward good employees.