

SENATE Substitute for HOUSE BILL No. 2916

AN ACT concerning state officers and employees; relating to appointments, benefits, expenses, salaries and compensation; state employee compensation program philosophy; establishing the state employee pay plan oversight committee; making and concerning appropriations for the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013; amending K.S.A. 40-102, 46-137a, 46-137b and 75-5541 and K.S.A. 2007 Supp. 75-3101, 75-3103, 75-3104, 75-3108, 75-3110, 75-3111a and 75-5603 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The governor is hereby authorized and directed to modify the pay plan for fiscal year 2009 in accordance with this subsection and to adopt such pay plan as so modified. The existing pay plan for fiscal year 2008 shall be modified to provide for (1) a base pay rate increase of 2.5% in the pay rates of such pay plan, which shall be effective on the first day of the first biweekly payroll period which is chargeable to the fiscal year ending June 30, 2009, (2) additional modifications to implement the recommendations of the state employee compensation oversight commission, including (A) the design, development and implementation of the five recommended pay plans, (B) development and implementation of a new statewide employee performance management system for classified executive branch employees, and (C) performing market salary surveys on one-third of the executive branch classified workforce annually, and (3) market adjustments to the job classes determined to be significantly below market salary rates, which shall be effective on the first day of the first biweekly payroll period which is chargeable to the fiscal year ending June 30, 2009, for positions in such job classifications. The pay plan adopted by the governor under this subsection shall be the pay plan for the classified service under the Kansas civil service act and shall be effective on the first day of the first biweekly payroll period which is chargeable to the fiscal year ending June 30, 2009. The pay plan adopted by the governor under this subsection for fiscal year 2009 shall be subject to modification and approval as provided under K.S.A. 75-2938, and amendments thereto, and to any enactment of the legislature applicable thereto.

(b) (1) The governor is hereby authorized to modify or authorize the modification of the salaries of state officers and employees who are in the unclassified service under the Kansas civil service act and whose salaries are subject to approval by the governor under K.S.A. 75-2935b or 75-2935c, and amendments thereto, to provide for base salary increases, to be effective on the first day of the first payroll period which is chargeable to the fiscal year ending on June 30, 2009, and to be distributed from a salary increase pool, the average of such increases shall not exceed 2.5% of the base salaries of such officers and employees.

(2) Each elected state official of the executive branch of state government, including the state board of education, and the board of directors of the Kansas technology enterprise corporation, Kansas, Inc., the state board of regents and the board of trustees of the Kansas public employees retirement system, in each such official, corporation or board's discretion, are hereby authorized and directed to modify or to authorize the modification of the salaries of the state officers and employees of such official, corporation or board, who are in the unclassified service under the Kansas civil service act and whose salaries are not subject to approval by the governor under K.S.A. 75-2935b, and amendments thereto, to provide for base salary increases to be effective on the first day of the first payroll period which is chargeable to the fiscal year ending June 30, 2009, and to be distributed from a salary increase pool, the average of such increases shall not exceed 2.5% of the base salaries of such officers and employees of such official, corporation or board. The provisions of this subsection (b)(2) shall not authorize or provide any salary increase for the governor, lieutenant governor, secretary of state, state treasurer, commissioner of insurance, or attorney general, or for any member of any state board, commission, council or committee receiving per diem compensation as provided by statute.

(c) (1) During fiscal year 2009, each such state agency is hereby authorized and directed to provide each employee, who is eligible for a longevity bonus payment pursuant to K.S.A. 75-5541 and amendments thereto, an additional amount of longevity bonus payment during fiscal year 2009 equal to the amount required to provide, along with the amount of the longevity bonus payment otherwise payable pursuant to K.S.A. 75-5541, and amendments thereto, an aggregate amount of longevity bonus

that would be payable if the amount of the longevity bonus payment pursuant to K.S.A. 75-5541, and amendments thereto were determined by multiplying the number of full years of state service, not to exceed 25 years, rendered by such employee by \$50. The additional amount of longevity bonus payment during fiscal year 2009 pursuant to this subsection (c) shall be made in the same manner and at the same time that the longevity bonus payment determined under K.S.A. 75-5541, and amendments thereto, is payable during fiscal year 2009 to such employee. Each such additional amount of longevity bonus payment to any such employee shall be deemed to have the same characteristics, be subject to the same withholding, deduction or contribution requirements, and is intended to be a bonus as defined in 29 C.F.R. § 778.208, to the same extent and effect as longevity bonus payments that are payable pursuant to K.S.A. 75-5541, and amendments thereto.

(2) As used in this subsection (c), “state agency” means any state agency in the executive branch, legislative branch or judicial branch of state government and “employee” means any officer or employee of a state agency.

Sec. 2. (a) There is hereby appropriated for the state finance council from the state general fund for the fiscal year ending June 30, 2009, the sum of \$38,575,818 to be used for the purpose of paying the proportionate share of the cost to the state general fund of: (1) The base salary increases which are provided for by modification of the pay plan for state officers and employees in the classified service under the Kansas civil service act to provide for an increase of 2.5% in the pay rates of such pay plan, including associated employer contributions, (2) market adjustments to the job classes determined to be significantly below market salary rates, which shall be effective on the first day of the first biweekly payroll period which is chargeable to the fiscal year ending June 30, 2009, for positions in such job classifications, including associated employer contributions, (3) the salary increases for state officers and employees in the unclassified service under the Kansas civil service act which are provided for in subsection (b)(1) and subsection (b)(2) of section 1 for biweekly pay periods which are chargeable to the fiscal year ending June 30, 2009, including associated employer contributions, and (4) the additional amount of longevity bonus payment provided for in subsection (c) of section 1 for each employee of a state agency who is eligible for a longevity bonus payment pursuant to K.S.A. 75-5541, and amendments thereto, during the fiscal year ending June 30, 2009, including associated employer contributions.

(b) To pay the proportionate share of the cost to the state general fund of each state agency for the salary increases and additional amounts of longevity bonus payment specified in subsection (a), including associated employer contributions, upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to approve the transfer of moneys from the appropriation under subsection (a) by the director of accounts and reports, who is hereby authorized and directed to make such transfers in accordance with such approval, to the proper accounts created by state general fund appropriations for the fiscal year ending June 30, 2009.

(c) (1) There is hereby appropriated for the state finance council from the state economic development initiatives fund for the fiscal year ending June 30, 2009, the sum of \$229,430 to be used for the purpose of paying the proportionate share of the cost to the state economic development initiatives fund of the salary increases and the additional amounts of longevity bonus payment specified in subsection (a), including associated employer contributions.

(2) To pay the proportionate share of the cost to the state economic development initiatives fund of each state agency for the salary increases and the additional amounts of longevity bonus payment specified in subsection (a), including associated employer contributions, upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such

subsection (c), is hereby authorized to approve the transfer of moneys from the appropriation under subsection (c)(1) by the director of accounts and reports, who is hereby authorized and directed to make such transfers in accordance with such approval, to the proper accounts created by state economic development initiatives fund appropriations for the fiscal year ending June 30, 2009.

(d) (1) There is hereby appropriated for the state finance council from the state water plan fund for the fiscal year ending June 30, 2009, the sum of \$47,029 to be used for the purpose of paying the proportionate share of the cost to the state water plan fund of the salary increases and the additional amounts of longevity bonus payment specified in subsection (a), including associated employer contributions.

(2) To pay the proportionate share of the cost to the state water plan fund of each state agency for the salary increases and the additional amounts of longevity bonus payment specified in subsection (a), including associated employer contributions, upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to approve the transfer of moneys from the appropriation under subsection (d)(1) by the director of accounts and reports, who is hereby authorized and directed to make such transfers in accordance with such approval, to the proper accounts created by state water plan fund appropriations for the fiscal year ending June 30, 2009.

(e) Upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to approve increases in expenditure limitations on special revenue funds and accounts established for the fiscal year ending June 30, 2009, by the director of accounts and reports, who is hereby authorized and directed to increase expenditure limitations on such special revenue funds and accounts in accordance with such approval, for the purpose of paying from such funds or accounts the proportionate share of the cost to such funds or accounts, including associated employer contributions, of the salary increases and additional amounts of longevity bonus payment specified in subsection (a), including associated employer contributions, for the fiscal year ending June 30, 2009.

(f) The director of the budget, on behalf of the executive branch of state government, shall prepare a budget estimate based upon the most recent payroll information for the salary bonus payments and the salary increases specified in subsection (a), including associated employer contributions, and all amendments and revisions of such estimate, and the director of the budget shall submit a copy of such estimate, and all amendments and revisions thereof, directly to the director of legislative research.

Sec. 3. (a) There is hereby appropriated for the state finance council from the state general fund for the fiscal year or years specified, the following:

Classified salary market adjustments (including fringe benefits)	
For the fiscal year ending June 30, 2010.....	\$8,534,972
For the fiscal year ending June 30, 2011.....	\$8,534,972
For the fiscal year ending June 30, 2012.....	\$8,534,972
For the fiscal year ending June 30, 2013.....	\$8,534,972

Provided, That all moneys in the classified salary market adjustments (including fringe benefits) account for each such fiscal year shall be used for the purpose of paying the proportionate share of the cost to the state general fund of the salary market adjustments, including associated employer contributions, for executive branch classified employees in positions in job classifications that are reassigned under the market adjustment component during the fiscal year and, upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to approve the transfer of moneys from the appropri-

ation under this subsection (a) by the director of accounts and reports, who is hereby authorized and directed to make such transfers in accordance with each such approval, to the proper accounts created by state general fund appropriations for the fiscal year for which such transfers are so approved under this subsection (a).

(b) Upon recommendation of the director of the budget, the state finance council, acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto, except paragraph (3) of such subsection (c), is hereby authorized to approve increases in expenditure limitations on special revenue funds and accounts established for each fiscal year designated in subsection (a), for each such fiscal year, commencing with the fiscal year ending June 30, 2009, by the director of accounts and reports, who is hereby authorized and directed to increase expenditure limitations on such special revenue funds and accounts in accordance with such approval, for the purpose of paying from such funds or accounts the proportionate share of the cost to such funds or accounts, including associated employer contributions, of the salary increases and other amounts specified in subsection (a) for each such fiscal year, commencing with the fiscal year ending June 30, 2009.

(c) The director of the budget, on behalf of the executive branch of state government, shall prepare a budget estimate based upon the most recent payroll information for the salary increases and other amounts specified in subsection (a), and all amendments and revisions of such estimate, and the director of the budget shall submit a copy of such estimate, and all amendments and revisions thereof, directly to the director of legislative research.

Sec. 4.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Implementation of new pay plans	\$75,000
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Sec. 5.

LEGISLATIVE COORDINATING COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Legislative coordinating council — operations	\$21,499
Legislative research department — operations.....	\$102,316
Office of revisor of statutes — operations	\$88,460

Sec. 6.

LEGISLATURE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Operations (including official hospitality)	\$319,272
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Sec. 7.

DIVISION OF POST AUDIT

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Operations (including legislative post audit committee)....	\$59,603
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Sec. 8.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Judiciary operations	\$3,165,592
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Sec. 9.

JUDICIAL COUNCIL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2009, the following:

Recodification commission.....	\$1,210
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Sec. 10. (a) The compensation program (compensation and benefits opportunity and delivery) for state employees will be designed to support the mission of the various branches of government and the agencies and departments within those branches. The foundation of the com-

pensation program is to attract and retain quality employees with competitive compensation based on relevant labor markets. The programs will be based upon principles of fairness and equity and will be administered with sound fiscal discipline.

(b) The compensation philosophy component statements are:

(1) The legislature will be accountable for the adoption of the compensation philosophy and framework. The executive branch through delegated authority from the governor to the department of administration will be accountable for the consistent administration of the program for classified employees. Agency heads will be accountable for proper administration of the program within their agencies. The chief justice, through delegated authority to the office of judicial administration will be accountable for the consistent administration of the program for judicial branch employees. The state board of regents, through delegated authority to the chief executive officer of each campus, will be accountable for the consistent administration of the program for higher education faculty and non-classified employees. The respective appointing authorities will have accountability for the consistent administration of compensation for non-classified employees.

(2) The compensation program will be based on consistent principles of fairness throughout the state, yet will be flexible to meet changing needs. This will allow for multiple pay plans to fit different needs and market variables for the different branches of government and within those branches.

(3) Establishing the value of compensation will be primarily based on establishing the appropriate market value of the job. For positions for which a market value cannot be readily identified, the value of compensation for those positions will be based on a fair, defensible and understandable method.

(4) While recognizing that service and tenure yields valued experience, pay delivery mechanisms will be based on a combination of achievement of performance objectives, recognition of differences in job content, acquisition and application of further skill and education and pay for the achievement of team/unit or department goals.

(5) All aspects of compensation (base salary, benefits, lump sum payments, allowances and other variable elements of compensation) will be considered as a total compensation package for state employees. The state's pay programs will utilize both fixed and variable compensation as well as non-cash reward and recognition programs.

(6) Total compensation, as defined above, will be targeted at a competitive level when compared to the appropriate labor markets to allow the state to attract and retain the quality and quantity of employees needed to fulfill service commitments to its citizens.

(7) The state is committed to ensuring that its salary structures are up to date through the conduct of market surveys at regular intervals. There will be a planned approach to ensure that the classification structure and classification of employees is kept current.

(8) The compensation programs will reinforce a work culture and climate where employees are recognized and rewarded for their contribution. Any changes to compensation must be reasonable and take into consideration the needs of the state as an employer, the work culture afforded to the employees as public service providers and the citizens receiving services from the state.

(9) It is the intent of the legislature that longevity bonus payments shall not be considered as part of base pay.

Sec. 11. (a) There is hereby established the state employee pay plan oversight committee, to provide oversight of the development and implementation of the new pay plans and the performance management process and to review and evaluate, upon implementation, the management and administration of the plans and processes in accordance with the state's compensation philosophy in section 10, and amendments thereto. The oversight committee shall be advisory to the legislature.

(b) The state employee pay plan oversight committee shall be composed of seven voting members who shall be appointed as follows: (1) One member who shall be appointed by the president of the senate, (2) two members who shall be appointed by the speaker of the house of representatives, (3) one member who shall be appointed by the minority

leader of the senate, (4) one member who shall be appointed by the minority leader of the house of representatives, and (5) two members who shall be appointed by the governor, of whom, at least one of the members appointed by the governor shall be a representative of a state employee organization. The secretary of administration, or the secretary's designee, and the secretary of labor, or the secretary's designee, shall be non-voting, ex officio members of the oversight committee. The oversight committee shall convene and organize annually by electing a chairperson and a vice-chairperson from among the voting members of the oversight committee.

(c) The state employee pay plan oversight committee shall meet on call of the chairperson or on the request of six voting members of the oversight committee. Four voting members of the oversight committee shall constitute a quorum. All actions of the oversight committee shall be taken by a majority of all voting members of the oversight committee. The oversight committee shall develop and submit to the legislature at the beginning of each regular session a report, commencing in 2009, on the development, implementation and administration of the new pay plans and the performance management process and other administrative processes and policies.

(d) The staff of the office of the revisor of statutes, the legislative research department and the division of legislative administrative services shall provide such assistance as may be requested by the oversight committee and authorized by the legislative coordinating council.

(e) Each member of the state employee pay plan oversight committee attending meetings of such oversight committee approved by the legislative coordinating council, or attending a subcommittee meeting thereof authorized by such oversight committee and approved by the legislative coordinating council, shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3212, and amendments thereto, from appropriations for legislative expenses.

(f) The provisions of this section shall expire on July 1, 2014.

Sec. 12. On June 15, 2008, K.S.A. 40-102 is hereby amended to read as follows: 40-102. There is hereby established a department to be known as the insurance department, which shall have a chief officer entitled the commissioner of insurance who shall receive, except as otherwise provided in K.S.A. 75-3111a and amendments thereto, a salary at a biweekly pay rate of ~~\$2,648.45~~ \$3,307.81, and such officer shall be charged with the administration of all laws relating to insurance, insurance companies and fraternal benefit societies doing business in this state, and all other duties which are or may be imposed upon such officer by law.

Sec. 13. On June 15, 2008, K.S.A. 46-137a is hereby amended to read as follows: 46-137a. In addition to the compensation provided for by K.S.A. 46-137b, 46-137e and 75-3212, and amendments thereto, each member of the legislature shall receive the following amounts:

(a) The sum of ~~\$72.06~~ \$88.66 per calendar day for service at any regular or special session, except as otherwise provided in subsection (e);

(b) the sum of ~~\$80~~ \$109 per calendar day for subsistence allowance for any regular or special session of the legislature, except that if the amounts allowable for the capital city of Kansas under applicable federal law and regulations to employees of the executive branch of the federal government for per diem expenses, while away from home but serving in the United States, are amounts which total greater than ~~\$80~~ \$109, then each member of the legislature shall receive such greater total amount per calendar day for subsistence allowance for any regular or special session of the legislature;

(c) an allowance of ~~\$270~~ \$354.15 for the two-week period which coincides with the first biweekly payroll period commencing in which includes April 1st and for each of the 19 ensuing two-week periods thereafter, to defray expenses incurred between sessions of the legislature for postage, telephone, office and other incidental expenses, *except as otherwise provided in subsection (f)*;

(d) an allowance for mileage in an amount equal to the rate per mile prescribed under the provisions of K.S.A. 75-3203a, and amendments thereto, multiplied by the number of miles traveled by the usual route in going to and returning from the member's place of residence for any regular or special session of the legislature. Such mileage allowances shall

be paid for not to exceed the equivalent of one trip for each full week occurring between convening and adjournment sine die in any regular or special session. The mileage allowance provided under the provisions of this subsection shall not be subject to the restrictions relating to the use of vehicles prescribed by K.S.A. 75-3203 and 75-3203a, and amendments thereto, but shall only be allowed for trips actually made. Compensation and subsistence allowance shall not be allowed under the provisions of subsections (a) and (b) of this section during any period in which the legislature is adjourned for more than two days, Sundays excepted; and

(e) whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased for payroll periods chargeable to fiscal years commencing after June 30, ~~1999~~ 2009, the rate of compensation per calendar day for members of the legislature for service at any regular or special session of the legislature shall be increased on the effective date of any such pay plan increase by an amount computed by multiplying the average of the percentage increases in all steps of such pay plan by the rate of compensation per calendar day which is authorized by this section for service at any regular or special session of the legislature for the day upon which such increase is computed.

(f) *Whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased for payroll periods chargeable to fiscal years commencing after June 30, 2009, the allowance provided for each member of the legislature by subsection (c) to defray expenses incurred between sessions of the legislature for postage, telephone, office and other incidental expenses for each of the two-week periods specified by subsection (c) shall be increased on the effective date of any such pay plan increase by an amount computed by multiplying the average of the percentage increases in all steps of such pay plan by the allowance provided to defray such expenses for each such two-week period as provided by this section.*

Sec. 14. On June 15, 2008, K.S.A. 46-137b is hereby amended to read as follows: 46-137b. (a) In addition to the compensation provided for by K.S.A. 46-137a and 75-3212, and amendments thereto, and any other statute, and except as otherwise provided by subsection (b):

(1) The president of the senate and the speaker of the house of representatives shall each receive an allowance at a biweekly pay rate of ~~\$438.82~~ \$539.97 during their terms of office as speaker and president, which compensation shall be for additional services performed in connection with discharging the duties assigned to the respective positions;

(2) the speaker pro tem of the house of representatives, the vice president of the senate, the assistant majority leaders of the senate and house of representatives and the assistant minority leaders of the senate and house of representatives shall each receive an allowance at a biweekly pay rate of ~~\$223.07~~ \$275.59 during their respective terms of office which compensation shall be for additional services performed in connection with discharging the duties assigned to the respective positions;

(3) the chairperson of the senate committee on ways and means and the chairperson of the house committee on appropriations shall each receive an allowance at a biweekly pay rate of ~~\$352.89~~ \$434.23 during their respective terms of office, which compensation shall be for additional services performed in connection with discharging the duties assigned to the respective positions; and

(4) the majority and minority leaders of the senate and the house of representatives shall each receive an allowance at a biweekly pay rate of ~~\$395.89~~ \$487.14 during their respective terms of office, which compensation shall be for additional services performed in connection with discharging the duties assigned to the respective positions.

(b) Whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased for payroll periods chargeable to fiscal years commencing after June 30, ~~1999~~ 2009, the biweekly pay rate of officers of the legislature specified in subsection (a) shall be increased on the effective date of any such pay plan increase by an amount computed by multiplying the average of the percentage increases in all steps of such pay plan by the biweekly pay rate of such officers which is being received as provided by law and which is in effect prior to the effective date of such pay plan increase.

Sec. 15. On June 15, 2008, K.S.A. 2007 Supp. 75-3101 is hereby amended to read as follows: 75-3101. Except as otherwise provided in K.S.A. 75-3111a and amendments thereto, the governor of the state shall receive for services a salary at a biweekly pay rate of ~~\$3,400.22~~ \$4,257.97.

Sec. 16. On June 15, 2008, K.S.A. 2007 Supp. 75-3103 is hereby amended to read as follows: 75-3103. (a) The lieutenant governor shall receive, as reimbursement for expenses the following: (1) Biweekly the sum of ~~\$72.12~~ \$76.91, *except as otherwise provided in subsection (c)*, and (2) when attending the duties of office or attending any authorized meeting, in addition to other provisions of this section, travel expenses and subsistence expenses and allowances in amounts equal to those provided for by K.S.A. 75-3212, and amendments thereto.

In addition to any other compensation provided by law and except as otherwise provided in K.S.A. 75-3111a, and amendments thereto, the lieutenant governor shall also receive for services in the performance of duties imposed by law compensation at the biweekly pay rate of ~~\$964.29~~ \$1,204.35. While acting as governor, the lieutenant governor shall receive the same salary as the governor. The lieutenant governor may appoint an administrative assistant and office and stenographic employees, all of whom shall be in the unclassified service of the Kansas civil service act. Such administrative assistant shall receive travel expenses and subsistence expenses or allowances as provided by K.S.A. 75-3212, and amendments thereto, when traveling as authorized by the lieutenant governor.

(b) If the lieutenant governor is appointed by the governor under the provision of K.S.A. 75-303, and amendments thereto, the lieutenant governor shall receive a salary to be fixed by the governor or a salary as provided for in subsection (a) of this section, whichever is greater.

(c) *Whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased for payroll periods chargeable to fiscal years commencing after June 30, 2009, the sum provided biweekly for reimbursement of expenses pursuant to subsection (a)(1) for the lieutenant governor shall be increased on the effective date of any such pay plan increase by an amount computed by multiplying the average of the percentage increases in all steps of such pay plan by the biweekly sum provided to the lieutenant governor for reimbursement of expenses as authorized by this section.*

Sec. 17. On June 15, 2008, K.S.A. 2007 Supp. 75-3104 is hereby amended to read as follows: 75-3104. Except as otherwise provided in K.S.A. 75-3111a and amendments thereto, the secretary of state shall receive for services a salary at a biweekly pay rate of ~~\$2,648.45~~ \$3,307.81.

Sec. 18. On June 15, 2008, K.S.A. 2007 Supp. 75-3108 is hereby amended to read as follows: 75-3108. Except as otherwise provided in K.S.A. 75-3111a and amendments thereto, the state treasurer shall receive for services a salary at a biweekly pay rate of ~~\$2,648.45~~ \$3,307.81.

Sec. 19. On June 15, 2008, K.S.A. 2007 Supp. 75-3110 is hereby amended to read as follows: 75-3110. Except as otherwise provided in K.S.A. 75-3111a and amendments thereto, the attorney general shall receive for services a salary at a biweekly pay rate of ~~\$3,045.64~~ \$3,803.89.

Sec. 20. On June 15, 2008, K.S.A. 2007 Supp. 75-3111a is hereby amended to read as follows: 75-3111a. Whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased for payroll periods chargeable to fiscal years commencing after June 30, ~~1999~~ 2009, the salary of the governor, the lieutenant governor, the attorney general, the secretary of state, the state treasurer and the commissioner of insurance shall be increased by an amount computed by multiplying the average of the percentage increases in all steps of such pay plan by the salary of the elected state officer which is being received as provided by law and which is in effect prior to the effective date of such increase in the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act.

Sec. 21. K.S.A. 2007 Supp. 75-5603 is hereby amended to read as follows: 75-5603. There is hereby established within and as a part of the department of health and environment a division of health, the head of which shall be the director of the division of health. Under the supervision of the secretary of health and environment, the director of the division

of health shall administer the division of health. The director shall be a physician, hold a valid license to practice medicine and surgery, and have experience and educational training in the field of public health. The secretary of health and environment shall appoint the director of the division of health. ~~Each person appointed shall serve for a term of four years from and after the date of such appointment, and thereafter~~ *who shall serve* at the pleasure of the secretary. The director shall be in the unclassified service and shall receive an annual salary fixed by the secretary and approved by the governor.

Sec. 22. K.S.A. 2007 Supp. 75-5603 is hereby repealed.

Sec. 23. On June 15, 2008, K.S.A. 75-5541 is hereby amended to read as follows: 75-5541. (a) *Except as otherwise provided by this section*, each classified employee, excluding any such employee who is on temporary appointment, and each nonjudicial employee in the unclassified service under the Kansas civil service act in a state agency in the judicial branch of state government, shall receive a bonus as provided by this section, which shall be referred to as a longevity bonus, under the terms and conditions and subject to the limitations prescribed by this section.

(b) After June 30, 1989, any such officer or employee who has been employed by any agency, board or department within any branch of state government, whether or not the entire period of service is continuous with the same agency, board or department, shall be eligible to receive a longevity bonus upon completion of 120 months of state service. Length of service and service anniversary dates shall be determined pursuant to rules and regulations adopted by the secretary of administration.

(c) The amount of each longevity bonus payment shall be computed by multiplying \$40 by the number of full years of state service, not to exceed 25 years, rendered by such officer or employee as of the service anniversary date within such fiscal year.

(d) Each longevity bonus payment shall be included in the employee's regular pay warrant. The amount of the bonus shall be displayed separately on the warrant stub or advice.

(e) Longevity bonus payments shall be compensation, within the meaning of K.S.A. 74-4901 et seq., and amendments thereto, for all purposes under the Kansas public employees retirement system and shall be subject to applicable deductions for employee contributions notwithstanding the fact that payments are made annually. Longevity bonus payments shall be in addition to the regular earnings to which an officer or employee may become entitled or for which such employee may become eligible.

(f) The purpose of longevity pay is to recognize permanent employees who have provided experience and faithful long-term service to the state of Kansas in order to encourage officers and employees to remain in the service of the state. The provisions of this section shall apply to fiscal years commencing after June 30, 1989. The amendatory language of this section shall be construed to confirm that longevity pay is intended, and has been intended since its enactment, to be a bonus as defined in 29 C.F.R. § 778.208.

(g) In accordance with the provisions of K.S.A. 75-3706, and amendments thereto, the secretary of administration shall adopt rules and regulations to implement the provisions of this section with respect to officers and employees in the executive branch of state government. The supreme court may adopt policies to implement the provisions of this section with respect to officers and employees who are nonjudicial personnel of state agencies in the judicial branch of state government.

(h) *The provisions of this section shall not apply to any state officer or employee who is employed or re-employed as a state officer or employee on or after June 15, 2008.*

Sec. 24. On June 15, 2008, K.S.A. 40-102, 46-137a, 46-137b and 75-5541 and K.S.A. 2007 Supp. 75-3101, 75-3103, 75-3104, 75-3108, 75-3110 and 75-3111a are hereby repealed.

Sec. 25. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.