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Asst. Revisor  
Prepared for Senate  
Committee on Commerce

Session of 2016

SENATE BILL No. 501

H-2

By Committee on Ways and Means

3-8

1 AN ACT concerning state employees; establishing a performance based  
2 bonus program.

3  
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) The secretary of administration shall establish criteria  
6 for a non-discretionary performance based bonus program for state  
7 employees. Such program criteria shall ensure that the program contributes  
8 to the overall efficient performance of state agencies; ties employee  
9 performance to state agency performance; demonstrates a positive return  
10 on investment for the state agency; and establishes procedures to monitor  
11 the effectiveness of the program.

12 (b) If a state agency determines it is efficient to implement a non-  
13 discretionary performance based bonus program, such state agency shall  
14 submit the agency's non-discretionary performance based bonus program  
15 to an approval committee prior to implementation. The approval  
16 committee shall consist of the following members: A staff member of the  
17 governor's department, appointed by the governor; the agency head of the  
18 state agency submitting the proposed program; the director of the budget;  
19 the director of personnel services in the department of administration; and  
20 the chairperson of the state civil service board. The committee shall  
21 approve or reject the program based on criteria established by the secretary  
22 of administration pursuant to subsection (a).

Insert  
(c),  
attached,  
and  
reletter  
subsequent  
subsections

23 (c) No bonus paid pursuant to this section during the fiscal year shall  
24 be compensation, within the meaning of K.S.A. 74-4901 et seq., and  
25 amendments thereto, for any purpose under the Kansas public employees  
26 retirement system and shall not be subject to deductions for employee  
27 contributions thereunder. Such bonuses are subject to taxes in accordance  
28 with federal internal revenue code regulations and shall not be deemed in  
29 violation of K.S.A. 46-237a, and amendments thereto. The secretary of  
30 administration shall ensure that each program is in compliance with the  
31 federal fair labor standards act, 29 U.S.C. § 201 et seq., and shall make  
32 any necessary adjustments to the central accounting system and the state  
33 payroll system.

34 (d) The secretary of administration shall adopt rules and regulations  
35 to implement this section.

36 (e) As used in this section, "state agency" has the meaning ascribed

1   thereto by K.S.A. 75-3701, and amendments thereto, and includes the  
2   governor's department, lieutenant governor, attorney general, secretary of  
3   state, state treasurer, commissioner of insurance, each agency of the  
4   executive branch, the legislature and each agency of the legislative branch,  
5   the judicial branch and each agency of the judicial branch and any  
6   appointed state council or state commission.

7       Sec. 2. This act shall take effect and be in force from and after its  
8   publication in the statute book.

(c) Any state agency or entity implementing a non-discretionary performance-based bonus program must additionally establish a system to provide for regular and objective employee performance evaluations for all bonus-eligible employees, regardless of classified status. Such employee performance evaluation system must include, but is not limited to, the following elements:

- (1) Defined, objective measures for reviewing each employee's performance;
- (2) defined, regular time intervals over which performance will be measured, with no interval shorter than three months nor longer than 12 months; and
- (3) requirements for supervisory personnel to provide regular performance-based feedback throughout the evaluation period.