

## **Proponent Testimony**

### **HB 2277 – AN ACT concerning state agencies; relating to the employee award and recognition program**

#### **House Committee on Appropriations**

**March 14, 2023**

Chairman Waymaster and Members of the Committee,

My name is Scott Brunner, and I am the Deputy Secretary for Hospitals and Facilities for the Kansas Department for Aging and Disability Services (KDADS.) KDADS appreciates the opportunity to provide proponent testimony on HB 2277 which updates the statute allowing state employees to receive bonuses or monetary awards.

The state hospitals at Larned, Osawatomie, Parsons and Topeka used the employee award and recognition program to provide meritorious service awards for employees during the COVID-19 pandemic. On April 8, 2020, the Secretary of KDADS designated all state hospital employees as essential health care workers required to continue working in-person throughout the pandemic. KDADS worked with the hospitals to calculate cash awards based on employee's actual worked hours during COVID outbreaks when state hospital staff had to work on campus. The bonuses were used four different times between 2020 and 2021 as federal COVID relief funds were available and while there were active COVID cases at the hospitals. The employee award and recognition statute (K.S.A. 75-37,105) limited those bonuses to \$3,500 per fiscal year. In many cases employees were eligible for larger bonuses based on hours worked, but the fiscal year cap was the most the hospitals could award. Raising the total amount to \$10,000 would have given the hospitals a means to acknowledge the service of hospital employees during the duration of the public health emergency. The COVID-19 recognition program was a unique situation but having additional flexibility to award more than \$3,500 would have been a valuable tool to recognize state hospital employees that kept patient safe during the pandemic under difficult and changing circumstances.

HB 2277 also provides additional justifications for an incentive including hiring, recruitment, or retention bonuses. All four state hospitals have historically high employee vacancy rates. I have attached to my testimony two charts that show the number of direct care positions that are vacant and the percentage of those positions that are vacant by pay period from 2020 to the end of January 2023. The 24/7 pay plan, the 5% annual pay adjustment in last year's budget and this year's budget, and other measures to increase pay for direct care staff have been instrumental in helping the hospitals to retain staff. However, at Larned and Osawatomie State Hospitals, we are reliant on staffing agency nurses and direct care workers to fill vacant positions. Those contract costs are 2 to 3 times more expensive than the salaries for a state

employee. HB 2277 would provide an additional tool through employee retention or recruiting incentives to fill state positions and save costs for overtime and contract staffing. Targeted bonuses to retain and recruit nurses and direct care staff for health care facilities like the state hospitals and Veteran's Homes would help ensure high quality patient care.

The hospitals also have put additional effort into recruiting for open positions including online advertising, updated video and audio advertisements, use of online recruiting platforms, and direct appeals through professional and licensure organizations. For nursing and licensed positions, such as social workers or psychologists, the labor market is very competitive. Other employers seeking similar credentialed professionals are offering signing bonuses that are not allowed for state employees. The hospitals also can not give a bonus to an existing employee if they encourage someone to apply or recruit another employee. HB 2277 would add those tools for state agencies to be more competitive employer and provide incentives to our existing staff to stay and recruit others to state employment.

HB 2277 would help state agencies be more competitive employers, with reasonable controls on agency spending and oversight, to make sure the incentive programs achieve the intended goals of retaining and recruiting new employees. KDADS and the state hospitals strongly encourage your support for HB 2277.

Thank you for the opportunity to provide testimony on this important topic.

Respectfully,

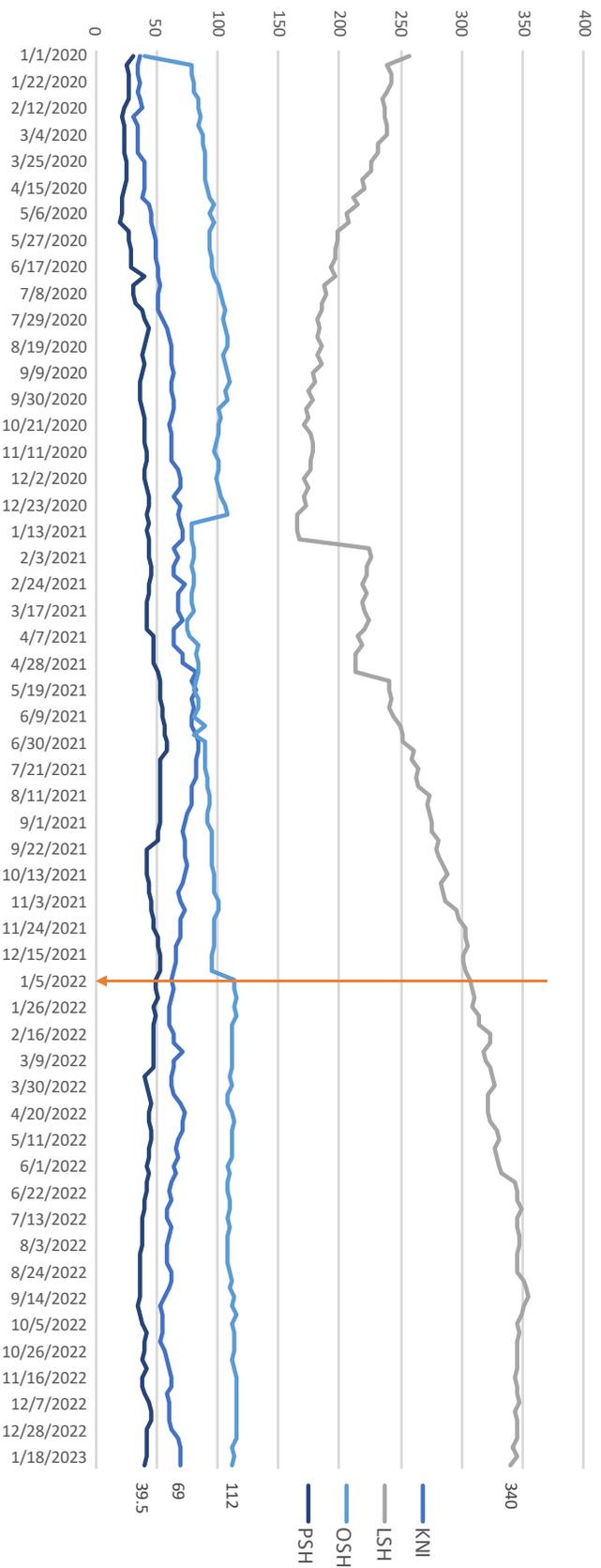
Scott Brunner

Deputy Secretary for Hospitals & Facilities

Kansas Department for Aging & Disability Services

# Number of Vacancies by Hospital (2020 to January 25, 2023)

Mental Health/Developmental Disability Techs, Nursing and Safety and Security Officers



# Vacancy Percentage by Hospital (2020 to January 25, 2020)

Mental Health/Developmental Disability Techs, Nursing and Safety and Security Officers

