

Approved: 3/23/2011
Date

MINUTES OF THE HOUSE GOVERNMENT EFFICIENCY COMMITTEE

The meeting was called to order by Chairman Mike Burgess at 3:30 p.m. on March 16, 2011 in Room 546-S of the Capitol.

All members were present except:

Representative Rocky Fund
Representative Charles Roth

Committee staff present:

Julian Efird, Legislative Research
Iraida Orr, Legislative Research
Katherine McBride, Revisor of Statutes
Renae Jefferies, Revisor of Statutes
Linda Herrick, Committee Assistant

Conferees appearing before the Committee:

Jane Carter, Executive Director, Kansas Organization of State Employees

Others attending:

(See list attached.)

Chair Burgess announced that we will delay action on **HB 2268 - Relating to the collection of licenses, fees, charges, taxes and exactions** until tomorrow.

The Chair opened discussion on **Substitute for HB 2221 -- Relating to the employee award program**. This bill has had a great amount of discussion on how best to provide a state employee incentive program for suggestions which are implemented on cost savings and efficiencies for the state.

The Chair called Jane Carter to provide additional information on what employee award programs other states have implemented (Attachment 1). She noted the State of Montana is the best example with their program that began in 1993. The program had greater success after it was advertised on bulletin boards, first page of state employee web site, etc. Each state agency administers its own incentive award program. Their program offers both monetary amounts and leave time. In 2009, one employee received \$4,461 for actual savings of \$44,614; and in 2010, nine employees received a total of \$1,750 for their suggestions for cost savings of \$4,800. A report detailed each innovation and award for the last two years. The overall winner for outstanding savings was recognized by the Governor and received a palladium metal worth \$500.

Ms. Carter noted the Colorado plan was modeled after the US Air Force whereby employees receive 5% up to \$5,000 of the realized savings. Agencies receive 25% up to \$25,000 of the realized savings. The remaining amount goes to the state general fund. North Dakota is just developing its program and if approved, the employee would receive 20% of the first year's savings realized up to a maximum of \$2,000. She added that 5% is the incentive in most states, and the most critical part of such a program is the advertising, which would be a small cost to the state. Chair Burgess talked with Peggy Davis, Department of Administration in Montana, who indicated the program, when advertised, was a great success. The next year they did not advertise and the number of suggestions dropped. The recognition is as important to employees as the cash payment. Chair Burgess thanked Ms. Carter for the information from other states. Iraida Orr, Legislative Research, also provided the Committee with information on other employee incentive programs (Attachment 2).

Katherine McBride then provided an explanation of the balloon amendment to this bill. A section of the bill was changed to address both monetary and non-monetary awards to explain that the latter may include but would not be limited to a medal, annual award luncheon, or public recognition by the Kansas House or Kansas Senate. The non-monetary award would not exceed \$3,500. Monetary awards would be in the amount of 10% of the cost reduction of the implemented suggested savings up to a maximum of \$5,000. Multiple employees would share up to a maximum of \$5,000. The agency would receive 10% of the documented cost reduction and the balance would go to a separate special revenue fund or funds to be administered by that state agency. Each state agency would establish a state employee suggestion program, and the Secretary of Administration would adopt rules and regulations to provide oversight and administrative review of agency award and recognition programs.

Representative DeGraaf provided a proposed balloon amendment as well. A definition of "state agency" was added, which included the legislative and judicial branches. This amendment provides for the Secretary of Administration to establish the state employee suggestion program for cost reductions for all state agencies, but that suggestions would be submitted to the employee's respective state agency for consideration. A paragraph was added to cover multiple employees making similar suggestions.

CONTINUATION SHEET

The minutes of the House Government Efficiency Committee at 3:30 p.m. on March 16, 2011, in Room 546-S of the Capitol.

It was the desire of the committee that in the definition of "state agency," individuals on legislative committees and legislators were excluded. It was also determined that a definition of "state employee" was unnecessary. After this discussion, the Chair indicated he would entertain a motion on the bill. It was moved by Representative DeGraaf to accept the first balloon amendment presented, seconded by Representative Johnson, and the Committee unanimously voted to approve the amendment.

The Committee then addressed the balloon amendment presented by Representative DeGraaf. It was moved by Representative DeGraaf and seconded by Representative Hoffman to approve the entire balloon amendment except for a clarification of the Secretary of Administration and the multiple employee award. The Committee voted to approve the motion.

The Committee next discussed whether it was appropriate for the Secretary of Administration to oversee the state employee suggestion program for all state agencies. It was moved by Representative DeGraaf and seconded by Representative Howell to approve the balloon pertaining to the single employee incentive program administered by the Secretary of Administration. The Committee voted to pass the motion.

Representative DeGraaf noted that the next section of the balloon explained multiple employee awards up to a maximum of \$5,000 per employee and that the head of the state agency shall make the final determination as to each employee's percentage contribution award. It was moved by Representative DeGraaf and seconded by Representative Howell to approve this section of the amendment. There was some discussion and it was the Committee's intent that there should be a cap on the maximum amount of the award and that overall it should not exceed 10% of the cost savings and not to exceed \$5,000 per employee. The Committee voted to approve this section of the amendment.

There was a question about the expired employee incentive program and how much had been paid to employees. It was noted there were a total of 24 awards amounting to just under \$24,000 over three fiscal years amounting to 10% of the total savings.

Discussion ensued about whether to exclude elected and appointed officials with some Committee members feeling this was unnecessary. It was moved by Representative Trimmer, seconded by Representative Ruiz, and the Committee approved the motion to exclude elected and appointed officials from the incentive program.

Representative Johnson moved for favorable passage of the bill as amended, seconded by Representative DeGraaf, and the Committee voted to approve the motion.

Committee members expressed a desire to see this amended bill as noted with the motions above.

The next meeting is scheduled for Thursday, March 17, 2011.

The meeting was adjourned at 4:45 p.m.

HOUSE GOVERNMENT EFFICIENCY AND FISCAL OVERSIGHT COMMITTEE

GUEST LIST

DATE: 3-16-2011

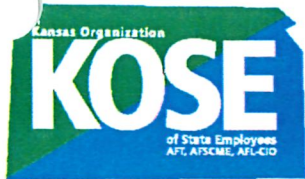
NAME	REPRESENTING
Timmy Kay Monk	KOSE
JAY HAREMZA	KOSE
Margaret Williams	KOSE
George A. Buchanan	KOSE
Cal Parker	KOSE
Elizabeth Carpenter	KOSE
Synthia Lewis	KOSE
Scott Fawcett	KOSE
J. Brigitte Pearl	KOSE
Jane Carter	KOSE
JOHNNY W. AUGMON	KOSE
RS Wilson	KOSE
Natalie Brice	KS SHRM
Kraig Knowlton	Dept of Administration
Melissa Ward	hain law Firm
Liba Jones	INR
Ruth Bell	KOSE
Wilma J. Hutchison	KOSE
Lessee Green	KOSE

**HOUSE GOVERNMENT EFFICIENCY AND FISCAL
OVERSIGHT COMMITTEE**

GUEST LIST

DATE: 3-16-2011

[illegible]



A New Day... A Better Way... For State Employees

Testimony before the
House Government Efficiency and Oversight Committee

On
HB 2221

By
Jane Carter, Executive Director
Kansas Organization of State Employees
March 16, 2011

Mr. Chairman and members of the committee:

My name is Jane Carter and I am the Executive Director of the Kansas Organization of State Employees (KOSE) representing 11,000 state employees of the executive branch. I appreciate the opportunity to speak before the Committee in support of HB 2221.

We appreciate the committee's continued work on this bill. KOSE has stated time and again that if you want to find waste in state government, you have to ask an employee. Much like other states and other governmental bodies, an employee reward program can be very beneficial. In Kansas we have been told again and again that we must cut the waste from our state agencies. There is no better time for us to encourage state employees to identify waste and inefficiencies than the present.

Many states have revived Employee Incentive Programs in order to eliminate inefficiencies. Below are such examples. Also, attached to this testimony are samples of language and reports.

Montana:

Legislation enacted in 1993 defines the current Employee Incentive Program. Currently, each agency administers its own program. Using the guidelines in Montana law, agency heads may recognize innovations and grant incentive awards. Members of the public can also participate. Monetary amounts as well as leave time are offered. Additionally, the Governor awards a medal for outstanding savings. Attached is a report by the Montana Department of Administration, State Human Resources Division, which is quite helpful. The report breaks down each case of innovation and award for the last 2 years.

Colorado:

Colorado modeled their EIP after the US Air Force. In Colorado, the state auditor reviews the realized savings and verifies the savings. Employees receive 5%, up to \$5000 of the realized savings, in a one time payment. Agencies receive 25%, up to \$25,000, of the realized savings. The remaining amount of the realized savings goes to the SGF, similar to HB 2221. Attached to this testimony is the Colorado statute.

North Dakota:

If the recommendation or proposal is approved, the state employee is entitled to receive 20% of the first year's savings realized, up to a maximum of \$2,000.



A New Day... A Better Way... For State Employees

North Carolina:

Attached is a an explanation of the policy and the procedure from North Carolina's DHHS. Types of awards may be monetary or non-monetary. Monetary awards are based on 20% of the annualized savings or increased revenues up to a maximum of \$20,000 for a state employee. If a team of employees makes the suggestion, the bonus shall be divided equally among all team members, but no employee may receive more than \$20,000. A team may not receive more than \$100,000. NC also offers non-monetary awards, such as leave. Non-monetary awards include paid leave and certificates.

We urge the Committee to support employees coming forward to root out waste, fraud, or any other inefficiency in state government.

Fiscal Year 2009 - 2010

Employee Incentive Program Report

FOR MONTANA STATE GOVERNMENT



**State Human Resources Division
Department of Administration**



**Department of Administration
State Human Resources Division
State of Montana**

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Helena Montana 59620-0127

(406) 444-3871
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August 30, 2010

Montana State Legislature
State Capitol
Helena, MT 59620

RE: Incentive Award Program 2009 - 2010 Biennial Report

Legislators:

This is our report of the activity during fiscal years 2009 and 2010 for the State of Montana Incentive Award Program. This report contains a list of award recipients, award amounts, and resulting or projected savings and improvements. The report also contains a list of Governor's Efficiency Award for state employee recipients. The Governor's Efficiency Award is part of the overall Incentive Award Program.

Brent Reinhardt, State Human Resources Division, authored and produced this report with the assistance of agency staff. If you have questions about this report or general questions about the Incentive Award Program, please contact Brent at 406-444-3852 or e-mail him at breinhardt@mt.gov.

We commend these and other state employees who, through their ingenuity and dedication, help make state government work more effectively.

Respectfully submitted,

Peggy Davis
State Human Resources Division, Bureau Chief

Table of Contents

Program Background	1
Overview	2
Summary for Fiscal Year 2009.....	2
Summary for Fiscal Year 2010.....	2
Report for Fiscal Year 2009	3
Report for Fiscal Year 2010	5
References	9

Program Background

This report is the 2009 and 2010 review of the Incentive Award Program.¹ It contains a list of incentive awards agencies granted during fiscal years 2009 and 2010 and the corresponding savings to the state or improvements in the effectiveness of state government.

The Incentive Award Program recognizes and rewards individuals and teams of state employees as well as non-employees for innovations significantly contributing to the efficiency, economy, or other improvements to state government. Agencies may present incentive awards in the form of money, paid leave or other forms of non-monetary recognition.

The program is a result of legislation enacted in 1993.² Each agency administers its own incentive award program. An agency head may choose to grant incentive awards and determine their monetary value. The general public may also submit ideas to improve government operations and become eligible to receive an incentive award.

The program provides the basis for the Governor's Efficiency Award, which Governor Schweitzer created in May of 2005. Winners of the Governor's Efficiency Award receive a palladium medal presented by the Governor's office.

The current administration has actively promoted both the Incentive Award Program and the Governor's Efficiency Award. In early 2010, the Governor and Lieutenant Governor's offices actively asked for money savings ideas as part of the Montana Accountability Partnership. The winner received a palladium medal donated by the Stillwater Mine worth about \$500.

¹ § 2-18-1103, MCA

² §2-18-1101, et seq., MCA

Overview

The Department of Commerce was the only agency to present awards under the Incentive Award Program. Three team and four individual awards were presented totaling 12 recipients. Cash awards totaled \$6,211.

Department of Commerce documented actual cash savings of \$49,414.18. Detailed information about award amounts and actual savings follow.

Summary for Fiscal Year 2009

The Department of Commerce presented one incentive program award of \$4,461 for actual savings of \$44,614. Table One provides a summary of the award and Table Two provides an individual description.

One team was recognized by Governor Schweitzer as recipients of the Governor's Efficiency Award. Table Three is a summary of the award and Table Four provides a description of the Governor's Efficiency Award and the recipients by agency.

Summary for Fiscal Year 2010

The Department of Commerce presented six incentive awards in fiscal year 2010. They presented four individual awards and two team awards. Nine employees received a total of \$1,750 for their suggestions for actual savings of \$4,800. Table Five provides a summary of award totals and actual savings. Table Six provides individual descriptions of the incentive awards.

One individual was recognized by Governor Schweitzer as a recipient of a palladium medal as part of the Montana Accountability Partnership suggestion program. Table Seven provides a summary of the award and Table Eight provides an individual description.

Report for Fiscal Year 2009

Table One
Summary of Employee Incentive Program Awards

Agency	Recipients	Award Totals	Actual Savings	Projected Savings
Commerce	3	\$4,461	\$44,614	N/A

Table Two
Descriptions of Employee Incentive Program Award by Agency

Department of Commerce

Recipients: Linda McClure, Robert Webster, and Beverly Clancey

Division or Work Unit: Montana Promotions Division

Date award presented: January 5, 2009

Award Amount: \$1,487 each

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

The employees determined and verified that the State of Montana's Central Mail has the ability and capability to send mail using the "Bound Printed Matter" class for all flats and packages. Armed with this knowledge and packaging the mail slightly differently and following the specific rules, significant cost savings occur by mailing this class versus regular mail.

Table Three
Summary of Governor's Efficiency Awards

Agency	Recipients	Award	Actual Savings	Projected Savings
Various	Team	13 certificates	TBD	TBD

Table Four
Descriptions of Governor's Efficiency Awards by Agency

Recipients:

Department of Administration: Janet Kelly, Sheryl Olson,
Tom O'Connell, Joe Triem, Dick Clark

Department of Transportation: Jim Lynch and Angie Gifford

Department of Environmental Quality: Richard Opper, Tom Livers,
Paul Cartwright, David LeMieux,
Lou Moore

Department of Labor and Industry: Tammy LaVigne

Date award presented: May 2009

Award: Governor Schweitzer signed and presented certificates to these leaders.

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

These leaders were recognized for their outstanding commitment to inspire state employees to be more efficient in their workday by encouraging more efficient use of state resources and promoting the "20 x 10" initiative.

Report for Fiscal Year 2010

Table Five
Summary of Employee Incentive Program Awards

Agency	Recipients	Award Totals	Actual Savings	Projected Savings
Commerce	9	\$1,750	\$4,800	N/A

Table Six
Descriptions of Individual Employee Incentive Program Awards by Agency

Department of Commerce

Recipients: Brian Price, Corrie Hahn, and Lonie Stimac

Division or Work Unit: Promotions and Business Resources

Date award presented: December 7, 2009

Award amount: \$1,500

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

Staff from the Montana Promotions Division and Business Resources Division, suggested combining their efforts to put together a Made in Montana database. This team worked cooperatively to reconfigure the Promotion Division database making it useable for Made in Montana. This suggestion would save the cost of creating, developing, and staff consultation time working with contractors in this process. The Montana Promotions Division agreed to house the Made in Montana web site on its internal server saving the Business Resources Division \$400 per month. The 2001 Montana Promotion Division developed the database for approximately \$250,000. It is assumed today it would still cost at least that amount to create a database with the functionality necessary for Made in Montana. The elimination of the fee for housing the database will result in at least a \$4,800 per year budget savings. After reviewing the suggestion, it was put into place when staff finished configuring an Oracle portal to a Made in Montana database.

Recipients: Janice Wannebo and Lori Lynn Gilliland

Division or Work Unit: Business Resource

Date award presented: December 30, 2009

Award Amount: \$75

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

This team recommended the agency install door sweeps on the first floor entry doors. The sweeps provide heat efficiency, reduce drafts, and allow the ventilation system to work properly. Overall the sweeps would create a more energy efficient building.

Recipients: Jeannene Maas

Division or Work Unit: Housing Division

Date award presented: August 21, 2009

Award amount: \$25

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

The employee suggested the use of an excel spreadsheet to list all credit card expenses on a monthly basis and forward to their supervisor for approval via email. Reports could be developed from the electronic spreadsheets instead of the paper copies.

Recipients: Lonie Stimac

Division or Work Unit: Business Resources

Date award presented: August 21, 2009

Award amount: \$25

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

The employee suggested installing an inexpensive timer on each water dispenser that would turn off the electricity at 5:00pm and back on at 7:00am. There are weekend timers that will shut off electricity on Saturday and Sunday as well.

Recipients: Fran Viereck

Division or Work Unit: Business Resources

Date award presented: August 21, 2009

Award amount: \$25

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

The employee suggested using www.freeconferencecalls.com to make conference calls because there is no set-up fee. This application provides a maximum number of 150 participants and up to three hours of conference time. The idea prompted the agency to research and use GoToWebinar which is more efficient.

Recipients: Lonie Stimac

Division or Work Unit: Business Resource

Date award presented: November 24, 2009

Award amount: \$25

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

The employee suggested the agency and state purchase Solar Bug electric cars for short errands. Purchasing and using the zero-emission vehicles sends a strong message to all Montanans that state government is willing to lead the way in the fight against global warming and in the conservation of precious resources whether they be in the form of gas, time, or citizen tax dollars. The suggestion was sent to the Lt. Governor's office for further review where it was determined it did not meet the criteria for a Governor's Efficiency Award.

Table Seven
Summary of Governor's Efficiency Award

Agency	Recipients	Award	Actual Savings	Projected Savings
Administration	Jerry Kozak	1 medal	TBD	\$400,000 annually

Table Eight
Description of Governor's Efficiency Award for Fiscal Year 2010

Recipient: Jerry Kozak

Division or Work Unit: Information Technology Services Division.

Date award presented: May 20, 2010

Award: A palladium medal was presented to Jerry at the Capitol by Governor Schweitzer.

Description of how the idea eliminated or reduced agency expenditures or improved effectiveness of state government or improved agency services without increasing costs:

Jerry's idea to extend the computer replacement cycle from four years to five years will save nearly \$400,000 annually.

References

Incentive Award Program Policy (ARM 2.21.6701 through .6718)

To view the policy online, see

<http://hr.mt.gov/hrpp/policiesguides.mcp>

and click on Incentive Award Program.

**Prepared by
Department of Administration
State Human Resources Division**

Alternative formats may be obtained through the State Human Resources Division, Department of Administration, 125 N. Roberts St., PO Box 200127, Helena, MT 59620-0127. Telephone 406-444-3871. Those using a TTY may call the Montana Relay Service at 711.

This report is available electronically at
http://www.hr.mt.gov/content/hrpp/docs/Reports/EmployeeIncentiveProgramReport2009_2010.pdf on the Montana state web page. No printing or distribution costs were incurred.

What's the **BIG IDEA?!** (or small)



The State of
Montana wants
YOURS!

*Turn this over to find out
what's in it for **YOU**...*

“You could get 40 hours off, \$500, up to \$17,000 depending on your suggestion/idea and how much you save the state!”

What is the Employee Incentive Program?

The Employee Incentive Program (EIP) recognizes and rewards individuals and teams of state employees and non-employees for innovations that significantly contribute to the efficiency, economy, or other improvement of state government. The award can be in the form of money, paid leave or other non-monetary recognition.

How does EIP work now?

Legislation enacted in 1993 defines the current Employee Incentive Program. Now each agency administers its own program. Using the guidelines in Montana law, agency heads may recognize innovations and grant incentive awards.

If I’m not a state employee but I have a good idea can I submit it?

Yes. The general public, or people outside the ranks of state employees, may also submit ideas to improve government operations and receive awards.

How do I submit my idea?

Go to the MINE website or your HR office and submit your ideas using the Employee Incentive Award Program Suggestion form.

“Agency HR offices are the points of contact or State Human Resources Division at #3871”

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



HOUSE BILL 10-1264

BY REPRESENTATIVE(S) Priola, Acree, Apuan, Casso, DelGrosso, Gerou, Kefalas, Kerr J., Labuda, Lambert, Liston, Looper, Massey, Primavera, Rice, Summers, Todd, McFadyen, Murray, Nikkel, Roberts; also SENATOR(S) Heath, Bacon, Gibbs, Newell, Penry, Romer, Williams.

CONCERNING THE ESTABLISHMENT OF AN INCENTIVE PROCESS WHEREBY
STATE EMPLOYEES CAN SUBMIT SUGGESTIONS FOR STATE AGENCY
IMPROVEMENTS THAT RESULT IN COST SAVINGS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Article 50 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 9
STATE EMPLOYEES' IDEAS THAT IMPROVE STATE
GOVERNMENT OPERATIONS

24-50-901. Legislative declaration. THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT IT IS THE POLICY OF THIS STATE TO CONCENTRATE ON IMPROVING THE EFFICIENCY AND EFFECTIVENESS OF STATE GOVERNMENT IN ORDER TO PROVIDE BETTER SERVICE TO THE RESIDENTS AND TAXPAYERS OF THE STATE OF COLORADO, TO INCREASE

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

STATE GOVERNMENT PRODUCTIVITY, AND TO DECREASE STATE GOVERNMENT COSTS AND WASTE. THE GENERAL ASSEMBLY RECOGNIZES THAT ONE METHOD OF ACHIEVING A MORE EFFICIENT AND EFFECTIVE STATE GOVERNMENT IS TO ENCOURAGE THE INVOLVEMENT OF STATE EMPLOYEES IN THE DEVELOPMENT OF INNOVATIVE IDEAS THAT WILL INCREASE THE PRODUCTIVITY AND SERVICE LEVEL OF STATE GOVERNMENT WHILE DECREASING THE COSTS OF STATE GOVERNMENT. THE GENERAL ASSEMBLY REALIZES THAT EMPLOYEE INCENTIVE PROGRAMS THAT REWARD STATE EMPLOYEES FOR INNOVATIVE IDEAS BY ALLOWING AND INCENTIVIZING THE EMPLOYEES TO SHARE THE COST SAVINGS RESULTING FROM SUCH INNOVATIVE IDEAS WILL HELP ENCOURAGE EMPLOYEE INVOLVEMENT IN MAKING STATE GOVERNMENT MORE EFFICIENT AND EFFECTIVE. THE GENERAL ASSEMBLY FURTHER RECOGNIZES THAT REWARDING STATE EMPLOYEES' IDEAS MAY ALSO INCREASE EMPLOYEE MORALE AND ENTHUSIASM, DECREASE EMPLOYEE TURNOVER, AND IMPROVE CUSTOMER SERVICE.

24-50-902. Definitions. AS USED IN THIS PART 9, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1)(a) "EMPLOYEE" MEANS, EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (1), ALL STATE EMPLOYEES, INCLUDING THOSE EMPLOYEES WITHIN THE STATE PERSONNEL SYSTEM AND THOSE EXEMPT FROM THE STATE PERSONNEL SYSTEM AS SPECIFIED IN SECTION 13 (2) OF ARTICLE XII OF THE STATE CONSTITUTION.

(b) "EMPLOYEE" DOES NOT INCLUDE:

(I) AN EMPLOYEE OF THE OFFICE OF STATE PLANNING AND BUDGETING, THE OFFICE OF THE STATE AUDITOR, THE JOINT BUDGET COMMITTEE, OR THE DEPARTMENT OF PERSONNEL;

(II) AN ELECTED OFFICIAL OR MEMBER OF THE GENERAL ASSEMBLY;
OR

(III) THE EXECUTIVE DIRECTOR, PROGRAM MANAGER, DIVISION DIRECTOR, OR BUDGET OFFICER OF A PRINCIPAL DEPARTMENT, THE PRESIDENT OF A COLLEGE OR UNIVERSITY, OR A DEPUTY OF SUCH DIRECTOR, OFFICER, OR PRESIDENT.

(2) "EXECUTIVE DIRECTOR" MEANS A STATE AGENCY'S EXECUTIVE DIRECTOR OR SIMILAR SENIOR LEVEL MANAGER OR MANAGING DIRECTOR.

(3) "IDEA APPLICATION" MEANS THE APPLICATION DESCRIBED IN SECTION 24-50-903 (1) (a).

(4) "PROJECTED SAVINGS" MEANS AN AMOUNT CALCULATED BY A STATE AGENCY THAT MAY BE REALIZED BY THE AGENCY DIRECTLY AS A RESULT OF AN EMPLOYEE'S IDEA APPLICATION.

(5) "SAVINGS REALIZED" MEANS AN AMOUNT CALCULATED BY A STATE AGENCY THAT WAS ACTUALLY REALIZED BY THE AGENCY DIRECTLY AS A RESULT OF AN EMPLOYEE'S IDEA APPLICATION.

(6) "STATE AGENCY" MEANS ANY DEPARTMENT, BOARD, BUREAU, COMMISSION, DIVISION, INSTITUTION, OFFICE, OR OTHER AGENCY OF THE EXECUTIVE, LEGISLATIVE, AND JUDICIAL BRANCH OF THE STATE GOVERNMENT, INCLUDING INSTITUTIONS OF HIGHER EDUCATION.

24-50-903. State employee idea application. (1) (a) (I) NO LATER THAN OCTOBER 1, 2010, THE STATE PERSONNEL DIRECTOR, OR HIS OR HER DESIGNEE, SHALL CREATE AND MAKE PUBLICLY AVAILABLE TO ALL EMPLOYEES ON THE DEPARTMENT OF PERSONNEL'S WEB SITE AN IDEA APPLICATION, SUBSTANTIALLY SIMILAR TO THE AIR FORCE FORM AF 1000, TO ALLOW EMPLOYEES TO SUGGEST STATE AGENCY IMPROVEMENTS THAT MAY RESULT IN COST SAVINGS AT THE STATE AGENCY WHERE THE EMPLOYEE WORKS. EACH STATE AGENCY EXECUTIVE DIRECTOR SHALL CREATE AGENCY-SPECIFIC SUPPLEMENTAL SUBMISSION MATERIALS TO THE IDEA APPLICATION IF SUCH MATERIALS ARE DEEMED NECESSARY BY THE EXECUTIVE DIRECTOR TO MANAGE THE SUBMISSION PROCESS. EACH STATE AGENCY SHALL POST SUCH MATERIALS ON THEIR RESPECTIVE WEB SITES.

(II) THE IDEA APPLICATION SHALL NOT BE USED FOR IDEAS THAT:

(A) WOULD RESULT FROM OBVIOUS AND PROGRESSIVE NORMAL BUSINESS PRACTICES, SUCH AS A FORESEEABLE EXPECTATION THAT THE IDEA WOULD BE IMPLEMENTED IN A REASONABLE TIME FRAME AS A RESULT OF EVOLVING BUSINESS OR INDUSTRY PRACTICE;

(B) ARE OBVIOUS SOLUTIONS TO MANDATED BUDGET CUTS, SUCH AS

ABOLISHING VACANT FUNDED POSITIONS OR REDUCING STAFF THROUGH LAYOFFS;

(C) RESULT IN COST AVOIDANCE AS THE METHOD OF DOCUMENTING COST SAVINGS, SUCH AS NO OR LOWERED INCREASES IN COSTS FOR STAFF, SUPPLIES, OR EQUIPMENT;

(D) RESULT IN REVENUE ENHANCEMENT AS THE METHOD OF DOCUMENTING COST SAVINGS, SUCH AS NEW OR INCREASED FEES FOR SERVICES; OR

(E) SIMPLY SHIFT THE COST FROM ONE STATE AGENCY TO ANOTHER.

(b) NO LATER THAN OCTOBER 1, 2010, THE STATE PERSONNEL DIRECTOR, OR HIS OR HER DESIGNEE, SHALL ESTABLISH STANDARD EVALUATION CRITERIA SUBSTANTIALLY SIMILAR TO THE EVALUATION CRITERIA USED TO EVALUATE THE AIR FORCE FORM AF 1000, BY WHICH ALL IDEA APPLICATIONS SHALL BE EVALUATED. THE STATE PERSONNEL DIRECTOR, OR HIS OR HER DESIGNEE, SHALL MAKE SUCH CRITERIA AVAILABLE TO ALL EXECUTIVE DIRECTORS. EACH STATE AGENCY EXECUTIVE DIRECTOR MAY ESTABLISH ADDITIONAL EVALUATION CRITERIA SPECIFIC TO HIS OR HER AGENCY IF SUCH CRITERIA ARE DEEMED NECESSARY BY THE EXECUTIVE DIRECTOR TO MANAGE THE SUBMISSION PROCESS.

(c) (I) ANY EMPLOYEE MAY COMPLETE AN IDEA APPLICATION. FOR PROCESSING, THE EMPLOYEE SHALL SUBMIT THE IDEA APPLICATION TO THE EXECUTIVE DIRECTOR OF THE EMPLOYEE'S STATE AGENCY. AN EMPLOYEE SHALL NOT BE RETALIATED AGAINST FOR SUBMITTING AN IDEA APPLICATION.

(II) THE IDENTITY OF AN EMPLOYEE WHO SUBMITS AN IDEA APPLICATION SHALL REMAIN CONFIDENTIAL AND SHALL BE REDACTED FROM THE APPLICATION UNTIL THE EMPLOYEE HAS BEEN DETERMINED TO BE ELIGIBLE FOR AN HONORARY AWARD AS SPECIFIED IN PARAGRAPH (d) OF SUBSECTION (4) OF THIS SECTION, EXCEPT THAT THE IDENTITY OF THE EMPLOYEE MAY BE MADE KNOWN TO THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, FOR PURPOSES OF OBTAINING REASONABLY NECESSARY ADDITIONAL INFORMATION RELATED TO THE IDEA APPLICATION.

(III) (A) THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, SHALL PROVIDE NOTIFICATION OF RECEIPT OF THE IDEA APPLICATION TO THE

EMPLOYEE WITHIN FIFTEEN DAYS AFTER SUBMISSION OF SUCH APPLICATION. THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, MAY AUTOMATICALLY DENY AN IDEA APPLICATION IF HE OR SHE DEEMS SUCH APPLICATION TO BE DUPLICATIVE OF ANOTHER APPLICATION THAT WAS SUBMITTED WITHIN THE PRIOR TWELVE-MONTH PERIOD OR DUPLICATIVE OF A RECOMMENDATION CONTAINED IN AN AUDIT REPORT FROM THE OFFICE OF THE STATE AUDITOR OR ANY PRIVATELY CONTRACTED AUDITOR, A JOINT BUDGET COMMITTEE STAFF DOCUMENT, OR ANY OTHER PUBLISHED EVALUATION OF COLORADO STATE GOVERNMENT. THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, SHALL PROVIDE NOTICE OF AN AUTOMATIC DENIAL WITHIN FIFTEEN DAYS PURSUANT TO THIS SUB-SUBPARAGRAPH (A).

(B) THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, SHALL CAUSE, WITHIN FORTY-FIVE BUSINESS DAYS FROM THE DATE OF SUBMISSION OF AN IDEA APPLICATION THAT WAS NOT AUTOMATICALLY DENIED FOR REASONS LISTED IN THIS SECTION OR AGENCY-SPECIFIC EVALUATION CRITERIA AS DEVELOPED BY AN EXECUTIVE DIRECTOR, A PROJECTED SAVINGS CALCULATION TO BE MADE.

(C) THE EXECUTIVE DIRECTOR SHALL RESPOND WITH A DECISION EITHER APPROVING OR DENYING THE EMPLOYEE'S IDEA APPLICATION WITHIN SIXTY BUSINESS DAYS AFTER THE DATE OF SUBMISSION OF THE IDEA APPLICATION. FOR ANY IDEA APPLICATION THAT IS APPROVED, THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, SHALL IDENTIFY, TO THE EXTENT POSSIBLE, ANY STATE LAWS OR RULES THAT WOULD NEED TO BE CHANGED AS PART OF THE REVIEW AND APPROVAL PROCESS. THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, SHALL SUBMIT A REQUEST FOR LEGISLATION TO THE COMMITTEE OF REFERENCE ASSIGNED TO SUCH EXECUTIVE DIRECTOR'S STATE AGENCY REGARDING ANY APPROVED IDEA APPLICATION THAT REQUIRES LEGISLATION FOR IMPLEMENTATION. IDEA APPLICATIONS THAT DO NOT REQUIRE LEGISLATION FOR IMPLEMENTATION SHALL BE IMPLEMENTED BY THE STATE AGENCY AS SOON AS REASONABLY POSSIBLE, AND NO LATER THAN JULY 1 OF THE FISCAL YEAR FOLLOWING ACCEPTANCE OF THE IDEA APPLICATION.

(IV) A COPY OF ANY EMPLOYEE'S IDEA APPLICATION THAT IS NOT APPROVED, ALONG WITH A COPY OF THE EXECUTIVE DIRECTOR'S RESPONSE, AND ANY DOCUMENT INDICATING THE PROJECTED SAVINGS SHALL BE SUBMITTED BY THE DIRECTOR TO THE OFFICE OF STATE PLANNING AND BUDGETING CREATED IN SECTION 24-37-102, C.R.S., WITHIN SIXTY BUSINESS

DAYS AFTER SUBMISSION OF THE IDEA APPLICATION FOR THE OFFICE OF STATE PLANNING AND BUDGETING TO REVIEW.

(V) THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, SHALL MAINTAIN COPIES OF ALL IDEA APPLICATIONS THAT ARE SUBMITTED, ALONG WITH THE FOLLOWING INFORMATION FOR APPROVED IDEA APPLICATIONS:

(A) A DESCRIPTION OF THE INNOVATIVE IDEA IMPLEMENTED;

(B) THE TOTAL SAVINGS ACHIEVED IN THE FIRST FISCAL YEAR OR FIRST FULL TWELVE-MONTH PERIOD AFTER FULL IMPLEMENTATION;

(C) THE TOTAL DOLLARS AWARDED AS AN INCENTIVE TO THE EMPLOYEE WHO SUBMITTED THE IDEA APPLICATION;

(D) ANY AFFECTED GENERAL APPROPRIATIONS ACT LINE ITEM, IF APPLICABLE; AND

(E) AN EVALUATION OF THE EFFECTIVENESS IN ACHIEVING THE GOALS SET FORTH IN SECTION 24-50-901 OF THE IMPLEMENTED IDEA AND THE HONORARY AWARD TO THE EMPLOYEE.

(2) COMMENCING ON OR AFTER OCTOBER 1, 2010, ALL STATE AGENCIES SHALL ADVERTISE THAT THE IDEA APPLICATION IS AVAILABLE ON THE DEPARTMENT OF PERSONNEL'S WEB SITE ON ANY TYPE OF ELECTRONIC PAYROLL STATEMENTS ISSUED TO EMPLOYEES AND IN ANY ELECTRONIC BROADCAST COMMUNICATION MADE TO EMPLOYEES, SO LONG AS THE ADVERTISEMENT FOR THE IDEA APPLICATION OCCURS AT LEAST MONTHLY.

(3) THE IDEA APPLICATION AND THE ADVERTISEMENT DESCRIBED IN SUBSECTION (2) OF THIS SECTION SHALL INCLUDE INFORMATION RELATED TO THE HONORARY AWARD SPECIFIED IN PARAGRAPH (d) OF SUBSECTION (4) OF THIS SECTION THAT AN EMPLOYEE MAY EARN.

(4) (a) ONCE AN IDEA APPLICATION IS SUBMITTED, REVIEWED, AND ACCEPTED BY THE EXECUTIVE DIRECTOR, OR HIS OR HER DESIGNEE, THE EMPLOYEE SHALL BE INFORMED OF THE HONORARY AWARD HE OR SHE MAY EARN.

(b) THIRTEEN MONTHS AFTER THE INNOVATIVE IDEA DESCRIBED IN

THE IDEA APPLICATION IS FULLY IMPLEMENTED, THE EXECUTIVE DIRECTOR SHALL CALCULATE THE SAVINGS REALIZED FOR THE FIRST TWELVE MONTHS OF FULL IMPLEMENTATION. ALL DOCUMENTATION OF THE SAVINGS REALIZED CALCULATION SHALL BE FORWARDED TO THE STATE AUDITOR FOR REVIEW AND VERIFICATION NO LATER THAN TWO MONTHS AFTER THE TWELVE MONTHS OF FULL IMPLEMENTATION OF THE INNOVATIVE IDEA DESCRIBED IN THE IDEA APPLICATION. THE STATE AUDITOR SHALL HAVE ONE HUNDRED TWENTY DAYS FROM RECEIPT OF THE SAVINGS REALIZED CALCULATION TO:

(I) CONDUCT THE REVIEW AND VERIFICATION OF THE SAVINGS REALIZED CALCULATION; AND

(II) SUBMIT A REPORT WITH HIS OR HER FINDINGS, RECOMMENDATIONS, AND CONCLUSIONS TO THE LEGISLATIVE AUDIT COMMITTEE, WHICH SHALL HOLD A PUBLIC HEARING FOR THE PURPOSES OF A REVIEW OF THE REPORT.

(c) THE STATE AUDITOR'S REPORT DESCRIBED IN SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (4) SHALL BE SUBMITTED TO THE EXECUTIVE DIRECTOR WHO APPROVED THE IDEA APPLICATION AND TO ANY MEMBERS OF THE GENERAL ASSEMBLY WHO CARRIED ANY LEGISLATION TO IMPLEMENT THE IDEA.

(d) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II), (III), AND (IV) OF THIS PARAGRAPH (d), AND UNLESS OTHERWISE PROHIBITED, THE SAVINGS REALIZED AS VERIFIED BY THE STATE AUDITOR AS SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (4) SHALL BE DISTRIBUTED, NO LATER THAN THE LAST DAY OF THE EIGHTEENTH MONTH FOLLOWING THE IMPLEMENTATION OF THE INNOVATIVE IDEA, AS FOLLOWS:

(A) FIVE PERCENT, UP TO FIVE THOUSAND DOLLARS, OF THE SAVINGS REALIZED AS A ONE-TIME HONORARY AWARD TO THE EMPLOYEE WHO SUBMITTED THE IDEA APPLICATION;

(B) TWENTY-FIVE PERCENT, UP TO TWENTY-FIVE THOUSAND DOLLARS, OF THE SAVINGS REALIZED TO THE STATE AGENCY THAT THE EMPLOYEE'S IDEA APPLICATION DIRECTLY AFFECTS; AND

(C) THE REMAINDER AFTER DISTRIBUTIONS ARE MADE PURSUANT TO

SUB-SUBPARAGRAPHS (A) AND (B) OF THIS SUBPARAGRAPH (I) TO THE STATE GENERAL FUND.

(II) FOR A STATE AGENCY THAT CONSTITUTES AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE SAVINGS REALIZED AS VERIFIED BY THE STATE AUDITOR AS SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (4) SHALL BE DISTRIBUTED, NO LATER THAN THE LAST DAY OF THE EIGHTEENTH MONTH FOLLOWING THE IMPLEMENTATION OF THE INNOVATIVE IDEA, AS FOLLOWS:

(A) FIVE PERCENT, UP TO FIVE THOUSAND DOLLARS, OF THE SAVINGS REALIZED AS A ONE-TIME HONORARY AWARD TO THE EMPLOYEE WHO SUBMITTED THE IDEA APPLICATION;

(B) THE REMAINDER, AFTER THE DISTRIBUTION MADE PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II), TO THE STATE AGENCY AND TO THE GENERAL FUND. THE AMOUNT DISTRIBUTED TO THE GENERAL FUND SHALL BE THE SAME PERCENTAGE OF THE SAVINGS REALIZED THAT THE STATE AGENCY RECEIVES IN TOTAL ANNUAL REVENUES FROM THE STATE GENERAL FUND.

(III) IF THE SAVINGS REALIZED RESULT IN SAVINGS OF FEDERAL MONEYS, THE FEDERAL MONEYS SAVED SHALL NOT BE DISTRIBUTED AS SPECIFIED IN THIS PARAGRAPH (d) BUT SHALL EITHER BE USED FOR A REALLOCATION OF MONEYS WITHIN THE STATE AGENCY OR SHALL REVERT, DEPENDING ON THE USE SPECIFIED FOR THOSE PARTICULAR FEDERAL MONEYS.

(IV) IF THE SAVINGS REALIZED RESULT IN SAVINGS OF MONEYS FROM PUBLIC OR PRIVATE GRANTS, GIFTS, AWARDS, OR DONATIONS WHERE THE USE OF SUCH MONEYS IS RESTRICTED, SUCH RESTRICTED MONEYS SHALL NOT BE DISTRIBUTED AS SPECIFIED IN THIS PARAGRAPH (d) BUT SHALL EITHER BE USED FOR A REALLOCATION OF MONEYS WITHIN THE STATE AGENCY OR SHALL REVERT, DEPENDING ON THE USE SPECIFIED FOR SUCH PARTICULAR RESTRICTED MONEYS.

(e) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH (e), THE STATE AGENCY MAY USE THE DISTRIBUTION SPECIFIED IN SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I) OF PARAGRAPH (d) OF THIS SUBSECTION (4) FOR ANY PROJECTS THAT WOULD INCREASE THAT

STATE AGENCY'S EFFICIENCY OR IMPROVE SERVICES PROVIDED TO STATE RESIDENTS, BUT THE DISTRIBUTION SHALL NOT BE USED TO HIRE ADDITIONAL FULL-TIME EQUIVALENT EMPLOYEES OR FOR PERSONNEL SERVICES EXPENDITURES OTHER THAN THE DISTRIBUTION SPECIFIED IN SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (I) OF PARAGRAPH (d) OF THIS SUBSECTION (4).

(II) ANY SAVINGS REALIZED DISTRIBUTED TO THE DEPARTMENT OF TRANSPORTATION PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I) OF PARAGRAPH (d) OF THIS SUBSECTION (4) SHALL BE TRANSFERRED TO THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219, C.R.S., AND SHALL ONLY BE USED FOR MATERIAL COSTS OF ROAD AND BRIDGE REPAIRS.

(III) THIS PARAGRAPH (e) SHALL NOT APPLY TO A STATE AGENCY THAT CONSTITUTES AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(5) NOTHING IN THIS PART 9 SHALL BE CONSTRUED TO PROVIDE EMPLOYEES WITH ANY GRIEVANCE, DISPUTE RESOLUTION, OR APPEALS PROCESS WITH REGARD TO ANY IDEA APPLICATION SUBMITTED BY THE EMPLOYEE.

SECTION 2. Act subject to petition - effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part shall not take effect unless

approved by the people at the general election to be held in November 2010 and shall take effect on the date of the official declaration of the vote thereon by the governor.

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO

DHHS POLICIES AND PROCEDURES

Section V:	Human Resources
Title:	Safety and Benefits
Chapter:	State Employee Incentive Bonus Program
Current Effective Date:	4/1/04
Revision History:	7/1/03
Original Effective Date:	5/1/99

Purpose

The purpose of this policy is to recognize and reward cost-saving and revenue-increasing innovations of state employees.

Policy

It is the policy of the department to offer employees the opportunity to make suggestions through the State Employee Incentive Bonus Program administered by the Office of State Personnel in compliance with [N.C.G.S. 143-345.20-25](#).

Implementation

The Office of State Personnel administers the SEIBP and State Review Committee. The Department of Health and Human Services (DHHS) suggestions shall be submitted to the employee's division/facility/school Human Resources (HR) offices and, following appropriate review by the division/institution director, will be forwarded to the DHHS SEIBP Coordinator who will forward the suggestion to the DHHS SEIBP Review Committee (hereinafter DHHS Review Committee). The DHHS Review Committee will evaluate each suggestion for efficacy, cost-effectiveness, quality of service, and may include the solicitation of expert/technical evaluation. The DHHS Review Committee may recommend suggestions for implementation, pilot-implementation, or non-acceptance and forward those suggestions recommended for implementation or pilot implementation to the State Review Committee.

The nine-member State Review Committee shall review suggestions forwarded by the department to ensure that savings or increased revenues result, that quality of services improve and that positive effects are generated.

1. DHHS and State Review Committee Membership

- A. Membership of the department and state review committees shall be balanced by age, sex, race and handicapping condition. The DHHS Review Committee will include one (1) member from each of the following divisions:

- 1. Division of HR

2. Division of Budget, Planning and Analysis
3. Office of Internal Audit
4. Office of the Controller
5. Office of Public Affairs
6. Division/Facility/School Subject Matter Expert, as needed

B. The State Review Committee will include one (1) member from each of the following:

1. Office of State Budget and Management
2. Department of Labor
3. Office of State Personnel
4. Department of Justice
5. SEIBP Program Coordinator
6. University of North Carolina system
7. One (1) state employee appointed by the Speaker of the House
8. One (1) state employee appointed by the President Pro Tempore of the Senate
9. One (1) state employee appointed by the Governor upon the recommendation of the State Employees Association

2. Eligibility

A. An employee is eligible to participate in the SEIBP if the employee is:

1. A contributing member to the State Employees Retirement System; or
2. Receiving wages from the state as a part-time or temporary worker, but is not a contributing member of the State Employees Retirement System.

B. A suggestion will not be considered if it:

1. Duplicates another suggestion or is a suggestion for which an award has already been granted;
2. Concerns matters currently being administratively considered;
3. Concerns a personal grievance or complaint;
4. Concerns compensation or classification;
5. Proposes following established procedures that are not being followed; or
6. Results from contracted audits, studies, surveys, research, etc.

3. DHHS Procedure

The DHHS and State Review Committees have the following time frames and procedures to review suggestions:

Section V:	Human Resources	Page 2 of 5
Title:	Safety and Benefits	
Chapter:	State Employee Incentive Bonus Program	
Current Effective Date:	4/1/04	

- A. Suggestion forms are available from division/facility/school HR offices. Ideas or innovations shall be thoroughly explained on an official suggestion form, using additional paper if necessary. Suggestions shall be well researched and specifically detail any cost-savings, revenue enhancements, and/or service improvements. Incomplete or sketchy ideas will be returned to the originator. Suggestions will be time and date stamped as received by the HR office to determine which comparable suggestions are eligible for review.
- B. Employee suggestions shall be submitted by the originating employee or team to their division/facility/school HR office. The suggestion shall then be sent to the director of the division/facility/school where a review will be conducted by the director, or designee, to ensure the suggestion has not been previously entertained within the agency and to offer evaluative information to the Review Committee. The division/facility/school recommendation, regardless of the evaluation outcome of the suggestion, shall be forwarded to the DHHS Coordinator within 20 days.
- C. The DHHS Review Committee has a maximum of 160 days to review the suggestion after it receives a recommendation from a division/facility/school director. The DHHS Review Committee shall review the suggestion and recommend implementation or pilot implementation to the State Review Committee or return the suggestion without further action. If the DHHS Review Committee does not accept the suggestion, the employee or team submitting the suggestion has 15 calendar days from the date of notification to appeal the decision to the State Review Committee.
- D. Upon receipt from the DHHS Review Committee, the State Review Committee has 60 days to make a final decision.
- E. Upon acceptance and after one (1) year of successful implementation of a suggestion, payment is made to the employee or team from monies saved as outlined in the following methodology.

4. Methodology

- A. The Office of State Personnel shall establish the SEIBP Reserve Fund into which DHHS shall deposit all savings. The funds may be encumbered to ensure payment to the General Fund, the suggestor and for distribution per statute (see next). When all reversion requirements are met, the Office of State Personnel shall transfer to DHHS the funds required to award the suggesting employee or team.
- B. Funds saved or increased shall be distributed as follows: 20% to suggestor (up to \$20,000); 10% to the implementing agency for nonrecurring budget items to

be utilized by DHHS to provide equipment, supplies, training and limited recognition for the division/facility/school responsible for implementation; 10% to Office of State Personnel for administration of SEIBP; 10% to the State Employee Education and Training Fund administered by OSP; and the remaining 50% to the General Fund.

- C. Some suggestions are capital intensive, have large start-up costs or involve unconventional processes that require longer than 12 months to implement. In these cases, implementation costs may be prorated and averaged over a maximum 3-year period. The amount of the average annual savings minus the average annual implementation cost shall be used as the basis for an award.

5. **Monetary and Non-Monetary Awards**

Types of awards may be monetary or non-monetary. Monetary awards will be based on 20% of the annualized savings or increased revenues up to a maximum of \$20,000 for a state employee. If a team of employees makes the suggestion, the bonus shall be divided equally among all team members, but no employee may receive more than \$20,000. A team may not receive more than \$100,000.

- A. **Monetary Award** - If the State Review Committee approves a monetary award, a lump sum payment will be made to the employee no sooner than 12 months from the date the suggestion is implemented in order to permit an accurate financial assessment. The Secretary of DHHS shall designate the "team" to be awarded before the suggestion is forwarded to the State Review Committee for ratification. When suggestions cross departmental lines, the State SEIBP Coordinator will designate the team to be awarded in consultation with the departments involved.
- B. **Non-Monetary Awards** - Non-monetary awards will be granted for suggestions resulting in intangible (quality of service) benefits to the state. They will be based on a point system relative to impact, ingenuity and degree of improvement and related costs. Awards will range from certificates to paid leave. Any leave awarded must be taken within 12 months. If the employee separates from state employment prior to using his/her unpaid leave, the leave award will not be paid.

6. **SEIBP Conditions**

- A. All suggestions, once submitted, become the property of the state. Decisions by the State Review Committee are final and are not subject to further review.
- B. If a suggestion is not adopted, it will remain active for one (1) year from the date of final disposition.

Section V:	Human Resources	Page 4 of 5
Title:	Safety and Benefits	
Chapter:	State Employee Incentive Bonus Program	
Current Effective Date:	4/1/04	

- C. Employee or team suggestions shall not be the basis of further claims of any kind by the suggestors, their heirs, or assigns.
- D. The state retains the right to terminate the State Employee Incentive Bonus Program at any time without notice.

For questions or clarification on any of the information contained in this policy, please contact [Human Resources](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).

Montana Code Annotated 2009

[Previous Section](#) [MCA Contents](#) [Part Contents](#) [Search](#) [Help](#) [Next Section](#)

2-18-1105. Eligibility for award. (1) Except as provided in subsection (3), an employee, a group or team of employees, or a nonemployee is eligible for an incentive award for innovations that:

(a) significantly contribute to achievements or outcomes eliminating or reducing an agency's expenditures; or

(b) improve the effectiveness of state government or improve services to the public by permitting more work to be accomplished within an agency without increasing the cost of governmental operations.

(2) To be eligible for an incentive award, an employee, a group or team of employees, or a nonemployee must receive approval from agency management for immediate implementation, for a short-term test of an idea or innovation, or for the development and testing of a prototype that could make significant improvement in the way an agency conducts business by addressing fiscal, customer service, efficiency, or safety issues.

(3) A director, as defined in [2-15-102](#), or a legislator is not eligible for the incentive award provided for under this part.

(4) Suggestions relating to an agency are eligible for an award from that agency's agency head even if the employee or group or team of employees, or one or more members of the group or team, do not work for that agency.

History: En. Sec. 5, Ch. 552, L. 1981; amd. Sec. 1, Ch. 61, L. 1983; amd. Sec. 2, Ch. 103, L. 1985; amd. Sec. 4, Ch. 23, Sp. L. November 1993; amd. Sec. 13, Ch. 417, L. 1997.

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Montana Code Annotated 2009

[Previous Section](#) [MCA Contents](#) [Part Contents](#) [Search](#) [Help](#) [Next Section](#)

2-18-1106. Agency head to grant award -- amount and source of award. (1) An agency head may grant an incentive award to an employee, a group or team of employees, or a nonemployee who has made a significant contribution to achievements or outcomes in the agency, as enumerated in [2-18-1105](#). An employee or a member of a group or team of employees need not be employed by the agency that benefits from the achievement or outcome and whose agency head grants the award in order to be granted an award.

(2) If agency management determines that an idea, innovation, or prototype that has been implemented will result in cost savings or improvements to agency operations, the agency head, at the agency head's discretion, may grant an incentive award of up to \$500, up to 40 hours paid leave time, or other nonmonetary recognition.

(3) If an achievement or outcome produces cost savings that can be measured after the savings are actually realized or that can be accurately projected for a period of 12 months following implementation, a larger award may be granted by the agency head. The amount of the award must be determined by the agency head but may not exceed:

- (a) 10% of the first \$100,000 of cost savings actually realized or accurately projected; plus
- (b) 5% of the next \$100,000 of cost savings actually realized or accurately projected; plus
- (c) 2% of the next \$100,000 of cost savings actually realized or accurately projected.

(4) (a) If the award is to be divided between two or more persons, the agency head shall determine the amount each person is to receive.

(b) Each person must be paid in one lump sum no later than 90 days after the end of the 12-month period following implementation of the suggestion. However, an agency head may pay an award at any time that savings can be determined. The agency head shall pay the award from the agency's budget. This award is in addition to the recipient's regular compensation or leave time.

(5) Within 30 days after the end of each fiscal year, each agency shall submit to the department a list of the number of incentive awards granted, to whom each award was granted, the estimated value of each achievement or outcome, and the amount of each award.

History: En. Sec. 6, Ch. 552, L. 1981; amd. Sec. 1, Ch. 61, L. 1983; amd. Secs. 1, 2, Ch. 103, L. 1985; amd. Sec. 2, Ch. 23, Sp. L. June 1986; amd. Sec. 1, Ch. 201, L. 1987; amd. Sec. 5, Ch. 23, Sp. L. November 1993; amd. Sec. 14, Ch. 417, L. 1997.

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Montana Code Annotated 2009

[Previous Section](#) [MCA Contents](#) [Part Contents](#) [Search](#) [Help](#) [Next Section](#)

2-18-1107. Salary increase based on elimination of position. An agency head, as defined in [2-18-1101](#), may, with the approval of the approving authority, as defined in [17-7-102](#), increase the salary for one or more positions in the agency by the amount of the salary for a position that was permanently eliminated by the agency within the last 30 days. However, an increased salary may not exceed the market salary for that position determined under Title 2, chapter 18, part 3. If an eliminated position's salary is redistributed under this section, the agency may not be given an increased appropriation in regard to the eliminated position under [2-15-112](#)(2)(e). An increase for an employee who is in a collective bargaining unit is a negotiable subject under [39-31-305](#).

History: En. Sec. 6, Ch. 23, Sp. L. November 1993.

Provided by Montana Legislative Services



Employee/Retiree

Employee Incentive Plan

Employee Incentive Plan (EIP) Summary

This summary describes certain highlights of the Employee Incentive Plan (EIP). All details and governing provisions of the Plan are set forth in the official Plan document. If there is any conflict between this summary and the official Plan document, the official Plan document will be the controlling document in every case.

The EIP, as an incentive program, provides cash bonuses of between 1 and 20 days of additional pay to eligible employees if the Company achieves annual economic profit objectives.

- Currently, more than 114,000 nonexecutive employees are eligible.
- First payment occurred in the first quarter of 2001, based on meeting economic profit targets for the year 2000.
- Targets are very demanding and track with our goal to provide total shareholder returns within the top quartile of S&P 500 companies.
- Meeting the annual operating plan target for economic profit will result in two weeks (10 days) of extra pay. Exceeding the target will earn up to four weeks (20 days) of extra pay. Achieving economic profit levels below the operating plan goal but above a target minimum will pay between 1 and 9 days of extra pay. If target minimums are not met, no payments will be made.
- Economic profit targets are considered material information and will not be made public. However, progress toward the targets will be tracked quarterly and reported to employees following each earnings release.
- Employee eligibility for subsidiaries and selected smaller sites will be considered on a case-by-case basis.

In The News:

- [2010 Employee Incentive Plan awards announced](#)



Contacts:

- Call Total Access at 866/473-2016
- For TTY/TDD service call 800/755-6363

Improving Performance

A high-performance culture is critical to our future. We want our employees to be actively engaged in seeking customer-focused solutions to grow the business and boost economic profit. We will generate shareholder value and boost economic profit by focusing on the key aspects of our business identified in Vision 2016. In our daily efforts, we can enhance shareholder value by

- Improving quality and customer satisfaction.
- Trimming cycle times.
- Reducing costs.
- Streamlining processes, and more.

Commitment

We all make decisions that affect the Company's revenues, costs, and use of assets. The Employee Incentive Plan asks for employees' commitment to think and act like owners of the business--and gives them a direct stake in that success. Objectives of EIP include

- Share Boeing's financial success.
- Motivate employees to focus on specific performance objectives.
- Reward employees annually based on overall Company performance.

Information for Human Resources and Business Risk Professionals in the Colorado State Personnel System

In this issue...

- *New State Employee Cost Savings Incentive Program*
- *Colorado Work-Share Program Created by SB10-028*
- *New Benefits Rules Effective July 1*
- *Childcare Discounts for State Employees*
- *Important Message Regarding Transition of Care from CIGNA to United Healthcare*
- *Optional Life Insurance Changes for FY11*
- *Staff Changes in Workforce Planning and Development at DHR*

New State Employee Cost Savings Incentive Program

House Bill 10-1264, enacted by the General Assembly and signed by the Governor during this recent legislative session, establishes another incentive process whereby state employees can submit suggestions for state agency improvements that result in cost savings. The Act acknowledges that one method of achieving a more efficient and effective state government is "...to encourage the involvement of state employees in the development of innovative ideas that will increase the productivity and service level of state government while decreasing the costs..." The General Assembly recognized that allowing employees to share the cost savings resulting from innovative ideas will encourage active employee participation while making state government more efficient and effective. This state employee incentive program centers on rewarding innovative ideas that result in specific, identifiable cost savings to the State.

Similar legislation was passed in 2004 (HB04-1020), which amended Title 24, Article 50, by adding Part 8 - State Employee Incentive Program. The legislation enacted this year adds a new Part 9 - State Employees' Ideas that Improve State Government Operations. This new Part 9 is much more prescriptive than the existing Part 8. Part 9 requires that the incentive program be advertised and available to **all employees** by October 1, 2010, and has specific requirements as to how departments/higher education institutions (departments) are to review, track, and report on ideas submitted. Under the incentive program, the employee receives 5% of the cost savings up to \$5,000 and the agency receives 25% up to \$25,000.

All state employees, including those employees within the state personnel system and those exempt from the state personnel system are eligible to participate, with the following exceptions: (I) an employee of the Office of State Planning and Budgeting, the Office of the State Auditor, the Joint Budget Committee, or the Department of Personnel; (II) an elected official or member of the general assembly; or (III) the Executive Director, Program Manager, Division Director, or Budget Officer of a principal department, the president of a college or university, or a deputy of such director, officer, or president.

DPA is working to develop the idea application and standard evaluation criteria, as required by the Act. The Act allows each department to create its own supplemental submission materials and to establish additional evaluation criteria specific to the department, if deemed necessary. The Act requires that, beginning October 1, 2010, all departments must advertise that the idea application is available on the DPA Web site on any electronic payroll statements and any electronic broadcast communications, so long as the advertisement occurs at least monthly.

For more information, please review HB10-1264, which can be found on the Colorado General Assembly's Web site (<http://www.leg.state.co.us>) within the 2010 session [House bills](#) section. For questions, please contact Joann Nelson at joann.nelson@state.co.us or 303-866-4250.

Colorado Work-Share Program Created by SB 10-028

On June 9, 2010, Senate Bill 10-028 was signed by the Governor, establishing a Work-Share Program that gives employers an alternative to employee layoffs. The program allows for the payment of unemployment compensation benefits to employees of a particular work unit whose work hours have been reduced by 10% to 40%, provided an employer submits a work-share plan to the Colorado Department of Labor and Employment (CDLE) for approval.

The State, as an employer, is not eligible to participate in the program because state departments are either reimbursable accounts or political subdivisions.

New Benefits Rules Effective July 1

Chapter 11 on benefits is effective on July 1. The rules are available on the Web at <http://www.colorado.gov/cs/Satellite?c=Page&childpagename=DPA-DHR%2FDHRLayout&cid=1185870965353&pagename=DHRWrapper>.

For purposes of benefits eligibility appeals, please be sure your employees are using the appropriate form, *Colorado State Employees Group Benefits Eligibility Determination Appeal Form*, and address listed in rule 11-24. The form is available on the Benefits Web site at <http://www.colorado.gov/cs/Satellite/DPA-DHR/DHR/1213025227393>.

Childcare Discounts for State Employees

Are your employees looking for a way to save money on childcare? Childcare discounts are available for all state employees through a number of childcare providers including ABC Child Development Centers, Au Pair in America, Gateway Academy, Kiddie Academy, Kindercare, Little People's Landing, and Sittercity.com. These discounts are available to all state employees in all branches of state government. To obtain childcare discount rates and information, contact the chosen provider and let them know you are a State of Colorado employee and learned about this discount through work. The providers will explain the details so you may make the best decision for your family.

Employees are reminded that arrangements made are the sole responsibility of the individual family. The State assumes no obligation for these arrangements and does not endorse any of the organizations or their programs. For information on all Work-Life employee discounts and resources visit the Department of Personnel & Administration, Division of Human Resources Work-Life Web site at <http://www.colorado.gov/dpa/dhr/worklife> or contact Joann Nelson at joann.nelson@state.co.us.

Switching from CIGNA to United Healthcare - An Important Message Regarding Transition of Care for Ongoing Medical Treatment

This information should be shared with the following employees.

- *Employees or family members currently undergoing medical treatment.*
AND
- *Employees currently enrolled in the self-funded medical insurance plan with an OA (Open Access) option administered by CIGNA.*
AND
- *Employees who chose the self-funded medical insurance plan during the recent open enrollment – the Choice Plus option or the Choice Plus Definity option.*

If an employee or an employee's family member is currently undergoing medical treatment, they need to be aware of what may need to be done to ensure a smooth transition of care and to have claims paid correctly. Employees should follow these steps.

- The employee should determine if the current doctor/provider is in the United Healthcare Choice Plus network by going to www.welcometouhc.com/colorado or by calling United's customer service number, 1.877.283.5424. If the provider is in the network, then the employee does not need to do anything more, as the care will continue with that provider.
- If a provider is not in the United Healthcare Choice Plus network, the employee (or family member) and the doctor will need to complete an application for Transition of Care. This form can be found on the Web pages for the Choice Plus and Choice Plus Definity options. The employee should pay particular attention to the questions in section one of the application.
- The completed form must be mailed to United Healthcare's Transition of Care division.
United Healthcare, Transition of Care
10701 West Research Drive
P.O. Box 26649
Wauwatosa, WI 53226-3440
- If the employee or family member's condition is not listed on the application, or there is already a prior authorization for treatment from CIGNA, then the employee must have the *doctor/provider* contact United Healthcare's authorization division at 1.877.842.3210 to determine if transition of care is needed. The doctor/provider must make this contact, not the employee or patient.

Employees with questions about this process should contact United Healthcare's customer service line dedicated to State of Colorado employees, 1.877.283.5424.

Optional Life Insurance Changes for FY11

For FY11, there will be a number of changes for the Optional Life/AD&D plan. As these changes will impact new hires and employees with life events, or family status change events, they were not part of open enrollment. Please be aware of these changes as new employees are hired or employees experience family status change events.

- The **maximum guaranteed issue amount of insurance** for Optional Employee Life insurance **will increase from \$60,000 to \$100,000** for employees hired on or after July 1, 2010, and also for employees who elect Optional Employee Life insurance because of a life insurance family status change event that occurs on or after July 1, 2010. Note that the amount of guaranteed issue coverage for a spouse or same-gender domestic partner (SGDP) will NOT increase and remains at \$30,000 of coverage.
- The **maximum amount of Optional Employee Life insurance** that an employee can apply for **will increase from \$300,000 to \$500,000** for employees hired on or after July 1, 2010, and also for employees who elect Optional Employee Life insurance because of a life insurance family status change event that occurs on or after July 1, 2010.
- The **maximum amount of Optional Spouse/SGDP Life insurance** that an employee can apply for **will increase from \$150,000 to \$250,000** for employees hired on or after July 1, 2010, and also for employees who elect Optional Spouse/SGDP Life insurance because of a life insurance family status change event that occurs on or after July 1, 2010. However, it is still the rule that the amount of Optional Spouse/SGDP Life insurance may not exceed 50% of the amount of the employee's Optional Life insurance.

- Effective July 1, 2010, **same-gender domestic partners will be eligible** for Optional Spouse/SGDP Life insurance coverage. The term “**domestic partner**” means an adult, at least eighteen years of age, who is of the same gender as the employee, with whom the employee has shared an exclusive, committed relationship for at least one year with the intent for the relationship to last indefinitely, who is not related to the employee by blood to a degree that would prohibit marriage pursuant to section 14-2-110 C.R.S., and who is not married to another person.
- Effective July 1, 2010, **eligible dependent children of same-gender domestic partners will be eligible** for Optional Child Life insurance coverage.
- Effective July 1, 2010, the definition of life insurance “Family Status Change” events will be changed to include: **declaration of same-gender domestic partnership.**
- Effective July 1, 2010, a life insurance **Family Status Change** event will be defined as:
 - Birth or adoption or otherwise acquiring a newly eligible child
 - Death of a spouse/same-gender domestic partner
 - Marriage
 - Declaration of same-gender domestic partnership

As before, a life insurance Family Status Change event will allow an employee to elect optional life insurance within 31 days of the event date. Guaranteed issue amounts are available for these events.

Reminder: Double Optional Life Coverage is Not Allowed. As always, double optional life coverage is not allowed. If a spouse or same-gender domestic partner (SGDP) of a state employee is *also* a state employee, the employee may elect to have coverage as an employee **OR** as a spouse/SGDP, but not both. Only one of the couple may apply for optional life coverage for their children. If the employees are divorced, or have dissolved the same-gender domestic partnership, both employees may elect optional child life insurance for the children.

Staff Changes in Workforce Planning and Development at DHR

Last month, Kathy DePew joined the HR Office at the Department of Law and Marisol Larez moved to the Department of Regulatory Agencies. On July 16, Tina Miller left to become the HR Director at the Department of Natural Resources. She replaces Kim Burgess, who remains with DNR as the Chief Operating Officer. We wish them the best of luck in their new endeavors.

You DO Make A Difference

State employees need help in a crisis. Please let your employees know about the number of convenient methods to make tax-deductible donations to Working Together: direct payroll deduction, Colorado Combined Campaign (#1300), electronic fund transfer for Credit Union of Colorado members, and direct donation by check.

STATE OF COLORADO IDEA APPLICATION



AUTHORITY: C.R.S. 24-50-901, et seq. *State Employees' Ideas that Improve State Government Operations*

PURPOSE: To allow employees to suggest improvements that may result in cost savings at the department where the employee works. An employee may receive 5% of the cost savings up to \$5000. See "Technical Assistance - State Employee Cost Savings Incentive Program" for eligibility criteria and guidance.

SUBJECT OF IDEA:

OFFICE USE ONLY

DATE RECEIVED

IDEA #

1A. SUBMITTER'S PERSONAL INFORMATION (primary contact)

NAME OF SUBMITTER (LAST, FIRST, MI)

EMPLOYEE ID #

WORK ADDRESS

WORK PHONE

EMAIL

DEPARTMENT

DIVISION

WORK UNIT

1B. CO-SUBMITTER'S PERSONAL INFORMATION (If there are more than two co-submitters, then use another page 1 for the remaining submitters, keeping the primary contact at the top of each additional page.)

NAME OF SUBMITTER (LAST, FIRST, MI)

EMPLOYEE ID #

WORK ADDRESS

WORK PHONE

EMAIL

DEPARTMENT

DIVISION

WORK UNIT

NAME OF SUBMITTER (LAST, FIRST, MI)

EMPLOYEE ID #

WORK ADDRESS

WORK PHONE

EMAIL

DEPARTMENT

DIVISION

WORK UNIT

I HEARBY UNDERSTAND THAT ISSUES PERTAINING TO ANY IDEA APPLICATION SUBMITTED ARE NOT SUBJECT TO GRIEVANCE, APPEAL, OR DISPUTE RESOLUTION. I UNDERSTAND THAT THIS IDEA MAY BE GRANTED AN AWARD ONLY IF APPROVED BY THE DEPARTMENT.

I DECLINE CASH AWARD

DATE

SIGNATURE OF SUBMITTERS

☐ YES ☐ NO

☐ YES ☐ NO

☐ YES ☐ NO

2. IDEA	OFFICE USE ONLY	
A. SUBJECT OF IDEA	DATE RECEIVED	IDEA #
B. PRESENT METHOD (Describe completely. Use continuation sheet, if needed. Identify section(s) being continued.)		
C. DESCRIBE PROPOSED METHOD, INCLUDE ANTICIPATED IMPLEMENTATION PLAN (Describe completely. Use continuation sheet, if needed. Identify section(s) being continued.)		
D. DESCRIBE EXPECTED BENEFIT, INCLUDE ANY COST SAVINGS ESTIMATE (Describe completely. Use continuation sheet, if needed. Identify section(s) being continued.)		

IDEA APPLICATION, CONTINUATION SHEET
(Clearly identify sections continued from page 2)

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
Alabama	Ala. Code 1975 Chapter 1 Section 36-1-7.1	Alabama Employees' Suggestion Incentive Program--Board established to adopt rules and regulations needed to implement the program. Upon approval and implementations: one-time cash award of \$1,000 for meritorious suggestion; and up to \$5,000 to an employee, in exceptional situations , for suggestion or suggestions resulting in extraordinary savings or improvement to the state.
Arizona	A.R.S. Chapter 4, Article 1, Section 38-613	State Employee Suggestion Program Awards--Director of Dept. of Administration may adopt rules to provide an award for an adopted procedure or idea resulting in eliminating or reducing state expenditures or improving operations in the public interest, or the performance of a special act or service in public interest. Governor appointed 5 member board establishes policy, reviews all employee suggestions and approves all awards with concurrence of the head of the agency realizing the cost saving. Awards may not exceed \$1,000 from fund established with moneys appropriated by the Legislature. The cost of recognition materials cannot exceed \$50.
California	West's Ann. Cal. Gov. Code Chapter 2, Article 2, Section 19823	The Personnel Department Director may adopt rules and regulations to carry out the awards program open to current and retired state employees. The director may appoint merit award boards to consider employee proposals, special acts, special services, or superior accomplishments, and to make recommendations as to the merits of proposals and whether an award is justified. An award is limited to \$5,000 unless a larger award is approved by concurrent resolution of the Legislature.
Connecticut	C.G.S.A. Chapter 67, Section 5- 263a and Chapter 50, Part I, Section 4-67f	The Secretary of the Office of Policy and Management establishes guidelines under which each state agency administers a program for soliciting suggestions from its employees and receiving suggestions from retired state employees. The guidelines specify permissible sources of funds for awards and the method of determining such awards. Executive heads of each state agency make awards according to those guidelines for implemented suggestions. Another program established by the Secretary awards current employees or groups of employees for innovations within their agencies which improve the delivery of services or reduce agency costs. An innovations review panel reviews and evaluates requests for funding for the innovation projects and recommends projects and awards to the Secretary. The agency implementing the employee recommendation sponsored by the innovations review panel accrues 50% of the unexpected savings realized during the preceding fiscal year as a result of the implementation. The agencies are limited to accrual only for the first year of the project and the savings cannot exceed two million dollars in the aggregate for any one agency in any year.

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
Florida	West's F.S.A. Chapter 110, Part I, Section 110.1245	<p>The Department of Management Services adopts rules and regulations for procedures and promotes a Savings Sharing Program for an individual or group of employees whose ideas are adopted, can be implemented under current statutory authority and result in eliminating or reducing state expenditures. Agency heads make the award recommendations and the amount of the award is directly related to the cost savings realized. Awards and amounts must be approved by the Legislative Budget Commission. Bonuses are paid in June of each year from funds appropriated for that purpose by the Legislature. Each agency develops a plan for awarding lump-sum bonuses which is submitted annually no later than September 15 and is approved by the Office of Policy and Budget. Eligibility criteria must meet statutory requirements. Bonus distributions are limited to 35% of the agency's total authorized positions, but may be waived on showing of exceptional circumstances. Each department head may spend no more than \$100 plus applicable taxes for each award to purchase framed certificates, pins, or other tokens of recognition for retiring state employees, state employees who demonstrated satisfactory service, and appointed members of state boards or commissions upon expiration of the member's final term.</p>
Georgia	GA. Code Ann., Sections 45-21-2 and 45-21-7	<p>The state of Georgia has Meritorious Award Programs for agencies for employees who perform a special, extraordinary service, act or achievement in the public interest beyond the ordinary demands of duty, and in connection with or related to state government or its instrumentalities. Statutes set out the criteria to be met. Incentive Compensation Plans are also provided which authorize or direct one-time or lump sum incentive pay. Goal based plans are also created and authorize or direct incentive pay for meeting specific criteria. Cash awards are provided for suggestions submitted by an employee and implemented by an agency resulting in direct measureable cash savings or cost avoidance. The award is for an amount equal to up to 10% of the first year's estimated net material and labor savings, and is made in the fiscal year the suggestion is authorized for payment. Cash awards cannot be for less than \$10 or more than \$5,000, regardless of the number of agencies adopting the suggestion. Cash awards for suggestions involving intangible savings cannot exceed \$100. Under any of the mentioned programs, the employee may receive certificates of merit, certificates acknowledging years of service, or pins, buttons or other emblems.</p>

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
Hawaii	HRS Section 78-29	Incentive and service awards programs recognizing employees who contribute to the efficiency, economy, or other improvement of government operations or who perform exceptionally meritorious special acts or services in the public interest in connection with or related to their official employment are established by each chief executive. Programs may provide for cash awards to recognize suggestions, inventions, superior accomplishments, length of service, and other personal or group efforts. Awards and expenses for programs may be paid from funds available to the departments and agencies that benefit from or are responsible for the employee recognition.
Illinois	20 ILS 405/405-130	The Department of Central Management Services assists in implementing the State Government Suggestion Award Program which is administered by an appointed board. The program encourages and rewards improvements in state government operation that result in substantial monetary savings. The program is open to any state resident, state employee (including management personnel), specific annuitants under the Illinois Pension Code, but is not open to elected officials and departmental directors. Suggestions are confidential. Management personnel may be recognized for suggestions, but may not receive monetary awards. Awards to those eligible are given in accordance with a schedule based on the amount of savings, and awards cannot exceed \$5,000. The General Assembly appropriates funds for the payment of awards and for Board expenses.
Iowa	I.C.A. Section 8A.110	The State Employee Suggestion System was created to encourage development and submission of ideas on cost reduction and increased efficiency by state employees. The Department of Administrative Services provides personnel for system operation, adopts rules needed and establishes the award policy. When implemented suggestions result in a direct cost reduction, the suggester is awarded 10% of the first year's net savings (not to exceed \$10,000) and a certificate. Only certificates are awarded for suggestions which save less than \$100 during the first year of implementation. The state agency head approves all awards and determines the amount awarded. The awards are paid out of the appropriated funds of the state agency realizing the cost savings.
Louisiana	LSA-R.S. 17:432.1	The Outstanding School Support Employee Award recognizes teacher aides and paraprofessionals, school bus drivers, food service workers, clerical, custodial, and maintenance personnel, and any other employee of a city, parish, or other local public school board. One school support employee of the year is selected by superintendents of each system at the elementary, junior high or middle school, and high school level. Nominations are submitted by the school principals after selection by peers and provided to the city, parish, or other local public school system superintendent. Award recipients are recognized with a plaque or certificate of merit at a reception or other honorary meeting or ceremony. Local superintendents may also present a monetary award in an amount approved by the local school board.

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

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State	Authority	Program Details
Maine	5 M.R.S.A. Section 651	The Employee Suggestion System provides cash or honorary awards to state employees for ideas which result in substantial savings and efficiencies. The Commissioner of Administrative and Financial Services administers the system with the help of an employee who manages the day-to-day operations. A board was established to adopt routine technical rules, including criteria for suggesting ideas and making awards and to establish fees as needed to ensure timely assistance from all state agencies. Suggestions implemented and resulting in cost savings receive a maximum cash award of 10% of the first year's estimated All Other Savings or \$2,000, whichever is less. Awards are not made for suggested savings of less than \$250, except that the Board may approve an award not to exceed \$100 for a suggestion that results in improved services or operation but does not result in identifiable cost savings. Cash awards are charged against the fund or funds to which estimated savings apply. An amount equal to the award made from a fund is transferred from that same fund to a special revenue fund used to administer the system. If the estimated savings are not easily estimated, the Board may pay an initial amount and pay an additional amount at the end of the first year or pay the full amount at the end of the first year.
Maryland	MD Code, State Personnel and Pensions, Sections 10-203 and 10-204	The Innovative Idea Awards Program is available for an innovative idea which if implemented would increase revenue, save money, improve the quality of service, or significantly benefit the state. A decision on whether to give an award under this program, to the extent possible, is to be made within 60 days after the idea is submitted to the labor-management review committee by the head of the unit. The program provides for a cash award of not more than \$1,000 for an idea with a reasonably ascertainable monetary savings or gain to the state, or \$300 for any other innovative idea. A Governor's Award Panel reviews each innovative idea submitted at least once per year, and makes recommendations to the Governor about additional awards for the innovative ideas. The Governor may make an additional cash award not to exceed \$20,000 and may grant administrative leave not to exceed 20 days. There is also an Incentive Performance Awards Program which is given for extraordinary service by a state employee or group of employees in a unit and provides for: a cash award limit of \$300, a gift of not more than \$300 in value, paid administrative leave of not more than 3 days; or any combination of cash, gift, and leave valued at not more than \$300 in value. An employee can only receive one such award in any 12-month period. An Incentive Performance Award for Outstanding Service over a sustained period of time or a special state project provides for a cash award of not more than \$3,000 to an employee of a unit, and an employee may only receive one such award in any 24-month period.

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
Michigan	M.C.L.A. 324.74124	Three state park system awards are given: a "Gem of the Parks" award recognizing key state parks for their contribution to the state parks system; a "Volunteer of the Year" award to outstanding individuals who donate time or monetary contributions; and an " Employee of the Year " award for individuals who are outstanding employees of the state park system. Awards are made annually.
Mississippi	Miss. Code Ann. Sections 25-9-151 and 25-9-134	The Award Program for Longevity Service is based on years of service with the state and is available to all full time employees in all state agencies, boards and commissions. The awards are made on attaining 10, 20, and 30 years of full-time service with the state, and is available to all personnel regardless of position or title. This law does not authorize the giving of gifts or monetary bonuses to employees. Another incentive program is the Program Concerning Excellence in Government . The State Personnel Board is authorized and directed to establish a program to encourage and recognize excellence, innovation and diversity on the part of the state, district and local governmental entities in the design, execution and management of their own administrative procedures. The Board establishes procedures by rules and regulations and has an annual awards program to recognize excellence in government. As part of this program, the State Personnel Board authorizes and establishes guidelines for state agencies to accept and present cash awards and bonuses as part of any federally funded employee awards incentive. State employees may compete for federal incentives and authorize state agencies to accept federal funds earmarked for incentives. Federal awards and bonuses are not designated as part of the agency's yearly budget for the purpose of receiving state appropriations. The Board may recommend monetary awards for those suggestions which improve management of technical or administrative procedures resulting in cost reduction for the state or local government entity. The State Auditor or local government authority is required to pay the award to the employee on receipt of proper requisition.
Missouri	V.A. M.S. 36.030	The Director of the Division of Personnel is to establish employee recognition programs, including a statewide employee suggestion system to improve the quality of state services, increase the efficiency of state work operations, and reduce the cost of state programs. The Director determines rules and regulations and provides standards for determining monetary awards , not to exceed \$5,000 under the employee suggestion system. Awards are made from funds appropriated for that purpose.

2-5

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
Montana	MCA 2-18-1105 and 2-18-1106	The State Employee Incentive Program is open to an employee, group or team of employees, or a non-employee for innovations eliminate or reduce an agency's expenditures or improve effectiveness. To be eligible for an incentive award, approval must be received from agency management for immediate implementation, for a short-term test of the idea or innovation, or for development and testing of a prototype. Directors and legislators are not eligible for the award. Suggestions made can be for agencies other than the one in which the employee works. An agency head may grant an incentive award of up to \$500, up to 40 hours paid leave time, or other nonmonetary recognition. If the suggestion produces measureable cost savings actually realized or that can be accurately projected for a period of 12 months after implementation, a larger award may be granted by the agency head. The larger awards may not exceed the following specific percentages of the cost savings actually realized or accurately projected: 10% of the first \$100,000 ; plus 5% of the next \$100,000; plus 2% of the next \$100,000. If an award is to be divided between two or more persons, the agency head determines the amount each person receives. Awards must be paid in lump sum no later than 90 days after the 12-month implementation of the suggestion, and the funds for payment come from the agency's budget.
Nevada	N.R.S. 285.020 and 285.030	The merit award program for state employees is designated as the Governor's Award for Achievement of Excellence in State Service. A five-member Merit Award Board is the controlling authority for the merit award program. The Board adopts regulations for transacting its business and carrying out the provisions of the awards to state employees. As limited by legislative appropriations, the Board may spend up to \$1,000 per year for Board operation expenses.

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
New Hampshire	N.H. Rev. Stat. Sections 99-E:1 through E:7	<p>The State Suggestion and Extraordinary Service Award for a state employee follows the following process: recommendation by a departmental award evaluation committee established in each department; the recommendation is forwarded to the State Suggestion and Extraordinary Service Award Evaluation Committee which recommends to the Governor and Executive Council the making of monetary awards (non-monetary awards may be made to the Governor and Executive Council or be provided by the State Evaluation Committee); and the decision of whether to issue a monetary award is solely within the discretion of the Governor and Council. Submission and evaluation procedures and standards for the Extraordinary Service Award and the Suggestion Award are set out in statute. Monetary awards recommended by a committee in regard to service or suggestion cannot exceed \$5,000. The amount of the award can be based on a percentage of the savings or increase in revenue realized as a result of the service or the implementation of the suggestion, but may not exceed 10% of that amount during the first fiscal year of implementation or the fiscal year the service was performed, nor may it exceed \$5,000. If the award is based on a percentage of the savings or increase in revenue, the monetary award may be paid from the specific department benefitting. Any remaining savings or increases lapse to the general fund. If the unit from which the award is paid is self-funding, the award is paid from the unit's operating budget. If a suggestion has been previously submitted or nominated and is again submitted or nominated as the result of larger-scale implementation, an additional monetary award may be made not exceeding \$5,000. The total amount of monetary awards recommended by the State Committee, or approved by the Governor and Council, cannot exceed \$10,000 in a fiscal year. A special fund in the amount of \$10,000 was established in the office of the Governor for awards. Any amounts remaining in the fund at the end of a fiscal year are supplemented by appropriations in the next fiscal year to bring the total in the fund back to \$10,000. Ranges for monetary awards are set in statute and range from \$250 to \$2,500 or a percentage of the amount of savings or revenue increase not to exceed \$5,000.</p>
New Jersey	N.J.S.A. 11-A:6-30	<p>Subject to appropriations, awards may be made to state employees for, but not limited to: meritorious suggestions and accomplishments which promote efficiency, productivity or economy; heroism or exceptional service; professional achievements; and service.</p>

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

State	Authority	Program Details
New York	N.Y. Ct. Rules Sections 132.1 and 133.1	The Employee Suggestion Incentive Program is available to all state employees, retirees from state service and persons who leave state service for reasons other than retirement who submitted a suggestion prior to departure from state service. Justices and judges of the unified court system are ineligible. If a person dies after submitting a suggestions and an award is approved for the suggestion, the amount of the cash award may be paid to the decedent's estate. A Program Coordinator is responsible for the operation of the program. An Employee Suggestion Incentive Program Committee reviews the suggestions provided by the program coordinator and makes recommendations to the Deputy Chief Administrator for Management Support as to which suggestions merit awards and the appropriate award for the suggestion. The final determination is made by the Chief Administrator. Each individual making an approved suggestion receives a certificate of merit, and if the suggestion produced significant benefits to the Unified Court System, will also receive a cash payment. The payment amount is fixed and is no less than \$25 and no more then 10% of the actual or projected savings derived the first year following implementation of the suggestion. The Merit Performance Award Program is only available to employees of the Unified Court System. The process for awarding is the same as the other program, but the award is limited to a certificate of commendation and a Unified Court System medallion.
North Carolina	N.C.G.S.A. Section 126-4	Subject to the approval of the Governor, the State Personnel Commission establishes policies and rules governing numerous areas, among which is a program for meritorious service awards . The nature of this program is found in the North Carolina Administrative Code at 25 NCAC 1C.0901 <i>et seq.</i>
North Dakota	NDCC 54-06-32	Each state agency, department or institution may establish rules or policies for employee recognition and service award programs. Executive branch agencies with employees in classified service are subject to rules adopted by the North Dakota Human Resource Management Services and approved by the state Personnel Board and the Legislative Council's Administrative Rules Committee. Other agencies, departments, or institutions within the Executive, Legislative or Judicial branches may adopt similar rules and policies to ensure uniformity and consistency in state government. The process for submitting rules and polices and the reporting requirements are set out in statute.

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

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State	Authority	Program Details
Ohio	R.C. Section 124.17	An Employee Awards System may be instituted by the Director of Administrative Services to encourage all state employees to submit suggestions that will reduce the costs, or improve the quality of state services. Awards can be monetary or nonmonetary. The Director establishes, by rules, standards for determining the amount of the award not to exceed a cash award of \$5,000 per employee and determining the value of nonmonetary awards for a suggestion. The Director can also establish a program for recognition of exemplary performance of employees exempt from collective bargaining law. The awards under this program may include cash awards, additional leave, or other provisions the Director considers appropriate.
Oklahoma	74 Okl. St. Ann Sections 4121, 4113, 4114, 4115, 4116, 4117, 4122, 150.8a, and 166.8; 63 Okl.St. Ann. Section 2-111; 70 Okl.St. Ann. Section 3-152.1; 47 Okl.St. Ann. Section 2-122.2	The On-the-Job Employee Performance Recognition Program was established by the Administrator of the Office of Personnel Management to encourage outstanding job performance and productivity. State agencies may use moneys available from their operating funds to purchase recognition awards for presentation or cash awards. The recognition awards may be distinctive wearing apparel, service pins, plaques, writing pens, or other distinguished awards of value not exceeding \$150 per recognized employee each fiscal year. The awards may be presented at a formal or informal ceremony, banquet or reception, the cost of which is paid from monies available in the agency's operating fund. Another program is the Incentive Awards for State Employees Act. The Act allows for individual productivity incentive awards, individual incentive compensation, and unit incentive pay for increase productivity, cost curtailment, improved safety, efficiency, or morale, or better services to the state citizens, and individual longevity incentive awards for length of service to the state. Nominations for this award can be made monthly by state employees holding supervisory positions in an agency, department, commission or office that is eligible to participate. State agency supervisors, managers, and agency directors may be recognized with noncash incentive awards. The cost of the certificates and lapel pins is reimbursed by the agency, board, commission, or office that made the nomination. Employees receiving individual incentive compensation may be awarded an increase in compensation in a sum at least 25% of the amount of the total unit dollar savings, but not to exceed \$10,000. The Employee Productivity Program provides recognition to employees whose recommendations lead to improved productivity or agency cost savings. State agencies can use monies available to them for the purchase of recognition awards which include: distinctive wearing apparel, service pins, or United States Savings Bonds, the value of which cannot exceed \$100 per employee per award. Other employee recognition programs exist in the following departments: State Bureau of Investigation, State Department of Rehabilitation Services, State Bureau of Narcotics and Dangerous Drugs Control, State Department of Education, and the Department of Public Safety.

State Employee Incentive Programs
Prepared for House Government Efficiency Committee

2-10

State	Authority	Program Details
Oregon	O.R.S. 182.310 through 182.360	A seven-member Employee Suggestion Awards Commission appointed by the Governor, formulates, establishes and maintains an employee suggestion program to encourage and reward meritorious suggestions by state employees that will promote effectiveness, efficiency and economy in the performance of any function of state government. The Commission approves the rules needed or appropriate for the proper administration of the awards program. The costs for awards for employees not eligible for cash awards, or for cash awards with multiagency effect for which the cost savings realized cannot be identified, are added and collected with the expenses and costs of operating the Personnel Division of the Oregon Department of Administrative Services. If the benefitting agency or agencies realizing cash savings can be identified, the cost of any cash award is paid for by the agency receiving the benefit from savings realized. If multiple agencies have identifiable cash savings, the Commission determines the portion of the award cost to be paid by each agency.
South Carolina	Code 1976 Section 8-1-170	State Agencies may develop Group Productivity Incentive Programs to recognize and award team accomplishments through group performance. Employees are eligible to share equally 25% of the identified savings resulting from reduced operational costs in a unit up to a maximum of \$2,000 per employee in a fiscal year.
Tennessee	T.C.A. Sections 4-27-101, 4-27-105, 4-27-104, 4-27-102	The Employee Suggestion Award Program is open to employees and retired employees of state government. Cash or honorary awards may be made to employees or retired employees whose adopted suggestions result in substantial savings or improvement in state operations. Certain levels of positions may be excluded from participation in the program, and the statutes list specific management personnel who cannot receive cash awards under the program. Maximum cash awards are limited to 10% of the first year's estimated savings or \$10,000, whichever is less. The maximum award amount can be increased for suggestions that result in extraordinary amounts of savings. Cash awards are charged to the appropriation item to which the estimated savings apply. Suggestions with a first year's estimated savings of less than \$250 will be awarded \$25. The maximum cash award for suggestions resulting in the improvement of the effectiveness of state operations is limited to 10% of the first year's estimated savings or \$10,000, whichever is less.

State Employee Incentive Programs
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2-11

State	Authority	Program Details
Utah	U.C.A. 1953 Section 67-19c-101	A Department Awards Program exists to award an outstanding employee in each department of state government. Department heads solicit nominations for Outstanding Employee of the Year for the department from the employees in that department. Criteria for the award are set out in statute. The cost of the awards is paid by each department from its own budget, or from any funds received from the Department of Human Resource Management which may have been appropriated by the Legislature and required to be divided equally among all departments. If funds are available, the department head provides the employee with a bonus, a plaque, or some other suitable acknowledgement of the award. The department head may name the award after an exemplary present or past department employee, but not after himself or a relative.
Vermont	3 V.S.A. Chapter 11 Section 266	The Vermont State and Judiciary Employees' Cost-Savings Incentive Program provides financial incentives to state and judiciary employees who make suggestions which are adopted and result in financial savings for any agency, department, board, bureau, commission, or other administrative unit of the state, or for the judiciary department. The employee is to use a form provided by the Department of Human Resources and cannot receive the award until the employee has satisfied any and all state tax obligations. The criteria for the suggestion is provided in statute. Monetary awards for suggestions made by an employee or a group of employees have a total award limit equal to 25% of the savings realized in the first year of implementation, but the maximum total monetary award cannot exceed \$25,000 under any circumstances. Employees equally divide the award for any suggestions made simultaneously. Awards are paid out of funds appropriated to the state entity realizing the cost savings and paid to the employee within one year and thirty days of implementation. An employee who terminates state service prior to full implementation of the suggestion is entitled to receive their full reward. An employee whose suggestion is initially denied and then implemented within three years of making the suggestion will receive the monetary award initially entitled to if the suggestion had not been denied.
Virginia	VA Code Ann. Section 2.2-1201	A statutory duty of the Department of Human Resource Management is to adopt and implement a centralized program to provided awards to employees who propose procedures or ideas that are adopted and will result in eliminating or reducing state expenditures or improving operations, provided the proposals are implemented.

State Employee Incentive Programs
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2-12

State	Authority	Program Details
Washington	West's RCWA 41.60.020, 41.60.030, 41.60.041, and 41.60.120	The Board adopts rules to allow for agency unique suggestion programs. The program is to encourage and reward meritorious suggestions by state employees that will promote efficiency and economy in any function of state government. The rules adopted include a payment award schedule. No award may be made in excess of \$10,000 and funds for awards are drawn from the appropriation of the agency benefiting from the suggestion. An Employee Teamwork Incentive Program will make awards based on the payment award scale.
West Virginia	W.Va. Code Section 5A-1A-1	An employee suggestion award program was continued in the Department of Administration for employees of state government. Cash or honorary awards may be made for suggestions resulting in substantial savings or improvement of state operations.

Katherine McBride

From: Knowlton, Kraig [PE] [Kraig.Knowlton@da.ks.gov]
Sent: Friday, March 04, 2011 2:24 PM
To: Katherine McBride
Subject: Employee Suggestion Program Information

I found no records of a single employee receiving payments for multiple suggestions and it appears that there was only one situation where a group of employees submitted a suggestion that was adopted under the previous program. The information regarding this situation is as follows:

- A team of seven employees from the Department of Revenue submitted a suggestion which was adopted by the agency.
- Each employee received an innovation award of \$420.51 during the pay period ending 3/12/05.
- Each employee then received an employee suggestion bonus of \$1,649.48 during the pay period ending 4/8/06.
- Since each agency administered its own program, I do not have information on the nature of the suggestion itself, but based on the classifications of the employees involved, I am assuming that it was IT-based.

I hope this is helpful. Please let me know if you have any questions or need any additional information.

Kraig Knowlton
Division of Personnel Services
Department of Administration