

HB 325-FN – AS INTRODUCED

2013 SESSION

13-0264
06/03

HOUSE BILL **325-FN**

AN ACT relative to public employee suggestions for cost-saving measures.

SPONSORS: Rep. Flanagan, Hills 26; Rep. Weyler, Rock 13; Rep. Jasper, Hills 37

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill provides a one-time award equal to 10 percent of the savings achieved during the first year that a public employee's cost-saving or revenue-producing suggestion is implemented.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to public employee suggestions for cost-saving measures.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 State Extraordinary Service Award Evaluation Committee. Amend RSA 99-E:1, III to read as
2 follows:

3 III. In addition to such other communications to governor and council as are provided in this
4 chapter, the state suggestion and extraordinary service award evaluation committee shall submit to
5 the governor and council, the speaker of the house of representatives, and the president of the senate
6 an annual report of its activities, including employees recognized and rewarded **for extraordinary**
7 **service** ~~[and]~~, the reasons for recognition or recommended award, ~~[together with a]~~ **and,**
8 **notwithstanding any provision of RSA 91-A, an anonymous** list or copy of all ~~[proposals]~~ **cost-**
9 **saving or revenue-producing employee suggestions** submitted to it, whether or not implemented
10 or recommended. The report shall be submitted by October 1 of each year.

11 2 State Extraordinary Service Award Evaluation Committee. Amend RSA 99-E:1, III to read as
12 follows:

13 III. In addition to such other communications to governor and council as are provided in this
14 chapter, the state suggestion and extraordinary service award evaluation committee shall submit to
15 the governor and council, the speaker of the house of representatives, and the president of the senate
16 an annual report of its activities, including employees recognized and rewarded ~~[for extraordinary~~
17 ~~service]~~ **and** the reasons for recognition or recommended award, ~~[and, notwithstanding any~~
18 ~~provision of RSA 91-A, an anonymous]~~ **together with a** list or copy of all ~~[cost-saving or revenue-~~
19 ~~producing employee suggestions]~~ **proposals** submitted to it, whether or not implemented or
20 recommended. The report shall be submitted by October 1 of each year.

21 3 Eligible Employees. Amend RSA 99-E:3 to read as follows:

22 99-E:3 Eligible Employees.

23 I. State employees eligible for awards or recognition **for extraordinary service** under this
24 chapter shall be classified executive branch employees.

25 **II. All state employees except commissioners and directors, judicial appointees, and**
26 **executive and legislative branch elected officials shall be eligible for the employee**
27 **suggestion awards. Any employee who is eligible for such award at the time the suggestion**
28 **is made shall remain eligible, even if he or she leaves state employment.**

29 4 Eligible Employees. Amend RSA 99-E:3 to read as follows:

30 99-E:3 Eligible Employees.

31 ~~[I.]~~ State employees eligible for awards or recognition ~~[for extraordinary service]~~ under this

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1 chapter shall be classified executive branch employees.

2 ~~[H. All state employees except commissioners and directors, judicial appointees, and~~
3 ~~executive and legislative branch elected officials shall be eligible for the employee suggestion awards.~~
4 ~~Any employee who is eligible for such award at the time the suggestion is made shall remain eligible,~~
5 ~~even if he or she leaves state employment.]~~

6 5 Submission and Evaluation Procedures. Amend RSA 99-E:4, V(c) to read as follows:

7 (c) That additional information is needed. If additional information is needed, the
8 committee shall specify the information required and~~[, unless the additional information relates to~~
9 ~~the implementation of a suggestion under RSA 99-E:5, III,]~~ shall specify the date by which the
10 information is to be provided. If the additional information is not received by the date specified, or
11 any extended period of time allowed by the committee, the committee may decline to recommend the
12 issuance of any award or recognition.

13 6 Submission and Evaluation Procedures. Amend RSA 99-E:4, V(c) to read as follows:

14 (c) That additional information is needed. If additional information is needed, the
15 committee shall specify the information required and, ***unless the additional information relates***
16 ***to the implementation of a suggestion under RSA 99-E:5, III,*** shall specify the date by which
17 the information is to be provided. If the additional information is not received by the date specified,
18 or any extended period of time allowed by the committee, the committee may decline to recommend
19 the issuance of any award or recognition.

20 7 Submission and Evaluation Procedures. Amend RSA 99-E:4, VII(e) to read as follows:

21 (e) If it believes that additional information is needed, a specification of the information
22 required and[, unless the additional information relates to the implementation of a suggestion under
23 RSA 99-E:5, III,] the date by which the information is to be provided. Unless otherwise specified,
24 any additional information requested by the committee shall be gathered by the committee that
25 forwarded the determination for review, or if no lower-level committee has forwarded the
26 determination for review, by the person making the submission or nomination to the committee. If
27 the additional information is not received by the date specified, or any extended period of time
28 allowed by the committee, the committee may decline to recommend the issuance of any award or
29 recognition.

30 8 Submission and Evaluation Procedures. Amend RSA 99-E:4, VII(e) to read as follows:

31 (e) If it believes that additional information is needed, a specification of the information
32 required and, ***unless the additional information relates to the implementation of a***
33 ***suggestion under RSA 99-E:5, III,*** the date by which the information is to be provided. Unless
34 otherwise specified, any additional information requested by the committee shall be gathered by the
35 committee that forwarded the determination for review, or if no lower-level committee has forwarded
36 the determination for review, by the person making the submission or nomination to the committee.
37 If the additional information is not received by the date specified, or any extended period of time

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1 allowed by the committee, the committee may decline to recommend the issuance of any award or
2 recognition.

3 9 Suggestion Award Standard. RSA 99-E:5 is repealed and reenacted to read as follows:

4 99-E:5 Suggestion Award Standard.

5 I.(a) Any employee may make a cost-saving suggestion to the departmental award
6 evaluation committee or to the governor and the executive council.

7 (b) A suggestion made to the governor and council shall be assigned an identifying
8 number. The governor and council shall forward the numbered suggestion to the state suggestion
9 and extraordinary award evaluation committee. The governor and executive council shall not reveal
10 the identity of the employee until an award is made under this section.

11 (c) The departmental award evaluation committee shall recommend monetary
12 recognition as it deems appropriate to the state suggestion and extraordinary service evaluation
13 committee.

14 II. The state suggestion and extraordinary service award evaluation committee shall
15 investigate all suggestions and determine the estimated savings. All accepted suggestions shall be
16 submitted to the governor and council for final approval. Any employee who makes a suggestion
17 that is accepted and implemented shall receive a one-time award equal to 10 percent of the savings
18 achieved during the initial 12-month period after implementation.

19 III. If an award is issued by the governor and council under paragraph II, such award may,
20 in the discretion of the governor and council, be paid from the budget of the department or unit
21 believed to have received the benefit of the suggestion or from the special fund established under
22 RSA 99-E:7, V. If the unit from which the award is paid is self-funding, the award shall be paid from
23 the unit's operating budget. The commissioner of a department from which an award is to be paid
24 under this paragraph shall certify any amounts so appropriated to the director of personnel for
25 transfer and payment to the employee.

26 IV. If the state suggestion and extraordinary service award evaluation committee, in its
27 discretion, concludes that a suggestion that has been successfully implemented in a single
28 department, division, office, or other subdivision of the state may result in additional benefit if
29 implemented on a larger scale, the committee may so state to the governor and executive council. In
30 such a case, an employee may, on one additional occasion, be considered for additional award for the
31 suggestion.

32 V. A suggestion shall not be eligible for award or recognition if the state extraordinary
33 service award evaluation committee determines, in its discretion, that the suggestion was under
34 consideration by the state prior to the time that the suggestion was made by the employee.

35 10 Suggestion Award Standard. RSA 99-E:5 is repealed and reenacted to read as follows:

36 99-E:5 Suggestion Award Standard.

37 I. A departmental award evaluation committee shall recommend such monetary or

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1 nonmonetary recognition as it, within its discretion, concludes is appropriate for original suggestions
2 that the committee concludes may, if implemented, accomplish any of the following:

3 (a) Improve government cost savings.

4 (b) Improve government efficiency.

5 (c) Increase revenue to the state by a means other than the establishment of a new, or
6 an increase in an existing, tax.

7 II. The state suggestion and extraordinary service award evaluation committee shall
8 recommend to the governor and council such monetary awards as it, within its discretion, concludes
9 are appropriate for original suggestions that may, if implemented, accomplish the ends specified in
10 paragraph I. The state suggestion and extraordinary service award evaluation committee shall
11 either recommend to the governor and council such nonmonetary recognition as the committee,
12 within its discretion, believes is appropriate for original suggestions that, if implemented, may
13 accomplish the ends specified in paragraph I, or itself issue such nonmonetary recognition.

14 III. Prior to making a recommendation for award, or recommending or issuing nonmonetary
15 recognition, either a departmental award evaluation committee or the state suggestion and
16 extraordinary service award evaluation committee may recommend that a suggestion be
17 implemented and may defer its determination pending receipt of information relative to that
18 implementation. If a suggestion has been implemented prior to the time that it has been submitted
19 or nominated for award, the committee may defer its determination relative to award pending
20 receipt of information on the success of such implementation, including, if applicable, the amount of
21 any savings or revenue realized and the method of calculation. If the state suggestion and
22 extraordinary service award evaluation committee concludes, in its discretion, that it is appropriate
23 to do so, that committee may recommend or suggest implementation of a suggestion in units beyond
24 those in which implementation has been accomplished or suggested and may, in its discretion, defer
25 its determination relative to award pending receipt of information relative to that implementation.

26 IV. A suggestion shall not be eligible for award or recognition if the award evaluation
27 committee determines, in its discretion, that the suggestion:

28 (a) Is of the type that is expected to be made as part of the employee's regularly-assigned
29 duties or job responsibilities;

30 (b) Was under consideration by the state prior to the time that the suggestion was made
31 by the employee;

32 (c) Was previously made by another individual, whether or not previously submitted to
33 an award evaluation committee; or

34 (d) Except as provided in RSA 99-E:4, X, is one for which the employee has previously
35 been nominated for, or has received, a monetary award from the state under this chapter or its
36 predecessor chapters.

37 11 Amount of Monetary Awards for Extraordinary Service. Amend RSA 99-E:7, to read as

1 follows:

2 99-E:7 Amount of Monetary Awards *for Extraordinary Service*.

3 I. The amount of any monetary award recommended by a committee in regard to ~~[any one~~
4 ~~suggestion or]~~ *extraordinary* service shall not be greater than \$5,000.

5 II. If an award evaluation committee determines, in its discretion, that an appropriate
6 measure of award would be the amount of any savings or increase in revenue realized by the state as
7 the result of a service performed by an employee~~[- or as the result of a suggestion which has been~~
8 ~~implemented,]~~ the amount of a monetary award recommended by the committee may not exceed 10
9 percent of the amount of the savings or increase in revenue to the state during the ~~[first fiscal year of~~
10 ~~the implementation of the suggestion, or the]~~ fiscal year in which the service was performed, nor
11 may it exceed the amount of \$5,000.

12 III. If a monetary award is issued by the governor and council based upon the amount of
13 savings or increase under paragraph II, an amount equal to the monetary award may, in the
14 discretion of the governor and council, be paid from the budget of the specific department or the
15 departments believed to have received the benefit of the ~~[suggestion or]~~ service during the ~~[first~~
16 ~~fiscal year of implementation of a suggestion, or during the]~~ fiscal year in which the service was
17 performed. Any remaining savings or increases resulting from the ~~[suggestion or]~~ service shall lapse
18 to the general fund. If the unit from which the award is paid is self-funding, the award shall be paid
19 from the unit's operating budget. The commissioner of a department from which an award is to be
20 paid under this paragraph, shall certify any amounts so appropriated to the director of personnel for
21 transfer and payment to the employee.

22 ~~[IV. If a suggestion which has previously been submitted or nominated for award is again~~
23 ~~submitted or nominated under RSA 99 E:4, X as the result of larger scale implementation, the~~
24 ~~amount of any additional monetary award recommended shall be in such amount as the committee,~~
25 ~~in its discretion, believes is proper, but shall not, in any event, exceed \$5,000.~~

26 ~~V.]~~ IV. The total amount of monetary awards *for extraordinary service* recommended by
27 the state suggestion and extraordinary service award evaluation committee between October 1 of one
28 year and September 30 of the following year shall not exceed \$10,000.

29 ~~[VI.]~~ V. There is hereby established in the office of the governor a special fund in the amount
30 of \$10,000, which shall be used for employee suggestion and extraordinary service awards, if any.
31 ***Monies in the special fund shall not lapse.*** If the entire appropriation is not used for employee
32 suggestion and extraordinary service awards in any fiscal year, the amount appropriated for the
33 fund in the next fiscal year shall be only such amount as is necessary to bring the total amount of the
34 fund to \$10,000.

35 ~~[VII.]~~ VI. This chapter shall not be construed to limit the availability of any employee award
36 or recognition not arising pursuant to this chapter.

37 ~~[VIII.]~~ VII. The governor, with the consent of council, is hereby authorized to draw a

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1 warrant for monetary awards under this ~~[chapter]~~ **section** out of any money contained in the fund
2 established under paragraph ~~[VI]~~ **V**. The governor and council shall not approve expenditures from
3 the fund in excess of \$10,000 in any fiscal year, shall not issue any single award in excess of the
4 amount indicated in paragraph I~~[, or, in case of additional awards under paragraph IV, shall not~~
5 ~~issue any award in excess of the amount set forth in paragraph IV]~~. In issuing awards or
6 recognition, the governor and council shall not be limited by any recommendation of the state
7 suggestion and extraordinary service award evaluation committee. The decision of whether to issue
8 a monetary award for ~~[suggestions and]~~ services under this chapter, and the amount thereof, if any,
9 shall, with the foregoing limitations, be solely within the discretion of the governor and council.

10 ~~[IX.]~~ **VIII**. Award evaluation committees recommending monetary awards may consider, but
11 shall not be required to make recommendations according to, the following suggested ranges of
12 award for the following types of ~~[suggestions or]~~ services:

13 ~~(a) For suggestions to improve government cost savings, \$500 to \$2,500, or a percentage~~
14 ~~of the amount of savings as specified under paragraph II.~~

15 ~~(b) For suggestions to improve government efficiency, \$250 to \$1,500, or a percentage of~~
16 ~~the amount of savings or revenue increase as specified under paragraph II.~~

17 ~~(c) For suggestions to increase revenue to the state by a means other than the~~
18 ~~establishment of a new, or an increase in an existing, tax, \$250 to \$1,500 or a percentage of the~~
19 ~~amount of increase as specified under paragraph II.~~

20 ~~(d)~~ **(a)** For services outside of or beyond the scope of an employee's regular job
21 responsibilities or functions involving circumstances where only immediate action by the employee
22 could avoid or avert probable harm to an individual, to property, or to the financial interests of the
23 state, \$500 to \$2,500, or a percentage of the amount of increase or savings as specified under
24 paragraph II.

25 ~~(e)~~ **(b)** For services within the scope of an employee's regular job responsibilities or
26 functions involving the demonstration of abilities or efforts greatly above and beyond any standard of
27 performance expected of the employee, \$250 to \$1,500 or a percentage of the amount of increase or
28 savings as specified under paragraph II.

29 12 Amount of Monetary Awards for Extraordinary Service. Amend RSA 99-E:7, to read as
30 follows:

31 99-E:7 Amount of Monetary Awards ~~[for Extraordinary Service]~~.

32 I. The amount of any monetary award recommended by a committee in regard to
33 ~~[extraordinary]~~ **any one suggestion or** service shall not be greater than \$5,000.

34 II. If an award evaluation committee determines, in its discretion, that an appropriate
35 measure of award would be the amount of any savings or increase in revenue realized by the state as
36 the result of a service performed by an employee, **or as the result of a suggestion which has been**
37 **implemented**, the amount of a monetary award recommended by the committee may not exceed 10

1 percent of the amount of the savings or increase in revenue to the state during the *first fiscal year*
2 *of the implementation of the suggestion, or the* fiscal year in which the service was performed,
3 nor may it exceed the amount of \$5,000.

4 III. If a monetary award is issued by the governor and council based upon the amount of
5 savings or increase under paragraph II, an amount equal to the monetary award may, in the
6 discretion of the governor and council, be paid from the budget of the specific department or the
7 departments believed to have received the benefit of the *suggestion or* service during the *first*
8 *fiscal year of implementation of a suggestion, or during the* fiscal year in which the service
9 was performed. Any remaining savings or increases resulting from the *suggestion or* service shall
10 lapse to the general fund. If the unit from which the award is paid is self-funding, the award shall
11 be paid from the unit's operating budget. The commissioner of a department from which an award is
12 to be paid under this paragraph, shall certify any amounts so appropriated to the director of
13 personnel for transfer and payment to the employee.

14 IV. *If a suggestion which has previously been submitted or nominated for award is*
15 *again submitted or nominated under RSA 99-E:4, X as the result of larger-scale*
16 *implementation, the amount of any additional monetary award recommended shall be in*
17 *such amount as the committee, in its discretion, believes is proper, but shall not, in any*
18 *event, exceed \$5,000.*

19 V. The total amount of monetary awards [~~for extraordinary service~~] recommended by the
20 state suggestion and extraordinary service award evaluation committee between October 1 of one
21 year and September 30 of the following year shall not exceed \$10,000.

22 [~~V.~~] VI. There is hereby established in the office of the governor a special fund in the amount
23 of \$10,000, which shall be used for employee suggestion and extraordinary service awards, if any.
24 [~~Monies in the special fund shall not lapse.~~] If the entire appropriation is not used for employee
25 suggestion and extraordinary service awards in any fiscal year, the amount appropriated for the
26 fund in the next fiscal year shall be only such amount as is necessary to bring the total amount of the
27 fund to \$10,000.

28 [~~VI.~~] VII. This chapter shall not be construed to limit the availability of any employee award
29 or recognition not arising pursuant to this chapter.

30 [~~VII.~~] VIII. The governor, with the consent of council, is hereby authorized to draw a
31 warrant for monetary awards under this [~~section~~] *chapter* out of any money contained in the fund
32 established under paragraph VI. The governor and council shall not approve expenditures from the
33 fund in excess of \$10,000 in any fiscal year, shall not issue any single award in excess of the amount
34 indicated in paragraph I *or, in the case of additional awards under paragraph IV, shall not*
35 *issue any award in excess of the amount set forth in paragraph IV.* In issuing awards or
36 recognition, the governor and council shall not be limited by any recommendation of the state
37 suggestion and extraordinary service award evaluation committee. The decision of whether to issue

1 a monetary award for **suggestions and** services under this chapter, and the amount thereof, if any,
2 shall, with the foregoing limitations, be solely within the discretion of the governor and council.

3 ~~[VIII.]~~ IX. Award evaluation committees recommending monetary awards may consider, but
4 shall not be required to make recommendations according to, the following suggested ranges of
5 award for the following types of suggestions or services:

6 (a) *For suggestions to improve government cost savings, \$500 to \$2,500, or a*
7 *percentage of the amount of savings as specified under paragraph II.*

8 (b) *For suggestions to improve government efficiency, \$250 to \$1,500, or a*
9 *percentage of the amount of savings or revenue increase as specified under paragraph II.*

10 (c) *For suggestions to increase revenue to the state by a means other than the*
11 *establishment of a new, or an increase in an existing, tax, \$250 to \$1,500 or a percentage of*
12 *the amount of increase as specified under paragraph II.*

13 ~~(a)~~ (d) For services outside of or beyond the scope of an employee's regular job
14 responsibilities or functions involving circumstances where only immediate action by the employee
15 could avoid or avert probable harm to an individual, to property, or to the financial interests of the
16 state, \$500 to \$2,500, or a percentage of the amount of increase or savings as specified under
17 paragraph II.

18 ~~(b)~~ (e) For services within the scope of an employee's regular job responsibilities or
19 functions involving the demonstration of abilities or efforts greatly above and beyond any standard of
20 performance expected of the employee, \$250 to \$1,500 or a percentage of the amount of increase or
21 savings as specified under paragraph II.

22 13 Nonmonetary Recognition. Amend RSA 99-E:8 to read as follows:

23 99-E:8 Nonmonetary Recognition *for Extraordinary Service*. A departmental award
24 evaluation committee may, in its discretion, recommend, and the state suggestion and extraordinary
25 service award evaluation committee may, in its discretion, issue or recommend, nonmonetary
26 recognition in lieu of, or in addition to, recommending a monetary award *for extraordinary service*
27 under this chapter. Nonmonetary recognition shall be in such form as the committee, in its
28 discretion, believes is appropriate for the service rendered ~~[or suggestion made]~~.

29 14 Nonmonetary Recognition. Amend RSA 99-E:8 to read as follows:

30 99-E:8 Nonmonetary Recognition ~~[for Extraordinary Service]~~. A departmental award evaluation
31 committee may, in its discretion, recommend, and the state suggestion and extraordinary service
32 award evaluation committee may, in its discretion, issue or recommend, nonmonetary recognition in
33 lieu of, or in addition to, recommending a monetary award ~~[for extraordinary service]~~ under this
34 chapter. Nonmonetary recognition shall be in such form as the committee, in its discretion, believes
35 is appropriate for the service rendered *or suggestion made*.

36 15 Effective Date.

37 I. Sections 2, 4, 6, 8, 10, 12, and 14 of this act shall take effect September 1, 2015.

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- 1 II. The remainder of this act shall take effect 60 days after its passage.

HB 325 FISCAL NOTE

AN ACT relative to public employee suggestions for cost-saving measures.

FISCAL IMPACT:

The Department of Administrative Services states this bill, as introduced, will have an indeterminable impact on state expenditures in FY 2014 and each year thereafter. There is no impact on state revenue, or county and local revenue and expenditures.

METHODOLOGY:

The Department of Administrative Services states this bill makes numerous changes to the suggestions and extraordinary service award program for state employees, including changing award payments for cost saving measures adopted by the state. This bill becomes effective 60 days after passage until September 1, 2015 at which time the statute reverts back to its current condition. The Department states this bill will change the current award methodology, which places a monetary limit on any single award to \$5,000 and \$10,000 in the aggregate for all awards during any fiscal year. The proposed bill removes the \$10,000 annual cap for all awards and changes the award amount to ten percent of the cost savings accruing to the state by virtue of the employee's suggestion during the first 12 months after implementation. The Department states it is unable to determine the fiscal impact of this bill because it is not possible to predict what cost saving measures may be considered and implemented, or the dollar savings from those measures.