

GOVERNMENT CODE
CHAPTER 2108. EMPLOYEE INCENTIVE AND AGENCY PRODUCTIVITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2108.001. DEFINITION. In this chapter, "commission" means the Texas Incentive and Productivity Commission.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.002. COMMISSION. The commission is a state agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.003. COMMISSION COMPOSITION; PRESIDING OFFICER; TERMS. (a) The commission is composed of:

(1) the governor;
(2) the lieutenant governor;
(3) the comptroller;
(4) the chief administrative officer of a state agency, designated by the governor, that employs fewer than 1,000 full-time employees;

(5) the chief administrative officer of a state agency, designated by the governor, that employs 1,000 or more full-time employees;

(6) the chairman of the Texas Higher Education Coordinating Board or the chairman's designee; and

(7) three public members appointed by the governor who have experience in the administration of bonus, incentive, or related programs used in private industry.

(b) A commission member who is an elected official may designate another individual to act in the official's place as a voting member of the commission.

(c) The governor or the governor's designee serves as presiding officer of the commission.

(d) The chief administrative officers of the agencies designated by the governor serve a two-year term on the commission, with the term of one designated agency's chief administrative officer expiring February 1 of each even-numbered year and the term of the other designated agency's chief administrative officer expiring February 1 of each odd-numbered year. Public members serve a two-year term, with the term of one member expiring February 1 of each even-numbered year and the term of two members expiring February 1 of each odd-numbered year.

(e) Appointments to the commission shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 8.64, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 81, Sec. 1, eff. Sept. 1, 1999.

Sec. 2108.0035. ELIGIBILITY FOR COMMISSION MEMBERSHIP OR EMPLOYMENT. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) A person may not be a public member of the commission and may not be a commission employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of the administration of bonus, incentive, or related programs used in private industry; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of the administration of bonus, incentive, or related programs used in private industry.

(c) A person may not be a public member of the commission or act as general counsel to the commission if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the commission.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 2, eff. Sept. 1, 1999.

Sec. 2108.0036. REMOVAL OF MEMBER. (a) It is a ground for removal from the commission if a public member:

(1) does not have at the time of taking office the

qualifications required by Section 2108.003;

(2) does not maintain during service on the commission the qualifications required by Section 2108.003;

(3) is ineligible for membership under Section 2108.0035;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled commission meetings that the member is eligible to attend during a calendar year unless the absence is excused by a majority vote of the commission.

(b) The validity of an action of the commission is not affected by the fact that it is taken when a ground for removal of a commission member exists.

(c) If the executive director of the commission has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the commission of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the commission, who shall then notify the governor and the attorney general that a potential ground for removal exists.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 2, eff. Sept. 1, 1999.

Sec. 2108.004. COMMISSION POWERS AND DUTIES. (a) The commission shall develop policies, procedures, and record-keeping measures to administer this chapter.

(b) The commission may adopt rules to carry out this chapter.

(c) The commission may seek, accept, and use contributions or assistance from private institutions and organizations and may request and receive aid and assistance from the governor's office and other state governmental bodies to effectively implement this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 2001, 77th Leg., ch. 1117, Sec. 1, eff. Sept. 1, 2001.

Sec. 2108.005. EXECUTIVE DIRECTOR; STAFF. The commission may hire an executive director and other staff necessary to perform its functions.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1999, 76th Leg., ch. 81, Sec. 3, eff. Sept. 1, 1999.

Sec. 2108.006. REPORT. Not later than January 1 before each regular session of the legislature, the commission shall report in writing to the governor, the lieutenant governor, and the speaker of the house of representatives on the commission's activities, decisions, awards, and recommendations.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.008. PERSONNEL MATTERS. (a) The executive director or the executive director's designee shall provide to members of the commission and to agency employees, as often as necessary, information regarding the requirements for office or employment under this chapter, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

(b) The commission shall develop and implement policies that clearly separate the policymaking responsibilities of the commission and the management responsibilities of the executive director and the staff of the commission.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 5, eff. Sept. 1, 1999.

Sec. 2108.009. EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT. (a) The executive director or the executive director's designee shall prepare and maintain a written policy statement that implements a program of equal employment opportunity to ensure that all personnel decisions are made without regard to race, color, disability, sex, religion, age, or national origin.

(b) The policy statement must include:

(1) personnel policies, including policies relating to recruitment, evaluation, selection, training, and promotion of personnel, that show the intent of the commission to avoid the unlawful employment practices described by Chapter 21, Labor Code; and

(2) an analysis of the extent to which the composition

of the commission's personnel is in accordance with state and federal law and a description of reasonable methods to achieve compliance with state and federal law.

- (c) The policy statement must:
- (1) be updated annually;
 - (2) be reviewed by the Texas Commission on Human Rights for compliance with Subsection (b)(1); and
 - (3) be filed with the governor's office.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 5, eff. Sept. 1, 1999.

Sec. 2108.010. PUBLIC TESTIMONY. The commission shall develop and implement policies that provide the public with a reasonable opportunity to appear before the commission and to speak on any issue under the jurisdiction of the commission.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 5, eff. Sept. 1, 1999.

Sec. 2108.011. COMPLAINTS. (a) The commission shall maintain a file on each written complaint filed with the commission. The file must include:

- (1) the name of the person who filed the complaint;
- (2) the date the complaint is received by the commission;
- (3) the subject matter of the complaint;
- (4) the name of each person contacted in relation to the complaint;
- (5) a summary of the results of the review or the investigation of the complaint; and
- (6) an explanation of the reason the file was closed, if the agency closed the file without taking action other than to investigate the complaint.

(b) The commission shall provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the commission's policies and procedures relating to complaint investigation and resolution.

(c) The commission, at least quarterly until final disposition of the complaint, shall notify the person filing the complaint and each person who is a subject of the complaint of the status of the complaint unless the notice would jeopardize an undercover investigation.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 5, eff. Sept. 1, 1999.

Sec. 2108.012. TRAINING. (a) A person who is appointed to and qualifies for office as a public member of the commission may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

- (1) the legislation that created the commission;
- (2) the programs operated by the commission;
- (3) the role and the functions of the commission;
- (4) the rules of the commission with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) the current budget for the commission;
- (6) the results of the most recent formal audit of the commission;
- (7) the requirements of:
 - (A) the open meetings law, Chapter 551;
 - (B) the public information law, Chapter 552;
 - (C) the administrative procedure law, Chapter 2001; and
 - (D) other laws relating to public officials, including conflict of interest laws; and
- (8) any applicable ethics policies adopted by the commission or the Texas Ethics Commission.

(c) A person appointed to the commission is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 5, eff. Sept. 1, 1999.

SUBCHAPTER B. STATE EMPLOYEE INCENTIVE PROGRAM

Sec. 2108.021. DEFINITIONS. In this subchapter:

- (1) "Agency coordinator" means a state employee who is designated by the executive director of the employee's agency to act as the liaison between that agency and the commission.
- (2) "Award" means a bonus or certificate of appreciation.

(3) "Bonus" means a monetary award that is granted to a state employee in payment for an employee suggestion.

(4) "Certificate of appreciation" means a nonmonetary award that is granted to a state employee in recognition of an employee suggestion.

(5) "Incentive program" means the state employee incentive program.

(6) "State agency" means a department, commission, board, office, or other agency in the executive or judicial branch of government that is created under the constitution or a statute of this state.

(7) "State employee" means an employee of a state agency and does not include an elected or appointed agency official.

(8) "State employee group" means a group of four or more state employees employed by the same state agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1999, 76th Leg., ch. 81, Sec. 6, eff. Sept. 1, 1999.

Sec. 2108.022. STATE EMPLOYEE INCENTIVE PROGRAM. (a) The purposes of the state employee incentive program are to:

(1) reduce state expenditures, increase state revenues, and improve the quality of state services; and

(2) recognize the contributions made by certain state employees in achieving the goals described in Subdivision (1).

(b) An employee may be compensated for a suggestion under the incentive program only as provided by this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.023. AWARDS. (a) The commission may grant an award to an eligible state employee who makes a suggestion that:

(1) reduces state expenditures, increases state revenues, increases agency productivity, or improves the quality of state services; and

(2) is approved and implemented.

(b) The commission may grant an award before the end of the first year in which a suggestion is implemented.

(c) An award must be computed on the net annual actual or projected savings or increased revenues, including savings or increased revenues that result from increased productivity, that are certified by the affected state agency and the commission.

(d) An employee is eligible for a bonus of 10 percent of the net savings or revenue increases, not to exceed an award of \$5,000, if the employee's suggestion results in savings or increased revenues, including savings or increased revenues that result from increased productivity, that:

(1) can be computed using a cost-benefit analysis; and

(2) equal or exceed \$500 after implementation costs.

(e) An employee is not eligible for a bonus but may be recognized by a certificate of appreciation if the employee's suggestion results in:

(1) intangible savings or benefits that cannot be computed using a cost-benefit analysis; or

(2) a net annual savings or increase in revenues of less than \$500.

(f) The commission may also issue a certificate of appreciation to each employee who is granted a bonus under this subchapter.

(g) The commission shall divide any bonus for a suggestion submitted by more than one employee among the employees submitting it.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.33(a), eff. Sept. 1, 1995;

Acts 1999, 76th Leg., ch. 81, Sec. 7, eff. Sept. 1, 1999;

Acts 2001, 77th Leg., ch. 1117, Sec. 2, eff. Sept. 1, 2001.

Sec. 2108.0235. RECOGNITION AWARD. (a) From funds appropriated or otherwise available for this purpose, the commission may grant a recognition award in the amount of \$50 to an eligible state employee who makes a suggestion that:

(1) relates to a state agency and:

(A) conserves energy;

(B) enhances safety;

(C) improves customer service; or

(D) results in the adoption of any other innovation or improvement that is approved by the commission; and

(2) is not otherwise eligible for a bonus under

Section 2108.023.

(b) An award under this section must be approved by members of the commission. The staff of the commission may not approve an award under this section.

(c) The commission may not grant more than 150 awards for suggestions under this section each state fiscal year.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 8, eff. Sept. 1, 1999.

Sec. 2108.0236. STATE EMPLOYEE GROUPS. (a) A state employee group each member of which is eligible under Section 2108.024 may submit a suggestion as a group. Except as provided by this section, each provision in this subchapter that applies to a state employee or a state employee suggestion applies, as appropriate, to a state employee group, each member of a state employee group, or a suggestion submitted by a state employee group.

(b) A state employee group is eligible for a total bonus of 10 percent of the first-year net savings or revenue increases, not to exceed an award of \$5,000 for each member of the state employee group, if the state employee group's suggestion results in savings or increased revenues to a state agency, including savings or increased revenues that result from increased productivity, that:

(1) can be computed using a cost-benefit analysis; and

(2) equal or exceed \$500 after implementation costs.

(c) The commission shall divide any bonus for a suggestion submitted by a state employee group equally among the members of the group.

Added by Acts 1999, 76th Leg., ch. 81, Sec. 8, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 1117, Sec. 3, eff. Sept. 1, 2001.

Sec. 2108.024. EMPLOYEE ELIGIBILITY TO PARTICIPATE. (a) Each state employee is eligible to participate in the incentive program except an employee:

(1) who has authority to implement the suggestion being made;

(2) who is on an unpaid leave of absence;

(3) whose job description includes responsibility for cost analysis, efficiency analysis, savings implementation, or other similar programs in the employee's agency;

(4) who is involved in or has access to agency research and development information used as the basis of the suggestion;

(5) whose job description or routine job duties include developing the type of change in agency operations recommended by the suggestion;

(6) who is an employee of the commission; or

(7) who is an elected or appointed official.

(b) An employee who is temporarily assigned by the employee's agency to a group that is established for the purpose of developing process improvements in that agency is not ineligible under Subsection (a)(1) or (5) to participate in the incentive program solely because of the employee's participation in that group.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 81, Sec. 9, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1117, Sec. 4, eff. Sept. 1, 2001.

Sec. 2108.025. EMPLOYEE STATUS; FORMER EMPLOYEES. (a) An employee's eligibility under Section 2108.024 is determined on the employee's status when the agency coordinator receives the original employee suggestion.

(b) A former employee is eligible for an award if the employee's suggestion is implemented on or before the second anniversary of the date of final disposition of the suggestion. A bonus granted to an employee who dies before the bonus is received shall be paid to the employee's estate.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.026. ELIGIBLE SUGGESTION. (a) To be eligible for consideration under the incentive program an employee suggestion must:

(1) be given to the agency coordinator;

(2) be in writing and in the form the commission prescribes;

(3) be signed by the employee;

(4) propose a reasonable implementation method; and

(5) describe the type of cost savings or other benefit the employee foresees if the suggestion is adopted.

(b) An employee is not eligible to receive an award under

this subchapter for a suggestion that:

(1) does not describe a method to achieve the desired savings or benefit;

(2) proposes an idea under implementation or consideration on the date the suggestion is given to the agency;

(3) relates only to personnel matters or grievances, including employee classification or compensation;

(4) proposes a correction for a condition that resulted only because applicable established procedures were not properly followed;

(5) proposes implementation of a policy or procedure that the employee's agency adopted before the employee made the suggestion to the agency; or

(6) proposes an idea that involves delayed hiring of employees by the agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 81, Sec. 10, eff. Sept. 1, 1999.

Sec. 2108.027. MULTIPLE AND JOINT SUGGESTIONS. (a) If two or more employees or two or more state employee groups submit the same suggestion relating to the same agency, the first suggestion that the agency coordinator receives is eligible for consideration.

(b) If the same suggestion is received on the same day from two or more employees individually and the employees work at different locations, a bonus granted for the suggestion may be divided equally among the employees.

(c) Two or three employees may submit a joint suggestion. A bonus granted for the suggestion may be divided equally among the employees.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 81, Sec. 11, eff. Sept. 1, 1999.

Sec. 2108.028. AGENCY COORDINATOR. (a) Each state agency shall designate an agency coordinator.

(b) An agency coordinator shall:

(1) promote employee participation in the incentive program;

(2) obtain an impartial evaluation of each employee suggestion;

(3) promote the implementation of adopted suggestions by the agency;

(4) monitor the cost savings and other benefits that result from the implementation of an employee suggestion;

(5) file reports with the commission as required by commission rule; and

(6) arrange and conduct intraagency award ceremonies to recognize agency employees who are granted awards under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.029. ELIGIBILITY DETERMINATION BY AGENCY COORDINATOR. (a) An agency coordinator shall make the initial determination of the eligibility of an employee suggestion or of an agency employee who makes a suggestion.

(b) An employee who is aggrieved by an eligibility determination of an agency coordinator may request a redetermination.

(c) The commission shall adopt rules to govern the redetermination process. An agency coordinator shall give each employee who makes a suggestion a copy of the commission rules relating to redeterminations or reevaluations.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.030. PROCEDURE. (a) Not later than the 90th day after the date an agency coordinator receives an employee suggestion, the agency coordinator shall send the suggestion and the evaluation of the suggestion to the commission for further analysis and comment regarding implementation. If, after any necessary analysis, the commission determines that the suggestion has merit, the commission shall refer the suggestion to each appropriate state agency for proposed adoption and implementation.

(b) Not later than the 30th day after the date the commission makes a final determination on adoption or rejection of an employee suggestion, the commission shall notify in writing each employee who proposed the suggestion of the commission's determination.

(c) Final adoption of an employee suggestion is at the

discretion of the chief administrative officers of each agency. An agency that implements a suggestion proposed under this subchapter shall provide information the commission requests that is necessary to compute the amount of savings or other benefits derived from the suggestion.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.031. COMMISSION AS ARBITER; APPEAL. (a) The commission is the final arbiter of any dispute arising from the implementation of the incentive program or from eligibility determination.

(b) An employee may not appeal a commission decision to a court.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.032. REEVALUATION OF SUGGESTION. An employee whose suggestion has been rejected may request a reevaluation of the suggestion if the employee has reasonable grounds to believe that the importance of the suggestion has been overlooked or misinterpreted. The employee must make the request in writing not later than the 30th day after the date the employee receives notice of the rejection. The employee shall provide any additional information that the employee considers useful to the reevaluation.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.033. SUGGESTION ADOPTED BEFORE SUBMISSION TO AGENCY COORDINATOR. The commission may grant a bonus or issue a certificate of appreciation to an employee who makes a suggestion that results in an agency's adopting a policy or procedure before the suggestion is submitted to the agency coordinator if the employee or agency demonstrates to the commission that:

(1) the employee making the suggestion is eligible under this subchapter;

(2) the suggestion is eligible under this subchapter;

(3) the employee proposed a reasonable method of implementation and described the type of savings or benefit foreseen to the agency before agency implementation; and

(4) the agency adopted the policy or procedure as a result of the suggestion.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.034. SUGGESTION REQUIRING LEGISLATIVE ACTION. The commission shall note a suggestion that requires legislative action. If, as a direct result of an employee suggestion, legislation is passed to implement the suggestion, the commission shall consider the suggestion for an award. The employee's agency coordinator shall notify the commission if implementing legislation is passed.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.035. CONFIDENTIALITY. On request of an employee who has made a suggestion under this subchapter, the commission to the greatest extent possible shall maintain the employee's confidentiality in the evaluation or award process.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.036. CLAIMS ASSIGNED TO STATE. By submitting a suggestion under this subchapter, an employee agrees with the state that a claim of the employee based on the suggestion, including a patent, copyright, trademark, or other similar claim, is assigned to the state.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2108.037. RETENTION OF FUNDS. (a) The commission and the affected agency shall certify to the comptroller the amount of the actual or projected savings or increased revenues attributable to an implemented suggestion.

(b) The affected agency shall retain the amount of the actual or projected savings or increased revenues attributable to an implemented suggestion, to the extent that the savings comes from funds appropriated to the affected agency. A portion of the savings or revenues shall be used by the affected agency to pay bonuses awarded by the commission under this subchapter.

(c) The affected agency may transfer savings attributable to an implemented suggestion from the first year of the fiscal biennium to the second year of the fiscal biennium.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1999, 76th Leg., ch. 81, Sec. 12, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1117, Sec. 5, eff. Sept. 1, 2001.

Sec. 2108.039. CHANGE TO INCENTIVE PROGRAM. The state may change or terminate the incentive program at any time without prior notice.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER C. SAVINGS INCENTIVE PROGRAM FOR STATE AGENCY

Sec. 2108.101. NOTICE. A state agency that spends less undedicated general revenue derived from nonfederal sources than is appropriated to the agency for a fiscal year shall send to the comptroller a notice of the amount of the savings before October 30 following the end of the fiscal year in which the savings are realized.

Added by Acts 2003, 78th Leg., ch. 450, Sec. 1, eff. Sept. 1, 2003.

Sec. 2108.102. VERIFICATION OF SAVINGS. The comptroller shall verify the amount of savings contained in the notice not later than the 60th day following the date the comptroller receives the notice.

Added by Acts 2003, 78th Leg., ch. 450, Sec. 1, eff. Sept. 1, 2003.

Sec. 2108.103. RETENTION OF FUNDS. (a) The affected agency retains one-fourth of the amount of savings verified by the comptroller, not to exceed one percent of the amount of undedicated general revenue derived from nonfederal sources appropriated to the agency for the fiscal year in which the savings are realized.

(b) Savings retained under this section may only be appropriated by the legislature to the affected agency. The agency may spend the savings only on an activity or expense that does not:

- (1) create new or expanded services; or
- (2) require ongoing funding at a later date.

Added by Acts 2003, 78th Leg., ch. 450, Sec. 1, eff. Sept. 1, 2003.

Sec. 2108.104. DEMONSTRATION NECESSARY TO RECEIVE SAVINGS. In order for a state agency to receive any savings derived from lowered utility costs under this section, the state agency must demonstrate to the comptroller that the agency has maximized savings on utility expenses by implementing all energy and water conservation programs in compliance with rules adopted under Section 447.002.

Added by Acts 2003, 78th Leg., ch. 450, Sec. 1, eff. Sept. 1, 2003.