

CHAPTER 873

H.B. No. 473

An Act relating to a program to reward state employees for employee recommendations that improve state government efficiency.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. DEFINITIONS. In this Act:

(1) "Agency coordinator" means an individual employed by a state agency who is designated by the executive director of that 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 an eligible state employee in payment for an employee recommendation.

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

(5) "Commission" means the State Employee Incentive Commission.

(6) "Employee recommendation" means a proposal made by an eligible state employee that, on implementation, results in increased productivity, a reduction in state expenditures, an increase in state revenues, or an improvement in the quality of state services.

(7) "Program" means the State Employee Incentive Program.

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

SECTION 2. PROGRAM; AWARDS. (a) In order to reduce state expenditures, increase state revenues, and improve the quality of state services and to recognize the contributions made by certain state employees in achieving those goals, the State Employee Incentive Program is created.

(b) From funds appropriated for this purpose, the State Employee Incentive Commission may grant awards to eligible state employees who make recommendations that reduce state expenditures, increase state revenues, or improve the quality of state services. An award is proportionately related to the financial savings or benefit of the recommendation, based on the net annual savings after implementation costs. Only an approved and implemented employee recommendation is eligible for an award.

(c) A bonus is granted for savings that can be computed using a cost-benefit analysis. Intangible savings or benefits that cannot be computed using such an analysis are not eligible for a bonus, but may be recognized by a certificate of appreciation.

(d) The commission may issue a certificate of appreciation to each state employee who is granted an award under this Act.

(c) An employee whose recommendation results in a net annual savings, or increase in revenues, of \$100 or more is eligible for a bonus of 10 percent of the net savings, or revenue increase, up to a maximum award of \$5,000. An employee whose recommendation results in a net annual savings, or increase in revenues, of less than \$100 is not eligible for a bonus but is eligible for a certificate of appreciation.

SECTION 3. COMMISSION. (a) The State Employee Incentive Commission is created. The commission is composed of the state auditor, the comptroller of public accounts, the state treasurer, the agency administrator of the Texas Employment Commission, the executive director of the Texas Department of Labor and Standards, the executive director of the Legislative Budget Board, and three public members who must have experience in the administration of incentive programs and other related programs used in private industry. The governor, lieutenant governor, and speaker of the house of representatives shall each appoint one public member for a two-year term. A vacancy in the term of a public member shall be filled by the official who made the original appointment.

(b) The commission shall act as the final arbiter of any dispute arising from the implementation of the program or from eligibility determinations.

SECTION 4. COMMISSION POWERS AND DUTIES. (a) The commission shall develop policies and organize procedures to implement a statewide program to reward state employees in the manner provided by this Act for employee recommendations that reduce state expenditures, increase state revenues, or improve the quality of state services.

(b) The commission shall establish recordkeeping procedures as necessary to implement this Act.

(c) The commission shall adopt rules and hire staff as necessary to implement this Act.

(d) The commission may accept contributions and/or assistance from private institutions and organizations, and may request and receive aid and assistance from the governor's office, the Texas Advisory Commission on Intergovernmental Relations, and other state agencies so as to provide for an effective implementation of this Act.

SECTION 5. AGENCY COORDINATOR. (a) Each state agency shall designate an agency coordinator. The agency coordinator shall:

- (1) promote agency employee participation in the program;
- (2) obtain an impartial evaluation of each proposed employee recommendation;
- (3) promote the implementation of adopted recommendations by the agency;
- (4) monitor the cost savings and other benefits that result from the implementation of an employee recommendation;
- (5) file reports with the commission as required by the rules of the commission; and
- (6) arrange and conduct intra-agency award ceremonies to recognize agency employees who are granted awards under this Act.

(b) The agency coordinator shall make the initial determination of the eligibility of an employee recommendation or of an agency employee who makes a recommendation. An employee who is aggrieved by the eligibility determination of the agency coordinator may request a redetermination by the commission.

SECTION 6. EMPLOYEE ELIGIBILITY. (a) Each full-time state employee is eligible to participate in the program except an employee:

- (1) who has authority to implement the recommendation 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 related programs within the employee's agency;
- (4) involved in, or who has access to, agency research and development programs, if that information is used as the basis of the recommendation; or
- (5) whose job description includes developing the type of change in the agency administration that is recommended by the recommendation.

(b) An elected or appointed agency official is not eligible to participate in the program.

SECTION 7. RECOMMENDATION REQUIREMENTS; PROCEDURES. (a) To be eligible for consideration under the program, an employee recommendation must be submitted to the agency coordinator in writing in the format prescribed by the commission. The employee must sign the recommendation. The recommendation must propose a reasonable method of implementation and must describe the type of cost savings or other benefits foreseen by the employee if the recommendation is adopted. The agency coordinator shall transmit all reasonable employee recommendations, together with the evaluation of each of those recommendations, to the commission for further analysis and implementation proposals not later than the 90th day after the day on which the recommendation was received by the agency coordinator.

(b) The commission shall note any recommendation that requires legislative action. If, as a direct result of the employee's recommendation, legislation is passed to implement the recommendation, the commission shall consider the recommendation for an award.

(c) If the same recommendation is submitted by two or more employees, the first received by the agency coordinator is eligible for consideration. If the recommendation is received on the same day from employees working at different locations, a bonus based on the recommendation may be divided equally among the employees submitting the recommendation. Each of the employees is also eligible for a certificate of appreciation.

(d) Two or more employees may submit a joint recommendation. A bonus based on such a recommendation may be divided equally among those employees. Each of the employees is also eligible for a certificate of appreciation.

(e) If, after any necessary analysis, the commission determines that an employee recommendation has merit, the commission shall refer the recommendation to the appropriate state agencies for proposed adoption and implementation. Final adoption of an employee recommendation is at the discretion of the chief administrative officers of each agency. An agency that implements a recommendation proposed under this Act shall provide any information requested by the commission that is necessary to compute the amount of savings or other benefits derived from the recommendation.

(f) The commission shall notify in writing each employee who proposes an employee recommendation of its final determination on adoption or rejection of an employee recommendation not later than the 30th day after the day on which the final determination is rendered.

SECTION 8. INELIGIBLE RECOMMENDATIONS. An employee is not eligible to receive an award under this Act for a recommendation that:

- (1) does not describe a method to achieve the desired savings or benefit;
- (2) proposes ideas under implementation or consideration on the date that the recommendation is submitted;
- (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; or
- (5) proposes implementation of a policy or procedure that has already been adopted by the employee's agency.

SECTION 9. EMPLOYEE RIGHTS. (a) An employee who proposes a recommendation under this Act may request the commission to maintain the confidentiality of the employee in the evaluation or award process. The commission shall maintain such an employee's confidentiality to the greatest extent possible.

(b) An employee's right to an award may be established based on the employee's status at the time that the original employee recommendation was received by the agency coordinator. A former employee remains eligible for an award if the recommendation is implemented not later than two years after the date of final disposition of the recommendation. If an employee who is granted a bonus dies before the date on which the bonus is received, the bonus shall be paid to the deceased employee's estate.

(c) An employee who has proposed a recommendation, and who has reasonable grounds to believe that the importance of the recommendation has been overlooked, misunderstood, or misinterpreted may request the commission to re-evaluate the recommendation. The employee must make the request in writing not later than the 30th day after the day on which the employee receives notification from the commission that the recommendation has been rejected. The employee shall provide any additional information that the employee considers useful to the re-evaluation.

SECTION 10. RIGHTS OF THE STATE. (a) The state may change or terminate the employee recommendation program at any time without prior notice. An employee may be compensated for a recommendation under the program only as provided by this Act. An employee may not appeal a decision of the commission to a court of law.

(b) The submission of an employee recommendation in the manner provided by this Act constitutes an agreement between this state and the employee making the recommendation that all claims by the employee that are based on the recommendation, including patent claims, copyright claims, trademark claims, and other analogous claims, are assigned to the state.

SECTION 11. EFFECTIVE DATE. This Act takes effect September 1, 1985. The State Employee Incentive Program shall be fully implemented by January 1, 1986.

SECTION 12. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity

that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 16, 1985, by a non-record vote; House refused to concur in Senate amendments to H.B. No. 473 on May 27, 1985, and requested the appointment of a conference committee to consider the differences between the two houses; House adopted the conference committee report on H.B. No. 473 on May 27, 1985, by the following vote: Yeas 143, Nays 3, 1 present, not voting; passed by the Senate, with amendments, on May 26, 1985, by a viva-voce vote; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; Senate adopted the conference committee report on H.B. No. 473 on May 27, 1985, by a viva-voce vote.

Approved: June 15, 1985

Effective: September 1, 1985