

Bill as
Introduced

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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
32 chapter shall be classified executive branch employees.

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

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

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

12 6 Submission and Evaluation Procedures. Amend RSA 99-E:4, V(c) to read as follows:

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

19 7 Submission and Evaluation Procedures. Amend RSA 99-E:4, VII(e) to read as follows:

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

28 8 Submission and Evaluation Procedures. Amend RSA 99-E:4, VII(e) to read as follows:

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

1 9 Suggestion Award Standard. RSA 99-E:5 is repealed and reenacted to read as follows:

2 99-E:5 Suggestion Award Standard.

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

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

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

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

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

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

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

33 10 Suggestion Award Standard. RSA 99-E:5 is repealed and reenacted to read as follows:

34 99-E:5 Suggestion Award Standard.

35 I. A departmental award evaluation committee shall recommend such monetary or
36 nonmonetary recognition as it, within its discretion, concludes is appropriate for original suggestions
37 that the committee concludes may, if implemented, accomplish any of the following:

- 1 (a) Improve government cost savings.
2 (b) Improve government efficiency.
3 (c) Increase revenue to the state by a means other than the establishment of a new, or
4 an increase in an existing, tax.

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

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

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

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

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

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

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

35 11 Amount of Monetary Awards for Extraordinary Service. Amend RSA 99-E:7, to read as
36 follows:

37 99-E:7 Amount of Monetary Awards *for Extraordinary Service.*

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

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

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

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

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

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

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

35 ~~[VIII.]~~ VII. The governor, with the consent of council, is hereby authorized to draw a
36 warrant for monetary awards under this ~~[chapter]~~ **section** out of any money contained in the fund
37 established under paragraph ~~[VI]~~ V. The governor and council shall not approve expenditures from

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

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

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

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

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

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

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

26 12 Amount of Monetary Awards for Extraordinary Service. Amend RSA 99-E:7, to read as
 27 follows:

28 99-E:7 Amount of Monetary Awards ~~[for Extraordinary Service].~~

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

31 II. If an award evaluation committee determines, in its discretion, that an appropriate
 32 measure of award would be the amount of any savings or increase in revenue realized by the state as
 33 the result of a service performed by an employee, **or as the result of a suggestion which has been**
 34 **implemented,** the amount of a monetary award recommended by the committee may not exceed 10
 35 percent of the amount of the savings or increase in revenue to the state during the **first fiscal year**
 36 **of the implementation of the suggestion, or the** fiscal year in which the service was performed,
 37 nor may it exceed the amount of \$5,000.

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

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

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

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

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

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

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

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

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

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

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

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

20 13 Nonmonetary Recognition. Amend RSA 99-E:8 to read as follows:

21 99-E:8 Nonmonetary Recognition *for Extraordinary Service*. A departmental award
22 evaluation committee may, in its discretion, recommend, and the state suggestion and extraordinary
23 service award evaluation committee may, in its discretion, issue or recommend, nonmonetary
24 recognition in lieu of, or in addition to, recommending a monetary award *for extraordinary service*
25 under this chapter. Nonmonetary recognition shall be in such form as the committee, in its
26 discretion, believes is appropriate for the service rendered [~~or suggestion made~~].

27 14 Nonmonetary Recognition. Amend RSA 99-E:8 to read as follows:

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

34 15. Effective Date.

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

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

LBAO
13-0264
01/15/13

HB 325-FN - FISCAL NOTE

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

FISCAL IMPACT:

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Department of Administrative Services. When completed, the fiscal note will be forwarded to the House Clerk's Office.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON HB 325-FN

BILL TITLE: relative to public employee suggestions for cost-saving measures.

DATE: 1/30/13

LOB ROOM: 306 **Time Public Hearing Called to Order:** 11:05 am

Time Adjourned: 11:25 am

(please circle if present)

Committee Members: Reps. Weber, Schuett, P. Schmidt, D. Sullivan, Judy Goley, Gagnon, Booras, Moffett, M. Nelson, Hansberry, C. McGuire, Pratt, Hansen, S. Sweeney, Beaudoin, Bianca Rose Garcia, Sytek, Danaïs and Byron.

Bill Sponsors: Rep. Flanagan, Hills 26; Rep. Weyler, Rock 13; Rep. Jasper, Hills 27

TESTIMONY


* Use asterisk if written testimony and/or amendments are submitted.

Rep. Jack Flanagan – Prime Sponsor – Bill was submitted last biennium and now the bill contains a sunset provision. Bill is designed to eliminate waste in state government. Bill allows a 10% reward for an employee who makes a suggestion that saves the state money. The reward can be as high as \$5,000.00. The bill is an incentive for employees. It is also designed to help the state to save money.

Diana Lacey – State Employees Association – President – Opposed to the bill. No complaints about current program. Appears to be working well. Current bill could result in a lot of silly suggestions. Bill is far too broad. Doesn't see a major purpose for the bill. Does not see major problems that need to be addressed.

Rep. Flanagan – Bill allows for suggestions to go through the employees department or they can go to the governor and the executive council.

Respectfully submitted,



Daniel Hansberry, Clerk

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON HB 325-FN

BILL TITLE: relative to public employee suggestions for cost-saving measures.

DATE:

1/30/13

LOB ROOM:

306

Time Public Hearing Called to Order: 11:05 a.m.

Time Adjourned: 11:25 p.m.

(please circle if present)

Committee Members: Reps. Weber, Schuetz, P. Schmidt, D. Sullivan, Judy Goley, Gagnon, Booras, Moffett, M. Nelson, Hansberry, C. McGuire, Pratt, Hansen, S. Sweeney, Beaudoin, Bianca Rose Garcia, Sytek, Danais and Byron.

Bill Sponsors: Rep. Flanagan, Hills 26; Rep. Weyler, Rock 13; Rep. Jasper, Hills 27

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Jack Flanagan - prime sponsor - Bill was submitted last biennium and now the bill contains a sunset provision. Bill is designed to eliminate waste in state government. Bill allows a 10% reward for an employee who makes a suggestion that saves the state money. The reward can be as high as \$5,000.00. The bill is an incentive for employees. It is also designed to help the state to save money.

Diana Lacey - State Employees Assoc. President - opposed to the bill. No complaints about current program. Appears to be working well. Current bill could result in a lot of silly suggestions. Bill is far too broad. Doesn't see a major purpose for the bill. Does not see major problems that need to be addressed.

Rep. Flanagan - Bill allows for suggestions to go through
the employees department or they can go to
the governor and the executive council.

Testimony



HOUSE COMMITTEE RESEARCH OFFICE
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Pam Smarling, Committee Researcher
(603) 271-3387; Pam.Smarling@leg.state.nh.us

To: Rep. Lucy M. Weber, Chairman, House Executive Departments and Administration Committee

From: Pam Smarling, Committee Researcher 
House Committee Research

Date: January 25, 2013

RE: HB 325, relative to public employee suggestions for cost-saving measures
2012 Legislation; Structure and Intent of HB 325; Current State Employee Suggestion and Extraordinary Service Award Program

2012 Legislation; HB 1505

A bill similar to HB 325 (2013) was introduced in the 2012 Legislative Session. This bill, HB 1505, was referred to the House Executive Departments and Administration Committee. The committee amended the bill with a vote of 11-0 and issued the following report to the House:

Rep. Maurice L. Pilotte for Executive Departments and Administration: This bill, as amended, makes three changes to the Suggestion and Extraordinary Service Award Program: 1) it clarifies which state employees are eligible for awards or recognition for extraordinary service. 2) It offers an optional avenue to making cost-saving suggestions by allowing applications to be made directly to the Governor and Executive Council in addition to the current process of making such suggestions to the departmental award evaluation committee. 3) It changes the amount of monetary award for cost-savings suggestions that are accepted from a maximum of \$5,000.00 to "10% of the savings achieved during the initial 12-month period after implementation."

HB 1505 was adopted by the House on a voice vote and then was referred to the Senate Finance Committee. The Senate committee referred the bill for Interim Study in April, 2012.

2013 Legislation; structure, intent

HB 325 makes a series of changes to seven sections of RSA 99-E that are to take effect 60 days after passage of the bill and then repealed effective September 1, 2015. This has the effect of sunseting the changes made in sections 1, 3, 5, 7, 9, 11 and 13 of the bill.

The primary intent of the bill appears to be to apply the current \$5,000 limit to monetary awards solely towards recognition of state employees' extraordinary service for the two-year trial period for the legislation. A new provision for monetary awards would be applied to suggestions for improved government efficiency (see proposed RSA 99-E:5, II and III, page 3 lines 12-23). Under this new provision, an employee who makes a suggestion for cost-savings that is accepted and implemented would receive a one-time award equal to 10% of the savings received with no limitation. The funds for the award may be paid from the budget of the department or unit that benefited from the suggestions or the special fund currently used to provide awards.

Current Program

Information posted on the Division of Human Resources, Department of Administrative Services website describing the current program:

State Employee Suggestion and Extraordinary Service Award Program

In 2005, the New Hampshire Legislature enacted law ([RSA 99-E](#)) that established the **Employee Suggestion and Extraordinary Service Award (SESA)** to recognize state employees who perform a service in their jobs that goes above and beyond the call of duty or who make suggestions that raise revenue or save costs (excluding suggestions to initiate a new tax or raise an existing tax).

SESA can be a monetary award or non-monetary recognition. The New Hampshire Legislature established a \$10,000 fund in the Governor's Office for SESA awards. Each year, the total of awards granted from October 1 to September 30 cannot exceed \$10,000.

Who is eligible?

Any classified state employee(s) may be nominated for a SESA. An employee may also submit a suggestion or nominate himself/herself. RSA 99-E:5,IV lists under what circumstances a person is not eligible to receive an award/recognition for their suggestion. For example, the suggestion was under consideration by the state prior to its submission.

What is the application process?

1. To nominate an employee for a SESA, one must complete the [suggestion/nomination form](#).
2. The SESA suggestion/nomination form must be completed and submitted, either electronically or hard copy, to the departmental award evaluation committee (DAEC) in the department in which the nominee or person making the suggestion is employed.

What is the judging process?

As required by RSA 99-E , each state department must establish a Departmental Award Evaluation Committee (DAEC) comprised of three employees appointed by the department's Commissioner. Each DAEC member serves for two years and, while a member, cannot receive a SESA nor nominate anyone for a SESA.

The DAEC must act upon a suggestion/nomination within 60 days of receipt. If DAEC's final determination is that an award or recognition is recommended, it will move the suggestion/nomination on to the State Suggestion and Extraordinary Award Committee, along with a determination on the nature or amount of the monetary award or non-monetary recognition with the completion of the Departmental Award Evaluation Committee Recommendation Form.

The law provides guidelines on the amount of monetary awards.(RSA 99-E:7). An employee may make a submission directly to the State Suggestion and Extraordinary Service Award Evaluation Committee if there exists good cause for not submitting to a Departmental Committee. See RSA 99-E :4,XI.

Within 60 days of receiving DAEC's recommendations, the State Committee will act upon the suggestion/nomination and determine if it will move the suggestion/nomination on to the Governor and Executive Council, who will make the final determination of employees to be recognized or given a monetary award.

Question?

If you have any questions on the award or suggestion/nomination process, please contact a member of your SESA's Departmental Committee Members (DAEC).

2012 Recipients



Eric Allen, Christopher Basha, Armond Joplin, Russell Gerttula, Michael Gallagher, Kellie Currier, Mike Blatsos and David Best,

On December 5, 2012, the Suggestion and Incentive Awards Committee, with the Governor and Council's assistance, presented non-monetary recognition to Eric Allen, Christopher Basha, Armond Joplin, Russell Gerttula, Michael Gallagher, Kellie Currier, Mike Blatsos and David Best of the Department of Information Technology with certificates for their outstanding performance and demonstrated leadership. In an effort to reduce costs, with efficiency and improvement of business this group implemented a process that continuously copies data from 45 remote agency offices where file servers are maintained to central file servers located in a datacenter. The end result was 45 tape drives, backup software and hundreds of backup tapes were retired. At an average replacement cost of \$3,500 per tape drive, \$550 for backup software replacement and approximately \$500 in backup tape avoidance has resulted in a combined total savings of \$204,000.

If I can provide further information on this, please let me know.

Voting Sheets

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 325-FN

BILL TITLE: relative to public employee suggestions for cost-saving measures.

DATE: 2/12/13

LOB ROOM: 306

Amendments:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Schuett

Seconded by Rep. Sullivan

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Jane E. Beaulieu, Clerk

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 325-FN

BILL TITLE: relative to public employee suggestions for cost-saving measures.

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Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. *Schmitt*

Seconded by Rep. *Sullivan*

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Daniel C. Hansberry, Clerk



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2013 9:17:57 AM
Roll Call Committee Registers
Report

2013 SESSION

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: 325-FN Title: _____

PH Date: 1/1/1 Exec Session Date: 2/12/2013

Motion: UTL Amendment #: _____

MEMBER YEAS NAYS

MEMBER	YEAS	NAYS
Weber, Lucy M, Chairman	✓	
Schuett, Dianne E, V Chairman	✓	
Schmidt, Peter B	✓	
Jeudy, Jean L		
Sullivan, Daniel J	✓	
Goley, Jeffrey P	✓	
Gagnon, Raymond G	✓	
Nelson, Mary S	✓	
Booras, Efstathia C		
Hansberry, Daniel C, Clerk	✓	
Moffett, Howard M	✓	
McGuire, Carol M		✓
Sytek, John		
Pratt, Calvin D		
Hansen, Peter T		
Beaudoin, Steven P <u>Graham, John</u>		✓
Byron, Frank A		✓
Danais, Romeo		
Garcia, Bianca R		✓
Sweeney, Shawn P		✓
TOTAL VOTE:	<u>9</u>	<u>5</u>

Committee Report

REGULAR CALENDAR

February 14, 2013

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Majority of the Committee on EXECUTIVE
DEPARTMENTS AND ADMINISTRATION to which was
referred HB325-FN,**

**AN ACT relative to public employee suggestions for
cost-saving measures. Having considered the same,
report the same with the following Resolution:**

RESOLVED, That it is INEXPEDIENT TO LEGISLATE.

Rep. Dianne E Schuett

FOR THE MAJORITY OF THE COMMITTEE

**MAJORITY
COMMITTEE REPORT**

Committee:	EXECUTIVE DEPARTMENTS AND ADMINISTRATION
Bill Number:	HB325-FN
Title:	relative to public employee suggestions for cost- saving measures.
Date:	February 14, 2013
Consent Calendar:	NO
Recommendation:	INEXPEDIENT TO LEGISLATE

STATEMENT OF INTENT

This bill proposed changes to the Suggestion and Extraordinary Service Award program, creating a two-year test period for rewarding public employees with 10 percent of the savings realized from their cost-saving suggestions. While well intended, the majority of the committee believed that the bill left too many unanswered questions and created a process that was unnecessarily cumbersome and unworkable. The current law already provides monetary awards and recognitions which the majority of the committee believes are working well to encourage creativity and stimulate morale of our public employees.

Vote 9-5

Rep. Dianne E Schuett
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

HB325-FN, relative to public employee suggestions for cost-saving measures. **INEXPEDIENT TO LEGISLATE.**

Rep. Dianne E Schuett for the **Majority** of **EXECUTIVE DEPARTMENTS AND ADMINISTRATION**. This bill proposed changes to the Suggestion and Extraordinary Service Award program, creating a two-year test period for rewarding public employees with 10 percent of the savings realized from their cost-saving suggestions. While well intended, the majority of the committee believed that the bill left too many unanswered questions and created a process that was unnecessarily cumbersome and unworkable. The current law already provides monetary awards and recognitions which the majority of the committee believes are working well to encourage creativity and stimulate morale of our public employees. **Vote 9-5.**

HB 325 MAJORITY

This bill proposed changes to the Suggestion and Extraordinary Service Award program, creating a two-year test period for rewarding public employees with 10 percent of the savings realized from their cost-saving suggestions. While well intended, the majority of the committee believed that the bill left too many unanswered questions and created a process that was unnecessarily cumbersome and unworkable. The current law already provides monetary awards and recognitions which the majority of the committee believes are working well to encourage creativity and stimulate morale of our public employees.

~Dianne E. Schuett

de
Jmw

HB 325 MAJORITY

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~Dianne E. Schuett

REGULAR CALENDAR

February 14, 2013

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Minority of the Committee on EXECUTIVE
DEPARTMENTS AND ADMINISTRATION to which was
referred HB325-FN,**

**AN ACT relative to public employee suggestions for
cost-saving measures. Having considered the same, and
being unable to agree with the Majority, report with the
recommendation that the bill OUGHT TO PASS.**

Rep. Carol M McGuire

FOR THE MINORITY OF THE COMMITTEE

**MINORITY
COMMITTEE REPORT**

Committee:	EXECUTIVE DEPARTMENTS AND ADMINISTRATION
Bill Number:	HB325-FN
Title:	relative to public employee suggestions for cost- saving measures.
Date:	February 14, 2013
Consent Calendar:	NO
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

This bill, based on a unanimous ED&A committee amendment from last year, extends the current employee suggestion program to allow awards of up to 10% of the amount saved in the first year. Common in private industry, these awards are an incentive for employees and teams of employees to use their experience and skill to develop innovative ways to be more efficient and effective. A certificate is nice, but cash is a real recognition of extra effort and inventiveness.

Rep. Carol M McGuire
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

HB325-FN, relative to public employee suggestions for cost-saving measures. **OUGHT TO PASS.**
Rep. Carol M McGuire for the **Minority** of EXECUTIVE DEPARTMENTS AND
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HB 325-FN

Minority Report

OTP - ~~OT~~

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Rep. Carol McGuire for the Minority

ok
smw.

Culberson, Kay

From: Lucy McVitty Weber [lwmcv@comcast.net]

Sent: Tuesday, February 12, 2013 9:19 PM

To: McGuire, Carol; Culberson, Kay

Subject: Re: HB325 minority blurb

Thanks, Carol.

Kay, this minority report is good to go.

Thanks,
Lucy

Rep. Lucy McVitty Weber
Chair, Executive Departments and Administration
217 Old Keene Road
Walpole NH 03608
603-756-4338
lwmcv@comcast.net

From: Carol McGuire <mcguire4house@gmail.com>
Reply-To: Carol McGuire <carol@mcguire4house.com>
Date: Tue, 12 Feb 2013 21:07:51 -0500
To: Lucy McVitty Weber <lwmcv@comcast.net>, "Culberson, Kay"
<Kay.Culberson@leg.state.nh.us>
Subject: HB325 minority blurb

HB325-FN relative to public employee suggestions for cost-saving measures.

Minority, OTP, 9-5.

This bill, based on a unanimous ED&A committee amendment from last year, extends the current employee suggestion program to allow awards of up to 10% of the amount saved in the first year. Common in private industry, these awards are an incentive for employees and teams of employees to use their experience and skill to develop innovative ways to be more efficient and effective. A certificate is nice, but cash is a real recognition of extra effort and inventiveness.

Carol McGuire for the minorit

Culberson, Kay

From: Carol McGuire [mcguire4house@gmail.com]

Sent: Tuesday, February 12, 2013 9:08 PM

To: Weber, Lucy; Culberson, Kay

Subject: HB325 minority blurb

HB325-FN relative to public employee suggestions for cost-saving measures.

Minority, OTP, 9-5.

This bill, based on a unanimous ED&A committee amendment from last year, extends the current employee suggestion program to allow awards of up to 10% of the amount saved in the first year. Common in private industry, these awards are an incentive for employees and teams of employees to use their experience and skill to develop innovative ways to be more efficient and effective. A certificate is nice, but cash is a real recognition of extra effort and inventiveness.

Carol McGuire for the minorit