

HOUSE BILL NO. 1174

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to amend and reenact section 54-06-24 of the North Dakota Century Code,
2 relating to the state employee suggestion incentive program.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-06-24 of the 1997 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **54-06-24. State employee suggestion incentive program.**

- 7 1. There is established a suggestion incentive program for state employees. All
8 persons employed by the state are eligible to participate in the program except
9 state agency heads, administrators, or any supervisors considered at the
10 management level by the state agency head.
- 11 2. A state employee may submit a recommendation or proposal to reduce
12 expenditures ~~within the employee's agency~~ to a suggestion incentive committee.
13 The suggestion incentive committee shall administer the employee suggestion
14 incentive program created under this section and review all recommendations or
15 proposals for reduction of expenditures. The governor shall appoint five state
16 agency heads to the suggestion incentive committee for four-year staggered terms
17 to commence on August first in the year of appointment and to continue until the
18 successors are appointed.
- 19 3. a. The suggestion incentive committee shall consider legitimate savings
20 reductions in expenditures made possible within ~~the state agency~~
21 government.
- 22 b. The suggestion incentive committee shall determine if:
- 23 (1) The recommendation or proposal has been previously submitted and
24 rejected.

1 (2) Implementation of the recommendation or proposal is desirable and
2 feasible.

3 (3) Implementation of the recommendation or proposal will continue to
4 provide the quality of the services presently provided ~~by the state~~
5 ~~agency~~.

6 c. The suggestion incentive committee shall submit to the state agency head of
7 the ~~employee submitting~~ agency benefiting from the recommendation or
8 proposal any recommendation and proposal the committee approves. If the
9 recommendation or proposal benefits more than one agency, the suggestion
10 incentive committee shall submit approved proposals to the agency employing
11 the person making the recommendation.

12 4. The state agency head shall review and determine whether a recommendation or
13 proposal approved by the suggestion incentive committee is capable of
14 implementation. The state agency head shall make the final decision on
15 acceptance or rejection of a recommendation or proposal.

16 5. A state employee who submits a recommendation or proposal to reduce
17 expenditures that is approved by the suggestion incentive committee and approved
18 for implementation by the state agency head is entitled to receive ten percent of
19 any savings realized up to a maximum of ~~one~~ two thousand dollars. The
20 immediate supervisor of the employee submitting the recommendation is also
21 entitled to receive five percent of any savings realized up to a maximum of one
22 thousand dollars. The ~~agency~~ savings must relate directly to the employee's
23 proposed change. The suggestion incentive must be computed on the actual
24 savings for a twelve-month period, the period to run from the time that the
25 proposed change is instituted. An employee ~~is~~ and the employee's immediate
26 supervisor are entitled to the suggestion incentive payment at the end of the
27 twelve-month period in a lump sum from funds of the employing state agency that
28 realized the savings. If the proposal to reduce expenditures benefits more than
29 one agency, the agency employing the employee and immediate supervisor who
30 made the suggestion shall pay the incentive to its employee and supervisor, and
31 the other agencies benefiting from the suggestion shall pay the employing agency

1 the portion of the incentive payment representing each benefiting agency's
2 proportionate share of the total expenditure reduction. If the proposal benefits only
3 an agency that does not employ the person making the suggestion and immediate
4 supervisor, then the employing agency shall pay the incentive and the benefiting
5 agency or agencies shall pay the employing agency the amount of the incentive or
6 its proportionate share of the incentive. Any payments to an employee and
7 immediate supervisor under this program are in addition to the employee's and
8 immediate supervisor's regular salary. Employees and supervisors who qualify for
9 the suggestion incentive are entitled to an award for the first year's savings only
10 and not for any subsequent years.

- 11 6. On July first of each year a state agency that makes a suggestion incentive
12 payment in the preceding twelve months shall submit a report to the office of
13 management and budget describing the implemented recommendation or
14 proposal. On September first of each year, the office of management and budget
15 shall provide to all state agencies a report describing the recommendations and
16 proposals to reduce expenditures implemented by state agencies.