

S.97

An act relating to a Vermont state employees' cost-savings incentive program

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 3 V.S.A. §266 is added to read:

§266. VERMONT EMPLOYEES' COST-SAVINGS INCENTIVE

PROGRAM

(a) For the purposes of this section:

(1) "Agency" means a state board, commission, department, agency, or other entity or officer of state government.

(2) "Board" means the Vermont state employees' cost-savings incentive program board.

(3) "Program" means the Vermont state employees' cost-savings incentive program.

(4) "Suggestion" means a proposal by a state employee that has been submitted to an agency in which the employee is employed that may result in financial savings for that agency.

(b) A state employee may make a suggestion to the agency in which the employee is employed that may result in financial savings for that agency.

(c) There is established the Vermont state employees' cost-savings incentive program. The program shall provide financial incentives to state

employees who make suggestions that are adopted and that result in financial savings for the agency in which the employee is employed and for the state.

(d) There is established the Vermont state employees' cost-savings incentive program board which shall consist of five members serving two-year terms as follows:

(1) two members of the Vermont State Employees' Association, Inc., appointed by the executive director of that association;

(2) one member from the department of human resources, appointed by the commissioner of that department;

(3) one member from the department of finance and management, appointed by the commissioner; and

(4) one member appointed by the state treasurer.

(e) The board shall:

(1) oversee employee suggestions being considered by an agency and shall convene as it deems necessary;

(2) convene annually with the purpose of creating a statewide cost-savings form for employees, and review and update the form as necessary;

(3) convene quarterly to review the suggestions submitted to each agency while they are being evaluated for implementation;

(4) make recommendations to the agency of the feasibility of each suggestion;

(5) establish and oversee a reevaluation process that state employees making suggestions may access if their suggestions are rejected by an agency; and

(6) ensure that the identities of state employees who make suggestions under this section remain confidential.

(f) An agency shall:

(1) Provide a copy of a state employee's suggestion to the board upon receipt by the agency.

(2) Within 60 days of receiving a suggestion, either issue an approval notice to the employee who made the suggestion and to the board and begin implementing the suggestion or provide a written report to the board describing the specific reasons why the agency has declined to implement the suggestion.

(3) Consider input from the board in approving or rejecting a suggestion.

(4) Maintain records of all suggestions, made and implemented, and cost-savings resulting from these suggestions for a period of one year.

(g) If the board determines that a suggestion will provide a savings of \$20,000.00 or more, the suggestion shall be referred to the commissioner of finance and management for additional review and approval. Within 60 days of receiving a suggestion, the commissioner of finance and management shall notify the board of his or her approval or provide a written report to the board

describing the specific reasons why the commissioner has declined to approve the suggestion.

(h) The secretary of administration shall file a report with the governor and the general assembly for each fiscal year on January 1, summarizing the administration and implementation of the suggestion program and the resulting cost-savings for the state.

(i) Awards shall be distributed in the following manner:

(1) For a suggestion saving more than \$1,500.00 and less than \$20,000.01, the board shall award 25 percent of the first-year's savings, and the agency shall distribute the award within 90 days of implementing the suggestion.

(2) For a suggestion saving \$20,000.01 or more, the board shall award \$5,000.00, and the agency shall distribute the award within 90 days of implementing the suggestion; plus five percent of the first-year's savings over \$20,000.00, and the agency shall distribute the award within a reasonable period of time following validation of the first year's savings by the commissioner of finance and management.

(j) An award shall not be made for:

(1) a suggestion that provides a savings of \$1,500.00 or less;

(2) a suggestion containing an idea that is already under active study or is under continual review by the state; and

(3) a suggestion, the adoption and implementation of which is within the scope of the employee's duties.

(k) Elected officials or agency heads shall not be eligible to receive an award pursuant to this section.

(l) The commissioner of finance and management shall determine whether savings have been realized within a reasonable time following the end of the fiscal year.

Sec. 2. 3 V.S.A. §973 is amended to read:

§973. PROTECTED ACTIVITY

(a) A state agency, department, appointing authority, official, or employee shall not engage in retaliatory action against a state employee because the state employee refuses to comply with an illegal order or engages in any of the following:

\* \* \*

(3) Making a suggestion under section 266 of this title.

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Sec. 3. REPEAL

3 V.S.A. §266 (Vermont employees' cost-savings incentive program) and 3 V.S.A. §973(a)(3) (protected activity for participation in the program) shall be repealed on July 1, 2012.