

1 **FINANCIAL INCENTIVES TO AGENCIES**
2 **AND EMPLOYEES FOR COST-SAVING**
3 **SUGGESTIONS**

4 2000 GENERAL SESSION

5 STATE OF UTAH

6 **Sponsor: Tammy J. Rowan**

7 AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES; CREATING THE
8 COST-SAVINGS SUGGESTIONS PILOT PROGRAM; OUTLINING REQUIREMENTS AND
9 PROCESSES FOR COST-SAVINGS SUGGESTIONS; PROVIDING AWARDS TO
10 EMPLOYEES AND AGENCIES; AND REQUIRING REPORTING CONCERNING THE
11 PROGRAM.

12 This act affects sections of Utah Code Annotated 1953 as follows:

13 ENACTS:

14 **67-19-41**, Utah Code Annotated 1953

15 *Be it enacted by the Legislature of the state of Utah:*

16 Section 1. Section **67-19-41** is enacted to read:

17 **67-19-41. Cost-Savings Suggestions Pilot Program.**

18 (1) There is created the Cost-Savings Suggestions Pilot Program.

19 (2) The department shall:

20 (a) consult with state agencies to select two to four state departments or divisions to
21 participate in the pilot program;

22 (b) create a form for an employee to make suggestions that will save costs for an
23 employee's agency; and

24 (c) distribute the form to the participating state agencies for distribution to employees.

25 (3) An employee of a participating agency with a cost-saving suggestion shall:

26 (a) complete the form outlining the cost-saving suggestion; and

27 (b) submit it to the employee's agency director and the department.

28 (4) (a) (i) An agency director who receives a cost-saving suggestion from an employee
29 shall, within 30 days, evaluate the suggestion to determine if the suggestion is feasible and might
30 result in savings for the agency.

31 (ii) If the suggestion cannot be adequately evaluated within 30 days, the agency director
32 may extend the evaluation period for an additional 30 days by notifying the employee and the
33 department of the extension.

34 (b) (i) The department shall submit the suggestion to the panel of examiners for the Utah
35 Quality Service Award Program.

36 (ii) The panel of examiners for the Utah Quality Service Award Program shall:

37 (A) review the suggestion and submit their comments to the agency director;

38 (B) if the suggestion appears to have application to agencies beyond the agency in which
39 the suggestion originated, refer the suggestion to other agencies to which the suggestion may
40 apply; and

41 (C) approve or deny the suggestions as eligible for cost-saving awards as defined in
42 Subsection (8).

43 (5) After completing the evaluation, the agency director shall notify the employee and the
44 department, in writing, that the suggestion:

45 (a) will be implemented; or

46 (b) will not be implemented, with a statement explaining why it will not be implemented.

47 (6) If the cost-saving suggestion is implemented, the agency director shall:

48 (a) notify the department that the agency will implement the suggestion;

49 (b) provide to the department an estimate of the potential annual cost savings to the
50 agency;

51 (c) give the employee making the suggestion an initial cash award of no less than \$100 and
52 no more than \$200, as determined by the agency director;

53 (d) forward information describing the implemented suggestion and the agency's
54 calculation of the annual cost saving to the Division of Finance; and

55 (e) if directed by the Division of Finance, calculate the actual annual cost saving for a
56 period of one year after the suggestion has been implemented.

57 (7) The Division of Finance shall:

58 (a) review and verify the agency's cost-saving calculation; and

59 (b) report its findings to the department.

60 (8) (a) The panel of examiners for the Utah Quality Service Award Program in the
61 department shall review the calculated cost savings of the suggestion and the report of the Division
62 of Finance and, if appropriate, authorize the agency to award 10% of the annual cost savings, not
63 to exceed \$5,000, to the employee.

64 (b) The agency may use the balance of the cost savings to enhance programs and not to be
65 used for bonuses, other compensation, training, or travel.

66 (9) The department and the participating agencies shall report to the Government
67 Operations Interim Committee by September 1, 2003, concerning the results of this pilot program.

Legislative Review Note
as of 12-29-99 1:38 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel