

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
49th LEGISLATURE SPECIAL SESSION III
HOUSE OF REPRESENTATIVES

June 23, 1986

The meeting of the State Administration Committee was called to order by Chairman Sales on June 23, 1986, at 11 a.m. in Room 317 of the State Capitol.

ROLL CALL: Eleven members were present, two were absent and Reps. Garcia, Hayne, Peterson and Phillips were excused and also left their votes on the bill to be heard. Rep. Holliday was also excused but did not leave a vote with the Chairman.

CONSIDERATION OF HOUSE BILL NO. 37: Rep. John Cobb, District #42 appeared as the sponsor of the bill and explained the purpose to the Committee. He also handed out Exhibits 1 and 2 for use by the Committee. He also proposed some amendments.

PROPOSERS: There were none.

OPPOSERS: There were none.

DISCUSSION OF HOUSE BILL NO. 37: In answer to a question from Rep. Jenkins concerning the termination of section 1, Rep. Cobb explained that the bill only sets this up until November 1, 1986. It is an experimental bill so if the program does not work it will be terminated. On November 1 it goes back to the up to 10% and a maximum of \$1,500. The purpose is to see if there might be an influx of ideas to save the State money.

Rep. Harbin asked if they might not be overwhelmed with suggestions on saving money but Rep. Cobb said with the situation the way it is they can use any savings the State can get.

Rep. Nelson said that if Rep. Cobb's amendments are adopted the title would also have to be amended to conform.

There being no further discussion, Rep. Cobb closed.

EXECUTIVE ACTION:

Rep. Smith said he thought there was some real merit to the bill and said that the savings is not for just one year but indefinitely.

Rep. Cody also said it was an excellent program but she was not in favor of increasing what was done in 1985.

Rep. Jenkins said the bill needed some amendments and said it would encourage people to save money.


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Rep. Budd Gould appeared in favor of the bill explaining that this was originally his bill in 1981. He said he had a very difficult time getting it passed. He also suggested that Rep. Cobb check with the Department of Revenue and find out what kind of responses have been received from the liquor store operators in answer to a letter than was sent to them.

Rep. O'Connell moved to ADOPT THE AMENDMENTS proposed by Rep. Cobb, including the title amendment mentioned by Rep. Nelson, seconded by Rep. Jenkins. The MOTION CARRIED. (See Committee Report for amendments.)

Rep. O'Connell moved that HB 37 DO PASS AS AMENDED, seconded by Rep. Janet Moore. Roll call vote was taken with the Chairman reading the written votes left by four members. The MOTION CARRIED 9-7, with Reps. Holliday and Veleber not voting.

The meeting adjourned at 11:30 a.m.



WALTER SALES, Chairman

DAILY ROLL CALL

STATE ADMINISTRATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 6-23-86

NAME	PRESENT	ABSENT	EXCUSED
SALES, Chairman	—		
O'CONNELL	✓		
CAMPBELL	✓		
CODY	✓		
COMPTON	✓		
GARCIA			✓
HARBIN	✓		
HAYNE			✓
HOLLIDAY			✓
JENKINS	✓		
KENNERLY		✓	
MOORE	✓		
NELSON	✓		
PETERSON			✓
PHILLIPS			✓
PISTORIA	✓		
SMITH	✓		
VELEBER		✓	

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John C. L.

#82

Exhibit #1
6-23-86

EMPLOYEE
INCENTIVE
PROGRAM

Laurie Ekanger
Administrator

State Personnel Division
Department of Administration

April 30, 1986

Prepared by:
Joe Michaud
Program Coordinator

STATE EMPLOYEE
INCENTIVE AWARDS PROGRAM
LEGISLATIVE REPORT
AS OF 04/01/86

As of April 1, 1986, the State Employee Incentive Awards Program has been in operation for forty-eight months. In this time, state employees have submitted three hundred twenty-eight suggestion applications. Two hundred sixty-nine of these have been fully evaluated. There have been two hundred thirty-seven ideas denied awards for various reasons and thirty-two successful suggestions resulting in a total of at least \$464,000 first year savings. Sixty-one applications are still in various stages of the evaluation process.

S U G G E S T I O N A P P L I C A T I O N S

Number Received	Number Approved	Number Denied	Number Being Evaluated	Number being Tested/Awaiting Legislation
328	32	237	55	6

The following graphics illustrate various statistics relevant to the Incentive Awards Program. Suggestions offered have been tabulated by agency of the employees offering suggestions and by agency determined to be impacted by implementation of suggestions. Suggestions are being received by employees of various state agencies with the larger agencies such as Highways (68), SRS (56) and Revenue (43) generating the greatest number of ideas.

The ideas being submitted tend to impact various state agencies. One in six ideas submitted impacts more than one state agency (55). Ninety-eight ideas were submitted which require judgment or implementation by the Department of Administration. Many of these also impact more than one state agency.

228 Suggestions Submitted

Agency of Suggestor:

- Legislative Council (4)
- Supreme Court (1)
- Governor's Office (3)
- State Auditor's Office (4)
- Office of Public Instruction (3)
- Justice (10)
- State Universities (3)
- Historical Society (1)
- Fish, Wildlife and Parks (17)
- Health and Environmental Sciences (10)

Agency of Suggestor (continued):

- Highways (68)
- Livestock (1)
- State Lands (5)
- Natural Resources and Conservation (6)
- Revenue (43)
- Administration (19)
- Institutions (33)
- Commerce (9)
- Labor and Industry (32)
- Social and Rehabilitation Services (56)

Agency of Potential Impact:

- Legislative Council (2)
- Governor's Office (1)
- State Auditor's Office (4)
- Office of Public Instruction (1)
- Justice (3)
- State Universities (2)
- Fish, Wildlife, and Parks (11)
- Health and Environmental Sciences (2)
- Highways (60)
- Livestock (1)
- State Lands (3)
- Revenue (11)
- Administration (98)
- Institutions (19)
- Commerce (2)
- Labor and Industry (21)
- Social and Rehabilitation Services (32)
- More than one agency (55)

Stage of Evaluation:

- Pending Agency evaluation (48)
- Pending Advisory Council evaluation (7)
- Pending possible legislation (3)
- Pending outcome of pilot program or further
determination of cost savings estimates (3)
- Completely evaluated (269)

Since the program began in April, 1982, Governor Schwinden has presented awards to 38 different employees for 32 award-winning ideas (4 were shared). In total, \$8,890 was awarded, which averages \$247 per recipient. 11.9% of these ideas evaluated have resulted in awards and, more importantly, cost savings to the state.

The total amount of first year savings generated by these 32 ideas has been conservatively estimated at \$460,000. Average savings per evaluated suggestion is \$1,725, while average savings per award-winning suggestion is \$14,504. Despite these benefits, costs to administer the program are relatively negligible (8% of first year costs savings). Award amounts represented only 1.9% of first year cost savings.

P R O G R A M C O S T S / S A V I N G S E V A L U A T I O N

First Year Savings From Suggestions	Award Costs	Administrative Costs - State Personnel Division/Advisory Council	Administrative Costs* Agencies	Net Savings First Year
\$464,122	\$8,890	\$14,000	\$17,000	\$424,232

* Costs include personal service, printing, and mailing costs which were absorbed by respective agency budgets.

All costs have been absorbed by the respective agency budgets. Personnel service costs include salaries and benefits. Operating costs mainly consist of travel, printing, and mailing expenses. It is expected that future personal services costs will depend on the number of suggestions evaluated and also on the increases to salaries and benefits.

The savings realized in the first year (\$462,122) less all absorbed program costs (\$39,890) represent the net benefit of the program to date (\$424,232).

The table on the following pages provides some basic information on each idea that has resulted in implementation and awards.

* * * * *

MEMBERS OF THE INCENTIVE AWARDS ADVISORY COUNCIL

Mike Abley, Court Administrator, Supreme Court of Montana.

Jim Adams, Director of Field Services, Montana Public Employees Association.

Janet Myren, Administrative Assistant, Department of Social and Rehabilitation Services.

Russell G. McDonald, Administrator, Personnel Division, Department of Highways.

Lois A. Menzies, Research Division, Legislative Council.

John H. Noble, Deputy Commissioner for Management and Fiscal Affairs, University System.

William R. Palmer, Assistant Administrator, Workers' Compensation Division, Department of Labor and Industry.

Laurie Ekanger, (Chairperson), Administrator, State Personnel Division, Department of Administration.

Joseph M. Michaud, Program Coordinator
Violet Pigman, Administrative Assistant

AWARD-WINNING IDEAS

Idea	Recipient(s)	Agency	Location	Award		Est. First Year Savings
				Amount	Year	
1. New method of replacing concrete median barriers on state highways.	Swede Jensen	Highways	Bozeman	\$ 200	\$	2,000
2. Method for withholding medicaid cards from ineligible clients.	Terryanne McCoy	SRS	Missoula	\$ 500	\$	18,000
3. Redesign of forms used in Veterans Affairs Division.	Thomas Hamilton	SRS	Helena	\$ 25	\$	250
4. Modification of material used on low-speed, low-traffic highways.	Donald Fallang	Highways	Helena	\$ 500	\$	87,372
5. Put a switch on thermostats of buildings with overhead doors.	Joe Wayne Finch	Highways	Great Falls	\$ 500	\$	5,000
6. SRS and Job Service share office space in Livingston.	Valerie Newton	SRS	Livingston	\$ 150	\$	1,500
7. Design of steel tripod to use for stable alignments by survey crews.	Donald Taylor	Highways	Billings	\$ 25	\$	250
8. Conduct telephone rather than mail interviews of state hunters.	John Cada	FW&P	Bozeman	\$ 500	\$	36,000
9. Design of device used to straighten bent sign and delineator posts.	Gilbert Paulson and William Spracklin	Highways	Glendive	\$ 500	\$	55,000
10. Negotiated with land owner to convert two cattle bridges to culverts to reduce snow-drifting on state highways.	Phillip Hensel	Justice	Harlowton	\$ 500	\$	13,000
11. Implemented Kardex file system for storing and reordering medications used by long-term care facilities.	Orlynda Goodman and Jennie Ladenburg	Veterans Home	Columbia Falls	\$ 250	\$	2,500
12. Print computer archive notices to users weekly or monthly as opposed to daily.	Gregg Wheeler	Administration	Helena	\$ 50	\$	500
13. Eliminate 10% of existing (unnecessary) highway approaches.	Marvin Nelson	Highways	Helena	\$ 250	\$	2,500

Idea	Recipient(s)	Agency	Location	Award		Est. First
				Amount	Year	
14. Have local Job Service Office mail claimant copies of monetary determinations with first packet of cards.	Bill Lubke	Labor & Industry	Hamilton	\$ 160	\$	1,600
15. Combined some forms used by SRS.	Diane Skelton	SRS	Missoula	\$ 80	\$	800
16. Wrote a program to list tape setups needed by discount class jobs.	Michael Plovanic	Administration	Helena	\$ 500	\$	5,000
17. Devised system for computer matching Social Security Numbers to recover medical payments late approved under Medicaid.	Nita Freeman	SRS	Livingston	\$ 500	\$	175,000
18. Train computer users to delete or purge unneeded reports to save paper.	Teresa Lundberg	Administration	Helena	\$ 25	\$	250
19. Devised a "bin sander" to patch highway ruts.	Eugene Hanson	Highways	Roundup	\$ 500	\$	10,000
20. Devised a computer system used as an aid to manage state fish hatcheries.	Gary Shaver	FW&P	Lewistown	\$ 500	\$	18,850
21. Combined Secretary of State and State Auditor mailings to new Montana corporations.	Valerie Flansaaas	State Auditor's Office	Helena	\$ 75	\$	750
22. Changed system for classifying file folders used in AFDC program.	Lyn Van Arsdale	SRS	Billings	\$ 25	\$	250
23. Have contractors submit contact reports on a tape or disk compatible with respective state word processing systems.	Paul Cartwright	DNRC	Helena	\$ 300	\$	3,000
24. Use a special two-winch apparatus attachable to either wood or metal posts for sign installations.	Charles Kimmel	Highways	Sunburst	\$ 500	\$	7,000
25. Recycle manila envelopes.	Jolitta Besel and Darlene Semans	Institutions	Lewistown	\$ 25	\$	250

Idea	Recipient(s)	Agency	Location	Award		Est. First Year Savings
				Amount		
26. Discontinue mailing of permit forms to veterinarians and others responsible for animals imported into Montana.	Regena Vogl & Evaileen Starkel	Livestock	Helena	\$ 430	\$	4,300
27. Designed a bracket used for the removal of signs.	Larry Rhoads	Highways	Wolf Point	\$ 250	\$	2,500
28. Have Outfitter Report Books and renewal forms made in triplicate to save photo-copying	Jack LaValley	FW&P	Great Falls	\$ 25	\$	250
29. Train employees who are frequent out-of-state travelers to promote tourism in Montana.	William Vollmer	SRS	Helena	\$ 25	\$	250
30. Suggested a law (enacted) to allow SRS to collect child support from inmates that send money to their families that are receiving public assistance.	Mary Pat Brown	SRS	Deer Lodge	\$ 500	\$	5,000
31. Suggested a vendor charge back system for pharmaceutical purchases made for state institutions.	Thomas Lindgren	Institutions	Warm Springs	\$ 25	\$	250
32. Wrote a computer program compatible with IBM PC's to generate Employee's Quarterly Wage Reports.	Bob Brady	Labor and Industry	Glasgow	\$ 495	\$	4,950
TOTALS				\$ 8,890	\$	464,122

INCENTIVE AWARD WINNERS

<u>Name</u>	<u>Award Amount</u>	<u>Approx. 1st Year Savings</u>
S. E. "Swede" Jensen	\$ 200	\$ 2,000
Terryann McCoy	500	18,000
Thomas Hamilton	25	250
Donald E. Fallang	500	87,372
Joe Wayne Finch	500	5,000
Valerie A. Newton	150	750
Donald R. Taylor	25	
John C. Cada	500	36,000
Gilbert Paulson)	500	55,000
William Spracklin)		
Philip Hensel	500	13,000
Orlynda Goodman)	250	2,500
Jennie Ladenburg)		
Gregg Wheeler	50	500
Marvin Nelson	250	2,500
Bill Lubke	160	1,600
Diane Skelton	80	800
Michael Plavonic	500	5,000
Nita Freeman	500	175,000
Teresa Hopkins Lundburg	25	
Eugene Hansen	500	10,000
Gary Shaver	500	18,000
Valerie Flansaas	75	750
Lyn VanArsdale	25	
Regena Vogl)	430	4,300
Evaleen Starkel)		
Charles Kimmet	500	6,500
Larry Rhoads	250	2,500
Darlene Semans)	25	
Jolitta Besel)		
Jack LaValley	25	
Paul Cartwright	300	3,000
William A. Vollmer	25	
Thomas C. Lindgren	25	
Bob Brady	495	4,958

Incentive Award Winners (continued)

<u>Name</u>	<u>Award Amount</u>	<u>Approx. 1st Year Savings</u>
Mary Pat Brown	\$ 500	\$ 5,000
Nancy Beth Bloom	250	
Mary Lou Feller	25	
Gordon L. Reber	25	
Mary Turner	25	
Virgil Albertson	230	2,315

STANDING COMMITTEE REPORT

June 23

19 86

Mr. Speaker: We, the committee on State Administration

report House Bill 37

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Be amended as follows:

Walter Sales

Chairman

1. Title, lines 7 and 8.
Strike: "APPROPRIATING" on line 7 through "TO" on line 8
Insert: "REQUIRING"
2. Title, line 8.
Following: "ADMINISTRATION"
Insert: "TO REQUEST AN APPROPRIATION"
3. Page 2, line 10.
Strike: "Appropriation"
Insert: "Request for appropriation"
4. Page 2, lines 10 and 11.
Strike: "There" on line 10 through "the" on line 11
Insert: "During the 50th Legislature, the"
5. Page 2, lines 11 and 12.
Strike: "\$200,000" on line 11 through "1987," on line 12
Insert: "shall request an appropriation"
6. Page 2, line 13.
Strike: "granted"
Insert: "approved"

First reading copy (White)
color

ROLL CALL VOTE
STATE ADMINISTRATION

COMMITTEE

DATE 6-23-86 BILL NO. HB-37 NUMBER 1

NAME	AYE	NAY
SALES, Chairman	✓	
O'CONNELL	✓	
CAMPBELL	✓	
CODY		✓
COMPTON		✓
GARCIA		✓
HARBIN		✓
HAYNE		✓
HOLLIDAY		
JENKINS	✓	
KENNERLY		
MOORE	✓	
NELSON	✓	
PETERSON		✓
PHILLIPS		
PISTORIA		✓
SMITH	✓	
VELEBER	✓	
	✓	

TALLY

9 7

Secretary

Chairman

MOTION:

Do Pass As Amended
Motion carried.

1. Page 2, line 10
Strike: "There is"
Insert: On line 10 after ".", insert: "Department of
Administration shall request an appropriation by the 50th
Legislature for the amount equivalent to the awards recommended
pursuant to this Act."
2. Page 2, lines 11 through 13
Strike: Lines 11 through 13.