HOUSE BILL NO. 161

INTRODUCED BY GOULD

IN THE HOUSE

January 12, 1981	Introduced and referred to Committee on State Administration.
January 13, 1981	Fiscal note requested.
January 16, 1981	Fiscal note returned.
February 11, 1981	Committee recommend bill do pass as amended. Report adopted.
	Statement of intent attached.
February 12, 1981	Bill printed and placed on members' desks.
February 14, 1981	Second reading, do pass.
February 16, 1981	Correctly engrossed.
February 17, 1981	Third reading, passed. Ayes, 94; Noes, 4. Transmitted to Senate.

IN THE SENATE

February 18, 1981	Introduced and referred to Com- mittee on State Administration.
March 25, 1981	Committee recommend bill and statement of intent be concurred in as amended. Report adopted.
March 27, 1981	Second reading, concurred in.
March 30, 1981	Third reading, concurred in as amended. Ayes, 46; Noes, 3.

IN THE HOUSE

March 31, 1981 Bill and statement of intent returned from Senate with amendments.

April 8, 1981	Second reading, amendments not concurred in.
	On motion Conference Committee requested.
	Conference Committee appointed.
April 13, 1981	Conference Committee reported and dissolved.
April 15, 1981	On motion Free Conference Committee requested.
	Free Conference Committee appointed.
April 16, 1981	Free Conference Committee reported and dissolved.
April 20, 1981	Second reading, Pree Conference Committee report adopted.
	On motion rules suspended and Free Conference Committee report placed on third reading this day.
	Third reading, Free Conference Committee report adopted. Ayes, 89; Noes, 4. Transmitted to Senate.

IN THE SENATE

April 20, 1981 Free Conference Committee report adopted.

IN THE HOUSE

April 20, 1981 Returned from Senate. Sent to enrolling.

Reported correctly enrolled.

1 BILL NO. 161
2 INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT INCENTIVE AWARDS FOR STATE EMPLOYEES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Incentive awards for state employees. (1) A department head as defined in 2-15-102 may pay a cash award to an employee whose suggestion or invention contributes to the efficiency, economy, or other improvement of state government by reducing the costs of government operations.

- (2) The amount of the cash award must equal 10% of the savings resulting from implementing an employee's suggestion or using his invention for 1 year up to a maximum payment of \$25,000. The department head shall pay the employee from the department's budget in a single, lump-sum award. This award is in addition to the recipient's regular compensation.
- (3) Acceptance of the cash award under this section constitutes an agreement that the use by the state of an idea, method, or device for which the award is made does not form the basis of a further claim of any nature against state government by the employee or his heirs.

-End-

STATE OF MONTANA

REQUEST	NO	88-81	
NEULLOS			

FISCAL NOTE

Form BD-15

In	compliance with a written request received <u>January 13</u> , 19 81, there is hereby submitted a Fiscal Note
for	House Bill 161 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).
Ba	ckground information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members
of	the Legislature upon request.

Description of Proposed Legislation

An act to permit incentive/cash awards to a state employee whose suggestion or invention reduces the cost of state government.

Fiscal Impact

There is not sufficient data at this time to allow the preparation of the fiscal impact.

Comment

There is no previous history of this type of program in the state of Montana. Consequently, a cost analysis cannot be performed at this time.

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: |-| 6 - X \

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1	STATEMENT OF INTENT
2	HOUSE RILL 161
3	House Committee on State Administration
4	

The general purpose of H.A. 161 is to provide incentives to state employees to make suggestions or to create inventions that reduce the costs of government operations or improve government operations without increasing costs. The discretion of the Department of Administration in granting awards is limited to 10% of the cost savings realized in the first year, or \$500, whichever is less. Larger awards may be proposed but the Legislature must approve the awards and appropriate the money.

The purpose for giving the Department of Administration rulemaking authority is that it can best administer the program consistently throughout state government and determine the amount of money appropriate for an incentive award.

19 It is contemplated that the rules should address the 20 following:

- 21 (1) the composition of the Advisory Council created by 22 the bill;
- (2) the procedures and bylaws that the AdvisoryCouncil will follow when conducting its business;
- 25 (3) providing model suggestion systems for agencies to

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- 2 (4) standards to assure administration of the program
- 3 on a statewide basis;
- 4 (5) forms that may be necessary to administer the
- 5 provisions in the bill;
- 6 (6) procedures for detailed investigations and
- 7 evaluations of suggestions;
- 8 (7) procedures for filing suggestions with the
- 9 Department;
- 10 (8) procedures for the review of employee concerns
- 11 regarding the fair administration of the program;
- 12 (9) time limits for the review of suggestions and
- 13 inventions;
- 14 (10) procedures for the presentation of suggestions or
- 15 inventions to the Legislature when the legitimate value of
- 16 the ideas exceeds the \$500 limit in the bill;
- 17 (11) procedures covering the timely payment of cash
- 18 awards that are approved by the Department;
- 19 (12) procedures to maintain the integrity of the
- 20 program through the review of awards to assure that they are
- 21 granted equitably, on the basis of merit, and that the
- 22 reasons for granting an award are made public.

HB 0161/02

Approved by Committee on State Administration

1	HOUSE BILL NO. 161
2	INTRODUCED BY GOULD
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TOPERMITINSENTIVE
5	AWARDSFORSTATEEMPLOYEES+ AUTHORIZING THE DEPARTMENT OF
6	ADMINISTRATION TO DEVELOP AND ADMINISTER A STATEWIOE
7	INCENTIVE PROGRAM TO AWARD STATE EMPLOYEES FOR COST-SAVING
8	PROPOSALS."
9	
0	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
1	Refer to Introduced Bill
2	{Strike everything after the enacting clause and insert:}
3	Section 1. Definitions. As used in [sections 1
4	through 6}, the following definitions apply:
5	 "Agency head" means a director, commissioner, or
6	constitutional officer in charge of an executive.
7	legislative, or judicial branch agency or an agency of the
8	Montana university system∙
9	(2) "Department" means the department of
0	administration provided for in 2-15-1001.
l	(3) "Employee" means an employee of the executive,
2	legislative, or judicial branch or the Montana university
3	system.
4	Section 2. Creation of program. The department shall
5	develop and administer a statewide employee inconting award

1	program to appropriately recognize and monetarily reward
2	state employees in a timely manner for suggestions or
3	inventions that contribute to the efficiency, economy, or
4	other improvement of state government by reducing the costs
5	of governmental operations.
6	Section 3. Powers and duties of the department. The
7	department shall:

- (1) adopt rules to equitably administer the employee 9 incentive award program;
- (2) provide an opportunity for all employees to 10 11 participate in the program;
- 12 (3) assist agencies in making incentive awards under 13 the program;
- 14 (4) grant or deny incentive awards in consultation 15 with the incentive awards advisory council and determine the 16 amount of each incentive award based on first-year monetary 17 savings;
- 18 (5) hear appeals from employees on the operation of 19 the program; and
- 20 (6) prepare a biennial report to the legislature 21 containing a list of incentive awards and the corresponding 22 savings to the state resulting from each employee's 23 suggestion or invention and providing a general review of 24 and recommendations for improving the program.
- 25

Appointment and functions of advisory

Section 4.

HB 0161/02

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council. (1) The department shall appoint an incentive awards advisory council under 2-15-122. Members of the advisory council must be selected from a diverse group to adequately represent employees.

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- 5 (2) The advisory council shall meet regularly and
 6 consult with the department to review all proposed incentive
 7 awards and to recommend granting or rejecting these awards.
 8 Section 5. Eligibility for award. (1) Except as
 9 provided in subsection (2), an employee may be eligible for
 10 an incentive award if his suggestion or invention results
 11 in:
- - (b) improving services to the public by permitting more work to be accomplished within an agency without increasing the cost of governmental operations.
 - (2) (a) An employee may not be eligible for an incentive award if his suggestion or invention directly relates to his assigned duties and responsibilities unless the proposal is so superior or meritorious as to warrant special recognition as determined by the department.
- 22 (b) Suggestions or inventions relating to the 23 following matters may not be considered for awards:
 - (i) personnel grievances;
- 25 (ii) classification and pay of positions;

1 (iii) matters recommended for study or review; and
2 (iv) proposals resulting from assigned or contracted
3 audits, studies, surveys, reviews, or research.

Section 6. Agency head to grant award — amount and source of award. (1) After an agency implements an employee's suggestion or invention and the monetary savings to the state is estimated, an agency head, upon written application to and approval from the department and the incentive awards advisory council, may grant an incentive award to an employee whose proposal meets the requirements enumerated in [section 5].

(2) The incentive award may not be more than 10% of the savings resulting from implementing the employee's proposal for 1 year up to a maximum of \$500. Larger awards may be proposed and submitted to the legislature for consideration.

17 (3) The agency head shall pay the employee from the 18 agency's budget in a single, lump-sum award. This award is 19 in addition to the recipient's regular compensation.

-End-

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the bill;

2	HOUSE BILL 161
3	House Committee on State Administration
4	
5	The general purpose of H.d. 161 is to provide
6	incentives to state employees to make suggestions or to
7	create inventions that reduce the costs of government
8	operations or improve government operations without
9	increasing costs. The discretion of the Department of
10	Administration in granting awards is limited to 10% of the
11	cost savings realized in the first year, or \$500, whichever
12	is less. Larger awards may be proposed but the Legislature
13	must approve the awards and appropriate the money.
14	The purpose for giving the Department of Administration
15	rulemaking authority is that it can best administer the
16	program consistently throughout state government and
17	determine the amount of money appropriate for an incentive
18	award•
19	It is contemplated that the rules should address the
20	following:
21	(1) the composition of the Advisory Council created by

(2) the procedures and bylaws that the Advisory

(3) providing model suggestion systems for agencies to

Council will follow when conducting its business;

STATEMENT OF INTENT

1 use when administering the incentive program;

2 (4) standards to assure administration of the program3 on a statewide basis:

4 (5) forms that may be necessary to administer the provisions in the bill;

(6) procedures for detailed investigations and
 evaluations of suggestions;

8 (7) procedures for filing suggestions with the 9 Department;

(8) procedures for the review of employee concernsregarding the fair administration of the program;

12 (9) time limits for the review of suggestions and inventions;

14 (10) procedures for the presentation of suggestions or 15 inventions to the Legislature when the legitimate value of 16 the ideas exceeds the \$500 limit in the bill;

17 (11) procedures covering the timely payment of cash
18 awards that are approved by the Department;

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(12) procedures to maintain the integrity of the program through the review of awards to assure that they are granted equitably, on the basis of merit, and that the reasons for granting an award are made public.

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1	HOUSE BILL NO. 161
2	INTRODUCED BY GOULD
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO-PERMITINCENTIVE
5	*WARBSFORSTATEEMPLOYEES* AUTHORIZING THE DEPARTMENT OF
6	ADMINISTRATION TO DEVELOP AND ADMINISTER A STATEWIDE
7	INCENTIVE PROGRAM TO AWARD STATE EMPLOYEES FOR COST-SAVING
8	PROPOSAL S. "
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Refer to Introduced Bill
12	(Strike everything after the enacting clause and insert:)
13	Section 1. Definitions. As used in [sections 1
14	through 6}, the following definitions apply:
15	(1) "Agency head" means a director, commissioner, or
16	constitutional officer in charge of an executive:
17	legislative, or judicial branch agency or an agency of the
18	Montana university system.
19	(2) "Department" means the department of
20	administration provided for in 2-15-1001.
21	(3) "Employee" means an employee of the executive,
22	legislative, or judicial branch or the Montana university
23	system.

develop and administer a statewide employee incentive award

Creation of program. The department shall

1	program to appropriately recognize and monetarily reward
2	state employees in a timely manner for suggestions o
3	inventions that contribute to the efficiency, economy, o
4	other improvement of state government by reducing the cost
5	of governmental operations.
6	Section 3. Powers and duties of the department. The
7	department shall:
8	(1) adopt rules to equitably administer the employe
9	incentive award program;
10	(2) provide an opportunity for all employees t
11	participate in the program;
12	(3) assist agencies in making incentive awards unde
13	the program;
14	(4) grant or deny incentive awards in consultatio
15	with the incentive awards advisory council and determine th
16	amount of each incentive award based on first-year monetar
17	savings;
18	(5) hear appeals from employees on the operation o
19	the program; and
20	(6) prepare a biennial report to the legislatur

containing a list of incentive awards and the corresponding, savings to the state resulting from each employee's

suggestion or invention and providing a general review of

and recommendations for improving the program.

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Section 4.

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council. (1) The department shall appoint an incentive awards advisory council under 2-15-122. Members of the advisory council must be selected from a diverse group to adequately represent employees.

(2) The advisory council shall meet regularly and

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consult with the department to review all proposed incentive awards and to recommend granting or rejecting these awards.

Section 5. Eligibility for award. (1) Except as provided in subsection (2), an employee may be eligible for an incentive award if his suggestion or invention results

11 in:

12 (a) eliminating or reducing an agency's expenditures;
13 or

(b) improving services to the public by permitting more work to be accomplished within an agency without increasing the cost of governmental operations.

(2) (a) An employee may not be eligible for an incentive award if his suggestion or invention directly relates to his assigned duties and responsibilities unless the proposal is so superior or meritorious as to warrant special recognition as determined by the department.

22 (b) Suggestions or inventions relating to the 23 following matters may not be considered for awards:

(i) personnel grievances;

(ii) classification and pay of positions;

	(iii) matters recommended for study or review; and
?	(iv) proposals resulting from assigned or contracted
3	audits. studies. surveys. reviews. or research.

Section 6. Agency head to grant award — amount and source of award. (1) After an agency implements an employee's suggestion or invention and the monetary savings to the state is estimated, an agency head, upon written application to and approval from the department and the incentive awards advisory council, may grant an incentive award to an employee whose proposal meets the requirements enumerated in [section 5].

12 {2} The incentive award may not be more than 10% of
13 the savings resulting from implementing the employee's
14 proposal for 1 year up to a maximum of \$500. Larger awards
15 may be proposed and submitted to the legislature for
16 consideration.

17 (3) The agency head shall pay the employee from the 18 agency's budget in a single, lump-sum award. This award is 19 in addition to the recipient's regular compensation.

-End-

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STATEMENT	STATEMENT OF INTENT				
HOUSE E	BILL 161				
House Committee on S	State Administration				

The general purpose of H.B. 161 is to provide incentives to state employees to make suggestions or to create inventions that reduce the costs of government operations or improve government operations without increasing costs. The discretion of the Department of Administration in granting awards is limited to 10% of the cost savings realized in the first year, or \$500, whichever is less. Larger awards may be proposed but the Legislature must approve the awards and appropriate the money.

The purpose for giving the Department of Administration rulemaking authority is that it can best administer the program consistently throughout state—government THE DEPARTMENT OF HIGHWAYS and determine the amount of money appropriate for an incentive award.

It is contemplated that the rules should address the following:

- (1) the composition of the Advisory Council created by the bill;
- (2) the procedures and bylaws that the AdvisoryCouncil will follow when conducting its business:
- 25 (3) providing model suggestion systems for agencies to

i	use	when	administering	the	incentive	programa
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provisions in the bill;

- 2 (4) standards to assure administration of the program3 on a statewide basis;
- 4 (5) forms that may be necessary to administer the
- 6 (6) procedures for detailed investigations and7 evaluations of suggestions;
- 8 (7) procedures for filing suggestions with the 9 Department;
- 10 (8) procedures for the review of employee concerns
 11 regarding the fair administration of the program;
- 12 (9) time limits for the review of suggestions and inventions:
- 14 (10) procedures for the presentation of suggestions or 15 inventions to the Legislature when the legitimate value of 16 the ideas exceeds the \$500 limit in the bill;
- 17 (11) procedures covering the timely payment of cash
 18 awards that are approved by the Department;
- 19 (12) procedures to maintain the integrity of the 20 program through the review of awards to assure that they are 21 granted equitably, on the basis of merit, and that the 22 reasons for granting an award are made public.
- THIS PROGRAM IS ESTABLISHED AS A PILOT PROGRAM TO

 DETERMINE WHETHER OR NOT IT SHOULD BE USED STATEWIDE. ALL

 THE PROVISIONS OF THIS ACT SHALL EXPIRE AND TERMINATE ON

JULY 1, 1983.

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1	HOUSE BILL NO. 161
2	INTRODUCED BY GOULD
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TOPERMITINCENTIVE
5	AWARDSFORSTATEEMPLOYEES+ AUTHORIZING THE DEPARTMENT OF
6	ADMINISTRATION TO DEVELOP AND ADMINISTER A STATEWISE PILOT
7	INCENTIVE PROGRAM IN THE DEPARTMENT OF HIGHWAYS TO AWARD
8	STATE EMPLOYEES FOR COST-SAVING PROPOSALS; AND PROVIDING A
9	TERMINATION DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Refer to Introduced Bill
13	(Strike everything after the enacting clause and insert:)
14	Section 1. Definitions. As used in {sections 1
15	through 6], the following definitions apply:
16	(1) "Agency head" means a directorycommissioneryor
17	constitutionalofficerinchargeofanexecutivey
18	legislativev-or-judicial-branch-agency-or-an-agencyofthe
19	Montons-university-system OF THE DEPARTMENT OF HIGHWAYS.
20	(2) "Department" means the department of
21	administration provided for in 2-15-1001.
22	(3) "Employee" means an employee of the executivey
23	tegistativevorjudicialbranch-or-the-Montana-university
24	system <u>DEPARIMENT OF HIGHWAYS</u> .
25	Section 2. Creation of program. The department shall

ı	develop and administer ostatewide <u>AN</u> employee incentiv
2	award program <u>IN THE DEPARTMENT OF HIGHWAYS ONLY</u> t
3	appropriately recognize and monetarily reward state
4	employees in a timely manner for suggestions or invention
5	that contribute to the efficiency, economy, or other
6	improvement of state government by reducing the costs o
7	governmental operations.
8	Section 3. Powers and duties of the department. Th
9	department shall:
10	(1) adopt rules to equitably administer the employe
11	incentive award program;
12	(2) provide an opportunity for all employees t
13	participate in the program;
14	(3) assist agencies in making incentive awards unde
15	the program;
16	(4) grant or deny incentive awards in consultatio
17	with the incentive awards advisory council and determine th
18	amount of each incentive award based on first-year monetar
19	savings;
20	(5) hear appeals from employees on the operation o
21	the program; and
22	(6) prepare a biennial report to the legislatur
23	containing a list of incentive awards and the correspondin
24	savings to the state resulting from each employee•
25	suggestion or invention and providing a general review o

and recommendations for improving the program.

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Section 4. Appointment and functions of advisory council. (1) The department shall appoint an incentive awards advisory council under 2-15-122. Hembers of the advisory council must be selected from a diverse group to adequately represent employees.

- (2) The advisory counci? shall meet regularly and consult with the department to review all proposed incentive awards and to recommend granting or rejecting these awards.
- Section 5. Eligibility for award. (1) Except as provided in subsection (2), an employee may be eligible for an incentive award if his suggestion or invention results in:
- 14 (a) eliminating or reducing an agency's expenditures;
 15 or
 - (b) improving services to the public by permitting more work to be accomplished within an agency without increasing the cost of governmental operations.
 - (2) (a) An employee may not be eligible for an incentive award if his suggestion or invention directly relates to his assigned duties and responsibilities unless the proposal is so superior or meritorious as to warrant special recognition as determined by the department.
- 24 (b) Suggestions or inventions relating to the 25 following matters may not be considered for awards:

1 (i) personnel grievances;

2 (ii) classification and pay of positions;

3 (iii) matters recommended for study or review; and

4 (iv) proposals resulting from assigned or contracted

5 audits, studies, surveys, reviews, or research.

Section 6. Agency head to grant award — amount and source of award. (1) After an agency implements an employee's suggestion or invention and the monetary savings to the state is estimated, an agency head, upon written application to and approval from the department and the incentive awards advisory council, may grant an incentive award to an employee whose proposal meets the requirements enumerated in [section 5].

- (2) The incentive award may not be more than 10% of the savings resulting from implementing the employee's proposal for 1 year up to a maximum of \$500. Larger awards may be proposed and submitted to the legislature for consideration.
- 19 (3) The agency head shall pay the employee from the 20 agency's budget in a single, lump-sum award. This award is 21 in addition to the recipient's regular compensation.

22 SECTION 7. PROGRAM PURPOSE. THIS PROGRAM IS

23 ESTABLISHED AS A PILOT PROGRAM TO DETERMINE WHETHER OR NOT

24 IT SHOULD BE USED STATEWIDE.

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25 SECTION 8. TERMINATION DATE. ALL PROVISIONS OF THIS

HB 0161/03

ACT SHALL TERMINATE ON JULY 1. 1983.

-End-

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1	STATEMENT OF INTENT
2	HOUSE BILL 161
3	House Committee on State Administration
4	
5	The general purpose of H+9+ 161 is to provide
6	incentives to state employees to make suggestions or to
7	create inventions that reduce the costs of government
8	operations or improve government operations without
9	increasing costs. The discretion of the Department of
מ	Administration in granting awards is limited to 10% of the
1	cost savings realized in the first year, or \$500, whichever
2	is less. Larger awards may be proposed but the Legislature
. 3	must approve the awards and appropriate the money.
4	The purpose for giving the Department of Administration
5	rulemaking authority is that it can best administer the
6	program consistently throughout stategovernment <u>FHE</u>
7	BEPARTMENT-OF-HIGHWAYS STATE GOVERNMENT and determine the
. 8	amount of money appropriate for an incentive award.
9	It is contemplated that the rules should address the
0	following:
1	(1) the composition of the Advisory Council created by
2	the bill;
3	(2) the procedures and bylaws that the Advisory
4	Council will follow when conducting its business;
5	(3) providing model suggestion systems for agencies to

use when administering the incentive program;
(4) standards to assure administration of the progra
on a statewide basis;
(5) forms that may be necessary to administer th
provisions in the bill;
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(8) procedures for the review of employee concern
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(9) time limits for the review of suggestions ar
inventions;
(10) procedures for the presentation of suggestions of
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the ideas exceeds the \$500 limit in the bill;
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awards that are approved by the Department;
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program through the review of awards to assure that they ar
granted equitably, on the basis of merit, and that th
reasons for granting an award are made public.
THES-PROGRAM-ES-LESTABLESHED-AS-APELDEPROGRAM
DETERMINEWHETHERORNOT-IT-SHOULD-BE-USED-STATEWIDEAL

THE-PROVISIONS-OF-THIS-ACT-SHALL--EXPIRE--AND--TERMINATE--ON

- 1 ####-1-19#3.
- 2 ALL PROVISIONS OF THIS ACT SHALL EXPIRE AND TERMINATE
- 3 ON JULY 1, 1983.

Conference Committee Report

Dated 4-16-81

ì	HOUSE BILL NO. 161
2	INTRODUCED BY GOULD
3	
4	A BILL FOR AN ACT ENTITLED: MAN ACT TOPERMITINSENTIVE
5	AWARDSFORSTATEEMPLOYEES. AUTHORIZING THE DEPARTMENT OF
ь	ADMINISTRATION TO DEVELOP AND ADMINISTER A STATEWIDE PILOT
7	STATEWIDE INCENTIVE PROGRAM IN-THE-DEPARTMENT-9F-HIGHWAYS TO
8	AHARD STATE EMPLOYEES FOR COST-SAVING PROPOSALS+AND
9	PROVIDING A TERMINATION-DATE; AND PROVIDING A TERMINATION
10	DATE."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Refer to Introduced Bill
14	(Strike everything after the enacting clause and insert:)
15	Section 1. Definitions. As used in [sections 1 through
16	6], the following definitions apply:
17	(1) "Agency head" means a director y-commissionery-or
18	constitutionalofficerinchargeofanexecutivev
19	legislativeyorjudicial-branch-agency-or-an-agency-of-the
20	Montana-university-system <u>OFIHEDEPARIMENTOFHIGHWAYS</u>
21	COMMISSIONER. OR CONSTITUTIONAL DEFICER IN CHARGE OF AN
22	EXECUTIVE, LEGISLATIVE, OR JUDICIAL BRANCH AGENCY OR AN
23	AGENCY OF THE MONTANA UNIVERSITY SYSTEM.
24	(2) "Department" means the department of
25	administration provided for in 2-15-100!.

1 (3) "Employee" means an employee of the executivey 2 tegistativev--or--judiciat--branch-or-the-Montana-university 3 system BEPARTMENT-0F--HIGHWAYS EXECUTIVE, LEGISLATIVE, OR JUDICIAL BRANCH OR THE MONTANA UNIVERSITY SYSTEM. Section 2. Creation of program. The department shall develop and administer a-statewide AN A STATEWIDE employee 6 incentive award program IN-IHE-BEPARIMENT-BE-HIGHWAYS-BNEY to appropriately recognize and monetarily reward state employees in a timely manner for suggestions or inventions 9 10 that contribute to the efficiency, economy, or other improvement of state government by reducing the costs of 11 12 qovernmental operations. 13 Section 3. Powers and duties of the department. The 14 department shall: 15 (1) adopt rules to equitably administer the employee 16 incentive award program; 17 (2) provide an opportunity for all employees to 18 participate in the program; 19 (3) assist agencies in making incentive awards under 20 the program: 21 (4) grant or deny incentive awards in consultation 22 with the incentive awards advisory council and determine the 23 amount of each incentive award based on first-year monetary 24 savings; 25 (5) hear appeals from employees on the operation of REFERENCE BILL: Includes Joint Conference Committee Report -2- Dated 4-10-81
REFERENCE BILL: Includes Free

HB 0161/04

HB 0161/04

the program; and

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(6) prepare a biennial report to the legislature containing a list of incentive awards and the corresponding savings to the state resulting from each employee's suggestion or invention and providing a general review of and recommendations for improving the program.

Section 4. Appointment and functions of advisory council. (1) The department shall appoint an incentive awards advisory council under 2-15-122. Members of the advisory council must be selected from a diverse group to adequately represent employees.

(2) The advisory council shall meet regularly and consult with the department to review all proposed incentive awards and to recommend granting or rejecting these awards.

Section 5. Eligibility for award. (1) Except as provided in subsection (2). an employee may be eligible for an incentive award if his suggestion or invention results in:

- 19 (a) eliminating or reducing an agency's expenditures;
 20 or
- 21 (b) improving services to the public by permitting 22 more work to be accomplished within an agency without 23 increasing the cost of governmental operations.
- (2) (a) An employee may not be eligible for an incentive award if his suggestion or invention directly

relates to his assigned duties and responsibilities unless
the proposal is so superior or meritorious as to warrant
special recognition as determined by the department.

- 4 (b) Suggestions or inventions relating to the following matters may not be considered for awards:
 - (i) personnel grievances;

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- 7 (ii) classification and pay of positions;
- 8 (iii) matters recommended for study or review; and
- 9 (iv) proposals resulting from assigned or contracted 10 audits, studies, surveys, reviews, or research.

Section 6. Agency head to grant award — amount and source of award. (1) After an agency implements an employee's suggestion or invention and the monetary savings to the state is estimated, an agency head, upon written application to and approval from the department and the incentive awards advisory council, may grant an incentive award to an employee whose proposal meets the requirements enumerated in [section 5].

- (2) The incentive award may not be more than 10% of the savings resulting from implementing the employee's proposal for I year up to a maximum of \$500. Larger awards may be proposed and submitted to the legislature for consideration.
- 24 (3) The agency head shall pay the employee from the 25 agency's budget in a single, lump-sum award. This award is

HB 161

1	in addition to the recipient's regular compensation.
2	SEETIBN-7PROGRAM-PURPOSETHISPROGRAMIS
3	ESTABLISHEDASA-PILOT-PROGRAM-TO-DETERMINE-WHETHER-OR-NOT
4	<u> </u>
5	SECTION-9TERMINATION-BATEALL-PROVISIONSOFTHIS
6	AGT-SHALL-TERMINATE-ON-JULY-19-1983
7	SECTION 7. TERMINATION DATE. ALL PROVISIONS OF THIS
8	ACT SHALL TERMINATE ON JULY 1, 1983.
	-End-

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JOINT CONFERENCE COMMITTEE ON SENATE AMENDMENTS TO HOUSE BILL NO. 161

(Report No. 1, April 10, 1981)

MR. PRESIDENT AND SPEAKER OF THE HOUSE:

We, your Joint Conference Committee on Senate Amendments to House Bill 161, met April 10, 1981, and considered:

Senate State Administration Committee Amendments to the third reading copy, dated March 25, 1981, and recommend as follows:

That the Senate recede from Committee Amendments nos. 1 through 8;

That the Senate recede from Committee Amendment nos. 1 and 2 to the Statement of Intent;

That the reference copy of House Bill 161 read as specified in the CLERICAL INSTRUCTIONS;

And, that the Conference Committee Report on House Bill No. 161 be adopted.

CLERICAL INSTRUCTIONS:

1. Statement of Intent, page 1, lines 16 and 17.

Following: "government"

Strike: "THE DEPARTMENT OF HIGHWAYS"

Insert: "state government"

- 2. Statement of Intent, page 2, line 23 through page 3 line 1. Following: line 22. Strike: the remainder of subsection (12).
- 3. Title, line 6.

Following: "STATEWIDE"

Strike: "PILOT"

Insert: "STATEWIDE"

4. Title, line 7.

Following: "PROGRAM"

Strike: "IN THE DEPARTMENT OF HIGHWAYS"

April	10		1981
			1u -

JOINT CONFERENCE COMMITTEE REPORT NO. 1 Page 2

5. Title, lines 8 and 9. Following: "PROPOSALS"
Strike: "; AND PROVIDING A TERMINATION DATE"

6. Page 1, lines 16 through page 5, line 1. Strike: all underlined material.

Insert: all stricken material.

FOR THE SENATE:

Gould, Chairman Towe

FREE CONFERENCE COMMITTEE ON HOUSE BILL NO. 161

(Report No. 2, April 15, 1981)

MR. PRESIDENT AND SPEAKER OF THE HOUSE:

We, your Free Conference Committee on Senate Amendments to House Bill 161, met April 15, 1981, and considered:

Senate State Administration Committee Amendments to the third reading copy, dated March 25, 1981, and recommend as follows:

That the Senate recede from Committee Amendments nos. 1 through 8;

That the Senate recede from Committee Amendment nos. 1 and 2 to the Statement of Intent;

That the reference copy of House Bill No. 161 be further amended as specified in CLERICAL INSTRUCTION nos. 7 through 9.

That the reference copy of House Bill 161 read as specified in the CLERICAL INSTRUCTIONS;

And, that the Free Conference Committee Report on House Bill No. 161 be adopted.

CLERICAL INSTRUCTIONS:

1. Statement of Intent, page 1, lines 16 and 17.

Following: "government"

Strike: "THE DEPARTMENT OF HIGHWAYS"

Insert: "state government"

2. Statement of Intent, page 2, line 23 through page 3 line 1.

Following: line 22.

Strike: the remainder of subsection (12).

3. Title, line 6.

Following: "STATEWIDE"

Strike: "PILOT"

Insert: "STATEWIDE"

4. Title, line 7.

Following: "PROGRAM"

Strike: "IN THE DEPARTMENT OF HIGHWAYS"

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FREE CONFERENCE COMMITTEE REPORT NO. 2 Page 2

5. Title, lines 8 and 9. Following: "PROPOSALS"

Strike: "; AND PROVIDING A TERMINATION DATE"

6. Page 1, lines 16 through page 5, line 1.

Strike: all underlined material.

Insert: all stricken material.

7. Statement of Intent, page 3.

Following: line 1.

Insert: "All provisions of this act shall expire and terminate on July 1, 1983."

8. Title, line 9. Following: "DATE"

Insert: "; AND PROVIDING A TERMINATION DATE"

9. Page 5.

Following: line 1.

Insert: "Section 7. Termination date. All provisions of this act shall terminate on July 1, 1983."

FOR THE HOUSE:

Gould, Chairman

Johnson, Chairman

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SENATE STANDING COMMITTEE REPORT (State Administration)

That the Statement of Intent be amended on House Bill 161 to read as follows:

1. Page 1, line 16.
Following: "throughout"

Strike: "state government"

Insert: "the department of highways"

2. Page 2,

Following: line 22

Insert: "This program is established as a pilot program to determine whether or not it should be used statewide. All the provisions of this act shall expire and terminate on July 1, 1983."

SENATE STANDING COMMITTEE REPORT (State Administration)

That House Bill No. 161 be amended as follows:

1. Title, line 6.

Following: "A"

Strike: "STATEWIDE"

Insert: "PILOT"

2. Title, line 7.

Following: "PROGRAM"

Insert: "IN THE DEPARTMENT OF HIGHWAYS"

3. Title, line 8.

Following: "PROPOSALS"

Insert: "AND PROVIDING A TERMINATION DATE"

4. Page 1, lines 15 through 18.

Following: "director"

Strike: the remainder of lines 15 through line 18 in its entirety

Insert: "of the department of highways"

5. Page 1, line 21 through line 23.

Following: "the"

Strike: remainder of line 21 through line 23 in its entirety

Insert: "department of highways"

6. Page 1, line 25.

Following: "administer"

Strike: "a statewide"

Insert: "an"

7. Page 2, line 1.

Following: "program"

Insert: "in the department of highways only"

8. Page 4.

Following: line 19.

Insert: "Section 7. Program purpose. This program is established as a pilot program to determine whether or

not it should be used statewide.

Section 8. Termination date. All provisions of

this act shall terminate on July 1, 1983."