

1 S.97

2 Introduced by Senators Giard, Ayer and Doyle

3 Referred to Committee on

4 Date:

5 Subject: Executive; state employees; cost-savings incentive program

6 Statement of purpose: This bill proposes to create an incentive program for  
7 state employees whose adopted suggestions result in financial savings for state  
8 government.

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

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

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

13 § 266. VERMONT EMPLOYEES' COST-SAVINGS INCENTIVE

14 PROGRAM

15 (a) For the purposes of this section:

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

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

1           (3) “Program” means the Vermont state employees’ cost-savings  
2 incentive program.

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

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

8           (c) There is established the Vermont state employees’ cost-savings  
9 incentive program. The program shall provide financial incentives to state  
10 employees who make suggestions that are adopted and that result in financial  
11 savings for the agency in which the employee is employed and for the state.

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

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

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

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

21           (4) one member appointed by the auditor of accounts.

1           (e) The board shall:

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

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

7                   (3) convene quarterly to review the cost-savings form submitted to each  
8           agency while they are being evaluated for implementation;

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

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

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

16           (f) An agency shall:

17                   (1) provide a copy of a state employee's suggestion to the board upon  
18          receipt by the agency;

19                   (2) within 60 days of receiving a suggestion, either issue an approval  
20          notice to the employee who made the suggestion and to the board and begin

1 implementing the suggestion or provide a written report to the board describing  
2 the specific reasons why the agency has declined to implement the suggestion;

3 (3) consider input from the board in approving or rejecting a suggestion;  
4 and

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

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

11 (h) Within 90 days of approval and implementation of a suggestion, the  
12 agency shall award the state employee who submitted the suggestion a cash  
13 award of 30 percent of the amount saved for the first fiscal year in which  
14 savings are realized, 20 percent of the amount saved for the second fiscal year  
15 in which savings are realized, and 10 percent of the amount saved for the third  
16 fiscal year in which savings are realized. The awards shall be in addition to the  
17 state employee's salary and shall be subtracted from the cost-savings to the  
18 agency and shall come out of the agency's budget.

19 (i) An award shall not be made for a suggestion containing an idea that is  
20 already under active study or is under continual review by the state.

