

**FIRST ENGROSSMENT
with Conference Committee Amendments****ENGROSSED HOUSE BILL NO. 1174**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to amend and reenact section 54-06-24 of the North Dakota Century Code,
2 relating to the state employee suggestion incentive program.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-06-24 of the 1997 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **54-06-24. State employee suggestion incentive program.**

- 7 1. There is established a suggestion incentive program for state employees. All
8 persons employed by the state are eligible to participate in the program except
9 state agency heads, administrators, or any supervisors considered at the
10 management level by the state agency head.
- 11 2. A state employee may submit a recommendation or proposal to reduce
12 expenditures within the employee's agency to a suggestion incentive committee.
13 The suggestion incentive committee shall administer the employee suggestion
14 incentive program created under this section and review all recommendations or
15 proposals for reduction of expenditures. The suggestion incentive committee may
16 consider whether the recommendation or proposal to reduce expenditures within
17 the employee's agency applies to any other state agency. The suggestion
18 incentive committee shall notify the office of management and budget of any
19 recommendation that affects an agency other than the employing agency. The
20 governor shall appoint five state agency heads to the suggestion incentive
21 committee for four-year staggered terms to commence on August first in the year
22 of appointment and to continue until the successors are appointed.

- 1 3. a. The suggestion incentive committee shall consider legitimate savings
2 reductions in expenditures made possible within the employing state agency
3 and any other state agency.
- 4 b. The suggestion incentive committee shall determine if:
- 5 (1) The recommendation or proposal has been previously submitted and
6 rejected.
- 7 (2) The recommendation or proposal is beyond the reasonable
8 expectations of job performance for the employee who made the
9 suggestion.
- 10 (3) Implementation of the recommendation or proposal is desirable and
11 feasible.
- 12 (4) Implementation of the recommendation or proposal will continue to
13 provide the quality of the services presently provided by the employing
14 state agency and any other state agency affected by the
15 recommendation or proposal.
- 16 c. The suggestion incentive committee shall submit to the state agency head of
17 the employee submitting the recommendation or proposal any
18 recommendation and proposal the committee approves.
- 19 4. The state agency head shall review and determine whether a recommendation or
20 proposal approved by the suggestion incentive committee is capable of
21 implementation. The state agency head shall make the final decision on
22 acceptance or rejection of a recommendation or proposal.
- 23 5. A state employee who submits a recommendation or proposal to reduce
24 expenditures that is approved by the suggestion incentive committee and
25 approved for implementation by the state agency head is entitled to receive ~~ten~~
26 twenty percent of any savings realized up to a maximum of ~~one~~ two thousand
27 dollars. The ~~agency~~ savings must relate directly to the employee's proposed
28 change. The suggestion incentive must be computed on the actual savings for a
29 twelve-month period, the period to run from the time that the proposed change is
30 instituted. An employee is entitled to the suggestion incentive payment at the end
31 of the twelve-month period in a lump sum from funds of the employing state

1 agency ~~that realized the savings~~. Any payments to an employee under this
2 program are in addition to the employee's regular salary. Employees who qualify
3 for the suggestion incentive are entitled to an award for the first year's savings only
4 and not for any subsequent years.

5 6. On July first of each year a state agency that makes a suggestion incentive
6 payment in the preceding twelve months shall submit a report to the office of
7 management and budget describing the implemented recommendation or
8 proposal. On September first of each year, the office of management and budget
9 shall provide to all state agencies a report describing the recommendations and
10 proposals to reduce expenditures implemented by state agencies.