H-2416.1

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**SUBSTITUTE HOUSE BILL 1997**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** House State Government & Tribal Relations (originally sponsored by Representatives Valdez and Dolan)

AN ACT Relating to reestablishing the productivity board; amending RCW 41.60.020, 41.60.041, 41.60.050, 41.60.120, and 41.60.150; and reenacting and amending RCW 41.60.015.

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

**Sec.**  RCW 41.60.015 and 2011 1st sp.s. c 43 s 443 and 2011 1st sp.s. c 21 s 30 are each reenacted and amended to read as follows:

(1) There is hereby created the productivity board, which may also be known as the employee involvement and recognition board. The board shall administer the employee suggestion program and the teamwork incentive program under this chapter.

(2) The board shall be composed of:

(a) The secretary of state who shall act as chairperson;

(b) The director of financial management or the director's designee;

(c) The director of enterprise services or the director's designee;

(d) Three persons with experience in administering incentives such as those used by industry, with the lieutenant governor, secretary of state, and speaker of the house of representatives each appointing one person by July 31, 2022. The secretary of state's appointee shall be a representative of an employee organization certified as an exclusive representative of at least one bargaining unit of classified employees; and

(e) Two persons representing state agencies and institutions with employees subject to chapter 41.06 RCW, and one person representing ((~~those~~)) institutions of higher education with employees subject to chapter ((~~28B.16~~)) 40.16 RCW, ((~~both~~)) all appointed by the secretary of state by July 31, 2022.

Members under subsection (2)(d) and (e) of this section shall be appointed to serve three-year terms.

Members of the board appointed pursuant to subsection (2)(d) of this section may be compensated in accordance with RCW 43.03.240. Any board member who is not a state employee may be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

**Sec.**  RCW 41.60.020 and 1999 c 50 s 3 are each amended to read as follows:

(1) The board shall formulate, establish, and maintain a statewide employee suggestion program and adopt rules to allow for agency unique suggestion programs. Employee suggestion programs are developed to encourage and reward meritorious suggestions by state employees that will promote efficiency and economy in the performance of any function of state government: PROVIDED, That the program shall include provisions for the processing of suggestions having multiagency impact and post-implementation auditing of suggestions for fiscal accountability.

(2) The board shall adopt rules necessary or appropriate for the proper administration and for the accomplishment of the purposes of this chapter. These rules shall include the adoption of a payment award schedule that establishes the criteria for determining the amounts of any financial or other awards under this chapter.

(3) The board shall prepare a topical list of all the productivity awards granted and disseminate this information to the legislature and all state government agencies that may be able to adapt them to their procedures.

**Sec.**  RCW 41.60.041 and 1999 c 50 s 5 are each amended to read as follows:

(1) Cash awards for suggestions generating net savings, revenue, or both to the state shall be determined by the board, or the board's designee, based on the payment award scale. No award may be granted in excess of ten thousand dollars or 10 percent of the actual net savings and/or revenue generated, whichever amount is less. Savings, revenue, or both, shall be calculated for the first year of implementation.

(2) The board shall establish guidelines for making cash awards for suggestions for which benefits to the state are intangible or for which benefits cannot be calculated.

(3) Funds for the awards shall be drawn from the appropriation of the agency benefiting from the employee's suggestion. If the suggestion reduces costs to a nonappropriated fund or reduces costs paid without appropriation from a nonappropriated portion of an appropriated fund, an award may be paid from the benefiting fund or account without appropriation.

(4) Awards may be paid to state employees for suggestions which generate new or additional money for the general fund or any other funds of the state. The director of financial management shall distribute moneys appropriated for this purpose with the concurrence of the productivity board. Transfers shall be made from other funds of the state to the general fund, in amounts equal to award payments made by the general fund, for suggestions generating new or additional money for those other funds.

**Sec.**  RCW 41.60.050 and 2021 c 334 s 967 are each amended to read as follows:

The legislature shall appropriate from the personnel service fund for the payment of administrative costs of the productivity board. ((~~However, during the 2015-2017, 2017-2019, 2019-2021, and 2021-2023 fiscal biennia, the operations of the productivity board shall be suspended.~~))

**Sec.**  RCW 41.60.120 and 1999 c 50 s 9 are each amended to read as follows:

The agency head may recommend an award amount to the board. Cash awards for suggestion teams shall be up to 25 percent of the actual net savings and/or revenue generated to be shared by the team in a manner approved by the agency head, not to exceed $10,000 per team member. The board shall make the final determination as to whether an award will be made in accordance with applicable rules governing the teamwork incentive program. Awards will be based on the payment award scale. Funds for the teamwork incentive award shall be drawn from the agencies in which the unit is located or from the benefiting fund or account without appropriation when additional revenue is generated to the fund or account.

Awards may be paid to teams for process changes which generate new or additional money for the general fund or any other funds of the state. The director of the office of financial management shall distribute moneys appropriated for this purpose with the concurrence of the productivity board. Transfers shall be made from other funds of the state to the general fund in amounts equal to award payments made by the general fund, for innovations generating new or additional money for those other funds.

**Sec.**  RCW 41.60.150 and 2011 1st sp.s. c 39 s 9 are each amended to read as follows:

Other than suggestion awards and incentive pay unit awards, agencies shall have the authority to recognize employees, either individually or as a class, for accomplishments including outstanding achievements, safety performance, longevity, outstanding public service, or service as employee suggestion evaluators and implementors. Recognition awards may not exceed two hundred dollars in value per award. Such awards may include, but not be limited to, cash or such items as pen and desk sets, plaques, pins, framed certificates, clocks, and calculators. Award costs shall be paid by the agency giving the award. ((~~From February 15, 2010, through June 30, 2013, recognition awards may not be given in the form of cash or cash equivalents such as gift certificates or gift cards.~~))

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