

# SENATE BILL REPORT

## SB 5609

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As Reported By Senate Committee On:  
State & Local Government, February 10, 1999  
Ways & Means, March 3, 1999

**Title:** An act relating to state employees' suggestion awards and incentive pay.

**Brief Description:** Making awards for state employees' suggestions.

**Sponsors:** Senators Horn, Prentice, Winsley, Haugen and Costa; by request of Secretary of State.

**Brief History:**

**Committee Activity:** State & Local Government: 2/8/99, 2/10/99 [DP].  
Ways & Means: 3/2/99, 3/3/99 [DPS].

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### SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

**Majority Report:** Do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Haugen, Horn, Kline and McCaslin.

**Staff:** Sharon Swanson (786-7445)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5609 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Fraser, Honeyford, Kohl-Welles, McDonald, Rasmussen, Roach, B. Sheldon, Snyder, Thibaudeau, West, Winsley and Zarelli.

**Staff:** Steve Jones (786-7440)

**Background:** Employee suggestion programs are developed to encourage and reward meritorious suggestions by state employees that promote efficiency and economy in the performance of any function of state government.

The program is governed by the Productivity Board and administered by the Secretary of State. The board may approve employee suggestion awards up to \$10,000 to individual employees or employee teamwork incentive awards to groups of employees who achieve cost savings or increased revenue, not to exceed 25 percent of the savings or revenue. In addition to suggestion awards and teamwork incentive awards, agencies may give recognition awards to employees to recognize outstanding achievements, safety performance, or longevity. Such awards cannot exceed a value of \$100.

**Summary of Substitute Bill:** The Productivity Board is directed to adopt rules establishing a payment awards schedule. Detailed criteria for determining savings or revenue generated by employee teamwork is deleted, and the board is directed to establish criteria by rule.

The board may delegate to an agency head the authority to establish an agency-unique suggestion program, with awards to be granted by the agency head pursuant to the payment award schedule adopted by the board.

The maximum allowable amount of employee recognition awards is increased from \$100 to \$200.

**Substitute Bill Compared to Original Bill:** The maximum allowable amounts of employee awards are decreased, as compared to the original bill.

**Appropriation:** None.

**Fiscal Note:** Requested on February 3, 1999.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Employee suggestion programs work well in government agencies and private industry. The bill gives greater administrative flexibility to state agencies. This bill will pull many technical aspects of the law out of statute and into agency rules.

**Testimony Against:** None.

**Testified:** PRO: Senator Jim Horn, Prime Sponsor; Fred Hellberg, Governor's Office; Michelle Wilson, Tracy Giuerin, Secretary of State's Office.