

By: Harper-Brown

H.B. No. 3395

A BILL TO BE ENTITLED

AN ACT

relating to the employee innovation incentive program.

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

SECTION 1. The heading to Chapter 2108, Government Code, is amended to read as follows:

CHAPTER 2108. EMPLOYEE INNOVATION INCENTIVES AND ~~[SAVINGS~~
~~INCENTIVE PROGRAM FOR]~~ STATE AGENCY PRODUCTIVITY

SECTION 2. Chapter 2108, Government Code, is amended by adding Subchapter A to read as follows:

SUBCHAPTER A. TEXAS INNOVATION INCENTIVE PROGRAM

Sec. 2108.001. DEFINITIONS. In this subchapter:

(1) "Bonus" means a monetary award that is granted to an eligible state agency employee in payment for a recommendation developed by the employee.

(2) "Commission" means the Sunset Advisory Commission.

(3) "Employee recommendation" means a proposal made by a state agency with eligible state agency employees that, on implementation, results in increased productivity, a reduction in state expenditures, and an improvement in the quality of state services.

(4) "Program" means the Texas Innovation Incentive Program.

(5) "State agency" means a department, commission,

1 board, office, or other agency in the executive branch of
2 government that is created under the constitution or a statute of
3 this state.

4 Sec. 2108.002. PROGRAM; BONUSES. (a) The purposes of the
5 program are to:

6 (1) reduce state expenditures, improve the quality of
7 state services; and

8 (2) recognize the contributions made by certain state
9 agency employees in achieving the goals described by Subdivision
10 (1).

11 (b) A state agency employee may be compensated for a
12 suggestion under the program only as provided by this subchapter.

13 (c) From the savings incurred by a state agency resulting
14 from employee recommendations, the state agency shall grant a bonus
15 to an eligible state agency employee who makes a recommendation
16 that:

17 (1) reduces state expenditures and improves the
18 quality of state services; and

19 (2) is approved and implemented by the state agency.

20 (d) A state agency may grant a bonus for savings to the
21 agency that can be computed using a cost-benefit analysis.
22 Intangible savings or benefits that cannot be computed using that
23 analysis are ineligible for a bonus.

24 (e) A state agency employee whose recommendation results in
25 a net annual savings, of \$1 million or more for the agency is
26 entitled to a bonus in an amount equal to 50 percent of the net
27 biennial savings after implementation costs. The remaining 50

1 percent of net biennial savings shall be returned to the taxpayers
2 of Texas. An employee whose recommendation results in a net
3 biennial savings of less than \$1 million is not entitled to a bonus.
4 A bonus described by this subsection shall be divided among all
5 employees who sign the recommendation as required by Section
6 2108.007.

7 Sec. 2108.003 COST SAVINGS AND SUBSEQUENT AGENCY BUDGETS

8 (a) The cost savings realized under this program shall be specified
9 in the agency's next Legislative Appropriations Request so that
10 future budgets can take into consideration the reduction in
11 operation costs.

12 Sec. 2108.004. INCENTIVE REVIEW BOARD DUTIES. (a) The

13 incentive review board in each state agency is composed of the
14 agency's executive director, chief financial officer, and chief
15 operations officer. If an agency does not have a chief financial or
16 operations officer, the executive director may designate two
17 individuals with similar experience and skill sets to a chief
18 financial or operations officer to serve on the incentive review
19 board. The incentive review board shall designate, either from
20 among the agency's employees or among themselves, an Agency
21 Coordinator to assist in administering the program in the agency.

22 (b) A state agency's incentive review board shall:

23 (1) establish protocol for submission of
24 recommendations;

25 (2) determine the merits of employee recommendations,
26 research the implications of the recommendations, and implement the
27 recommendations;

1 (3) promote agency participation in the program;

2 (4) accept or reject employee recommendations;

3 (5) monitor the cost savings and other benefits that
4 result from implementing an employee recommendation;

5 (6) file reports with the commission as required by
6 commission rules;

7 (7) manage the initial eligibility determination of an
8 employee recommendation or of a state agency employee who makes a
9 recommendation; and

10 (8) acknowledge receipt of employee recommendations
11 within thirty (30) days of submission.

12 (c) A state agency employee who is aggrieved by the
13 eligibility determination of the incentive review board may request
14 a redetermination by the commission.

15 Sec. 2108.005. COMMISSION POWERS AND DUTIES. (a) If an
16 incentive review board rejects an employee recommendation, a state
17 agency employee may appeal the decision to the commission. The
18 commission may submit a proposed bill draft to the legislature for
19 an employee recommendation the commission determines is worthy of
20 implementation.

21 (b) The commission shall establish electronic recordkeeping
22 procedures necessary to implement this subchapter.

23 (c) The commission shall act as the final arbiter of any
24 dispute arising from the implementation of the program or from
25 eligibility determinations. A state employee may not appeal the
26 commission's decision to a court.

27 (d) Once a year, the commission shall select one state

1 agency to receive the Texas Innovation Incentive Program Award,
2 recognizing excellence in applying innovative solutions to the
3 challenges of state government, if applicable.

4 Sec. 2108.006. EMPLOYEE ELIGIBILITY. Each full-time state
5 agency employee is eligible to participate in the program other
6 than a state agency employee:

7 (1) who has authority to implement the employee
8 recommendation;

9 (2) who is on an unpaid leave of absence;

10 (3) whose job description for the agency includes
11 responsibility for cost analysis, efficiency analysis, savings
12 implementation, or other similar responsibilities in the agency;

13 (4) who is involved in or has access to agency research
14 and development, if that information is used as the basis of the
15 recommendation;

16 (5) whose job description includes developing the type
17 of change in the agency administration that is recommended; or

18 (6) who is an elected or appointed agency official.

19 Sec. 2108.007. RECOMMENDATION REQUIREMENTS; PROCEDURES.

20 (a) To be eligible for consideration under the program, an employee
21 recommendation must:

22 (1) be submitted to the agency coordinator in the
23 written format prescribed by the agency's incentive review board;

24 (2) be signed by all state agency employees
25 contributing to the recommendation;

26 (3) propose a reasonable method of implementation; and

27 (4) describe the type of cost savings or other

1 benefits anticipated by the employee if the recommendation is
2 adopted.

3 (b) A bonus may not be given to a state agency employee who
4 did not sign the recommendation as required by Subsection (a).

5 (c) The commission shall note any recommendation that
6 requires legislative action. If, as a direct result of the employee
7 recommendation, legislation is passed to implement the
8 recommendation, the commission shall consider the recommendation
9 for a bonus.

10 (d) Except as provided by Subsection (e), if the same
11 recommendation is submitted by two or more state agency employees,
12 the first recommendation received by the agency coordinator is
13 eligible for consideration. If the same recommendation is received
14 on the same day from employees working at different locations, a
15 bonus based on the recommendation shall be divided equally among
16 all employees submitting the recommendation.

17 (e) Two or more state agency employees may submit a joint
18 recommendation. A bonus based on the joint recommendation must be
19 divided equally among the employees.

20 (f) If, after any necessary analysis, the incentive review
21 board determines that an employee recommendation has merit, the
22 chief administrative officers of the state agency may at the
23 officers' discretion implement the recommendation.

24 (g) Not later than the 30th day after the date the incentive
25 review board makes a final determination, the board shall provide
26 written notification of its final determination to each state
27 agency employee who proposed the recommendation. If the board

1 rejects the employee recommendation, the board shall include a
2 written explanation of the reasons for rejecting the recommendation
3 with the employee notification and provide the explanation to the
4 commission and, on request, to the public.

5 Sec. 2108.008. INELIGIBLE RECOMMENDATIONS. A state agency
6 employee is ineligible to receive a bonus under this subchapter for
7 an employee recommendation that:

8 (1) does not describe a method to achieve the desired
9 savings and benefit;

10 (2) proposes ideas under implementation or
11 consideration on the date the recommendation is submitted;

12 (3) relates only to personnel matters or grievances,
13 including employee classification or compensation;

14 (4) proposes a correction for a condition that
15 resulted only because applicable established procedures were not
16 properly followed; or

17 (5) proposes implementation of a policy or procedure
18 that has already been adopted by the employee's agency.

19 Sec. 2108.009. EMPLOYEE RIGHTS. (a) A state agency employee
20 who has proposed an employee recommendation and who has reasonable
21 grounds to believe that the importance of the recommendation has
22 been overlooked, misunderstood, or misinterpreted by the agency may
23 request the commission to reevaluate the recommendation. The
24 employee must submit a written request for reevaluation not later
25 than the 30th day after the date on which the employee receives
26 notification from the incentive review board that the
27 recommendation has been rejected. The employee shall provide any

1 additional information that the employee considers useful for the
2 reevaluation.

3 (b) A state agency employee who proposes an employee
4 recommendation under this subchapter may request the agency and
5 commission to maintain the employee's confidentiality in the
6 evaluation or bonus process. The agency and commission shall
7 maintain the employee's confidentiality to the greatest extent
8 possible.

9 (c) A state agency employee's eligibility for a bonus is
10 determined based on the employee's status at the time the original
11 employee recommendation was received by the agency coordinator. A
12 former employee remains eligible for a bonus if the recommendation
13 is implemented not later than the second anniversary of the date the
14 employee leaves employment with the agency. If an employee who is
15 granted a bonus dies before the bonus is received, the bonus shall
16 be paid to the deceased employee's estate.

17 Sec. 2108.010. RESTRICTIONS AND LIMITATIONS. (a) The state
18 may change or terminate the program at any time without prior
19 notice.

20 (b) A state agency employee may be compensated for an
21 employee recommendation under the program only as provided by this
22 subchapter.

23 (c) The submission of an employee recommendation in the
24 manner provided by this subchapter constitutes an agreement between
25 the state and the state agency employee making the recommendation
26 that all employee claims based on the recommendation, including
27 patent claims, copyright claims, trademark claims, and other

1 similar claims, are assigned to the state.

2 SECTION 3. Chapter 2108, Government Code, is amended by
3 designating Sections 2108.101, 2108.102, 2108.103, and 2108.104 as
4 Subchapter B and adding a heading to Subchapter B to read as
5 follows:

6 SUBCHAPTER B. SAVINGS INCENTIVE PROGRAM

7 SECTION 4. This Act takes effect September 1, 2013.