

Amendment No. 368

Senate Amendment to Senate Bill No. 286 (BDR 31-980)

Proposed by: Senate Committee on Legislative Operations and Elections

Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

EGO



Date: 4/25/2011

S.B. No. 286—Authorizes awards to certain state employees who suggest ways to improve the operation of State Government. (BDR 31-980)



SENATE BILL NO. 286—SENATOR RHODS

MARCH 21, 2011

JOINT SPONSOR: ASSEMBLYWOMAN SMITH

Referred to Committee on Legislative Operations and Elections

SUMMARY—~~[Authorizes awards to certain state employees who suggest ways to improve the operation of State Government.]~~ **Revises provisions governing the Merit Award Program.** (BDR 31-980)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to state employees; ~~[authorizing an award to a state employee or group of state employees who make a suggestion that results in savings to the State under certain circumstances;]~~ **revising provisions governing the Merit Award Program;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[This bill authorizes an award to be made by the State to any state employee or group of state employees who make a suggestion that results in savings to the State, in the form of an actual reduction, elimination or avoidance of expenditures or improvements in operations. Section 2 of this bill specifies which employees are eligible for awards and which suggestions are eligible to be awarded. Under section 4 of this bill, a suggestion must be made to the head of the state agency that employs the state employee and then must be forwarded to the Interim Finance Committee. If the state agency adopts the suggestion, the head of the state agency must report to the Interim Finance Committee on the savings realized because of the adoption of the suggestion. Under section 5 of this bill, the Interim Finance Committee may then award the state employee or group of employees an amount not to exceed 50 percent of the amount of the savings. If the award goes to a group of state employees, the head of the state agency must divide the award in a way that is proportionate, fair and equitable, based on the contributions by each state employee to the suggestion.]~~

The Merit Award Program is established under existing law to provide awards to state employees who propose suggestions which would reduce or eliminate state expenditures or improve the operation of State Government. (NRS 285.030) The Program is administered by the Merit Award Board. Existing law limits the amount of an award to \$500, with a maximum amount of total annual awards limited to \$5,000. (NRS 285.070)

This bill revises the Merit Award Program. Section 11 of this bill provides additional criteria for making a qualifying employee suggestion. Section 12 of this bill requires the Board to annually report information concerning employee suggestions to the Budget Division of the Department of Administration and the Interim Finance Committee. Section 13 of this bill: (1) authorizes the award of 10 percent of the savings

25 resulting from the employee suggestion to the state employee or group of state employees
26 who made the suggestion; (2) provides for the transfer of 50 percent of the savings to the
27 State General Fund; and (3) authorizes the state agency that employs the state employee
28 or group of state employees to retain the remaining 40 percent of the savings to use for
29 one-time nonoperational expenses such as training and equipment. Awards that exceed
30 \$5,000 require the approval of the Interim Finance Committee. Under section 13,
31 awards are paid in two installments consisting of one payment after the end of the first
32 fiscal year during which the employee suggestion was adopted and one payment after the
33 end of the subsequent fiscal year.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Delete existing sections 1 through 7 of this bill and replace with the following
2 new sections 1 through 16:
3

4 Section 1. Chapter 285 of NRS is hereby amended by adding thereto the
5 provisions set forth as sections 2 to 6, inclusive, of this act.

6 Sec. 2. As used in this chapter, unless the context otherwise requires, the
7 words and terms defined in NRS 285.010 and sections 3 to 6, inclusive, of this act
8 have the meanings ascribed to them in those sections.

9 Sec. 3. "Board" means the Merit Award Board.

10 Sec. 4. "Employee suggestion" means a proposal by a state employee or
11 group of state employees which would:

12 1. Reduce, eliminate or avoid state expenditures, whether or not such
13 money would be expended from the State General Fund; or

14 2. Improve the operation of the State Government.

15 Sec. 5. "State agency" has the meaning ascribed to it in NRS 281.195,
16 except that the term does not include a board which is exempt from the provisions
17 of chapter 353 of NRS pursuant to NRS 353.005.

18 Sec. 6. "State employee" means any person employed by a state agency
19 who is not the head of the state agency or a designee of the head of a state agency
20 for the purposes of this chapter.

21 Sec. 7. NRS 285.010 is hereby amended to read as follows:

22 285.010 ~~[As used in this chapter unless the context otherwise requires:~~

23 ~~1.] "Adoption" means the putting of an employee suggestion into effect.~~

24 ~~[2. "Board" means the Merit Award Board.~~

25 ~~3. "Employee suggestion" means a proposal by a state employee which~~
26 ~~would:~~

27 ~~(a) Reduce or eliminate state expenditures; or~~

28 ~~(b) Improve the operation of State Government.~~

29 ~~4. "Merit award" means an award to a state employee for an adopted~~
30 ~~suggestion in the form of either the Governor's certificate of commendation or a~~
31 ~~cash payment.~~

32 ~~5. "State employee" means any person employed by a state agency who is not~~
33 ~~the head of the department.]~~

34 Sec. 8. NRS 285.020 is hereby amended to read as follows:

35 285.020 1. There is hereby established a Merit Award Program for state
36 employees.

37 2. The award ~~[shall]~~ must be designated as the ~~[Governor's Award for~~
38 ~~Achievement of Excellence in State Service.]~~ "Good Government, Great
39 Employees" Award.

1 **Sec. 9. NRS 285.030 is hereby amended to read as follows:**

2 285.030 1. The controlling authority of the Merit Award Program is the
3 Merit Award Board.

4 2. The Board must be composed of five members as follows:

5 (a) Two persons who are members of the ~~{State of Nevada Employees~~
6 ~~Association}~~ American Federation of State, County and Municipal Employees or
7 its successor, designated by the executive committee of that ~~{association}~~
8 Federation or its successor.

9 (b) One member from the Budget Division of the Department of
10 Administration appointed by the Chief of the Budget Division.

11 (c) One member from the Department of Personnel appointed by the Director
12 of the Department.

13 (d) One member appointed by and representing the Governor.

14 3. The member from either the Budget Division of the Department of
15 Administration or from the Department of Personnel must serve as the Secretary of
16 the Board.

17 4. The Board shall adopt regulations for transacting its business and carrying
18 out the provisions of this chapter.

19 5. Within the limits of legislative appropriations, the Board may expend up to
20 \$1,000 per year on expenses relating to the operation of the Board.

21 **Sec. 10. NRS 285.040 is hereby amended to read as follows:**

22 285.040 The Board shall investigate, review and evaluate the merits of each
23 ~~{recommendation}~~ proposed ~~{an}~~ employee suggestion in the manner set forth in
24 NRS 285.060.

25 **Sec. 11. NRS 285.050 is hereby amended to read as follows:**

26 285.050 1. ~~{Every}~~ Except as otherwise provided in this section, any state
27 employee ~~{is eligible to offer}~~ or group of state employees may make an employee
28 suggestion.

29 2. To be eligible for an award ~~{an}~~ pursuant to NRS 285.070, a state
30 employee or group of state employees must ~~{propose a change which is}~~ make a
31 suggestion:

32 (a) Which is not currently under active consideration by the state agency
33 affected ~~{it}~~;

34 (b) For which the act of developing or proposing is not a normal part of the
35 job duties of the state employee, whether acting individually or as a member of a
36 group of state employees;

37 (c) Which is not within the state employee's authority or responsibility to
38 carry out or implement, whether acting individually or as a member of a group of
39 state employees;

40 (d) Which proposes to do more than merely suggest that an existing policy or
41 procedure be followed correctly;

42 (e) Which does not concern an individual grievance or complaint;

43 (f) Which would not reduce the quality or quantity of services provided by the
44 relevant state agency; and

45 (g) Which would not transfer costs from one state agency to another state
46 agency.

47 3. If duplicate employee suggestions are submitted, only the state employee
48 or group of state employees who makes the first employee suggestion received is
49 eligible for an award ~~{an}~~ pursuant to NRS 285.070.

50 4. Except as otherwise provided in this subsection, a state employee, either
51 individually or as a member of a group of state employees, may not make more
52 than two employee suggestions in any calendar year. For any employee
53 suggestion made by a state employee, either individually or as a member of a

group of state employees, that is approved in a calendar year, the state employee may make one additional employee suggestion during the calendar year.

Sec. 12. NRS 285.060 is hereby amended to read as follows:

285.060 1. ~~Employee suggestions shall be submitted.~~ An employee suggestion must be made in writing to the Board.

2. The Board may, in consultation with the Budget Division of the Department of Administration and the Interim Finance Committee, establish such additional standards for the making and submission of employee suggestions as it deems proper.

3. ~~The~~ Upon receiving an employee suggestion pursuant to subsection 1, the Secretary of the Board shall ~~receive, record;~~

(a) Record and acknowledge receipt of ~~suggestions, and shall notify the suggestor;~~ the employee suggestion;

(b) Notify the state employee or each state employee of a group of state employees who made the employee suggestion of any undue delays in the consideration of the employee suggestion ~~;~~

~~4. Suggestions shall be referred;~~ and

(c) Refer the employee suggestion at once to the head of the state agency or agencies affected, or his or her designee, for consideration.

4. Within 30 days after receiving an employee suggestion that is referred pursuant to subsection 3, the head of the state agency, or his or her designee, shall report ~~his or her~~ findings and recommendations to the Board. The ~~agency~~ report ~~shall~~ must indicate:

(a) Whether ~~the~~ the employee suggestion has been adopted.

(b) If adopted ~~;~~

(1) The day on which ~~the~~ the employee suggestion was placed in effect.

~~(e) If adopted, any;~~

(2) The actual or estimated reduction, elimination or avoidance of expenditures or any improvement in operations made possible by ~~an employee's~~ the employee suggestion.

~~(d)~~ (3) If the employee suggestion was made by a group of state employees, a recommendation of the distribution of any potential award made pursuant to NRS 285.070 to each state employee in the group. Such a distribution must be proportionate, fair and equitable based on the contributions by each state employee to the employee suggestion.

(c) If rejected, the reasons for rejection.

(d) If applicable, whether legislation will be required before the employee suggestion may be adopted.

5. The Board shall ~~review agency;~~

(a) Review the findings and recommendations of the state agency and may obtain additional information or take such other action as is necessary for prompt, thorough and impartial consideration of each employee suggestion.

~~6. The Board shall evaluate;~~

(b) Evaluate each employee suggestion, taking into consideration ~~agency;~~ any action ~~by the state agency,~~ staff recommendations and the objectives of the Merit Award Program. ~~For each suggestion eligible for an award the Board shall formulate an official recommendation covering the merit of the suggestion, and the amount of recommended award;~~

(c) Monitor the efficacy and progress of employee suggestions that have been adopted and placed into effect.

(d) Provide a report to the Budget Division of the Department of Administration and the Interim Finance Committee not later than 30 days after the end of each fiscal year summarizing, for that fiscal year:

1 (1) The employee suggestions that were rejected by state agencies.
2 (2) The employee suggestions that were adopted by state agencies and
3 detailing any actual reduction, elimination or avoidance of expenditures or any
4 improvement in operations made possible by the employee suggestion.

5 (3) Any legislation required to be enacted before an employee suggestion
6 may be adopted.

7 Sec. 13. NRS 285.070 is hereby amended to read as follows:

8 285.070 1. ~~Insofar as it may be equitable and practicable, the amount of the~~
9 ~~cash award allowed for an employee's suggestion must be predicated upon the~~
10 Except as otherwise provided in this section, after reviewing and evaluating an
11 employee suggestion, the Board, in consultation with the Budget Division of the
12 Department of Administration, may make an award to the state employee or to
13 each state employee of a group of state employees who made the employee
14 suggestion.

15 2. If the amount of a proposed award will exceed \$5,000, the award must be
16 approved by the Interim Finance Committee. On a quarterly basis, the Board
17 shall transmit any proposed awards that exceed \$5,000 to the Director of the
18 Legislative Counsel Bureau for transmittal to the Interim Finance Committee. In
19 acting upon such an award, the Interim Finance Committee shall consider,
20 among other things:

21 (a) The reduction, elimination or avoidance of expenditures or any
22 improvement in operations made possible by the employee suggestion; and

23 (b) The intent of the Legislature in enacting this chapter.

24 3. An award made pursuant to this section may not exceed:

25 (a) Ten percent of the amount of any actual savings to the State ~~[. No cash~~
26 ~~award may exceed \$500.~~

27 ~~— 2. Cash payments], as determined at the end of the second fiscal year after~~
28 ~~the adoption of the employee suggestion; or~~

29 (b) A total of \$25,000,

30 whichever is less, whether distributed to an individual employee or to a group
31 of state employees who made the employee suggestion.

32 4. Any actual savings to the State resulting from the adoption of an
33 employee suggestion that remains after an award is made pursuant to this section
34 must be distributed as follows:

35 (a) Fifty percent must be transferred to the State General Fund; and

36 (b) After a revision to the appropriate work program pursuant to NRS
37 353.220, the remaining balance must be used by the state agency that employs the
38 state employee or the group of state employees who made the employee
39 suggestion for one-time, nonoperational expenses which do not require ongoing
40 maintenance, including, without limitation, training and equipment.

41 5. Awards to employees arising out of adopted employee suggestions must,
42 insofar as is practicable, be paid from money ~~[appropriated by the Legislature for~~
43 ~~that purpose.~~

44 ~~— 3. No more than \$5,000 each fiscal year may be distributed as cash payments~~
45 ~~to employees pursuant to NRS 285.010 to 285.070, inclusive.] other than money in~~
46 ~~the State General Fund.~~

47 6. The total amount of an award made pursuant to this section must be paid
48 in two equal installments. The first installment must be paid not later than 30
49 days after the end of the fiscal year during which the employee suggestion was
50 adopted, and the second installment must be paid not later than 30 days after the
51 end of the subsequent fiscal year.

52 7. A former state employee is eligible to receive an award pursuant to this
53 section if the person was a state employee at the time he or she made an employee

suggestion, or was a member of a group of state employees who made an employee suggestion, that is subsequently adopted.

8. An award may not be made for an employee suggestion pursuant to this section until the State has realized a reduction, elimination or avoidance of expenditures or any improvement in operations as a result of the employee suggestion.

Sec. 13.5. NRS 218E.405 is hereby amended to read as follows:

218E.405 1. Except as otherwise provided in subsection 2, the Interim Finance Committee may exercise the powers conferred upon it by law only when the Legislature is not in regular or special session.

2. During a regular or special session, the Interim Finance Committee may also perform the duties imposed on it by subsection 5 of NRS 284.115, NRS 284.1729, 285.070, subsection 2 of NRS 321.335, NRS 322.007, subsection 2 of NRS 323.020, NRS 323.050, subsection 1 of NRS 323.100, subsection 3 of NRS 341.090, NRS 341.142, subsection 6 of NRS 341.145, NRS 353.220, 353.224, 353.2705 to 353.2771, inclusive, 353.288, 353.335, 353C.226, paragraph (b) of subsection 4 of NRS 407.0762, NRS 428.375, 439.620, 439.630, 445B.830 and 538.650. In performing those duties, the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means may meet separately and transmit the results of their respective votes to the Chair of the Interim Finance Committee to determine the action of the Interim Finance Committee as a whole.

3. The Chair of the Interim Finance Committee may appoint a subcommittee consisting of six members of the Committee to review and make recommendations to the Committee on matters of the State Public Works Board that require prior approval of the Interim Finance Committee pursuant to subsection 3 of NRS 341.090, NRS 341.142 and subsection 6 of NRS 341.145. If the Chair appoints such a subcommittee:

(a) The Chair shall designate one of the members of the subcommittee to serve as the chair of the subcommittee;

(b) The subcommittee shall meet throughout the year at the times and places specified by the call of the chair of the subcommittee; and

(c) The Director of the Legislative Counsel Bureau or the Director's designee shall act as the nonvoting recording secretary of the subcommittee.

Sec. 14. NRS 285.080 is hereby repealed.

Sec. 15. 1. The Fiscal Analysis Division of the Legislative Counsel Bureau shall, on or before October 1, 2011, and in consultation with the Budget Division of the Department of Administration, prepare the form to be used by a state employee or group of state employees in making an employee suggestion.

2. As used in this section:

(a) "Employee suggestion" has the meaning ascribed to it in section 4 of this act.

(b) "State employee" has the meaning ascribed to it in section 6 of this act.

Sec. 16. This act becomes effective upon passage and approval for the purpose of adopting the form described in section 15 of this act, and on October 1, 2011, for all other purposes.

TEXT OF REPEALED SECTION

285.080 Service award; conditions; regulations.

1. The Governor or head of a state agency may present service awards to state employees if:

(a) The cost of each award does not exceed the amount established by the State Board of Examiners; and

(b) The Office of the Governor or the agency has sufficient funds available for such awards.

2. The State Board of Examiners shall establish by regulation a maximum amount of money that the Governor or the head of a state agency may spend on a service award pursuant to this section.

3. As used in this section, "service award" means a suitable symbol, other than money, for faithful and exceptional public service.