

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1877

Bill Subtitle: TO ESTABLISH THE TEAM ARKANSAS SYSTEM; TO AUTHORIZE AN AWARD TO A STATE EMPLOYEE OR GROUP OF STATE EMPLOYEES WHO MAKES A SUGGESTION THAT RESULTS IN SAVINGS TO THE STATE UNDER CERTAIN CIRCUMSTANCES.

Basic Change :

Representatives H. Wilkins, Hutchison

The Employee Suggestion system will be re-named to Team Arkansas System.

The title of ACA 21-11-104 will be changed to add "Rejection or acceptance of employee suggestions".

The requirement to submit suggestions to the Office of Personnel Management has been rescinded. The suggestor or group of suggestors will now submit the suggestion to the agency head where they are employed.

The agency will notify the suggestor of receipt of the suggestion and any undue delay in consideration.

The agency will notify the Team Arkansas Award Board of the suggestion.

The title of the Suggestion Award Board will change to Team Arkansas Award Board and the co-chairs of the Legislative Joint Auditing Committee will be added to the membership of the board.

The Team Arkansas Award Board will review the agency findings and recommendations. The Board will evaluate the suggestion and determine if an award is warranted. The Board may delay the award decision and request more information from the agency.

The maximum award for an approved suggestion will change to 10% of the actual savings to the state in the first fiscal year of adoption. This will eliminate the \$5000 maximum award.

If the suggestion was submitted by a group of employees the agency will determine each suggestor's share of the award.

The language provides for the Treasurer of State to disburse the awards. The awards should be disbursed by OPM as additional wages for paper tax reporting.

Revenue Impact :

None

Taxpayer Impact :

None

Resources Required :

Currently the maximum monetary award for an approved suggestion is \$5000. This bill will allow for an award of 10% of the actual savings over one fiscal year with **no limit to the dollar amount of the award.**

Each agency will be required to develop a procedure to track the suggestion and determine feasibility. The Office of Personnel management currently tracks suggestions

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Time Required :

Unknown

Procedural Changes :

The regulations necessary to administer the program will have to be rewritten.

OPM policy will have to be amended to incorporate the changes and the employee suggestion forms will have to be revised.

Other Comments :

This bill requires the suggestor to submit the suggestion to their agency director. Currently suggestions are sent to the Office of Personnel Management. OPM then determines the validity of the suggestion, and forwards the suggestion to the appropriate agency for evaluation and feasibility. A single agency may not be able to determine the over all feasibility of a suggestion that impacts all of state government. Suggestions affecting all of state government are currently sent the the Chief Fiscal Officer of the state for evaluation.

The elimination of the \$5000 limit of a monetary award could become very costly.

The bill adds a new section to the code requiring the agency to report the actual reduction, elimination or avoidance of expenditures but does not identify where or to whom the report will be submitted.

Employees who have submitted a suggestion that was approved by the agency must now wait for up to 1 year for any monetary award.

Legal Analysis :

None