

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1492

H. P. 1277

House of Representatives, March 26, 1981

Referred to the Committee on State Government. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Davies of Orono.

Cosponsor: Representative L. Higgins of Scarborough.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Establish an Efficiency Award Program and a Suggestion Solicitation Program for State Employees.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 5 MRSA c. 56-A is enacted to read:

CHAPTER 56-A

**EFFICIENCY AWARD PROGRAM AND
SUGGESTION SOLICITATION PROGRAM**

§ 651. Efficiency awards

1. **Committee; program.** An Efficiency Award Committee is established within the Department of Finance and Administration. The committee shall develop, implement and administer a program providing awards to state employees for gains in economy and efficiency in rendering governmental services.

2. **Evaluation of costs of services.** The committee shall evaluate the costs of services performed by state departmental units in the fiscal year prior to the committee's evaluation, to determine whether a unit has:

A. Maintained its level of services while reducing the cost of its services; or

B. Provided an increased level of services without incurring additional costs.

3. Reduction in cost; real or apparent. In making the evaluation, the committee shall satisfy itself that the claimed reduction in cost of operations is real and not merely apparent, and that it is not, in whole or in part, the result of:

A. Chance;

B. A lowering of the quality of the service rendered;

C. Reduced pass-through or transfer expenditures;

D. Receipts realized in excess of amounts budgeted;

E. Nonrecurrence of expenditures which were single outlay, or one-time expenditures, in the preceding fiscal year;

F. Failure to reward deserving employees through promotions, reclassification, award of merit salary increments or salary increases authorized by salary range revisions;

G. Postponement of normal purchases or repairs to a future fiscal year;

H. Stockpiling inventories in the immediately preceding fiscal year so as to reduce requirements in the eligible fiscal year;

I. Substitution of federal funds, other receipts or nonstate funds so as to reduce requirements in the eligible fiscal year;

J. Unreasonable postponement of payments of accounts payable until the fiscal year immediately following the eligible fiscal year; or

K. Shifting of expenses to another unit of government.

4. Award. If the committee determines that there has been a savings within a unit as described in subsection 2, the committee shall make a cash award to the employees of that unit. The award shall be paid out of the funds of the department to which the unit belongs and shall be 25% of the amount which the committee determines to be the savings to the State.

5. State departmental units. The committee shall establish what groupings of state employees are to be "state departmental units" for the purposes of this section. Criteria which the committee may consider in establishing these units include, but are not limited to, the following:

A. Any unique or special characteristics of a department;

B. What clearly identifiable groupings of state employees already exists;

C. What groupings of state employees are functionally similar; and

D. Whether a specific budget exists for a grouping of State employees.

After establishing "state departmental units" for the purposes of this section, the

committee shall notify all state employees affected by this section of the existence of the Efficiency Award Program.

§ 652. Suggestion awards

1. **Program.** The committee shall also develop, implement and administer a program to solicit suggestions made by state employees to improve State Government by:

- A. Increasing the efficiency or level of services rendered; or
- B. Reducing expenditures.

2. **Award.** If a suggestion is adopted and if the committee decides that the suggestion merits an award, the committee may grant a cash award to the employee who made the suggestion. The award shall be no more than 25% of the amount which the committee determines has been the savings to the State over a period of one fiscal year as the result of the adoption of the suggestion.

§ 653. Committee membership

1. **Members.** The committee shall be composed of the Commissioner of Finance and Administration, or his designee, who shall act as chairman pro tempore; the Commissioner of Personnel, or his designee; 2 state employees, one to be a member of and appointed by the union that represents the majority of state employees, and the other, not a member of the union that represents the majority of state employees, to be appointed by the Governor; and one private citizen with experience in the operation of an employees' suggestion program in private business or industry, to be appointed by the Governor.

2. **Compensation.** Members of the committee are entitled to reimbursement for expenses incurred for travel, meals and lodging while performing their duties. No committee member shall receive any compensation for his services, except that the private citizen appointed to the committee shall receive \$35 a day for the days actually spent in performance of his duties on the committee.

§ 654. Sunset provision

This chapter is repealed on December 31, 1983.

Sec. 2. Implementation program. The chairman pro tempore shall call the first meeting of the committee within 6 weeks of the effective date of this section. At the first committee meeting, committee members shall elect a chairman. The committee shall meet no fewer than 6 times a year.

In implementing the Efficiency Award Program and Suggestion Solicitation Program, the committee shall begin with fiscal year 1981-1982, which shall be the first eligible fiscal year.

Sec. 3. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1981-82	1982-83
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Efficiency Award Committee		
All Other	\$850.00	\$1,700.00

Sec. 4. Effective date. This bill will take effect on January 1, 1982.

STATEMENT OF FACT

The purpose of this bill is to promote economic efficiency in State Government through the establishment of an Efficiency Award Program and a Suggestion Solicitation Program for state employees. An Efficiency Award Committee is established within the Department of Finance and Administration to develop, implement and administer the programs.