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1 IN THE HOUSE

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2

HOUSE BILL NO. 138

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing a state employee incentive award
7 system."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 39.51 is amended by adding new sections to read:

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ARTICLE 2. INCENTIVE AWARD PROGRAM.

11

12 Sec. 39.51.110. INCENTIVE AWARDS. The Incentive Awards Board
13 may authorize the commissioner of a department or the executive head
14 of an agency other than a department to pay an employee a cash award
15 and incur necessary expense for the honorary recognition of the em-
16 ployee if the employee has contributed to the efficiency, economy, or
17 other improvement of state operations by a superior suggestion, in-
18 vention, accomplishment, or other superior personal effort in con-
19 nection with or related to the employee's official employment.

19

20 Sec. 39.51.120. PAYMENT OF AWARDS. (a) A cash award under
21 AS 39.51.110 - 39.51.200 is in addition to the regular pay of the
22 recipient. Acceptance of a cash award constitutes an agreement that
23 the use by the state of an idea, method, or device for which the award
24 is made does not form the basis of a further claim of any nature
25 against the state by the employee.

25

26 (b) A department or agency may pay a cash award and the expense
27 for the honorary recognition of an employee from the appropriation
28 available to the activity or activities primarily benefiting from the
29 idea, method, or device that forms the basis for the award. The
commissioner of the department or head of the agency shall recommend

1 to the board the amount to be paid by each activity for an award.

2 (c) An employee may receive a cash award only if the commission-
3 er of the department or the executive head of the agency has demon-
4 strated to the satisfaction of the board that a net savings has been
5 realized by the department or agency as a direct result of the em-
6 ployee's concept or idea.

7 (d) The board may not grant an award to an employee whose idea
8 or concept requires a change in law before it may be implemented.

9 Sec. 39.51.130. AMOUNT OF AWARDS. The board may not grant a
10 cash award under AS 39.51.110 - 39.51.200 that exceeds \$25,000. The
11 amount of the award is determined by multiplying each increment of the
12 state's actual cost savings during the first 12 months of implementa-
13 tion, as determined by the board, by the following percentages and
14 adding the results:

- 15 (1) five percent of the first \$10,000 in savings;
16 (2) four percent of the next \$20,000 in savings;
17 (3) three percent of the next \$30,000 in savings;
18 (4) two percent of the amount of savings that exceeds
19 \$60,000.

20 Sec. 39.51.140. MERITORIOUS ACHIEVEMENT. When the commissioner
21 of a department or the executive head of an agency certifies to the
22 board that an employee's superior suggestion, invention, accomplish-
23 ment, or other meritorious effort is highly exceptional and unusually
24 outstanding, but does not result in a direct savings to state govern-
25 ment, the board may approve an award consisting of a certificate of
26 merit issued by the Office of the Governor.

27 Sec. 39.51.150. LIMITATION ON AWARDS. The board may not make an
28 award to an employee

1 (1) for a suggestion that represents a part of the normal
2 duties of the employee;

3 (2) who has sole authority to implement the suggestion;

4 (3) whose duties include research or planning, unless the
5 subject matter of the suggestion is unrelated to the employee's normal
6 work assignments; or

7 (4) is developed by more than one person unless each person
8 is an employee eligible for an award under this section.

9 Sec. 39.51.160. AWARDS TO FORMER EMPLOYEES. Notwithstanding the
10 death or separation from state service of the employee concerned, a
11 department or agency may pay or grant an award under AS 39.51.110 -
12 39.51.200 if the award is based on events that happened while the
13 employee was in the employ of the state.

14 Sec. 39.51.170. INCENTIVE AWARDS BOARD. (a) The Incentive
15 Awards Board is established in the division of personnel in the De-
16 partment of Administration.

17 (b) The board consists of the director of the division of per-
18 sonnel in the Department of Administration, and the directors of the
19 division of strategic planning and the office of management and budget
20 in the Office of the Governor. The board shall elect a chair.

21 (c) The board shall meet four times a year at a time and place
22 determined by the chair. The meetings are open to the public. A
23 majority of the membership of the board constitutes a quorum. The
24 board may not take action on a matter except by affirmative vote of a
25 majority of the board members.

26 (d) A member of the board may not act on a matter in which the
27 relationship of the member with another person creates a conflict of
28 interest.

29 (e) A member of the board may not receive an award under this

1 chapter.

2 (f) The board shall adopt regulations and conduct hearings under
3 the Administrative Procedure Act (AS 44.62).

4 Sec. 39.51.180. ANNUAL REPORT. The board shall submit a report
5 regarding the operation of the awards program to the governor by
6 January 15 of each year.

7 Sec. 39.51.200. DEFINITIONS. In AS 39.51.110 - 39.51.200

8 (1) "board" means the Incentive Awards Board;

9 (2) "employee" includes a permanent, probationary, season-
10 al, nonpermanent, temporary, or provisional employee of the executive
11 branch of state government whether in the classified, partially ex-
12 empt, or exempt service.