

HOUSE BILL REPORT

HB 1733

As Reported By House Committee On:
State Government

Title: An act relating to productivity awards programs.

Brief Description: Clarifying productivity awards programs.

Sponsors: Representatives Linville, Reams, Brumsickle, Anderson, Pruitt, Kremen, Wolfe, Sommers, Ballard, Peery, Jones, King, Basich, Roland, G. Fisher, L. Johnson, Romero, Lemmon, Ogden, Karahalios, Eide and H. Myers; by request of Productivity Board.

Brief History:

Reported by House Committee on:
State Government, March 2, 1993, DPS.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; Vance, Assistant Ranking Minority Member; Campbell; Conway; Dyer; King; and Pruitt.

Staff: Bonnie Austin (786-7135).

Background: The Washington State Productivity Board was created in 1982 to implement employee suggestion programs in an effort to streamline agency operations and improve services. The Productivity Board oversees the Teamwork Incentive Program and the Brainstorm Employee Suggestion Program. Under the Brainstorm Employee Suggestion Program, state employee ideas to streamline agency operations and improve services are evaluated by agencies. If the idea is accepted, the employee may receive an award of up to \$10,000. Under the Teamwork Incentive Program, groups of state employees work together to come up with these ideas. Awards are made on a team basis and consist of 25 percent of the savings.

According to the Productivity Board, over the past decade these employee suggestions have saved the state nearly \$24 million. In one case, a Department of Social and Health

Services third-party cost recovery team saved the state over \$6 million.

Elective officers of the state and their confidential secretaries and administrative assistants are currently prohibited from receiving awards under these programs.

Summary of Substitute Bill: The governor is added as a co-chair of the Productivity Board. Interagency teams may participate in the Teamwork Incentive Program (TIP). The provision that projects be for a term of one year is deleted. In addition to lower costs, increased revenues may be used as a measure of project success. Revenue adjustments may be made to take into account the effects of external influences. Awards up to 25 percent of the savings or revenue increases will be granted. The Office of Financial Management is required to distribute the awards for projects that generate revenue. The board shall compile a topical list of awards annually and distribute the list to state agencies. The provision that prevents confidential secretaries and administrative assistants of elected officers from receiving productivity awards is deleted.

Substitute Bill Compared to Original Bill: A provision is added requiring that the board prepare a topical list of awards annually.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect July 1, 1993.

Testimony For: This provides needed flexibility for the board. Adding revenue-enhancement may increase state revenues. This saves money without decreasing services to the state. Adding the governor will give the needed push from the top. TIP programs increase employee cooperation and produces high morale.

Testimony Against: None.

Witnesses: Representative Kelli Linville, prime sponsor (pro); George Maston, Productivity Board (pro); Linda Mackintosh, Productivity Board (pro); and Paul Klinkosz, Department of Transportation (pro).