

---

**SUBSTITUTE HOUSE BILL 1997**

---

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** House State Government & Tribal Relations (originally sponsored by Representatives Valdez and Dolan)

READ FIRST TIME 01/28/22.

1 AN ACT Relating to reestablishing the productivity board;  
2 amending RCW 41.60.020, 41.60.041, 41.60.050, 41.60.120, and  
3 41.60.150; and reenacting and amending RCW 41.60.015.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 41.60.015 and 2011 1st sp.s. c 43 s 443 and 2011 1st  
6 sp.s. c 21 s 30 are each reenacted and amended to read as follows:

7 (1) There is hereby created the productivity board, which may  
8 also be known as the employee involvement and recognition board. The  
9 board shall administer the employee suggestion program and the  
10 teamwork incentive program under this chapter.

11 (2) The board shall be composed of:

12 (a) The secretary of state who shall act as chairperson;

13 (b) The director of financial management or the director's  
14 designee;

15 (c) The director of enterprise services or the director's  
16 designee;

17 (d) Three persons with experience in administering incentives  
18 such as those used by industry, with the lieutenant governor,  
19 secretary of state, and speaker of the house of representatives each  
20 appointing one person by July 31, 2022. The secretary of state's  
21 appointee shall be a representative of an employee organization

1 certified as an exclusive representative of at least one bargaining  
2 unit of classified employees; and

3 (e) Two persons representing state agencies and institutions with  
4 employees subject to chapter 41.06 RCW, and one person representing  
5 ~~((these))~~ institutions of higher education with employees subject to  
6 chapter ~~((28B.16))~~ 40.16 RCW, ~~((both))~~ all appointed by the secretary  
7 of state by July 31, 2022.

8 Members under subsection (2)(d) and (e) of this section shall be  
9 appointed to serve three-year terms.

10 Members of the board appointed pursuant to subsection (2)(d) of  
11 this section may be compensated in accordance with RCW 43.03.240. Any  
12 board member who is not a state employee may be reimbursed for travel  
13 expenses under RCW 43.03.050 and 43.03.060.

14 **Sec. 2.** RCW 41.60.020 and 1999 c 50 s 3 are each amended to read  
15 as follows:

16 (1) The board shall formulate, establish, and maintain a  
17 statewide employee suggestion program and adopt rules to allow for  
18 agency unique suggestion programs. Employee suggestion programs are  
19 developed to encourage and reward meritorious suggestions by state  
20 employees that will promote efficiency and economy in the performance  
21 of any function of state government: PROVIDED, That the program shall  
22 include provisions for the processing of suggestions having  
23 multiagency impact and post-implementation auditing of suggestions  
24 for fiscal accountability.

25 (2) The board shall adopt rules necessary or appropriate for the  
26 proper administration and for the accomplishment of the purposes of  
27 this chapter. These rules shall include the adoption of a payment  
28 award schedule that establishes the criteria for determining the  
29 amounts of any financial or other awards under this chapter.

30 (3) The board shall prepare a topical list of all the  
31 productivity awards granted and disseminate this information to the  
32 legislature and all state government agencies that may be able to  
33 adapt them to their procedures.

34 **Sec. 3.** RCW 41.60.041 and 1999 c 50 s 5 are each amended to read  
35 as follows:

36 (1) Cash awards for suggestions generating net savings, revenue,  
37 or both to the state shall be determined by the board, or the board's  
38 designee, based on the payment award scale. No award may be granted

1 in excess of ten thousand dollars or 10 percent of the actual net  
2 savings and/or revenue generated, whichever amount is less. Savings,  
3 revenue, or both, shall be calculated for the first year of  
4 implementation.

5 (2) The board shall establish guidelines for making cash awards  
6 for suggestions for which benefits to the state are intangible or for  
7 which benefits cannot be calculated.

8 (3) Funds for the awards shall be drawn from the appropriation of  
9 the agency benefiting from the employee's suggestion. If the  
10 suggestion reduces costs to a nonappropriated fund or reduces costs  
11 paid without appropriation from a nonappropriated portion of an  
12 appropriated fund, an award may be paid from the benefiting fund or  
13 account without appropriation.

14 (4) Awards may be paid to state employees for suggestions which  
15 generate new or additional money for the general fund or any other  
16 funds of the state. The director of financial management shall  
17 distribute moneys appropriated for this purpose with the concurrence  
18 of the productivity board. Transfers shall be made from other funds  
19 of the state to the general fund, in amounts equal to award payments  
20 made by the general fund, for suggestions generating new or  
21 additional money for those other funds.

22 **Sec. 4.** RCW 41.60.050 and 2021 c 334 s 967 are each amended to  
23 read as follows:

24 The legislature shall appropriate from the personnel service fund  
25 for the payment of administrative costs of the productivity board.  
26 ~~((However, during the 2015-2017, 2017-2019, 2019-2021, and 2021-2023~~  
27 ~~fiscal biennia, the operations of the productivity board shall be~~  
28 ~~suspended.))~~

29 **Sec. 5.** RCW 41.60.120 and 1999 c 50 s 9 are each amended to read  
30 as follows:

31 The agency head may recommend an award amount to the board. Cash  
32 awards for suggestion teams shall be up to 25 percent of the actual  
33 net savings and/or revenue generated to be shared by the team in a  
34 manner approved by the agency head, not to exceed \$10,000 per team  
35 member. The board shall make the final determination as to whether an  
36 award will be made in accordance with applicable rules governing the  
37 teamwork incentive program. Awards will be based on the payment award  
38 scale. Funds for the teamwork incentive award shall be drawn from the

1 agencies in which the unit is located or from the benefiting fund or  
2 account without appropriation when additional revenue is generated to  
3 the fund or account.

4 Awards may be paid to teams for process changes which generate  
5 new or additional money for the general fund or any other funds of  
6 the state. The director of the office of financial management shall  
7 distribute moneys appropriated for this purpose with the concurrence  
8 of the productivity board. Transfers shall be made from other funds  
9 of the state to the general fund in amounts equal to award payments  
10 made by the general fund, for innovations generating new or  
11 additional money for those other funds.

12 **Sec. 6.** RCW 41.60.150 and 2011 1st sp.s. c 39 s 9 are each  
13 amended to read as follows:

14 Other than suggestion awards and incentive pay unit awards,  
15 agencies shall have the authority to recognize employees, either  
16 individually or as a class, for accomplishments including outstanding  
17 achievements, safety performance, longevity, outstanding public  
18 service, or service as employee suggestion evaluators and  
19 implementors. Recognition awards may not exceed two hundred dollars  
20 in value per award. Such awards may include, but not be limited to,  
21 cash or such items as pen and desk sets, plaques, pins, framed  
22 certificates, clocks, and calculators. Award costs shall be paid by  
23 the agency giving the award. (~~From February 15, 2010, through June~~  
24 ~~30, 2013, recognition awards may not be given in the form of cash or~~  
25 ~~cash equivalents such as gift certificates or gift cards.))~~

--- END ---