

Department of Planning and Budget 2002 Fiscal Impact Statement

1. **Bill Number** HB1214

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Louderback

3. **Committee**

4. **Title** Centralized Employee Suggestion Award Program.

5. **Summary/Purpose:** This bill directs the Department of Human Resource Management (DHRM) to implement a centralized program of financial awards to state employees who propose procedures or ideas that reduce state expenditures or improve operations.

6. **Fiscal Impact Estimates are:** See Item 8.

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03	\$55,000		GF
2003-04			

7. **Budget amendment necessary:** Yes

8. **Fiscal implications:** The Department for Human Resources Management (DHRM) proposes the use of one wage employee during FY2003 to get the program restarted. Existing staff will provide program support. The estimate for FY2003 is \$55,000 for the wage employee and operating costs such as printing and publicity.

Expenditure impact for the program in future years cannot be determined. Centralization of the suggestion program under DHRM should result in the identification of greater cost savings. DHRM assumes that any additional costs or manpower needed to coordinate the program in future years will be funded from savings generated by the program.

9. **Specific agency or political subdivisions affected:** DHRM. All state agencies could be impacted by an increase in number of suggestions to evaluate.

10. **Technical amendment necessary:** No

11. **Other comments:** DHRM currently oversees the current program that has been in effect since the mid-1980's. The program was decentralized in 1995. Since then, the number of suggestions and total estimated savings of these suggestions have steadily declined. In FY 2001, the Department for Human Resource Management (DHRM) prepared the report, Study

of Commonwealth Recognition Programs (House Document No. 40) that recommended that the Employee Suggestion Program be centralized.

Date: 02/12/02/amk

Document: G:\02FISs\HB1214E.DOC

cc:Secretary of Administration