

CHAPTER 91

GOVERNMENT - STATE

HOUSE BILL 04-1020

BY REPRESENTATIVE(S) Romanoff, Plant, Boyd, Carroll, Cloer, Frangas, Hoppe, Jahn, Madden, Marshall, McFadyen, McGihon, Merrifield, Miller, Paccione, Vigil, and Williams S.; also SENATOR(S) Teck, Reeves, Arnold, Cairns, Evans, Groff, Grossman, Hagedorn, May R., Phillips, Taylor, Tupa, and Veiga.

AN ACT

CONCERNING STATE EMPLOYEE INCENTIVE PROGRAMS FOR COST-SAVINGS INNOVATIONS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Article 50 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

**PART 8
STATE EMPLOYEE INCENTIVE PROGRAM**

24-50-801. Legislative declaration. THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT IT IS THE POLICY OF THIS STATE TO CONCENTRATE ON IMPROVING THE EFFICIENCY AND EFFECTIVENESS OF STATE GOVERNMENT IN ORDER TO PROVIDE BETTER SERVICE TO THE CITIZENS OF THE STATE OF COLORADO, TO INCREASE STATE GOVERNMENT PRODUCTIVITY, AND TO DECREASE STATE GOVERNMENT COSTS. THE GENERAL ASSEMBLY RECOGNIZES THAT ONE METHOD OF ACHIEVING A MORE EFFICIENT AND EFFECTIVE STATE GOVERNMENT IS TO ENCOURAGE THE INVOLVEMENT OF STATE EMPLOYEES IN THE DEVELOPMENT OF INNOVATIVE IDEAS THAT WILL INCREASE THE PRODUCTIVITY AND SERVICE LEVEL OF STATE GOVERNMENT WHILE DECREASING THE COSTS OF STATE GOVERNMENT. THE GENERAL ASSEMBLY REALIZES THAT EMPLOYEE INCENTIVE PROGRAMS THAT REWARD STATE EMPLOYEES FOR INNOVATIONS BY ALLOWING THE EMPLOYEES TO SHARE THE COST SAVINGS RESULTING FROM SUCH INNOVATIONS WILL HELP ENCOURAGE EMPLOYEE INVOLVEMENT IN MAKING STATE GOVERNMENT MORE EFFICIENT AND EFFECTIVE. THE GENERAL ASSEMBLY FURTHER RECOGNIZES THAT REWARDING STATE EMPLOYEES MAY ALSO INCREASE EMPLOYEE MORALE AND ENTHUSIASM, DECREASE EMPLOYEE TURNOVER, AND IMPROVE CUSTOMER SERVICE.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

24-50-802. Definitions. AS USED IN THIS PART 8, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) (a) "EMPLOYEE" MEANS ANY EMPLOYEE WITHIN THE STATE PERSONNEL SYSTEM EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (1).

(b) "EMPLOYEE" DOES NOT MEAN:

(I) AN EMPLOYEE OF THE OFFICE OF STATE PLANNING AND BUDGETING, THE OFFICE OF THE STATE AUDITOR, THE JOINT BUDGET COMMITTEE, OR THE DEPARTMENT OF PERSONNEL;

(II) AN ELECTED OFFICIAL OR MEMBER OF THE GENERAL ASSEMBLY; OR

(III) THE EXECUTIVE DIRECTORS AND BUDGET OFFICERS OF PRINCIPAL DEPARTMENTS AND THEIR DEPUTIES OR THE PRESIDENTS OF ANY COLLEGE OR UNIVERSITY AND THEIR DEPUTIES.

(2) "STATE AGENCY" MEANS ANY DEPARTMENT, BOARD, BUREAU, COMMISSION, DIVISION, INSTITUTION, OR OTHER AGENCY OF THE STATE, INCLUDING INSTITUTIONS OF HIGHER EDUCATION.

24-50-803. Employee incentive program - report by state personnel director. NO LATER THAN DECEMBER 1, 2004, THE STATE PERSONNEL DIRECTOR SHALL SUBMIT A REPORT TO THE JOINT BUDGET COMMITTEE WITH RECOMMENDATIONS FOR THE IMPLEMENTATION OF AN EMPLOYEE INCENTIVE PROGRAM IN ACCORDANCE WITH THE PROVISIONS OF THIS PART 8.

24-50-804. Development of recommendations for an employee incentive program. (1) IN DEVELOPING RECOMMENDATIONS FOR THE IMPLEMENTATION OF AN EMPLOYEE INCENTIVE PROGRAM TO BE INCLUDED IN THE REPORT TO BE SUBMITTED TO THE JOINT BUDGET COMMITTEE PURSUANT TO SECTION 24-50-803, THE STATE PERSONNEL DIRECTOR SHALL CONSULT WITH REPRESENTATIVES FROM THE STATE PERSONNEL BOARD, THE OFFICE OF STATE PLANNING AND BUDGETING, THE OFFICE OF THE STATE CONTROLLER, THE OFFICE OF THE STATE AUDITOR, AND THE FOUR LARGEST EMPLOYEE ORGANIZATIONS REPRESENTING EMPLOYEES IN THE STATE PERSONNEL SYSTEM. THE DIRECTOR SHALL ALSO SOLICIT INPUT FROM EMPLOYEES AND MANAGERS IN THE STATE PERSONNEL SYSTEM AND OTHER AFFECTED PARTIES.

(2) THE STATE PERSONNEL DIRECTOR SHALL INCLUDE THE FOLLOWING ELEMENTS IN THE RECOMMENDATIONS FOR AN EMPLOYEE INCENTIVE PROGRAM:

(a) CRITERIA FOR ELIGIBILITY FOR THE EMPLOYEE INCENTIVE PROGRAM;

(b) A FORMULA FOR CALCULATING AND DISTRIBUTING COST SAVINGS;

(c) EMPLOYEE PROTECTIONS AGAINST RETALIATION FOR INITIATING OR PARTICIPATING IN AN EMPLOYEE INCENTIVE PROGRAM;

(d) A MEANS OF PROVIDING PUBLIC RECOGNITION AND FINANCIAL COMPENSATION TO EMPLOYEES WHOSE INNOVATIONS RESULT IN COST SAVINGS TO THE STATE;

(e) A METHOD FOR THE CENTRALIZED OR DEPARTMENTAL ADMINISTRATION OF THE EMPLOYEE INCENTIVE PROGRAM; AND

(f) A MECHANISM FOR RETURNING AN AMOUNT EQUAL TO FIFTY PERCENT OF THE COST SAVINGS REALIZED BY ANY DEPARTMENT AS A RESULT OF AN EMPLOYEE'S COST-SAVINGS INNOVATION TO THE COLORADO TAXPAYERS AND FOR ALLOWING THE DEPARTMENT IN WHICH THE EMPLOYEE IS EMPLOYED TO RETAIN AN AMOUNT EQUAL TO FIFTY PERCENT OF SUCH COST SAVINGS.

SECTION 2. Repeal. 24-1-128 (7) (j) and part 8 of article 30 of title 24, Colorado Revised Statutes, are repealed.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 7, 2004