

## **BILL ANALYSIS**

Senate Research Center

S.B. 1573  
By: Williams  
Government Organization  
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As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Questions about the necessity of the Texas Incentive Productivity Commission (commission) have led to an incremental reduction in funding and responsibility for the commission, resulting in the commission closing its doors on August 31, 2004.

The 78th Legislature, Regular Session, 2003, appropriated no general revenue to the commission for the 2004-2005 biennium, electing instead to allow the commission to be self-funded through a portion of any cost savings it was able to identify. During 2004, it became apparent that the commission would be unable to identify enough state agency savings to keep the commission operational. As a result, the commission was shut down on August 31, 2004.

The board of the commission still exists even though the commission itself has been discontinued. Some members of the board are still required to file ethics reports, which is inconvenient. The statute needs to be cleaned up to reflect the discontinuation of the commission, and to allow other agencies to use the structure if they want to operate their own programs.

As proposed, S.B. 1573 strikes all references to the commission and its board, and leaves in its place a generic employee incentive program structure to govern any employee incentive program implemented by an individual state agency.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Renumbers Section 2108.021, Government Code, as Section 2108.001, Government Code, and amends it, as follows:

Sec. 2108.001. DEFINITIONS. Redesignated from existing Section 2108.021. Defines certain terms for purposes of this chapter, rather than subchapter. Redefines "agency coordinator," "award," "incentive program," and "state employee group." Defines "cash award." Deletes definition of "bonus."

SECTION 2. Renumbers Section 2108.022, Government Code, as Section 2108.002, and amends it, as follows:

Sec. 2108.002. STATE EMPLOYEE INCENTIVE PROGRAM. Redesignated from existing Section 2108.22. (a) Authorizes a state agency to adopt a state employee incentive program consistent with this chapter.

(b) Redesignated from existing Subsection (a). Provides that one purpose of the incentive program is to recognize the contributions made by certain state employees in achieving the purposes of this chapter, rather than achieving the goals described in Subdivision (1). Makes a nonsubstantive change.

(c) Requires a state agency that adopts an incentive program to develop written policies, procedures, and record-keeping measures to administer the program in

an equitable and consistent manner that is consistent with this chapter. Sets forth the issues and situations that the policies and procedures are required to address.

(d) Requires suggestions and decisions to be governed by the state agency's policies, procedures, and criteria that are in effect at the time the state employee submitted the suggestion.

(e) Redesignated from existing Subsection (b). Authorizes a state employee, rather than an employee, to be recognized, rather than compensated, for a suggestion under the incentive program under this chapter, rather than this subchapter.

**SECTION 3.** Renumbers Section 2108.023, Government Code, as Section 2108.003, and amends it, as follows:

**Sec. 2108.003. AWARDS.** Redesignated from existing Section 2108.023. (a) Authorizes a state agency, rather than the Texas Incentive and Productivity Commission (commission), to grant an award to an employee who makes a certain suggestion. Requires such a suggestion, among other things, to relate to the agency and conserve energy, enhance safety, improve customer service, or result in the adoption of any other innovation or improvement.

(b) Authorizes the state agency to grant an award during or after, rather before the end of, the first year in which a suggestion is implemented. Makes a conforming change.

(c) Requires a state agency to decide whether recognition of a suggestion is warranted and to compute a cash award, if appropriate, based on the net actual or projected savings or increased revenues. Includes in the savings or revenues those that are realized during the period the suggestion covers, with such period not to exceed the number of years the agency determines by policy. Deletes the requirement that an award must be computed on the net annual or projected savings or increased revenues. Makes nonsubstantive and conforming changes.

(d) Provides that the value of an award shall not exceed the lesser of 10 percent of the net savings or revenue increases or \$5,000. Requires that the choice of award be in accordance with state agency policy. Sets forth the forms of compensation authorized for the award. Makes conforming and nonsubstantive changes. Deletes a method of computing an employee's bonus. Deletes provisions regarding issuing certificates of appreciation and sharing bonuses.

**SECTION 4.** Renumbers Section 2108.0236, Government Code, as Section 2108.004, and amends it, as follows:

**Sec. 2108.004. STATE EMPLOYEE GROUPS.** Redesignated from existing Section 2108.0236. (a) Deletes the provision that each provision in this subchapter applies to each member of a state employee group. Makes conforming changes.

(b) Provides that a state employee group is eligible for a total cash award, rather than bonus, of the net savings or revenue increases, rather than the first-year net savings or revenue increases, not to exceed an award of \$5,000 to be shared by the members, rather than not to exceed \$5,000 for each member, of the group in accordance with the state agency policy. Makes a nonsubstantive change. Deletes provisions relating to computation of a bonus and to splitting a bonus among the group.

**SECTION 5.** Renumbers Section 2108.024, Government Code, as Section 2108.005, and amends it, as follows:

**Sec. 2108.005. EMPLOYEE ELIGIBILITY TO PARTICIPATE.** Redesignated from existing Section 2108.024. (a) Provides that each employee of a state agency that adopts

an incentive program under this chapter, rather than each state employee, is eligible to participate in the program. Deletes the provision forbidding employees of the commission from participating in the program. Makes a nonsubstantive change.

(b) Specifies that certain state employees, rather than certain employees, are ineligible.

(c) Authorizes a state agency to adopt, by policy, other criteria regarding eligibility to participate in the incentive program or eligibility to receive an award under this chapter. Requires policies adopted under this subsection to be consistent with the eligibility provisions of this chapter.

SECTION 6. Renumbers Section 2108.037, Government Code, as Section 2108.006, and amends it, as follows:

Sec. 2108.006. New heading: TRANSFER OF SAVINGS. Redesignated from existing Section 2108.037. Authorizes a state agency, rather than the affected agency, to transfer savings attributable to an implemented suggestion from the first year of the fiscal biennium to the second year of the fiscal biennium. Deletes the provision requiring the commission and the affected agency to certify to the comptroller the amount of the actual or projected savings or increased revenue attributable to an implemented suggestion. Deletes the provision regarding the state agency's retention of savings or increased revenues, minus a portion to pay for the bonuses awarded.

SECTION 7. Amends Chapter 2108, Government Code, by adding Section 2108.007, as follows:

Sec. 2108.007. AGENCY DECISION FINAL; NO COURT REVIEW. Provides that a state agency decision under this chapter is final and is not subject to review or appeal to a court or another entity.

SECTION 8. Amends Section 201.0192, Agriculture Code, to refer to the state employee incentive program under Chapter 2108, Government Code, rather than under Subchapter B, Chapter 2108, Government Code.

SECTION 9. Amends Section 81.037, Government Code, to make a conforming change.

SECTION 10. Amends Section 2152.110, Government Code, to make a conforming change.

SECTION 11. Amends Section 2306.0631, Government Code, to make a conforming change.

SECTION 12. Amends Section 2306.6019, Government Code, to make a conforming change.

SECTION 13. Amends Section 253.008, Occupations Code, to make a conforming change.

SECTION 14. Amends Section 651.0512, Occupations Code, to make a conforming change.

SECTION 15. Amends Section 901.106, Occupations Code, to make a conforming change.

SECTION 16. Amends Section 1001.156, Occupations Code, to make a conforming change.

SECTION 17. Amends Section 1051.157, Occupations Code, to make a conforming change.

SECTION 18. Amends Section 1071.107, Occupations Code, to make a conforming change.

SECTION 19. Amends Section 1151.074, Occupations Code, to make a conforming change.

SECTION 20. Amends Section 11.0127, Parks and Wildlife Code, to make a conforming change.

SECTION 21. Amends Section 5.2275, Water Code, to make a conforming change.

SECTION 22. Amends Section 6.196, Water Code, to make a conforming change.

SECTION 23. (a) Repealer: Subchapters A (General Provisions) and C (Savings Incentive Program for State Agency), Chapter 2108, Government Code.

(b) Repealer: the heading to Subchapter B (State Employee Incentive Program), Chapter 2108, Government Code.

(c) Repealer: Sections 2108.0235 (Recognition Award), 2108.025 (Employee Status; Former Employees), 2108.026 (Eligible Suggestion), 2108.027 (Multiple and Joint Suggestions), 2108.028 (Agency Coordinator), 2108.029 (Eligibility Determination by Agency Coordinator), 2108.030 (Procedure), 2108.031 (Commission as Arbiter; Appeal), 2108.032 (Reevaluation of Suggestion), 2108.033 (Suggestion Adopted Before Submission to Agency Coordinator), 2108.034 (Suggestion Requiring Legislative Action), 2108.035 (Confidentiality), 2108.036 (Claims Assigned to State), and 2108.039 (Change to Incentive Program).

SECTION 24. Abolishes the Texas Incentive and Productivity Commission, established under Subchapter A, Chapter 2108, Government Code, as it existed prior to repeal by this Act, on the effective date of this Act.

SECTION 25. Effective date: September 1, 2005.