



ARIZONA STATE SENATE
Fiftieth Legislature, Second Regular Session

FACT SHEET FOR H.B. 2464

state employee suggestion program; awards

Purpose

Revises the award limit of the State Employee Suggestion Program (Program) and modifies the revenue source for the Program Fund (Fund).

Background

Pursuant to A.R.S. §38-613, the director of the Department of Administration (Director) may adopt rules to provide an award to any state employee for adopting procedures that resulted in the elimination or reduction of state expenditures and for performing a special act or service of public interest.

The Governor appoints a five member board that serves for four-year staggered terms to establish policy for the operation of the Program. The board reviews all suggestions and approves all awards with the concurrence of the head of the agency in which the cost savings is realized. The board also certifies the award amounts to the Director who draws a warrant on the State Treasurer payable to the Program. The State Treasurer pays the warrant from the Fund. Additionally, an award is not considered extra compensation and elected officials, directors, deputy directors, managers and supervisors are not eligible for the Awards.

Current law provides that the Fund's revenues consist of monies appropriated by the Legislature and stipulates that no award may exceed \$1,000.

The fiscal impact of this legislation is undetermined. There may be a positive impact depending on the implementation of cost saving measures as a result of the Program. Savings to the state General Fund (GF) may be realized as the bill prohibits awards from being paid from the state GF and provides alternative revenue sources for the Fund.

Provisions

1. Limits the award to no more than ten per cent of the amount saved as a result of the suggestion rather than \$1,000.
2. Prohibits the Fund from receiving state GF monies.
3. States that the Fund's revenues consist of monies transferred from identified measurable dollar savings from appropriated and non appropriated monies in the budget unit where the cost saving is realized.

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4. Requires the board to initiate the transfers to the Fund with the concurrence of the Director, with exceptions.
5. Makes conforming changes.
6. Becomes effective on the general effective date.

House Action

ERA	1/24/12	DPA	9-0-0-0
3 rd Read	2/20/12		51-0-7-0

Prepared by Senate Research

March 8, 2012

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