
A BILL FOR AN ACT

RELATING TO A PUBLIC EMPLOYEE SUGGESTION PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that it is in the best
2 interest of the State to improve the efficiency and
3 effectiveness of state government by providing better service to
4 the residents and taxpayers of the State, increasing state
5 government productivity, and decreasing state government costs
6 and waste. One method of achieving a more efficient and
7 effective state government is to encourage the involvement of
8 public employees in the development of innovative ideas that
9 will increase productivity and service while decreasing costs.

10 The legislature further finds that a public employee
11 incentive program that rewards public employees for innovative
12 ideas by allowing the public employees to share the cost savings
13 resulting from innovative ideas will help encourage public
14 employee involvement in making the State more efficient and
15 effective. Rewarding public employees for their ideas may also
16 increase employee morale and enthusiasm, decrease employee
17 turnover, and improve customer service.



1 The purpose of this Act is to establish a public employee
2 suggestion program.

3 SECTION 2. The Hawaii Revised Statutes is amended by
4 adding a new chapter to be appropriately designated and to read
5 as follows:

6 "CHAPTER

7 PUBLIC EMPLOYEE SUGGESTION PROGRAM

8 § -1 Definitions. As used in this chapter, unless the
9 context otherwise requires:

10 "Director" means the director of human resources
11 development.

12 "Employee":

13 (1) Means all state employees, including those employees
14 within the state personnel system and those exempt
15 from the state personnel system; and

16 (2) Does not include:

17 (A) An employee of the division of budget, program
18 planning and management, the office of the
19 auditor, or the department of human resources
20 development;

21 (B) An elected official; or



1 (C) An executive director, program manager, division
2 director, or budget officer of a principal
3 department, the president of a college or
4 university, or the deputy of a director, officer,
5 or president.

6 "Executive director" means a state agency's chief
7 executive, similar senior level manager, managing director, or
8 the executive director's designee.

9 "Idea application" means the application described in
10 section -2.

11 "Projected savings" means an amount calculated by a state
12 agency that may be realized by the agency directly as a result
13 of an employee's idea application.

14 "Savings realized" means an amount calculated by a state
15 agency that was actually realized by the agency as a direct
16 result of an employee's idea application.

17 "State agency" means any department, board, bureau,
18 commission, division, institution, office, or other agency of
19 the executive, legislative, or judicial branch of the state
20 government, including institutions of higher education.

21 § -2 **State employee idea application.** (a) No later
22 than July 1, 2013, the director shall create and make publicly



1 available to all employees on the department of human resources
2 development web site an idea application, substantially similar
3 to the Air Force form AF 1000, to allow employees to suggest
4 state agency improvements that may result in cost savings at the
5 state agency at which the employee works. Each state agency
6 executive director shall create agency-specific supplemental
7 submission materials to the idea application if the materials
8 are deemed necessary by the executive director to manage the
9 submission process. Each state agency shall post the materials
10 on their respective web sites.

11 (b) The idea application shall not be used for ideas that:

- 12 (1) Would result from obvious and progressive normal
13 business practices, such as a foreseeable expectation
14 that the idea would be implemented in a reasonable
15 time frame as a result of evolving business or
16 industry practice;
- 17 (2) Are obvious solutions to mandated budget cuts, such as
18 abolishing vacant funded positions or reducing staff
19 through layoffs;
- 20 (3) Result in cost avoidance as the method of documenting
21 cost savings, such as no or lowered increases in costs
22 for staff, supplies, or equipment;



1 (4) Result in revenue enhancement as the method of
2 documenting cost savings, such as new or increased
3 fees for services; or

4 (5) Simply shift the cost from one state agency to
5 another.

6 § -3 **Evaluation criteria.** No later than July 1, 2013,
7 the director shall establish standard evaluation criteria
8 substantially similar to the evaluation criteria used to
9 evaluate the Air Force form AF 1000, by which all idea
10 applications shall be evaluated. The director shall make the
11 criteria available to all executive directors. Each state
12 agency executive director may establish additional evaluation
13 criteria specific to the agency if the additional criteria is
14 deemed necessary by the executive director to manage the
15 submission process.

16 § -4 **Idea application processing.** (a) Any employee may
17 complete an idea application. For processing, the employee
18 shall submit the idea application to the executive director of
19 the employee's state agency. No retaliatory action shall be
20 taken against an employee for submitting an idea application.

21 (b) The identity of an employee who submits an idea
22 application shall remain confidential and shall be redacted from



1 the application until the employee has been determined to be
2 eligible for an honorary award as specified in section -7,
3 except that the identity of the employee may be made known to
4 the executive director for purposes of obtaining reasonably
5 necessary additional information related to the idea
6 application.

7 (c) The executive director shall provide notification of
8 receipt of the idea application to the employee within fifteen
9 days after submission of the application. The executive
10 director may automatically deny an idea application if the
11 executive director deems the application to be duplicative of
12 another application that was submitted within the prior twelve-
13 month period or duplicative of a recommendation contained in an
14 audit report from the state auditor or any privately contracted
15 auditor, a joint budget committee staff document, or any other
16 published evaluation of the Hawaii state government. The
17 executive director shall provide notice of an automatic denial
18 within fifteen days.

19 (d) The executive director shall cause, within forty-five
20 business days from the date of submission of an idea application
21 that was not automatically denied for reasons listed in this
22 section or agency-specific evaluation criteria as developed by



1 an executive director, a projected savings calculation to be
2 made.

3 § -5 Idea application decisionmaking. (a) The
4 executive director shall approve or deny the employee's idea
5 application within sixty business days after the date of
6 submission of the idea application. For any idea application
7 that is approved, the executive director shall identify, to the
8 extent possible, any state laws or rules that would need to be
9 changed as part of the review and approval process. The
10 executive director shall submit a request for legislation to the
11 governor regarding any approved idea application that requires
12 legislation for implementation. Idea applications that do not
13 require legislation for implementation shall be implemented by
14 the state agency no later than July 1 of the fiscal year
15 following acceptance of the idea application or as soon as
16 reasonably possible.

17 (b) Once an idea application is submitted, reviewed, and
18 accepted by the executive director, the employee shall be
19 informed of the honorary award the employee may earn.

20 (c) A copy of any employee's idea application that is not
21 approved, along with a copy of the executive director's
22 response, and any document indicating the projected savings



1 shall be submitted by the director to the department of budget
2 and finance for review within sixty business days after
3 submission of the idea application.

4 (d) The executive director shall maintain copies of all
5 idea applications that are submitted, along with the following
6 information for approved idea applications:

7 (1) A description of the innovative idea implemented;

8 (2) The total savings achieved in the first fiscal year or
9 first full twelve-month period after full
10 implementation;

11 (3) The total dollars awarded as an incentive to the
12 employee who submitted the idea application;

13 (4) Any affected general appropriations act line item, if
14 applicable; and

15 (5) An evaluation of the effectiveness in achieving the
16 goals set forth in this chapter of the implemented
17 idea and the honorary award to the employee.

18 § -6 Idea application notice. (a) Beginning on or
19 after July 1, 2013, all state agencies shall advertise that the
20 idea application is available on the department of human
21 resources development's web site, on any type of electronic
22 payroll statements issued to employees, and in any electronic



1 broadcast communication made to employees, so long as the
2 advertisement for the idea application occurs at least monthly.

3 (b) The idea application and the advertisement described
4 in subsection (a) shall include information related to the
5 honorary award specified in section -7 that an employee may
6 earn.

7 § -7 Idea application honorary award verification and
8 distribution. (a) Thirteen months after the innovative idea
9 described in the idea application is fully implemented, the
10 executive director shall calculate the savings realized for the
11 first twelve months of full implementation. All documentation
12 of the savings realized calculation shall be forwarded to the
13 state auditor for review and verification no later than two
14 months after the twelve months of full implementation of the
15 innovative idea described in the idea application. The state
16 auditor shall have one hundred twenty days from receipt of the
17 savings realized calculation to:

- 18 (1) Conduct the review and verification of the savings
19 realized calculation; and
20 (2) Submit a report with findings, recommendations, and
21 conclusions to the legislature.



1 (b) The state auditor's report shall be submitted to the
2 executive director who approved the idea application and to any
3 member of the legislature who introduced any legislation to
4 implement the idea.

5 (c) Except as provided in subsections (d) and (e), and
6 unless otherwise prohibited, the savings realized as verified by
7 the state auditor pursuant to subsection (a) shall be
8 distributed no later than the last day of the eighteenth month
9 following the implementation of the innovative idea, as follows:

10 (1) Five per cent, up to \$5,000, of the savings realized
11 as a one-time honorary award to the employee who
12 submitted the idea application;

13 (2) Twenty-five per cent, up to \$25,000, of the savings
14 realized to the state agency that the employee's idea
15 application directly affects; and

16 (3) The remainder to the state general fund.

17 (d) If the savings realized result in savings of federal
18 moneys, the federal moneys saved shall not be distributed as
19 specified in this section but shall either be used for a
20 reallocation of moneys within the state agency or shall revert,
21 depending on the use specified for those particular federal
22 moneys.



1 (e) If the savings realized result in savings of moneys
2 from public or private grants, gifts, awards, or donations where
3 the use of the moneys is restricted, the restricted moneys shall
4 not be distributed as specified in this section but shall either
5 be used for a reallocation of moneys within the state agency or
6 shall revert, depending on the use specified for the particular
7 restricted moneys.

8 § -8 Agency use of honorary award. (a) Except as
9 provided in subsections (b), the state agency may use the
10 distribution specified in section -7 for any projects that
11 would increase that state agency's efficiency or improve
12 services provided to state residents; provided that other than
13 the distribution to an employee as specified in section
14 -7(c)(1), the distribution shall not be used to hire
15 additional full-time equivalent employees or for personnel
16 services expenditures.

17 (b) Any realized savings that are distributed to the
18 department of transportation, pursuant to section -7(c)(2),
19 shall be transferred to the state highway fund, created in
20 section 248-8, and shall only be used for material costs of road
21 and bridge repairs.

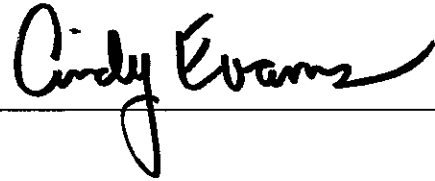


1 § -9 Right of action prohibited. Nothing in this
2 chapter shall be construed to provide an employee with any
3 grievance, dispute resolution, or appeals process with regard to
4 any idea application submitted by the employee."

5 SECTION 3. This Act shall take effect upon its approval.

6

INTRODUCED BY:



JAN 12 2012



H.B. NO. 1731

Report Title:

Public Employee Suggestion Program

Description:

Establishes a public employee suggestion program with monetary incentives for the employee and agency for ideas that result in savings to the State.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

