

## **BILL ANALYSIS**

Senate Research Center  
76R816 MLS-D

S.B. 355  
By: Harris  
State Affairs  
2/16/1999  
As Filed

### **DIGEST**

The Texas Incentive and Productivity Commission (TIPC) was created in 1989. Currently, the TIPC administers the State Employee Incentive Program and the Productivity Bonus Program. These programs provide a system for rewarding employee initiative in improving efficiency. As a result of its review of the TIPC, the Sunset Advisory Commission recommended continuation of the TIPC and several statutory modifications.

### **PURPOSE**

As proposed, S.B. 355 establishes criteria for membership in the Texas Incentive and Productivity Commission and establishes rules and guidelines for the operation of an award for productive suggestions.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2108.003, Government Code, by amending Subsections (a) and (d) and adding Subsection (e), to include a governor-designated chief administrative officer (CAO), that employs fewer than 1,000 full-time employees and a governor-designated CAO that employs more than 1,000 employees, in the Texas Incentive and Productivity Commission (commission). Provides that terms for CAOs run for two years and expire February 1, with one CAO's term expiring in even-numbered years and the other expiring in odd-numbered years. Adds standard language developed by the Sunset Advisory Commission regarding appointments to the commission. Deletes a provision including the agency administrator of the Texas Employment Commission as a member of the commission.

SECTION 2. Amends Chapter 2108A, Government Code, by adding Sections 2108.0035 and 2108.0036, to add standard language developed by the Sunset Advisory Commission regarding the eligibility for commission membership or employment. Adds standard language developed by the Sunset Advisory Commission regarding the removal of a member.

SECTION 3. Amends Section 2108.005, Government Code, to delete a provision authorizing the commission to designate separate division directors for the state employee incentive and productivity bonus programs.

SECTION 4. Amends Section 2108.007, Government Code, to provide that the Texas Incentive and Productivity Commission is subject to Chapter 35, Texas Sunset Act, the commission is abolished and this chapter expires September 1, 2003.

SECTION 5. Amends Chapter 2108A, Government Code, by adding Sections 2108.008 through 2108.012, to add standard language developed by the Sunset Advisory Commission regarding personnel matters, an equal employment opportunity statement, public testimony, complaints, and training.

SECTION 6. Amends Section 2108.021, Government Code, by adding Subdivision (8), to define

“state employee group.”

SECTION 7. Amends Sections 2108.023(a) - (c), Government Code, to delete a provision authorizing the comptroller to transfer funds. Makes conforming and nonsubstantive changes.

SECTION 8. Amends Chapter 2108B, Government Code, by adding Sections 2108.0235 and 2108.0236, as follows:

Sec. 2108.0235. RECOGNITION AWARD. Authorizes the commission to grant an award of \$50 for improvements in energy conservation and customer service, to an eligible state employee not otherwise eligible for a bonus. Requires the approval of the award by members of the commission. Prohibits the staff from approving the award. Limits the number of awards given to 150 each state fiscal year.

Sec. 2108.0236. STATE EMPLOYEE GROUPS. Authorizes state employees to submit suggestions as a group. Provides that a state employee group is eligible for a bonus for suggestions resulting in increased revenue or savings amounting to 10 percent of the first-year net savings and not to exceed \$5,000 per member. Requires the commission to divide the bonus evenly among members of the group.

SECTION 9. Amends Section 2108.024, Government Code, as follows:

Sec. 2108.024. New heading: EMPLOYEE ELIGIBILITY TO PARTICIPATE. Prohibits certain employees of the commission from participating in the incentive program.

SECTION 10. Amends Section 2108.026(b), Government Code, to provide that employees are not eligible for the award if the suggestions involves the delayed hiring of employees by the agency.

SECTION 11. Amends Section 2108.027, Government Code, to provide that the first suggestion received from two or more state employee groups is eligible for consideration. Authorizes the equal division of the bonus if the same suggestions are received the same day by different employees working in different locations. Limits to three the number of employees who may submit a joint suggestion.

SECTION 12. Amends Section 2108.037, Government Code, as follows:

Sec. 2108.037. New heading: RETENTION OF FUNDS. Requires the commission and the affected agency to certify to the comptroller the amount of savings or increased revenues attributable to an implemented suggestion. Authorizes the affected agency to retain funds from increased savings or revenues, a portion of which is to be used in awarding bonuses. Deletes a provision regarding the transferring of monies from funds affected by the savings or increased revenues. Deletes a provision regarding guidelines for transferring of funds by the comptroller.

SECTION 13. Repealer: Section 2108.038, Government Code (Special Fund).

Repealer: Chapter 2108C, Government Code (Productivity Bonus Program).

SECTION 14. (a) Effective date: September 1, 1999.

(b) Requires the governor to designate a CAO of an agency with fewer than 1,000 employees to a term expiring February 1, 2000, and a CAO of an agency with more than 1,000 employees to a term expiring February 1, 2001.

(c) Abolishes the productivity bonus program, except for provisions that existed prior to their repeal, on or before August 1, 1999.

SECTION 15. Emergency clause.