

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1135

Short Title: State Employee Incentive Bonus.

(Public)

Sponsors: Representatives Cansler; Thompson, Davis, McComas, and Sexton.

Referred to: Public Employees, if favorable, State Government.

April 21, 1997

A BILL TO BE ENTITLED

AN ACT AMENDING THE STATE PERSONNEL ACT TO PROVIDE FOR AN
INCENTIVE BONUS PROGRAM TO RECOGNIZE AND REWARD THE COST-
SAVING INITIATIVE AND INNOVATIONS OF STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 126-4 reads as rewritten:

"§ 126-4. Powers and duties of State Personnel Commission.

Subject to the approval of the Governor, the State Personnel Commission shall establish policies and rules governing each of the following:

- (1) Position classification plans which shall provide for the classification and reclassification of all positions subject to this Chapter according to the duties and responsibilities of the positions.
- (2) Compensation plans which shall provide for minimum, maximum, and intermediate rates of pay for all employees subject to the provisions of this Chapter.
- (3) For each class of positions, reasonable qualifications as to education, experience, specialized training, licenses, certifications, and other job-related requirements pertinent to the work to be performed.
- (4) Recruitment programs designed to promote public employment, communicate current hiring activities within State government, and

1 attract a sufficient flow of internal and external applicants; and
2 determine the relative fitness of applicants for the respective positions.

3 (5) Hours and days of work, holidays, vacation, sick leave, and other
4 matters pertaining to the conditions of employment. The legal public
5 holidays established by the Commission as paid holidays for State
6 employees shall include Martin Luther King, Jr.'s Birthday and Veterans
7 Day. The Commission shall not provide for more than 11 paid holidays
8 per year except that in those years in which Christmas Day falls on a
9 Tuesday, Wednesday, or Thursday, the Commission shall not provide
10 for more than 12 paid holidays.

11 (5a) In years in which New Year's Day falls on Saturday, the Commission
12 may designate December 31 of the previous calendar year as the New
13 Year's holiday, provided that the number of holidays for the previous
14 calendar year does not exceed 12 and the number of holidays for the
15 current year does not exceed 10. When New Year's Day falls on either
16 Saturday or Sunday, the constituent institutions of The University of
17 North Carolina that adopt alternative dates to recognize the legal public
18 holidays set forth in subdivision (5) of this section and established by
19 the Commission may designate, in accordance with the rules of the
20 Commission and the requirements of this subdivision, December 31 of
21 the previous calendar year as the New Year's holiday.

22 (6) The appointment, promotion, transfer, demotion and suspension of
23 employees.

24 (7) Cooperation with the State Board of Education, the Department of
25 Public Instruction, the University of North Carolina, and the
26 Community Colleges of the State and other appropriate resources in
27 developing programs in, including but not limited to, management and
28 supervisory skills, performance evaluation, specialized employee skills,
29 accident prevention, equal employment opportunity awareness, and
30 customer service; and to maintain an accredited Certified Public
31 Manager program.

32 (7a) The separation of employees.

33 (8) A program of meritorious service awards.

34 (9) The investigation of complaints and the issuing of such binding
35 corrective orders or such other appropriate action concerning
36 employment, promotion, demotion, transfer, discharge, reinstatement,
37 and any other issue defined as a contested case issue by this Chapter in
38 all cases as the Commission shall find justified.

39 (10) Programs of employee assistance, productivity incentives, equal
40 opportunity, safety and health as required by Part 1 of Article 63 of
41 Chapter 143 of the General Statutes, and such other programs and
42 procedures as may be necessary to promote efficiency of administration
43 and provide for a fair and modern system of personnel administration.

1 This subdivision may not be construed to authorize the establishment of
2 an incentive pay program.

3 (11) In cases where the Commission finds discrimination or orders
4 reinstatement or back pay whether (i) heard by the Commission or (ii)
5 appealed for limited review after settlement or (iii) resolved at the
6 agency level, the assessment of reasonable attorneys' fees and witnesses'
7 fees against the State agency involved.

8 (12) Repealed by Session Laws 1987, c. 320, s. 2.

9 (13) Repealed by Session Laws 1987, c. 320, s. 3.

10 (14) The implementation of G.S. 126-5(e).

11 (15) Recognition of State employees, public personnel management, and
12 management excellence.

13 (16) The implementation of G.S. 126-7.

14 (17) An alternative dispute resolution procedure.

15 (18) An incentive bonus for State employees that recognizes and rewards
16 State employees whose suggestions result in monetary savings to the
17 State, increased revenues to the State, or improved quality of services
18 delivered to the public.

19 The policies and rules of the Commission shall not limit the power of any elected or
20 appointed department head, in the department head's discretion and upon the department
21 head's determination that it is in the best interest of the Department, to transfer, demote,
22 or separate a State employee who is not a career State employee as defined by this
23 Chapter."

24 Section 2. Article 2 of Chapter 126 of the General Statutes is amended by
25 adding a new section to read:

26 **"§ 126-7.2. State employee incentive bonus program.**

27 (a) A State employee or team of State employees may receive an incentive bonus
28 or bonuses in reward for suggestions or innovations resulting in monetary savings to the
29 State, increased revenues to the State, or improved quality of services delivered to the
30 public. In addition to any bonuses paid directly to individual State employees, a portion
31 of the cost-savings associated with any savings realized from permanent efficiencies
32 implemented pursuant to this section may be contributed to a reserve fund for State
33 employee performance bonuses. Funds for State employee incentive bonuses shall only
34 come from savings including reversions above the baseline reversion of the employing
35 State department, agency, or institution. For the purposes of this section, 'baseline
36 reversion' means the five-year historical average of reversions by a State department,
37 agency, or institution.

38 (b) The process for a State employee to submit a cost-saving proposal shall begin
39 by the employee's submitting the suggestion or innovation to an agency coordinator
40 designated by the employing State department, agency, or institution. The agency
41 coordinator shall work with an agency evaluator designated by a Review Committee of
42 State employees empaneled to review the feasibility and effectiveness of cost-saving
43 measures suggested by State employees. The Office of State Personnel, in cooperation

1 with the Office of State Budget and Management, shall administer the State employee
2 incentive bonus program."

3 Section 3. This act becomes effective July 1, 1997.