

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 613
Committee Substitute Favorable 4/13/11

Short Title: NC-Thinks Program Amendments.

(Public)

Sponsors:

Referred to:

April 5, 2011

1 A BILL TO BE ENTITLED
2 AN ACT MAKING PROGRAMMATIC AMENDMENTS TO THE NC-THINKS STATE
3 EMPLOYEE SUGGESTION PROGRAM.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 143-345.21 reads as rewritten:

6 "**§ 143-345.21. State employee suggestion program.**

7 (a) A State employee or team of State employees may receive an incentive bonus or
8 bonuses in reward for suggestions or innovations resulting in monetary savings to the State,
9 increased revenues to the State, or improved quality of services delivered to the public.

10 (b) Repealed by Session Laws 2001-424, s. 7.2(c), effective July 1, 2001.

11 (b1) The amount of savings generated by suggestions and innovations shall be
12 determined after a 12-month period of ~~implementation.~~ implementation or, if applicable, no
13 more than 90 days after the one-time savings is determined or the suggestion is approved. No
14 incentive bonus suggestion payments shall be paid prior to the expiration of 12 months, or 90
15 days after the final one-time savings is determined or the suggestion is approved, and payment
16 may be delayed further as reasonably required to ensure that a complete cost implementation
17 cycle is evaluated fully.

18 (c) Any savings are to be calculated using the actual expenditures for a program,
19 activity, or service compared to the budgeted amount for the same, if an amount has been
20 budgeted for the program, activity, or service. The savings calculation shall include the amount
21 of any reversions in excess of the baseline reversion. Any savings realized through NC-Thinks
22 shall be weighed against continued service to the public and the assurance that there is not a
23 negative impact on State programs.

24 (d) If a suggestion or innovation affects a program, activity, or service for which no
25 separate budgeted amount has been made, the State Coordinator, in conjunction with the
26 agency evaluator or agency fiscal officer, or both for that suggestion or innovation, shall
27 determine the budgetary impact of the suggestion or innovation.

28 ~~Federal and local government funds and corporate and foundation grant funds are~~
29 ~~excluded from NC-Thinks.~~ No monetary award or leave can be awarded through NC-Thinks
30 where specifically disallowed by the terms of the funding source.

31 (f) ~~The Department of Administration Office of State Personnel~~ shall establish the
32 NC-Thinks reserve fund in which all savings for all suggestions shall be deposited as earned.
33 Each participating agency shall be responsible for transferring savings to the NC-Thinks
34 reserve fund. The funds may be encumbered as needed to ensure payment to the General Fund,
35 to the suggester, and for distribution as required by G.S. 143-345.22. ~~The Department of~~
36 ~~Administration Office of State Personnel~~ shall provide the NC-Thinks reserve fund summary at
37 the close of each fiscal year to the Office of State Budget and Management and to the



1 participating agencies. The Office of State Budget and Management shall have oversight
2 responsibility for ensuring that the required reversions and transfers are made to the General
3 Fund, and that all encumbered funds are accounted for and paid as required by law.

4 (g) No distribution of suggester awards shall occur until reversion requirements to the
5 General Fund are met and distributions as required by G.S. 143-345.22 are satisfied and
6 verified by the Office of State Budget and Management. When all of the requirements of
7 G.S. 143-345.22 are fulfilled, the Department of Administration shall transfer to the suggester's
8 agency funds required to award the suggester. The suggester's agency shall make the suggestion
9 award and ensure that all taxes and withholding requirements are met.

10 (h) Implementation costs may be prorated over a maximum of three years for
11 suggestions or innovations that are capital intensive, involve leading-edge technology, or
12 involve unconventional processes that require longer than 12 months for implementation. The
13 amount of the average annual savings minus the average annual implementation cost shall be
14 used as the basis for the agency to recommend a suggester award. The State Suggestion Review
15 Committee shall consult the Office of State Budget and Management to make the final award
16 determination in these cases.

17 (i) There is established in the ~~Department of Administration~~ Office of State Personnel a
18 nonreverting fund to be administered by the Office of State Personnel for the training and
19 education of permanent State employees to address specific mission critical needs and
20 objectives. Funds shall be credited from NC-Thinks to the fund as provided by this Article."

21 **SECTION 2.** G.S. 143-345.22 reads as rewritten:

22 **"§ 143-345.22. Allocation of ~~incentive bonus~~ suggestion program funds; nonmonetary**
23 **recognition.**

24 (a) If a State employee's suggestion or innovation results in a monetary savings or
25 increased revenue to the State, the funds saved or increased shall be distributed according to the
26 following scale or subject to guidelines as set forth by the funding source:

27 (1) Twenty percent (20%) of the annualized savings or increased revenues, up to
28 a maximum of twenty thousand dollars (\$20,000) for any one State
29 employee, to constitute gainsharing. If a team of State employees is the
30 suggester, the bonus provided in this subdivision shall be divided equally
31 among the team members, except that no team member shall receive in
32 excess of twenty thousand dollars (\$20,000), nor shall the team receive an
33 aggregate amount in excess of one hundred thousand dollars (\$100,000).
34 These funds shall not revert.

35 (2) Thirty percent (30%) allocated as follows:

36 a. ~~Ten percent (10%)~~ Fifteen percent (15%) to the implementing
37 agency for nonrecurring budget items to be used (i) by the
38 implementing agency to provide equipment, supplies, training, and
39 limited but appropriate recognition for the division, section, or group
40 responsible for the implementation of the cost-saving measure and
41 (ii) to meet other similar needs within the agency.

42 b. Ten percent (10%) to the ~~Department of Administration~~ Office of
43 State Personnel for augmenting funding for the management and
44 administration of NC-Thinks. These funds shall not revert.

45 c. ~~Ten percent (10%)~~ Five percent (5%) to the State employee
46 education and training fund administered by the Office of State
47 Personnel under G.S. 143-342.21(i). These funds shall not
48 ~~revert~~ revert when nonreversion is otherwise allowed by law or
49 policy.

50 (3) The remainder to the General Fund for nonrecurring budget ~~items~~ items
51 when allowed by law or policy.

1 "

2 **SECTION 3.** G.S. 143-345.23(d) reads as rewritten:

3 "(d) The ~~executive secretary~~ State Personnel Director shall be responsible for general
4 oversight and coordination of NC-Thinks. The State coordinator shall be an employee of the
5 ~~Department of Administration~~. Office of State Personnel. The State coordinator shall be
6 responsible for day-to-day NC-Thinks program management and administration of the
7 technical aspects of the program. The State coordinator shall be an ex officio voting member of
8 the State Suggestion Review Committee."

9 **SECTION 4.** G.S. 143-345.24(c) reads as rewritten:

10 "(c) All administrative, management, clerical, and other functions and services required
11 by the State Review Committee shall be supplied by the ~~Department of Administration~~. The
12 ~~Department of Administration~~ Office of State Personnel. The Office of State Personnel and the
13 State Review Committee shall report annually to the Joint Legislative Commission on
14 Governmental Operations on the administration of NC-Thinks."

15 **SECTION 5.** G.S. 126-3(b) reads as rewritten:

16 "**§ 126-3. Office of State Personnel established and responsibilities outlined;**
17 **administration and supervision; appointment, compensation and tenure of**
18 **Director.**

19 ...

20 (b) The Office shall be responsible for the following activities, and such other activities
21 as specified in this Chapter:

22 ...

23 (10) Administering the State employee suggestion program (NC-Thinks)."

24 **SECTION 6.** This act becomes effective July 1, 2011, and applies to employee
25 suggestions made on or after that date.