

March 14, 1969

SENATE FILE 475

Passed on File

*State S. 3-17, Pass 4-8, 62pts 1-14*  
By STANLEY, POTGETER and WALSH

Passed Senate, Date.....*4-12-69*..... Passed House, Date.....*1-16-70*.....

Vote: Ayes.....*48*..... Nays.....*2*..... Vote: Ayes.....*105*..... Nays.....*0*.....

Approved.....*Jan. 23, 1970*.....

## A BILL FOR

1 An Act to provide for incentive awards to state employees who  
2 develop or participate in cost reduction plans or contrib-  
3 ute to efficiency and economy in state government.

4 *Be It Enacted by the General Assembly of the State of Iowa:*

5 Section 1. The executive council, upon recommendation by  
6 an employing department, may authorize payment of a cash in-  
7 centive award to any employee who develops a practical plan  
8 for increased efficiency, economy, or cost reduction for his  
9 department or for the operations of the state government.

10 An incentive award under this Act shall not exceed one  
11 thousand dollars.

12 Wherever used in this Act, "department" includes any de-  
13 partment, agency, board, bureau, or commission of this state.

14 Sec. 2. Any department may adopt a cost reduction plan  
15 which shall provide for a reduction in the number of em-  
16 ployees or operating costs of the department below the  
17 number or amount which would otherwise be authorized. The  
18 executive council, upon recommendation by the department,  
19 may authorize payment of a cash incentive award to each em-  
20 ployee in the department who will be required to perform ad-  
21 ditional duties or contribute additional effort as a result  
22 of the cost reduction plan. The executive council shall  
23 authorize such awards only if it determines that the cost  
24 reduction plan is in the best interests of the state, and  
25 only if the estimated net savings due to the cost reduction

1 plan less the amount of the cash incentive award revert to  
 2 the general fund. The total amount of all awards under this  
 3 section with respect to any cost reduction plan shall not  
 4 exceed one-fourth of the estimated savings due to the cost  
 5 reduction plan. The amount of the award to each employee  
 6 shall be approved by the executive council.

7 Sec. 3. Awards made pursuant to this Act shall be paid  
 8 out of the appropriated funds of the department employing  
 9 the persons receiving the awards.

#### EXPLANATION OF SENATE FILE 475

This bill provides for incentive awards to encourage greater efficiency and economy in state government and cost reduction plans in state departments.

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#### SENATE FILE 475

Date prepared March 12, 1969

Requested by Senator Stanley.

Prepared in regard to a bill for an act to provide for incentive awards to state employees who develop or participate in cost reduction plans, etc.

Following is the fiscal effect in dollars of the legislative proposal as required by Rule 47: No cost estimate available.

	Annual Cost Savings	Less Incentive Award	Net Cost Savings
Example 1.	10,000	1,000	9,000
Example 2.	4,000	1,000	3,000
Example 3.	2,000	500	1,500
Example 4.	20,000	1,000	19,000
Example 5.	100,000	1,000	99,000

Note: The above are only examples and not estimated savings that will result under this bill. The column "net cost savings" would revert to the general fund and not be used to apply to other costs within a department.

Filed  
 March 26, 1969

GERRY D. RANKIN  
 Legislative Fiscal Director

- 1 Amend Senate File 475 on page 2 by inserting in line 2 after
- 2 the word, "fund", the following:
- 3 "The executive council shall prior to making any award submit
- 4 the departmental recommendation to the Legislative Fiscal Director
- 5 for his independent evaluation."

Filed - *Withdrawn 4-18*

April 11, 1969

By GAUDINEER

- 1 Amend Senate File 475 by adding the following new section after
- 2 section 3:
- 3 "Sec. 4. Before authorizing an award under this Act, the Exe-
- 4 cutive Council shall submit the departmental recommendation to the
- 5 comptroller and to the legislative fiscal director, each of whom
- 6 shall submit his independent evaluation within fifteen (15) days."

Filed - *Adopted 4-18*

April 11, 1969

By GAUDINEER and STANLEY