

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
Bureau of Human Resources

September 25, 1995

HUMAN RESOURCES MEMORANDUM 10-95

TO: Agency/Department Heads/Personnel Managers and Personnel
Officers/Directors of Administrative Services/TQM Coordinators

SUBJECT: Notice Of Legislative Changes to the State Employee Suggestion
Award Program

Public Law 1995, Chapter 368, Part HH repealed Title 5, Chapter 56, Suggestion Awards Board (Section 642 of the Civil Service Law), effective July 1, 1995.

In accordance with this change, the former State Employees' Suggestion Awards Board has been abolished and the guidelines developed by this Board for the administration of the State Employee Suggestion Awards Program are no longer in effect.

Part HH enacts new legislation - Title 5, Section 49, Sub-Section 6. This new legislation continues to maintain an employee suggestion awards program by transferring the responsibility for State employee suggestions from the Suggestion Awards Board to departmental total quality management councils.

The new law includes specific requirements for the administration of State employee suggestions. These requirements are very similar to those in effect under the old program. As before, employee suggestions that are adopted and that result in cost savings are eligible for cash awards. Also, the increase in the maximum for cash awards from \$2,000 to \$10,000 that was in effect under the former Suggestion Award Program is continued through June 30, 1996.

New guidelines and forms have been prepared to reflect these changed requirements and to assist departmental councils with the day-to-day administration of the suggestion program. **A copy of the new law and the revised guidelines and forms are attached.** Departments are asked to become familiar with the new system and to notify their employees of the new suggestion award process as soon as possible. **To help publicize the new program, the Bureau of Human Resources will prepare and distribute a brief description of the new suggestion award program with employee payrolls.**

The former Suggestion Award Board has suggestions that are pending evaluation. These pending suggestions, and any available information with respect to steps that may have already been taken to evaluate these suggestions, will be forwarded to the appropriate departmental total quality management council in the near future.

The Bureau of Human Resources has developed a report listing of suggestions that have been received during Fiscal Years 1992 - 1995. Departmental councils that are interested in receiving a copy of this listing should contact the former Suggestion Administrator, Bureau of Human Resources (287-4432). In addition, departmental councils may request an electronic copy of the Certificate of Recognition that was used for the former Suggestion Awards Program.

Thank you for your cooperation.



Nancy J. Kenniston, Director
BUREAU OF HUMAN RESOURCES

Attachments

PLEASE DISTRIBUTE TO DEPARTMENTAL COUNCIL MEMBERS

EXCERPT FROM CHAPTER 368, PUBLIC LAW 1995

PART HH

Sec. HH-1. 5 MRSA §49, sub-§6 is enacted to read:

6. Total quality management councils; department; agency. Each department and agency in State Government shall establish a total quality management council that is composed of managers of the department or agency, union representatives and state employees of the department or agency. Each total quality management council shall name an associate member to the Maine Quality Management Council in addition to any associate member named pursuant to subsection 3 and that associate member must be a classified service employee of the department or agency. One of the associate members shall serve as the total quality management coordinator for the department or agency. Total quality management councils shall promote and administer programs for improving departmental and agency processes, programs and services, including the administration of a departmental or agency employee suggestion award program. In addition to any guidelines that are developed by each total quality management council, the employee suggestion program must include the following requirements.

A. Suggestions from employees must identify changes to procedures, equipment or business operations that result in a cost savings or that provide safer or more efficient ways to conduct the business of the State.

B. Major policy-influencing employees identified by sections 932 to 953 and section 958 and Title 2, section 6 are not eligible to participate in the departmental or agency suggestion program.

C. Each total quality management council shall evaluate eligible employee suggestions and make recommendations to the appointing authority of the department or agency with respect to implementation, cost savings and cash or honorary awards.

D. Cash awards for employee suggestions that have an identifiable cost savings are limited to 10% of the first year's estimated savings or \$2,000, whichever is less. The minimum cash award is \$25.

E. Suggestions that do not have an identifiable cost savings but that provide a safer or more efficient way to conduct the business of the State may be granted a cash award of not more than \$200.

F. The total quality management councils shall cooperate in the evaluation of employee suggestions that cross departmental or agency lines of authority.

G. Each total quality management council shall maintain records of employee suggestions and the disposition of these suggestions.

H. Any cash awards that are payable must be charged to the fund or funds to which the estimated savings apply.

I. If savings for a year can not be reasonably estimated, the appointing authority may approve a partial initial payment and pay any additional amount that is due at the end of the first year.

J. For the fiscal year ending June 30, 1995 and the fiscal year ending June 30, 1996, the maximum cash award is limited to 10% of the first year's estimated savings or \$10,000, whichever is less. The minimum cash award is \$25.

This paragraph applies to all suggestions that are received by a total quality management council on or before July 1, 1996.

This paragraph is repealed on June 30, 1996.

Sec. HH-2. 5 MRSA c. 56, as amended, is repealed.

GUIDELINES FOR THE ADMINISTRATION OF EMPLOYEE SUGGESTIONS

PURPOSE

These guidelines set forth regulations and processes to assist departmental TQM councils with the administration of the State Employee Suggestion Program.

AUTHORITY

Title 5, §49, sub-§6, defines employee suggestions, provides a formula for granting cash awards, and gives each departmental TQM council the responsibility for processing suggestions that are submitted by departmental employees.

ORGANIZATION

1. **Departmental TQM Council.** The departmental TQM council has the overall responsibility for the review and disposition of suggestions and, with the assistance of special sub-committees and with any needed input from other departmental councils and/or committees, for making final recommendations to the appointing authority with respect to the implementation of suggestions and cash awards.

2. **Departmental Coordinators.** Each appointing authority shall name a staff person to receive and coordinate the evaluation of employee suggestions by departmental TQM councils. These departmental coordinators will promote and publicize the employee suggestion program within their respective departments, respond to questions from department employees concerning the employee suggestion process, and assist the departmental TQM council with the general administration of the employee suggestion program.

3. **Ad hoc teams.** The departmental TQM council may establish special ad hoc teams to review and evaluate suggestions and to make initial recommendations with respect to the evaluation process.

ELIGIBILITY

The Employee Suggestion Program is open to all State employees except the commissioners and heads of departments appointed by the Governor and the major-policy employees appointed by these commissioners and heads of departments.

SUGGESTIONS

1. **Format.** All suggestions must be submitted in written form, identify the condition or procedure that is being recommended for change, **and specify what the change will be.**

2. **Cost Savings.** To the extent practicable, suggestions that are being recommended to save money must include good estimates and break-downs of the costs expended before the recommended change and the costs expected after the recommended change. Cost Savings must also take into account the cost necessary to implement the change(s) suggested, if any.

3. **Operational Efficiency.** Suggestions to improve business operations or to provide a better or safer working environment do not require cost-savings figures.

EVALUATION PROCESS

The departmental TQM council shall during its regularly scheduled meetings review employee suggestions and determine the most appropriate process for the evaluation and disposition of employee suggestions. Responsibilities of the departmental TQM council include:

1. Rejecting suggestions that are not eligible for consideration on basis of one or more of the following criteria:

- a. The suggestion is a duplicate of an earlier suggestion.
- b. The suggestion involves a matter or condition that is already under consideration by the department or another department.
- c. The suggestion requires a change to law, tax system or fee process and the authority responsible for that law, tax system or fee process does not choose to pursue a change to that law, tax system or fee process.
- d. The suggestion involves a matter that should be handled by the employee in the normal course of employment.
- e. The suggestion involves a matter that must be negotiated.

2. Establishing special committees and/or teams to review and evaluate eligible suggestions and to make initial recommendations with respect to implementation and projected cash savings. Membership of evaluation committees must have the expertise needed to understand and make decisions on the subject matter content, and may include representation from other State departments.

3. Considering the evaluation reports and recommendations of evaluation committees in order to make its recommendations to the appointing authority with respect to implementation and cash award.

AWARDS

1. **Cost Savings awards.** Suggestions that result in an identifiable cost savings are eligible for a cash award equal to 10% of the projected first-year savings or \$2,000, whichever is less. Note: By a sunset provision of the law that establishes the employee suggestion program, the cash award for suggestions received on or

before July 1, 1996 is 10% of the projected first-year savings or \$10,000, whichever is less.

2. Flat Rate Awards. Implemented suggestions that do not result in an identifiable cost savings but that do result in greater operational efficiency or safer working environments may be recognized by a cash award of not more than \$200.

3. Certificates of Recognition. In addition to cash awards, or in recognition of outstanding effort that does not result in a cash award, the departmental TQM council may issue certificates of recognition signed by the appointing authority and/or the Governor.

4. Moneys. Funds are not appropriated for cash award payments. The money for such payments must come from the budget of the department or departments involved.

5. Payment method. Cash awards may be paid in full at the time of implementation if sufficient data on cost savings is available, or cash awards may be paid in installments as information on savings becomes available or cash awards may be paid at the end of the first year, as appropriate.

6. Presentation method. The method of presentation may be decided on a case-by-case basis. Examples include: Personal presentation by the commissioner, department head or supervisor; written letter of commendation from the commissioner, department head or supervisor included with payment check and/or certificate of recognition.

RECORDS

The departmental TQM council must notify employees in writing concerning the disposition of their suggestions and any cash awards that are payable to them. The TQM council must also maintain a file record of all suggestions that are submitted by employees during the fiscal year.

**STATE OF MAINE EMPLOYEE SUGGESTION PROGRAM
SUGGESTION SUBMISSION FORM**

NAME	DEPARTMENT
CLASS TITLE	DIVISION/BUREAU

IMPORTANT: Read the program information on reverse side of this form. Attach additional sheets, charts, graphs and other materials as necessary to explain your suggestion. Contact your Departmental Coordinator for application assistance or program information.

SUBJECT OF SUGGESTION: _____

PRESENT CONDITION OR PROCEDURE: _____

SUGGESTION (GIVE ESTIMATE OF COST SAVINGS, IF ANY): _____

SIGNATURE:	DATE:
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SUBMIT THIS FORM TO YOUR DEPARTMENTAL COORDINATOR

PROGRAM INFORMATION

ELIGIBLE EMPLOYEES: All State of Maine employees except commissioners and heads of departments who are appointed by the Governor and major policy-influencing employees (Title 5, Section 932 et. seq.) are eligible to participate in the State Employee Suggestion Program.

CONTENT OF SUGGESTIONS: Suggestions must clearly identify the condition or procedure that is being recommended for change, and specify what the change will be. Suggestions for saving money must include estimates of projected annual savings. If cost-savings figures are not provided, the persons who evaluate your suggestion may not correctly understand the basis for the suggestion.

EMPLOYEE SUGGESTIONS ARE NOT ELIGIBLE FOR AWARD CONSIDERATION IF:

1. The suggestion is a duplicate of an earlier suggestion.
2. The suggestion involves a matter or condition that is already under consideration by the State.
3. The suggestion requires a change to a law, tax system or fee process and the authority responsible for the law, tax system or fee process does not choose to pursue the change suggested.
4. The suggestion involves a matter or condition that should be handled by the employee in the normal course of employment -e.g., involves what the employee was hired to do.
5. The suggestion involves a matter that must be negotiated.

EVALUATION OF SUGGESTIONS: Suggestions will be evaluated by departmental TQM councils. Departmental councils may establish special sub-committees or involve other departmental councils and/or committees as necessary.

AWARDS: Suggestions that result in an identifiable cost savings will provide a cash award equal to 10% of the savings projected for the first year of implementation or \$2,000, whichever is less. Note: By a sunset provision of the law, suggestions that are received before July 1, 1996 will provide a cash award of 10% of the projected first-year savings or \$10,000, whichever is less. **Cash awards may be delayed until actual cost figures are available in those cases where projections can not be made.** Suggestions that are implemented to improve operational efficiency or safer working environments and that do not result in any identifiable cost savings may be recognized by flat-rate awards up to \$200.

STATE OF MAINE EMPLOYEE SUGGESTION PROGRAM

SUGGESTION EVALUATION FORM

1. The attached suggestion is:

Eligible for review (Complete Items 2-4).

Not eligible as:

- It duplicates an earlier suggestion.
- The change to law/tax system/fee structure required is not supported at this time.
- It concerns a matter that is already under consideration.
- It concerns an issue that must be negotiated.
- It involves a matter that is part of the employee's job responsibility.
- Other _____

2. The evaluation committee recommends that this suggestion be implemented not be implemented because (explain any modifications that are recommended and include attachments as necessary):

3. The net cost savings (annual savings less cost of implementation) is estimated as follows:

4. The amount of cash award that is recommended is: _____

EVALUATION COMMITTEE		
Name	Department	Class Title

Date of Evaluation: _____

SUBMIT THIS FORM TO THE DEPARTMENTAL COORDINATOR

The departmental TQM Council will use the results of this evaluation to make a recommendation to the Commissioner or Department Head

EVALUATION GUIDELINES

1. **Verify eligibility of employee(s).** With the exception of commissioners, heads of departments and major-policy employees (Title 5, Section 932 et. seq.), the Suggestion Awards Program is open to all State employees. Employees of a quasi-independent agency or instrumentality of the State, and employees of the Vocational Technical Institutes and of the University of Maine System are **not** State employees for purposes of this program.

2. **Verify eligibility of suggestion.** Evaluation committees must check or supply the reason that a suggestion is not eligible for cash award consideration (Suggestion Evaluation Form, item #1). **Note 1:** Decisions with respect to suggestions that require change to a law, a current tax system or an established fee process must be made by the responsible authority. **Note 2:** The evaluation committee should be as liberal as possible in deciding whether or not a suggestion is "part of the employee's job responsibility".

3. **Evaluate merits of Suggestion.** The evaluation committee should: (1) consider suggestions in terms of departmental goals and objectives and departmental philosophy; (2) consider suggestions in terms of their value to departmental operations and service programs; and (3) consider suggestions in terms of their cost-savings benefit, if applicable. **Note 1:** Sometimes an idea that costs money instead of saving money has great operational or program service benefits that make it well worth implementing. On the other hand, an otherwise great idea may not be consistent with departmental philosophy or objectives. **Note 2:** It is often very difficult for line employees to know or even have access to the data needed to make a cost analysis of their suggestions, and in some cases, employees may not even attempt to do this. The committee should still consider these suggestions on their merits, and, if possible, do the cost analyses required.

4. **Consider modifications or alternatives.** The evaluation committee may find that some aspects of a suggestion are good while other aspects are not. In such instances, the committee should make necessary changes to the suggestion and proceed to evaluate the modified form of the suggestion. The evaluation committee may find that it is necessary and/or more efficient to implement an alternative idea than it is to modify a suggestion. In these cases, the committee should consider some form of fair recognition for the original suggestion that prompted this alternative.

5. **Determine need for representation from other State departments.** Some suggestions will affect several State departments, and the departmental council that receives a suggestion of this kind must make decisions concerning the involvement of these other departments in the evaluation process.

6. **Make recommendations for cash awards.** Recommendations for cash awards must be related to a sound cost-savings analysis for the first year of implementation. In those cases where it is difficult to make reasonable cost-savings projections, the committee may delay its recommendations until actual cost savings figures are available. In those cases where reasonable cost-savings projections are not possible, the committee may recommend a flat-rate alternative to the 10% formula. Finally, the committee may recommend flat-rate awards up to \$200 for suggestions that are implemented but that do not save money (suggestions to improve departmental operations without any savings, to make work areas safer, etc.).