

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**HOUSE BILL 613
RATIFIED BILL**

AN ACT MAKING PROGRAMMATIC AMENDMENTS TO THE NC-THINKS STATE
EMPLOYEE SUGGESTION PROGRAM.

The General Assembly of North Carolina enacts:

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

"§ 143-345.21. State employee suggestion program.

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

(b) Repealed by Session Laws 2001-424, s. 7.2(c), effective July 1, 2001.

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

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

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

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

(f) ~~The Department of Administration~~ Office of State Personnel shall establish the NC-Thinks reserve fund in which all savings for all suggestions shall be deposited as earned. Each participating agency shall be responsible for transferring savings to the NC-Thinks reserve fund. The funds may be encumbered as needed to ensure payment to the General Fund, to the suggester, and for distribution as required by G.S. 143-345.22. ~~The Department of Administration~~ Office of State Personnel shall provide the NC-Thinks reserve fund summary at the close of each fiscal year to the Office of State Budget and Management and to the participating agencies. The Office of State Budget and Management shall have oversight responsibility for ensuring that the required reversions and transfers are made to the General Fund, and that all encumbered funds are accounted for and paid as required by law.

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

(h) Implementation costs may be prorated over a maximum of three years for suggestions or innovations that are capital intensive, involve leading-edge technology, or



involve unconventional processes that require longer than 12 months for implementation. The amount of the average annual savings minus the average annual implementation cost shall be used as the basis for the agency to recommend a suggester award. The State Suggestion Review Committee shall consult the Office of State Budget and Management to make the final award determination in these cases.

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

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

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

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

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

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

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

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

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

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

...."

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

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

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

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

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

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

...

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

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

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

In the General Assembly read three times and ratified this the 15th day of June, 2011.

Walter H. Dalton
President of the Senate

Thom Tillis
Speaker of the House of Representatives

Beverly E. Perdue
Governor

Approved _____ .m. this _____ day of _____, 2011