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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2786

03/09/2023

Authored by Demuth

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to state government; rewarding state employees for reporting fraud in the
1.3 use of state or federal money; amending Minnesota Statutes 2022, section 16A.90.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2022, section 16A.90, is amended to read:

1.6 **16A.90 EMPLOYEE GAINSHARING SYSTEM.**

1.7 Subdivision 1. **Commissioner must establish program.** (a) The commissioner shall
1.8 establish a program to provide onetime bonus compensation to state employees for efforts
1.9 made to reduce the costs of operating state government ~~or~~ for ways of providing better or
1.10 more efficient state services, and for reporting to the commissioner and to the legislative
1.11 auditor fraud in the use of state funds or federal funds administered by the state. The
1.12 commissioner may authorize an executive branch appointing authority to make a onetime
1.13 award to an employee or group of employees whose suggestion ~~or~~ involvement in a project,
1.14 or report of fraud is determined by the commissioner to have resulted in documented
1.15 cost-savings to the state. Before authorizing awards under this section, the commissioner
1.16 shall establish guidelines for the program including but not limited to:

1.17 (1) the maximum award is ten percent of the documented savings in the first fiscal year
1.18 in which the savings are realized up to \$50,000;

1.19 (2) the award must be paid from the appropriation to which the savings accrued; and

1.20 (3) employees whose primary job responsibility is to identify cost savings or ways of
1.21 providing better or more efficient state services are generally not eligible for bonus

2.1 compensation under this section except in extraordinary circumstances as defined by the
2.2 commissioner.

2.3 (b) The program required by this section must be in addition to any existing monetary
2.4 or nonmonetary performance-based recognition programs for state employees, including
2.5 achievement awards, continuous improvement awards, and general employee recognitions.

2.6 Subd. 2. **Biannual legislative report.** No later than August 1, 2017, and biannually
2.7 thereafter, the commissioner must report to the chairs and ranking minority members of the
2.8 house of representatives and senate committees with jurisdiction over Minnesota Management
2.9 and Budget on the status of the program required by this section. The report must detail:

2.10 (1) the specific program guidelines established by the commissioner as required by
2.11 subdivision 1, if the guidelines have not been described in a previous report;

2.12 (2) any proposed modifications to the established guidelines under consideration by the
2.13 commissioner, including the reason for the proposed modifications;

2.14 (3) the methods used by the commissioner to promote the program to state employees,
2.15 if the methods have not been described in a previous report;

2.16 (4) a summary of the results of the program that includes the following, categorized by
2.17 agency:

2.18 (i) the number of state employees whose suggestions ~~or~~ involvement in a project, or
2.19 reports of fraud were considered for possible bonus compensation, and a description of each
2.20 suggestion or project that was considered;

2.21 (ii) the total amount of bonus compensation actually awarded, itemized by each suggestion
2.22 or project that resulted in an award and the amount awarded for that suggestion or project;
2.23 and

2.24 (iii) the total amount of documented cost-savings that accrued to the agency as a result
2.25 of each suggestion or project for which bonus compensation was granted; and

2.26 (5) any recommendations for legislation that, in the judgment of the commissioner,
2.27 would improve the effectiveness of the bonus compensation program established by this
2.28 section or which would otherwise increase opportunities for state employees to actively
2.29 participate in the development and implementation of strategies for reducing the costs of
2.30 operating state government or for providing better or more efficient state services.