

Senate Bill No. 72—Committee on  
Legislative Operations and Elections

CHAPTER.....

AN ACT relating to state employees; revising provisions governing the Merit Award Program; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

The Merit Award Program is established under existing law to provide awards to state employees who propose suggestions which would reduce or eliminate state expenditures or improve the operation of the State Government. (NRS 285.030, 285.060) The Program is administered by the Merit Award Board.

Under existing law, the Merit Award Board is authorized, within the limits of legislative appropriations, to expend a maximum of \$1,000 for expenses relating to the operation of the Board. (NRS 285.030) **Section 2** of this bill increases the maximum amount authorized, within the limits of legislative appropriations, for such expenditures from \$1,000 to \$5,000. Existing law enumerates the criteria for an employee suggestion to be eligible for an award from the Merit Award Program and includes, as part of the criteria, the requirement that the suggestion is not under active consideration by the state agency affected. (NRS 285.050) **Section 3** of this bill amends the criteria for eligibility for such an award to require that the suggestion has not been previously considered by the state agency affected.

Existing law requires the Secretary of the Board to refer the employee suggestion to the head of the state agency or agencies affected, or his or her designee, for consideration. Existing law further: (1) requires the head of the state agency, or his or her designee, to report his or her findings and recommendations concerning the employee suggestion to the Board within 30 days after the referral; and (2) sets forth the required contents of the report. (NRS 285.060) **Section 4** of this bill: (1) requires the head of the state agency, or his or her designee, to report recommendations concerning the employee suggestion only if applicable rather than requiring such recommendations for each employee suggestion that was referred; (2) provides that the Board may extend the 30-day reporting period; (3) revises the manner of distribution of an award if the employee suggestion was submitted by a group of state employees; and (4) revises the timeline for the Board to submit the required annual report concerning employee suggestions to the Budget Division of the Office of Finance and the Interim Finance Committee.

Under existing law awards made to state employees under the Merit Award Program are required to be paid in two equal installments. One payment is required to be made within 30 days after the end of the first fiscal year during which the employee suggestion was adopted and one payment is required to be made within 30 days after the end of the subsequent fiscal year. (NRS 285.070) **Section 5** of this bill provides instead that: (1) the first payment is required to be made within 90 days after the end of the fiscal year during which the State realized certain savings or improvement in the operation of State Government as a result of the adoption of the employee suggestion; and (2) the second payment is required to be made within 90 days after the end of the fiscal year immediately following the fiscal year during which the first installment was paid.



EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 285.010 is hereby amended to read as follows:  
285.010 “Adoption” means the putting of an employee suggestion into ~~effect~~ ***practice***.

**Sec. 2.** NRS 285.030 is hereby amended to read as follows:  
285.030 1. The controlling authority of the Merit Award Program is the Merit Award Board.

2. The Board must be composed of five members as follows:

(a) Two persons who are members of the American Federation of State, County and Municipal Employees or its successor, designated by the executive committee of that Federation or its successor.

(b) One member from the Budget Division of the Office of Finance appointed by the Chief of the Budget Division.

(c) One member from the Division of Human Resource Management of the Department of Administration appointed by the Administrator of the Division.

(d) One member appointed by and representing the Governor.

3. The member from either the Budget Division of the Office of Finance or the Division of Human Resource Management of the Department of Administration must serve as the Secretary of the Board.

4. The Board shall adopt regulations for transacting its business and carrying out the provisions of this chapter.

5. Within the limits of legislative appropriations, the Board may expend up to ~~\$1,000~~ ***\$5,000*** per year on expenses relating to the operation of the Board.

**Sec. 3.** NRS 285.050 is hereby amended to read as follows:

285.050 1. Except as otherwise provided in this section, any state employee or group of state employees may ~~make~~ ***submit*** an employee suggestion. An employee suggestion must be ~~made~~ ***submitted*** in writing to the Board.

2. To be eligible for an award pursuant to NRS 285.070, a state employee or group of state employees must ~~make~~ ***submit*** a suggestion:

(a) Which is not currently under active consideration ***and has not been previously considered*** by the state agency affected;



(b) For which the act of developing or proposing is not a normal part of the job duties of the state employee, whether acting individually or as a member of a group of state employees;

(c) Which is not within the state employee's authority or responsibility to carry out or implement, whether acting individually or as a member of a group of state employees;

(d) Which proposes to do more than merely suggest that an existing policy or procedure be followed correctly;

(e) Which does not concern an individual grievance or complaint;

(f) Which would not reduce the quality or quantity of services provided by the relevant state agency; and

(g) Which would not transfer costs from one state agency to another state agency.

3. If duplicate employee suggestions are submitted, only the state employee or group of state employees who ~~makes~~ *submits* the first employee suggestion received is eligible for an award pursuant to NRS 285.070.

4. Except as otherwise provided in this subsection, a state employee, either individually or as a member of a group of state employees, may not ~~make~~ *submit* more than two employee suggestions in any calendar year. For any employee suggestion ~~made~~ *submitted* by a state employee, either individually or as a member of a group of state employees, that is approved in a calendar year, the state employee may ~~make~~ *submit* one additional employee suggestion during ~~the~~ *that same* calendar year.

5. The Board may, in consultation with the Budget Division of the Office of Finance and the Interim Finance Committee, establish such additional standards for the making and submission of employee suggestions as it deems proper.

**Sec. 4.** NRS 285.060 is hereby amended to read as follows:

285.060 1. Upon receiving an employee suggestion pursuant to NRS 285.050, the Secretary of the Board shall:

(a) Record and acknowledge receipt of the employee suggestion;

(b) Notify the state employee or each state employee of a group of state employees who ~~made~~ *submitted* the employee suggestion of any undue delays in the consideration of the employee suggestion; and

(c) Refer the employee suggestion at once to the head of the state agency or agencies affected, or his or her designee, for consideration.

2. Within 30 days after receiving an employee suggestion that is referred pursuant to subsection 1, the head of the state agency, or



his or her designee, shall report his or her findings and *, if applicable,* recommendations to the Board ~~if~~ *unless the Board has, for good cause, extended the period.* The report must indicate:

(a) Whether the employee suggestion has been adopted.

(b) If adopted:

(1) The day on which the employee suggestion was ~~placed in effect~~ *put into practice.*

(2) The actual or estimated reduction, elimination or avoidance of *state* expenditures or any improvement in ~~operations~~ *the operation of the State Government* made possible by the employee suggestion.

(3) If the employee suggestion was ~~made~~ *submitted* by a group of state employees, a recommendation of the distribution of any potential award made pursuant to NRS 285.070 to each state employee in the group. Such a distribution must be ~~proportionate, fair and equitable based on the contributions by~~ *made in equal proportion to* each state employee ~~to the employee suggestion~~ *in the group.*

(c) If rejected, the reasons for rejection.

(d) If applicable, whether legislation will be required before the employee suggestion may be adopted.

3. The Board shall:

(a) Review the findings and *, if applicable,* recommendations of the state agency and may obtain additional information or take such other action as is necessary for prompt, thorough and impartial consideration of each employee suggestion.

(b) Evaluate each employee suggestion, taking into consideration any action by the state agency, staff recommendations and the objectives of the Merit Award Program.

(c) Monitor the efficacy and progress of employee suggestions that have been adopted and ~~placed into effect~~ *put into practice.*

(d) Provide a report to the Budget Division of the Office of Finance and the Interim Finance Committee not later than ~~30~~ *90* days after the end of each fiscal year summarizing, for that fiscal year:

(1) The employee suggestions that were rejected by state agencies.

(2) The employee suggestions that were adopted by state agencies and detailing any actual reduction, elimination or avoidance of *state* expenditures or any improvement in ~~operations~~ *the operation of the State Government* made possible by the employee suggestion.



(3) Any legislation required to be enacted before an employee suggestion may be adopted.

**Sec. 5.** NRS 285.070 is hereby amended to read as follows:

285.070 1. Except as otherwise provided in this section, after reviewing and evaluating an employee suggestion, the Board, in consultation with the Budget Division of the Office of Finance, may make an award to the state employee or to each state employee of a group of state employees who ~~made~~ *submitted* the employee suggestion.

2. If the amount of a proposed award will exceed \$5,000, the award must be approved by the Interim Finance Committee. On a quarterly basis, the Board shall transmit any proposed awards that exceed \$5,000 to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee. In acting upon such an award, the Interim Finance Committee shall consider, among other things:

(a) The reduction, elimination or avoidance of *state* expenditures or any improvement in ~~operations~~ *the operation of the State Government* made possible by the employee suggestion; and

(b) The intent of the Legislature in enacting this chapter.

3. An award made pursuant to this section may not exceed:

(a) Ten percent of the amount of any actual savings to the State, as determined at the end of the second fiscal year after the adoption of the employee suggestion; or

(b) A total of \$25,000,

↳ whichever is less, whether distributed to an individual employee or to a group of state employees who ~~made~~ *submitted* the employee suggestion.

4. Awards to employees arising out of adopted employee suggestions must, insofar as is practicable, be paid from money other than money in the State General Fund.

5. The total amount of an award made pursuant to this section must be paid in two equal installments. The first installment must be paid not later than ~~30~~ 90 days after the end of the fiscal year during which *the State realized a reduction, elimination or avoidance of state expenditures or any improvement in the operation of State Government as a result of the adoption of* the employee suggestion . ~~was adopted, and the~~ The second installment must be paid not later than ~~30~~ 90 days after the end of the ~~subsequent~~ fiscal year ~~the~~ *immediately following the fiscal year during which the first installment was paid.*

6. A former state employee is eligible to receive an award pursuant to this section if the person was a state employee at the



time he or she ~~made~~ *submitted* an employee suggestion, or was a member of a group of state employees who ~~made~~ *submitted* an employee suggestion, that is subsequently adopted.

7. An award may not be made for an employee suggestion pursuant to this section until the State has realized a reduction, elimination or avoidance of *state* expenditures or any improvement in ~~operations~~ *the operation of the State Government* as a result of the *adopted* employee suggestion.

8. Any actual savings to the State resulting from the adoption of an employee suggestion that remains after an award is made pursuant to this section must be distributed as follows:

(a) Fifty percent must be transferred to the State General Fund; and

(b) After a revision to the appropriate work program pursuant to NRS 353.220, the remaining balance must be used by the state agency that employs the state employee or the group of state employees who ~~made~~ *submitted* the employee suggestion for one-time, nonoperational expenses which do not require ongoing maintenance, including, without limitation, training and equipment.

**Sec. 6.** This act becomes effective on July 1, 2017.





