
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT**Senator Dave Cortese, Chair****2021 - 2022 Regular**

Bill No: ACR 45**Hearing Date:** June 7, 2021**Author:** Cooper**Version:** March 15, 2021**Urgency:****Fiscal:** Yes**Consultant:** Jake Ferrera**SUBJECT:** State employee merit awards**KEY ISSUE**

Should the Legislature authorize the payment of monetary state merit awards to state employees whose ideas or work products result in exceptional contributions or budgetary savings in state government?

ANALYSIS**Existing law:**

- 1) Authorizes California Department of Human Resources (CalHR) to make merit awards to current or retired state employees who:
 - a) Propose procedures or ideas that are subsequently adopted and that result in eliminating or reducing state expenditures or improving operations, provided the proposals are placed in effect.
 - b) Perform special acts or special services in the public interest.
 - c) By their superior accomplishments, make exceptional contributions to the efficiency, economy or other improvement in the operations of the state government.

(Government Code §19823)

- 2) Provides that awards shall be made pursuant to standards and procedures established by CalHR, which may adopt rules and regulations to administer the merit awards program and may appoint a merit awards board made up of state officers, employees, or citizens to consider award recipients. (Government Code §19823)
- 3) Authorizes awards to be paid from the appropriation available to the state agency affected by the award. (Government Code §19823 (c))
- 4) Requires that any award granted under the provisions of this section shall be limited to five thousand dollars (\$5,000) unless approved by concurrent resolution of the Legislature. (Government Code §19823 (e))

This bill:

- 1) Authorizes the payment of state merit awards approved by CalHR to an individual whose proposal resulted in eliminating or reducing state expenditures or improving state operations. Specifically, this resolution provides that the following merit award be made to:

- a) Mr. Laron J. Russell, from the Respiratory Therapy Department at the Porterville Developmental Center, for suggesting using a portable sleep study device to perform in-house sleep studies to determine if a client has a sleep disorder rather than sending the client to an outside facility.

COMMENTS

1. Need for this bill?

The Merit Award Program (MAP) was established by the Legislature in 1950 as an incentive award system to recognize an employee's contributions to state government and its operations. All part-time, full time or retired employees in agencies/departments are eligible to participate except officers and employees of the UC/CSU system.

The Employee Suggestion Program, the Superior/Sustained Accomplishment Nomination, and the Special Act/Special Service Nomination are three separate awards that are available under the MAP. The procedure for cash awards under the MAP is established in 2 CCR §599.664, which recommends an award of 20% of the net savings of an employee-suggested proposal during the first year following its adoption.

These awards are taxed as normal income and are capped at \$50,000.

2. Proponent Arguments

None received.

3. Opponent Arguments:

None received.

4. Prior Legislation:

SCR 32 (Pan) Res. Chapter 121, Statutes of 2017: Authorized the payment of monetary state merit awards to state employees whose ideas or work products result in exceptional contributions or budgetary savings in state government.

SUPPORT

None received.

OPPOSITION

None received.