

Act No. 119
Public Acts of 1998
Approved by the Governor
June 9, 1998
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June 10, 1998
EFFECTIVE DATE: July 1, 1998

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Harder, Bogardus, Hanley, Hale, Green, DeHart, Baade, Cropsey, Leland, Brewer, Curtis, Cherry, Willard, Gire, Olshove and Wetters

ENROLLED HOUSE BILL No. 4324

AN ACT to amend 1978 PA 325, entitled "An act to provide for a suggestion awards program; and to prescribe the duties of the department of civil service," by amending the title and sections 1, 2, 3, 4, 5, 6, 7, and 8 (MCL 38.1161, 38.1162, 38.1163, 38.1164, 38.1165, 38.1166, 38.1167, and 38.1168), section 5 as amended by 1986 PA 310, and by adding section 9.

The People of the State of Michigan enact:

TITLE

An act to provide for and implement a suggestion awards program and a quality recognition system; and to prescribe the duties of certain state departments and agencies.

Sec. 1. As used in this act:

- (a) "Board" or "recognition board" means the recognition board established in section 2.
- (b) "Department" means the department of management and budget.
- (c) "Director" means the director of the department or his or her designee.
- (d) "Process improvement" is a recommended improvement that is concisely written and identifies a problem, situation, or opportunity for improvement, together with a recommendation for a remedy. The improvement must be implemented and bring about measurable organizational success for this state.
- (e) "Retired state employee" means an individual who has retired from state service and is receiving a retirement benefit from either the defined benefits or defined contributions retirement plans sponsored by this state.
- (f) "State employee" means a classified member of the state civil service or an unclassified employee of the executive, legislative, or judicial branch of state government.
- (g) "Value added behavior" means a positive contribution by a person that advances the implementation of a process improvement or otherwise assists in the advancement of overall organizational success.

Sec. 2. (1) The department shall establish a recognition board within the department to consist of 5 members appointed by the director. The director shall select the members from a list of state employees and retired state

employees. Not more than 1 member shall be from the same state department. Not more than 1 member shall be a retired state employee.

(2) The terms of the members, except to fill vacancies occurring other than by expiration of term, shall be 2 years from the date of appointment. A vacancy in the office of a member, occurring other than by expiration of term, shall be filled by the director for the balance of the term. The members shall elect a chairperson of the board.

(3) The board shall do all of the following:

(a) Develop the guiding principles for employee, retired state employee, and department and agency recognition, including the establishment of guidelines for the type of recognition to be granted within the limits of section 5.

(b) Perform the final review of process improvements, value added behaviors, and the resulting recognition actions valued at amounts greater than \$500.00 and any actions that receive a request for reconsideration.

(c) Prepare the rules for promulgation by the department under section 6 for the operation of the recognition system described under this act.

Sec. 3. (1) The director shall appoint a recognition administrator from the employees of the department.

(2) The recognition administrator shall be responsible for all of the following:

(a) The administrative supervision and promotion of the employee, retired state employee, and department and agency recognition systems in a cooperative relationship with the recognition board and all state departments.

(b) The provision of support services to all state department and agency recognition systems.

(c) The final review of process improvements, value added behaviors, and the resulting recognition actions valued at \$500.00 or less.

(d) The submission of quarterly reports on recognition activities to the appropriation committees in the house of representatives and the senate, to the house and senate fiscal agencies, and to the department.

(e) The submission to the board of process improvements, value added behaviors, and the resulting recognition actions valued at more than \$500.00.

(3) Information to be contained in the report required under subsection (2)(d) shall be established by the recognition board.

Sec. 4. (1) The head of each state department shall establish a committee with an uneven number of members who are employees of that state department and who shall be appointed by the head of that state department. The committee shall have no less than 3 members and not more than 11 members based on the need as determined by the head of the state department. The committee shall review the process improvements, value added behaviors, and the resulting recognition actions of significant impact that pertain to the operations of that state department.

(2) The committee without undue delay shall report to the recognition administrator concerning each process improvement and value added behavior reviewed and the resulting recognition action taken or recommended. Information to be contained in the report shall be established by the board.

Sec. 5. The types of recognition granted under section 2 or 3 shall be developed in guidelines by the recognition board. Recognition shall be distributed in an equitable fashion to all state employees and retired state employees who are involved in recommending, initiating, and implementing the improvement and to those who demonstrate value added behaviors. The tangible value of recognition for any single process improvement implemented shall not exceed \$5,000.00.

Sec. 6. The department may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement and administer this act, and to equitably phase out the current suggestion system. Operational guidelines shall be established and implemented by approval of the recognition board.

Sec. 7. The department shall provide the necessary staff to assist the board and the recognition administrator in the performance of their duties under this act.

Sec. 8. The cost of administering this act and the granting of recognition under section 5 shall be included within the annual appropriation of the department.

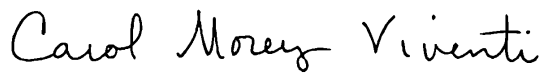
Sec. 9. A retired state employee who is the recipient of recognition under this act will be treated as a self-employed person for tax purposes and shall receive recognition from the appropriated fund for the recognition system as administered by the department. The retirement system from which the state employee is a retirant shall not be held responsible for any payment, and no adjustment or recalculation of benefit level will occur due to a retired state employee receiving recognition under this system.

Enacting section 1. This amendatory act takes effect July 1, 1998.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.