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## **The Vermont Legislative Research Shop**

### **State Employee Suggestion Programs**

Almost every state has some sort of governmental suggestion program for their state employees, and many have suggestion programs that are open to the public. Many of these programs include incentives to reward people who make suggestions that end up saving the state money. New York has had such a program for over 60 years, and California for over 50 (Quinn, 2007). Vermont does not currently have such a program.

States have different methods for determining which suggestions to implement and how much to award the suggester. Most states have some sort of board that determines the quality and feasibility of suggestions, and often determine the rewards. Other states have formulas for determining the amount of the award based on the amount money the idea has saved the state, typically in the first year. When creating a suggestion/incentive program, it is very important to have a reliable and non-corrupt way of determining which suggestions are chosen, and a good formula by which to determine the amount of awards. Suggestion boxes have clearly saved states money but structuring a program to maximize the benefits may be difficult.

### **Suggestion box program costs**

The new face of a suggestion box program is high-tech, fast, far reaching, and allows individuals to build upon the ideas that others have created. Two examples of companies – Brightidea and Imaginatik – produce Web-based programs that gather the ideas from all individuals and organize the suggestions into usable information. Such systems can start at \$2,500 for very small single-use programs. However, large companies and government can expect to pay \$300,000 to \$500,000 for programs that allow collaboration from others. These programs are not email based and companies have found using them far outweigh the costs of hiring specialists and paying travel costs to bring them all together to one location. Companies like Pfizer believe that the best answers to their companies' problems come from people within the company (Weiss 2006).

### **Current State Government Employee Suggestion programs**

#### **Wisconsin**

Wisconsin has had a State Employee Suggestion Program since 1954. Founded as the Merit Board Award, the program encouraged state employees to make unusual and helpful suggestions

to help improve state government. In 1999 the state partnered with students from the University of Wisconsin to help improve the WESP (Wisconsin Employee Suggestion Program). This provided marketing and business student with the opportunity to work on an important project, and provided the state with cheap labor. The final report recommended that the state improve the program by speeding up the suggestion review process, improving promotion of the program, and to increase employee recognition of the program (Wisconsin Employee Suggestion Program 2008).

Currently the state gives out cash awards to people or groups that make useful suggestions that are implemented. The suggestions are reviewed by the Employee Suggestion Board which is composed of three members who are appointed to four-year terms by the governor. At least one member of the board must be a state employee. In 2007 Mark Byrd won \$371.62 and a certificate of recognition for making a suggestion regarding the use of computers at customer service desks. Seven other certificates were given out that year for other good suggestions. The previous year the state gave out over \$1,200 in awards and 16 certificates. There is no information available regarding the exact formula by which the state determines the amount of the awards (Wisconsin Employee Suggestion Program 2008).

### **North Dakota**

North Dakota has a suggestion/incentive program. State employees are encouraged to make suggestions, and are entitled to receive 20% of the first year's realized savings up to \$2000 if the suggestion is implemented. All employees are eligible except for those considered management. The State Employee Suggestion Incentive Committee reviews all the recommendations and proposals and determines whether it is feasible. The head of the state agency concerned in the suggestion then decides whether to implement the suggestion (North Dakota Human Resource Management Services 2008).

### **Virginia**

Virginia has an Employee Suggestion Program (ESP) in place to reward state employees for their ideas. Ideas that "identify specific problems and propose valid solutions enhance the efficiency and effectiveness of Virginia's government" are rewarded with cash or days of paid leave. The program is sponsored by the Department of Human Resource Management (DHRM). All executive branch agencies are required to participate in Employee Suggestion Program, other branches of government may elect to do so.

Basically agencies that participate in the ESP appoint coordinators within their respective agency who goes about implementing the program with assistance from the Department of Human Resource Management (DHRM).

The path of any given suggestion generally follows a mandated path. The DHRM receives all suggestions first and reviews them, if they are eligible they get passed on, anonymously, to the appropriate ESP coordinator of the appropriate agency where it is actually assessed. Once evaluated the suggestion is sent back to DHRM and they contact the suggester with the results. Awards are distributed where applicable.

The distribution of awards is based upon amount of net first year savings. A chart of possible awards can be found in Figure 1.

**Table 1: Possible Awards in Virginia State Employee Suggestion Program**

<b>Amount of Net 1<sup>st</sup> Yr. Savings</b>	<b>Award</b>
<b>\$20,001 or more</b>	\$5,000 + 1% of amount over 20,000
<b>\$501 to \$20,000</b>	25%
<b>\$101 to \$500</b>	25% or 1 day leave (employee option)
<b>\$100 or less</b>	No cash award

Source: Department of Human Resource Management. (2003). Virginia. *Employee Suggestion Program Procedures Manual*

### **New Jersey**

New Jersey established the Employee Awards Committee Committee in May 1953 which oversees the State Employee Awards Program, which rewards suggesters for their implimented suggestions. All state employees are eligible and any suggestion that either saves the state money or makes operations faster, easier, or safer qualify.

The distribution of awards is based upon a percentage calculation of the total first year net savings created by the suggestion. Twenty percent of these first year net savings are given as a reward with a minimum of award \$50 and a maximum award of \$10,000. A time-off option of two days paid leave is available in lieu of the monetary award and is based upon daily pay rate. (New Jersey Department of Personnel 1996-2007).

### **Sources:**

New Jersey Department of Personnel. 1996-2007. New Jersey state employee awards committee. Retrieved February 27, 2008, from New Jersey Department of Personnel Web site: <http://www.nj.gov/personnel/programs/sugestion.htm>.

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This report prepared by Daniel Robert Woodward, Kensington Moore and Derek Stewart at the request of Representative John Zenie under the supervision of Professor Anthony Gierzynski on February 6, 2008.

Disclaimer: This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Gierzynski. The material contained in the report does not reflect the official policy of the University of Vermont.