

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

House Bill 718  
Appropriations

(Delegate C. Wilson, *et al.*)

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State Personnel - Innovative Idea Awards Program - Additional Cash Awards

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This bill specifies that any cash award issued by the Governor's Award Panel for an innovative idea with a reasonably ascertainable monetary savings or gain must be equal to 10% of the State's savings or gain. A member of the Governor's Award Panel may not receive compensation as a member of the panel.

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Fiscal Summary

**State Effect:** None. Assuming the Governor's Award Panel remains inactive, the bill does not substantively change State activities, operations, or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law/Background:** An innovative idea award may be given for an idea that increases revenue, saves money, improves the quality of services, or otherwise significantly benefits the State. Each head of a principal unit in the Executive Branch of State government is required to establish a labor-management review committee to evaluate and recommend awards for innovative ideas by employees of that unit.

The labor-management review committee must decide whether to issue an innovative idea award. An award may be up to \$1,000 for an idea with a reasonably attainable monetary savings or gain for the State, or up to \$300 for ideas deemed to have a lesser impact.

The labor-management review committee submits ideas for which an award has been made to the Governor's Award Panel for further award consideration. The Governor's Award Panel may make recommendations for additional innovative idea awards. An award from the Governor's panel may be an additional cash award of up to \$20,000 and/or up to 20 days of paid administrative leave. According to the Governor's Office, the Governor's Award Panel has been inactive since 1998; thus, the panel has issued no awards for innovative ideas in at least 17 years.

Individual agencies have not issued awards for innovative ideas since fiscal 2011. In fiscal 2011, individual agencies issued 28 awards totaling \$5,240 for innovative ideas.

**State Fiscal Effect:** The bill does not impact State finances or operations, assuming that the Governor's Award Panel remains inactive. However, if the panel were to reconvene and begin issuing awards, it is unlikely that the amount included in awards would be significantly affected due to the bill, especially since the option to award administrative leave remains. Prohibiting panel members from receiving compensation has no effect because panel members do not currently receive compensation.

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### **Additional Information**

**Prior Introductions:** Similar bills, HB 1336 of 2012 and HB 1128 of 2010, received hearings in the House Appropriations Committee, but no further action was taken on either bill.

**Cross File:** None.

**Information Source(s):** Department of Budget and Management, Governor's Office, Maryland Department of Transportation, University System of Maryland, Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2015  
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