

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 19-10—sSB 682

Government Administration and Elections Committee

**AN ACT ESTABLISHING A REWARD PROGRAM FOR STATE
EMPLOYEE REPORTING OF WASTEFUL PRACTICES**

SUMMARY: The act establishes a reward program for state employees who make a suggestion that (1) concerns an alleged gross waste of funds in their employing state agency, (2) is subsequently implemented by the agency, and (3) results in agency cost savings exceeding \$10,000. Under the program, each state agency must designate a suggestion coordinator to receive suggestions. Suggestions involving certain matters are ineligible for an award.

Under the act, program suggestions are public records for purposes of the Freedom of Information Act. Program awards are subject to state income tax, but they may not be calculated in the employee's retirement income.

The act also repeals the prior suggestion awards program under which state agencies received suggestions from active and retired employees and could reward such employees for their implemented suggestions (CGS § 5-263a).

EFFECTIVE DATE: October 1, 2019

REWARD PROGRAM

Administration

The act requires each agency, by November 1, 2019, to designate an existing employee to serve as its program suggestion coordinator. Coordinators and agency or department heads are ineligible to participate in the program.

The act allows all other state employees to make a written suggestion to their designated suggestion coordinator about an alleged gross waste of funds. The coordinator must review any suggestion received to determine its eligibility for consideration and submit eligible suggestions to the agency's executive head, or his or her designee.

Under the act, "gross waste of funds" is more than a merely debatable expenditure that is significantly out of proportion to the benefit reasonably expected to accrue to the government. It includes "gross mismanagement," which is a management action or inaction that creates a substantial risk of significant adverse impact upon the agency's ability to accomplish its mission, excluding insignificant wrongdoing or negligence.

Ineligible Suggestions

The act makes certain types of suggestions ineligible for an award. They are suggestions that:

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1. involve deferred maintenance or replacement of essential equipment and supplies;
2. concern individual employee compensation or position classification;
3. concern personal grievances or complaints;
4. involve collective bargaining subjects;
5. involve the structure of lottery games conducted by the Connecticut Lottery Corporation, including their design, prize patterns, draw dates, and frequency;
6. require a change to, or that conflict with, federal or state law;
7. duplicate a suggestion already submitted by another employee;
8. result from an agency audit, study, survey, review, or research;
9. correct a condition that exists because established procedures are not being followed;
10. concern an alleged gross waste of funds that the suggesting employee participated in committing;
11. constitute opinions only and cannot be supported by demonstrating a better idea;
12. circumvent competitive procurement procedures provided by state law or policy;
13. recommend or require formal studies, surveys, investigation, or similar research activity to establish the benefits referred to; or
14. concern ideas that are hypothetical, vague, or based on inconclusive justification, or that deal with generalities.

Reward Payments

The act requires an agency to determine, within one year after implementing an employee's suggestion, the attributable cost savings and submit its calculations to the state auditors for verification. Once verified by the auditors, the agency must make a lump-sum payment to the employee. The payment must equal 5% of the estimated savings for the first calendar year after implementing the suggestion and remedying the wasteful practice but cannot exceed \$10,000. The payment must be made using funds from the division or department that benefited from the cost savings.

Under the act, if an agency implements an employee's suggestion after he or she retires or leaves state service, the executive head must make a lump sum payment to the former employee. Similarly, if the employee has died, the executive head must pay his or her estate.

Under the act, if multiple employees jointly submit a suggestion, they must share an award equally. If two or more employees separately submit the same suggestion, the first suggestion received is eligible for the award.