



MERIT AWARD PROGRAM REGULATIONS

599.655 - 599.664

Article 4. Employee Merit Award Board

599.655. Definitions.

(a) Employee Suggestion. A proposal by one or more employees which will reduce or eliminate State expenditures, or improve operations, procedures, or safety.

(b) Special Act. An extraordinary act of heroism by a State employee extending far above and beyond the normal call of duty or service performed at great risk to his/her own life in an effort to save human life.

(c) Special Service. An act of heroism by a State employee extending above and beyond the normal call of duty or service performed at personal risk to his/her safety to save human life or State property.

(d) Superior Accomplishment. Performance by an individual employee, or team of employees, which results in an exceptional contribution to improving California State Government.

(e) Merit Award Program. The statewide program, administered by the Department of Personnel Administration (DPA), responsible for establishing policy and guidelines for the administration of the State's Merit Award Program.

(f) State Agency. State departments, boards, and commissions responsible for the review and disposition of suggestions submitted by State employees under the regulations applicable to the State's Merit Award Program.

(g) Director. State department director, agency head, executive officer of boards/commissions, chancellor of community colleges or their designee.

(h) Merit Award Administrator. Person designated by the State department director, agency head, executive officer of



boards/commissions, or chancellor of community colleges to be responsible for the administration of the State's Merit Award Program within his/her respective department.

(i) Merit Award. An award for an adopted suggestion which results in an intangible benefit and/or identifiable tangible benefit shall be a certificate of award and a payment of cash. An award for an approved special act, special service, or superior accomplishment shall be a scroll, ribbon, medal, pin, gift, or other appropriate token of esteem, and may include a payment of cash.

NOTE: Authority cited: Sections 19815.4(d), 19816, and 19823, Government Code. Reference: Section 19823, Government Code.

599.656. State Merit Award Board

(a) The State Merit Award Board, referred to as the Board, will consist of five members.

(b) Membership. A representative of DPA, to be designated by the Director, shall be ex officio a voting member of the Board and shall serve as chair. The Director shall appoint the four other members including a public member.

(c) Term of Office. Members of the Board shall hold office until their resignation or until their successors are appointed.

(d) Meetings. Board meetings shall be held on a regular basis with dates and time to be determined by the chair. Meetings shall be public and interested persons shall be given reasonable opportunity to be heard.

(e) Quorum. A majority of the members of the Board constitutes a quorum. A majority vote is required to carry an official action.

(f) Minutes. A record of the Board's official actions.

(g) The Board shall be responsible for the review of all award recommendations for suggestions adopted by multiple State agencies, and for adopted suggestions which were submitted prior to January 1, 1993.



(h) The Board shall review and recommend to the Director of DPA all employee suggestions which justify total cash awards greater than \$5,000. Upon the approval of the Director of DPA, an award of \$5,000 shall be made to the suggester and the remaining portion shall be submitted for subsequent approval by concurrence of the Legislature.

(i) The Board shall be responsible for the review of suggestions referred to DPA by the State agency or suggester when a disagreement exists which cannot be resolved by the agency director or designee or by the Merit Award Program. In these cases, the Board shall review and recommend to the Director of DPA its resolution to the disagreement, and the decision by the Director of DPA will be considered final.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.

599.657. Merit Award Program Administration.

(a) The director or designee shall be authorized to approve or deny suggestions, special acts, special service, or superior accomplishments in accordance with these rules, which may impact the administration of the respective agency, provided the total award is not greater than \$5,000. The director shall designate an employee to be responsible for the Merit Award Program activities in the State agency. This employee's name and title shall be reported to Merit Award Program staff.

(b) The director or designee may authorize approval of awards, provided the total award is not greater than \$5,000.

(c) The director or designee may grant Certificates of Commendation, Medals, gifts, or other tokens of esteem, in accordance with these rules, without reference to DPA.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.

599.658. Eligibility for Participation



(a) Every active and/or retired State employee is eligible to participate in the employee suggestion program, except officers and employees of the Universities of California and California State Universities.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823 Government Code. Reference: Section 19823, Government Code.

599.659. Eligibility of a Suggestion.

(a) A suggestion which describes a specific problem, offers a workable solution, and is intended to be of benefit to the operations or safety of the State of California will be accepted for evaluation except for those suggestions which:

- (1) Are currently being evaluated or have been evaluated within the last year through the employee suggestion program.
- (2) Recommend new or increased taxes or fees.
- (3) Recommend additional revenues at the expense of a segment of taxpayers and which can be classified as unjust or inequitable.
- (4) Recommend a change in the pay or classification of a position or a class, or the establishment of new positions. This area is held to be the continuing responsibility of the agency and DPA.
- (5) Recommend a "study", "survey", or "review" with the course of action to be taken in accordance with the findings.
- (6) Involve a personal grievance.
- (7) Involve terms and conditions of employment, which are subject to the collective bargaining process under the Ralph C. Dills Act.
- (8) Recommend corrections in spelling, punctuation, grammar or mathematical calculations. These changes should be communicated through established departmental channels.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.

599.660. Eligibility for Awards.

(a) Employee eligibility for awards will be measured in terms of assigned or expected job responsibilities. Eligibility shall be initially determined by the State agency that employed the suggester at the time the suggestion was submitted. An employee is not eligible for an award for a suggestion pertaining to a subject assigned to him/her for research, development or solution for which he/she has a clear and specific responsibility to offer as part of his/her normal job requirements. In determining normal job responsibilities, the State agency and/or Board will consider the job description/duty statement, performance requirements, supervisors' interpretations, authority to place suggestions into effect, expectations of the classification job specification, and other factors, such as customary practice, which may have a bearing on the duties expected of the suggester.

(b) Employees appointed to Career Executive Assignments (CEA), or Exempt classifications with a collective bargaining designation of "managerial", are not considered eligible to receive cash awards under the employee suggestion program. These classifications are distinguished from others in the State civil service in that the duties and responsibilities are of a high administrative and top managerial nature. It is an inherent part of the job expectations and duties of employees appointed to such classifications to find efficient ways to improve the operation of State Government.

(c) In cases where a dispute may arise between the adopting and/or employing State agency and the suggester as to his/her eligibility to receive an award, the suggestion shall be forwarded to the Merit Award Program for review. Facts and opinions on the eligibility of the suggester may be solicited from the employing agency for review by the Board in formulating an official recommendation to the Director of DPA.

(d) To be eligible for an award, an employee must propose a change that has a direct effect on the reduction or elimination of State expenditure or improvement in the operation or safety of

State Government. An award will not be granted in instances where a suggestion has been adopted as a result of an action which is not occasioned by nor resulting from the suggestion.

(e) As a condition of eligibility for an award, each suggester shall execute the following agreement:

"The use by the State of California of my suggestion shall not form the basis of a further claim of any nature upon the State of California by me, my heirs or assigns."

(f) To be considered eligible for an award, suggesters whose proposals are implemented prior to the submission of an Employee Suggestion form (Std 645 Rev 12-95) must submit a form with appropriate verification within six months following the date the suggestion was first put into effect.

NOTE: Authority cited: Sections 19815(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.

599.661. Employee Suggestion Procedures.

(a) Suggestions must be submitted in writing to the State agency responsible for making the changes recommended in the suggestion(s). Suggesters will be responsible for submitting the suggestion to the appropriate agency for review when the idea affects only one agency, or to DPA when multiple agency review is required. All suggestions must be submitted on an Employee Suggestion form (STD 645 Rev 12-95).

(b) Suggestions must be signed but the suggester's name may, as designated by the employee on the Employee Suggestion form (STD 645 Rev 12-95), remain confidential during the evaluation process. The identity will be revealed when the idea has been adopted, as the suggester's job responsibility must be assessed in relation to the suggestion before an award can be made.

(c) Suggestions which do not meet eligibility requirements shall be disallowed. If there is controversy regarding eligibility of a suggestion, it shall be referred to the director or designee for review of the decision which disallowed the suggestion.

(d) The State agency's Merit Award Administrator, or Merit Award Program staff if the suggestion affects multiple agencies, shall receive, record and acknowledge receipt of suggestions in writing to the suggester within 10 working days of receiving the suggestion, and shall notify suggesters of any undue delay in the consideration of their suggestions. Each new suggestion will be assigned a number for reference during the evaluation process, and such number shall be included in the acknowledgement to the suggester.

(e) Suggestions shall be referred for evaluation within 10 working days of receipt of the suggestion. The suggester shall be provided with a status report on the progress of the evaluation at least once every quarter until a final decision is made.

(f) The findings and recommendations of the evaluating agency shall indicate whether a suggestion has been adopted; the date on which it was placed in effect, or estimated date of implementation; any actual or estimated reduction, elimination, or avoidance of expenditures or improvement in operations made possible by the suggestion; the availability of funds for payment of proposed awards of \$1,000 and over; or the reasons, in detail, why the suggestion could not be adopted.

(g) The Merit Award Administrator, or DPA if the suggestion affects multiple agencies, shall review the evaluating agency's findings and recommendations and may obtain additional information or take such other action as needed for prompt, thorough, and impartial consideration of each suggestion.

(h) For each suggestion eligible for an award, the Merit Award Administrator, after taking into consideration staff recommendations, and the objectives of the Merit Award Program, shall formulate an official recommendation to the agency's director describing the merits of the suggestion, and the amount of the recommended award, in accordance with these rules. DPA shall review suggestions evaluated and adopted by multiple agencies, or awards exceeding \$5,000, and shall formulate an official cash award recommendation to the Merit Award Board.



(i) The State agency director of the employing agency shall, upon approval of a suggestion, authorize a cash award, in accordance with these rules.

(j) DPA shall, upon approval of a suggestion by the Board, authorize a cash award, in accordance with these rules.

(k) The Merit Award Administrator, or DPA if the suggestion affects multiple agencies, shall notify the suggester of the action taken as soon as a suggestion has received final consideration.

(l) Final reports on all suggestions shall be processed as follows:

(1) Reports of nonadoption shall be sent directly to the suggester by the evaluating agency, or DPA if the suggestion affects multiple agencies.

(2) Reports of adoption and recommended award shall be sent directly to the suggester by the evaluating agency, or DPA if the suggestion affects multiple agencies. If the suggestion is adopted by an agency other than the one where the suggester is employed, a copy of the report shall also be transmitted to the employing agency's Merit Award Administrator for processing the recommended award, in accordance with these rules. The adopting agency(s) shall reimburse the employing agency for the amount of the award if the award is \$55 or over.

(m) The Merit Award Administrator shall provide a report on the number of suggestions received, denied and/or adopted, including total amount of awards and savings, to the Merit Award Program staff on a yearly basis.

(n) The Merit Award Program staff shall be responsible for conducting periodic audits of the Merit Award Program within each State agency to ensure that:

(1) eligibility requirements, in accordance with these rules, are being uniformly applied.



- (2) cost analyses provide sufficient documentation in support of one-time or on-going savings.
- (3) intangible suggestions are being awarded under the applicable intangible benefits scales for improved procedures or safety.
- (4) cash awards granted for suggestions with tangible and/or intangible benefits are comparable with similar suggestions awarded by other departments.

The findings and/or recommendations resulting from an audit shall be reported to the director of the respective State agency.

(o) The Board may establish such additional standards for submission of suggestions as it deems proper.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.

599.662. Appeal and Reconsideration.

A suggester may request, in writing, that his/her suggestion be reconsidered for merit award purposes:

(a) By the State agency or DPA within one year following the date of the State agency's or DPA's decision, when an employee disagrees with the decision and provides additional or supplemental information with the request.

(b) By the State agency or DPA within three years following the date of the State agency's or DPA's decision not to adopt a suggestion that was subsequently accepted and put into effect.

(c) By the DPA Merit Award Program, within one year following the State agency's decision, when a disagreement exists and is unresolvable between the suggester and the employing State agency and/or the evaluating agency. The "employing State agency" refers to the agency that employed the suggester at the time the suggestion was submitted.

NOTE: Authority cited: Sections 19815.4(d), 19816, and 19823, Government Code. Reference: Section 19823, Government Code.



599.663. Recommendations of Awards for Special Acts, Special Services, or Superior Accomplishments.

(a) A recommendation for an award for these categories must originate with the management of the State agency where the employee or team of employees are employed. Each recommendation shall be approved by the head of the State agency.

(b) Each recommendation for an award for special acts, special services or superior accomplishments shall be made in accordance with procedures and standards established by DPA in the State Administrative Manual, Sections 4760 through 4782.9.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.

599.664. Cash Awards

The following criteria shall apply to cash awards:

(a) Cash awards for adopted suggestions shall not be less than \$50, or more than \$50,000. Where the provisions of this rule would otherwise result in an award of greater than \$50,000, the award shall be \$50,000. Awards of more than \$5,000 will be granted only upon approval by concurrent resolution of the Legislature.

(b) Cash awards will be calculated in the following manner:

- (1) Where annual net savings or increased revenues cannot be determined, or are calculated as less than \$500, a cash award may be recommended in accordance with the Improved Procedures or Improved Safety Scales.
- (2) Where annual net savings or increased revenues are calculated as at least \$500, but not more than \$1,000, the recommended cash award shall be \$100.
- (3) Where annual net savings or increased revenues exceed \$1,000, the recommended cash award shall be 10 percent of the net savings or increased earnings realized by the State agency during the first year following



adoption of the suggestion, subject to subsection (c) below.

(c) Awards computed under subsection (b)(3) will be calculated at 5 percent of the net savings or increased earnings realized during the first year following adoption of the suggestion where the proposal required substantial refinement for implementation, and/or where an alternative solution was adopted as a result of the proposal, and/or where the proposal results in one-time savings or benefits.

(d) If savings or benefits during the first year following adoption do not equitably measure the merits of a suggestion, savings or benefits over a different period of time may be used as an award standard.

(e) The decision of DPA as to the amount of awards shall be final except for those awards requiring approval of the Legislature.

(f) If more than one State agency benefits from the adoption of an employee suggestion, the award shall be prorated between the State agencies receiving the benefit. DPA shall be responsible for prorating the award amount. The agency that currently employs the suggester will be responsible for requesting reimbursement from the other State agencies. In cases where an Improved Safety or Improved Procedure award is recommended, DPA shall arrive at one award amount based upon the evaluating agencies' recommendations. If a dispute arises between agencies regarding prorating or reimbursement, the Board shall act as mediator.

(g) Awards to employees for adopted suggestions shall be paid from the funds or appropriations available to the State agency(s) benefiting from the adopted suggestion unless payment from some other source is authorized by the Department of Finance.

(h) Except for awards for Improved Safety, a cash award of \$1,000 or more shall require the respective State agency(s) to identify such savings (reduced expenditures or increased revenues) and submit to DPA an Identification and Recovery of Savings form (DPA-134 Rev. 2-96) reflecting how the recovery will be accomplished. A copy of this form shall be transmitted to the



Department of Finance by the State agency for appropriate action. For awards requiring Board approval, the Identification and Recovery of Savings form shall be forwarded to DPA.

(i) Awards for a Special Act, Special Service or Superior Accomplishment shall be:

- (1) Special Act and Special Service awards are honorary and consist of a certificate, a citation, medal and lapel pin. The certificate, medal and lapel pin are available from the Merit Award Program. The Merit Award Program shall be reimbursed for the cost of the medal and lapel pin. Citations shall be the responsibility of the awarding agency.
- (2) Superior Accomplishment awards consist of an engraved walnut plaque or a certificate, and/or a cash or gift award. This award includes two levels of cash awards: Gold/from \$50 to \$500 per individual or team, and Silver/from \$25 to \$250 per individual or team. Departments have the option of providing cash or equivalent gift awards.
- (3) Superior Accomplishment awards for sustained superior performance over a period of twenty-four months consist of a framed certificate and/or a gift or cash award of up to \$250 per individual or team. Departments have the option of providing cash or equivalent gift awards.

NOTE: Authority cited: Sections 19815.4(d), 19816 and 19823, Government Code. Reference: Section 19823, Government Code.