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SENATE BILL 327

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

BEN D. ALTAMIRANO

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO PUBLIC EMPLOYEES; AUTHORIZING INCENTIVE AWARDS FOR
EMPLOYEES WHOSE INVESTMENT EXPERTISE SIGNIFICANTLY CONTRIBUTES
TO INCREASED EARNINGS FROM INVESTMENT OF PUBLIC FUNDS; REQUIRING
A WRITTEN INCENTIVE AWARD POLICY; AMENDING A SECTION OF THE NMSA
1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-7-12 NMSA 1978 (being Laws 1986,
Chapter 39, Section 1) is amended to read:

"10-7-12. GOVERNMENT COST SAVINGS OR INCREASED RETURNS
INCENTIVE AWARD. --

A. As used in this section:

(1) "actual cost savings" means realized, not
projected, cost savings substantiated by documentation;

(2) "award" means a government cost savings

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1 incentive award;

2 (3) "economy" includes maximizing the
3 purchasing value of public funds;

4 (4) "efficiency" includes a significant
5 reduction in paperwork and the elimination of unnecessary rules,
6 regulations and procedures; ~~and~~

7 (5) "increased returns" means earnings from the
8 investment of public funds that outperform generally accepted
9 market indexes for the same or similar types of investments; and

10 ~~(5)~~ (6) "state agency" means any office,
11 department, institution, school district, board, commission,
12 court, district attorney, council or committee of state
13 government which receives appropriations and is authorized
14 expenditures pursuant to a general appropriation act.

15 B. A state agency may establish a policy to provide
16 an award to any employee whose ~~[accomplishment or written~~
17 ~~suggestion beyond the scope of his responsibility]~~ extra effort
18 contributes to the efficiency, economy or improvement of agency
19 operations and results in actual cost savings to the agency or
20 whose investment expertise significantly contributes to
21 increased returns from the investment of public funds. Any
22 policy established pursuant to this subsection shall:

23 (1) be in writing;

24 (2) provide the amount of the award that
25 employees will receive if they achieve certain benchmarks; and

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1 (3) be approved for legal sufficiency by the
2 attorney general.

3 C. An award pursuant to this section shall:

4 (1) be paid only from [~~actual cost savings~~] the
5 operating budget of the agency making the award;

6 (2) be paid only on the payday immediately
7 following the first full pay period succeeding the award or
8 immediately prior to separation or transfer from the agency; and

9 (3) be paid one time [~~based on actual cost~~
10 ~~savings~~] in an amount determined in the agency's policy, not to
11 exceed the lesser of:

12 (a) [~~two thousand dollars (\$2,000)~~] three
13 thousand dollars (\$3,000); or

14 (b) an amount equal to ten percent of the
15 actual cost savings or increased returns attributable to the
16 employee in the twelve-month period immediately preceding the
17 award or a lesser period preceding the award, if appropriate.

18 D. Documentation substantiating awards pursuant to
19 this section shall be submitted to the state personnel board
20 which shall, as necessary or appropriate, prescribe regulations
21 and review proposed awards made under this section and
22 procedures used in making the awards to verify the cost savings
23 for which the awards were made.

24 E. The state personnel board shall report by
25 September 1 of each year to the legislative finance committee

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all awards paid and savings realized under this ~~[act]~~ section. "

1 FORTY-THIRD LEGISLATURE

2 FIRST SESSION, 1997

SB 327/a

3
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5
6 February 21, 1997

7
8 Mr. President:

9
10 Your PUBLIC AFFAIRS COMMITTEE, to whom has been
11 referred

12
13 SENATE BILL 327

14
15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

17
18
19 1. On page 2, line 2, after "the" insert "earnings from the
20 investment or".

21
22 2. On page 2, lines 17 and 18, strike "extra effort
23 contributes" and insert in lieu thereof "demonstrated exceptional
24 efforts, accomplishments or documented suggestions contribute".

25
3. On page 2, line 19, after "agency" insert "or significant
economic gain for state government".

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FIRST SESSION, 1997

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4. On page 2, line 23, after the semicolon insert "and".

5. On page 2, line 25, strike "; and" and insert in lieu thereof a period, and on page 3, strike all of lines 1 and 2.

6. On page 3, line 5, before "operating" insert "current fiscal year" and before the semicolon insert "upon approval of the secretary of finance and administration".,

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FIRST SESSION, 1997

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and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

Shannon Robinson, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Adair, Garcia, Vernon, Smith

Absent: None

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 26, 1997

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 327, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: None

Excused: Aragon, Campos, Lyons, McKibben

Absent: None

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Underscored material = new
[bracketed material] = delete