The FA Executive Committee’s Email Task Force has met and made a recommendation to the Chancellor. The outcomes will be discussed on Friday, December 10, 2010 at the Faculty Assembly Meeting. The Efficiency Task Force described the University Employee Cost Savings Incentive Program at the 12.02.2010 Faculty Council meeting. A draft policy is delineated below:

ELIGIBILITY

1. All regular employees of the University of Colorado are eligible to participate, except:
   a. officers of the university and officers of the administration, and
   b. any employee whose primary assignment includes responsibility for identifying efficiencies and cost savings.
2. Regents of the University of Colorado are not eligible.
3. An employee who makes a suggestion that is implemented must be employed with the university or the state at the time of payment in order to be eligible to receive the award. Eligibility is not affected if an employee moves to another position within state government or another public institution of higher education without a break in service. If the employee was eligible at the time the idea was implemented but moves to another state agency or public institution of higher education before payment is made, the employee will still be eligible for the award paid by the university.
4. An employee must be specifically identified on the Idea Application submitted prior to implementation to be eligible for an award.

EVALUATION CRITERIA

5. ELIGIBLE IDEAS - To be eligible, an idea must meet all of the following criteria:
   a. Be the submitter’s own thought or a new application of an old principle.
   b. Produce cost savings that are reasonably expected to be permanent and continuing and that would result in savings of a minimum of $10,000 in its first 12 months.
   c. Result in specific, identifiable cost savings to the university that can be measured over a full 12-month period.
   d. Provide present method, proposed method, and expected benefits.
   e. Be implemented by a unit or department of the university after final approval by the president, chancellor, or their designee.
6. INELIGIBLE IDEAS - An idea is ineligible for any of the following reasons:
   a. It would result from obvious and progressive normal business practices, such as a foreseeable expectation that the idea would be implemented in a reasonable time frame as a result of evolving business or industry practice.
   b. It is an obvious solution to mandated budget cuts, such as abolishing vacant funded positions, eliminating programs, or reducing staff through layoffs.
   c. It results in cost avoidance as the method of documenting cost savings, such as no or lowered increases in costs for staff, supplies, or equipment.
   d. It results in revenue enhancement as the method of documenting cost savings, such as new or increased fees for services.
   e. It simply shifts the cost from one department, campus, or institution to another. If the idea would have some fiscal impact on another department, campus, or institution but would result in substantial overall savings, the affected departments, campuses, institutions or agencies need to coordinate the development and implementation of the idea. Any cost savings identified would be adjusted in consideration of the adverse cost impact on the other department, campus, or institution.
   f. It is vague, incomplete, or deals with generalities or opinions.
g. It appears to be a personal complaint or criticism.
h. It recommends the enforcement of an existing law, regulation, policy, directive, or instruction.
i. It recommends or requires a study to be conducted.
j. It proposes improvements to non-university or non-governmental activities.
k. It offers ideas or designs for posters, slogans, contests, advertising or promotional material.
l. It benefits a University of Colorado or state contractor with no benefit to the University of Colorado or the state.
m. It benefits the submitter in a personal way other than the award.
n. Annual savings of the idea are projected to be less than $10,000.

ELIGIBLE IDEAS FROM INELIGIBLE FUNDING SOURCES - An idea may be eligible, but the funding source of the savings may be ineligible for any of the following reasons:
o. If the savings realized are federal moneys, such moneys shall not be distributed to the employee or the university, but shall either be used for a reallocation of moneys within the university or shall revert, depending on the use specified for those particular federal moneys.
p. If the savings realized are from public or private grants, gifts, awards, or donations where the use of such moneys is restricted, such moneys shall not be distributed to the employee or the university, but shall either be used for a reallocation of moneys within the university or shall revert, depending on the use specified for those particular restricted moneys.

SUBMISSION OF IDEAS
q. An individual or group may submit ideas.
r. Ideas must be submitted on a fully completed and legible Idea Application form.
i. Submitter must provide a complete application and materials submission.
s. For processing of an idea, the employee must submit the completed Idea Application, along with any supplemental submission materials, via the President’s Task Force on Efficiency webpage.
t. After the Idea Application has been submitted, no co-submitter names may be added or removed without written consent of all of the original co-submitters.
u. The identity of an employee who submits an Idea Application shall remain confidential and be redacted from the application until the employee has been determined to be eligible for an award. The identity of the employee may be made known to the university employee(s) who is charged with evaluating the idea for purposes of obtaining reasonably necessary additional information related to the Idea Application.
v. Retaliation against any employee for initiating an idea or participating in this program is prohibited.
w. Issues pertaining to any submitted Idea Application are not subject to grievance, appeal, or dispute resolution in accordance with C.R.S. 24-50-901, et seq.

EVALUATION PROCESS:
x. Acknowledgement of Idea Application. The designated program administrator shall notify the employee, in writing, of the receipt of the Idea Application and whether or not it has been automatically denied within 15 calendar days of the submission date.
y. The university may automatically deny an Idea Application for the following reasons:
i. The application is duplicative of another idea that was submitted within the prior 12-month period.
ii. The application is duplicative of a recommendation contained in any university-related audit report (i.e. the Office of the State Auditor, any privately contracted auditor, or the University of Colorado’s Office of Internal Audit), any Joint Budget Committee staff document, or any other published university-related evaluation from Colorado state government.
iii. The application clearly does not meet the evaluation criteria outlines in part B-1 and B-2 above.
iv. The application is incomplete.
z. The employee assigned to evaluate the idea is encouraged to meet with the submitter(s) when considering the Idea Application.
aa. Projected Savings Calculation.
i. For an Idea Application that was not automatically denied, the director or manager within whose area the idea falls shall work with the campus or system fiscal note
coordinator to make a projected savings calculation within 45 business days of the submission date.

ii. “Projected savings” means an amount calculated by the university that may be realized as a direct result of an employee’s Idea Application.

bb. Evaluation Decision.
   
i. The head of the principal department shall approve or deny the Idea Application and work with the designated program administrator to send a written response to the employee within 60 business days of the submission date.
   
   ▪ If the application is approved:
     ▪ the employee shall be informed of the estimated award he or she may earn.
     ▪ the university shall identify, to the extent possible, any state laws or legislation that would need to be changed – if legislation would be required for implementation. The university shall submit a request for legislation to the legislative committee of reference.
   
   ▪ If the application is denied, the university will also send the following information to the Office of State Planning and Budgeting within 60 business days of the submission date: 1) a copy of the Idea Application, 2) a copy of the decision response to the employee, and 3) projected savings, if any.

cc. Record Keeping.
   
i. The designated program administrator shall maintain copies of all idea applications that are submitted and the following additional information for approved idea applications:
   
   ▪ The Idea Application.
   ▪ The total savings achieved in the first fiscal year or first full 12-month period after full implementation.
   ▪ The total dollars awarded as an incentive to the employee(s) who submitted the Idea Application.

   ii. The designated program administrator shall maintain information on:
   
   ▪ Any affected general appropriations act (Long Bill) line item, if applicable.
   ▪ An evaluation of the effectiveness of the implemented idea and employee award in achieving better service to students and taxpayers, increased productivity, decreased costs and waste, increased faculty and staff morale and enthusiasm, decreased turnover, improved customer service, etc. (i.e., the goals set forth in 24-50-901, C.R.S.).

IMPLEMENTATION PROCESS

dd. An approved Idea Application that does not require legislation for implementation shall be implemented as soon as reasonably possible, but no later than July 1 of the fiscal year following acceptance.

ee. Thirteen months after the idea is fully implemented (i.e., “Full Implementation Date”), the director or manager of the implementing office will work with the fiscal note coordinator and designated program administrator to calculate savings realized for the first 12 months of full implementation.

ff. The university will send all documentation of savings realized from the idea application to the State Auditor for review and verification within 14 months after the Full Implementation Date.

gg. The State Auditor has 120 calendar days to conduct a review and verification of the savings realized calculation and to submit a report with findings to the Legislative Audit Committee, which shall hold a public hearing for the purposes of a review of the report. This report shall also be submitted to the university and to members of the General Assembly who carried any legislation to implement the idea.

DISTRIBUTION OF SAVINGS REALIZED

hh. No later than the last day of the 18th month following the Full Implementation Date, the savings realized will be distributed as follows:
i. 5%, up to $5,000, as a one-time award to the employee or group of employees who submitted the Idea Application;

ii. An amount to be distributed to the state’s general fund equal to the percentage of funds the university receives in total annual revenues from the state general fund at the time of payout.

iii. The remainder of the savings realized shall be distributed to the university.

For example, if an eligible employee submits an idea that results in total cost savings of $100,000 achieved in the first full 12 months of implementation, the total award amount available is 5% of $100,000 or $5,000. If the total cost savings were $200,000, the total award amount available would still be $5,000, which is the maximum award for one idea.

ii. If the savings realized are federal moneys, such moneys shall not be distributed to the employee or the university, but shall either be used for a reallocation of moneys within the university or shall revert, depending on the use specified for those particular federal moneys.

jj. If the savings realized are from public or private grants, gifts, awards, or donations where the use of such moneys is restricted, such moneys shall not be distributed to the employee or the university, but shall either be used for a reallocation of moneys within the university or shall revert, depending on the use specified for those particular restricted moneys.

kk. For Idea Applications submitted by a group of employees, the cash award will be divided equally among the group, but shall not exceed 5% up to $5,000 in total. If any member of the group is ineligible for a cash award, or declines the award, his or her share will be redistributed among the remaining eligible group members. To ensure compliance with the award ceiling specified in part 6.a. above, awards will be calculated by rounding down when necessary.

For example, if a group of three employees submits an idea that results in total cost savings of $100,000 achieved in the first full 12 months of implementation, the total award amount available is 5% of $100,000 or $5,000. The $5,000 would be split three ways, so each employee would receive $1,666.66.

If the total cost savings were $200,000, the total award amount available would still be $5,000, which is the maximum award for one idea. Each employee in a group is not eligible for an award up to $5,000; $5,000 is the cap whether one or multiple award recipients.

Using the same example, if one of the three employees is ineligible or declines the award, both of the remaining employees would receive $2,500.

ll. The employee award is made as a one-time lump sum payment. In no event may an award be added to an employee’s base pay. In no case shall an award be issued until after the idea is implemented and actual achieved cost savings are realized, calculable, and verified.

mm. The actual savings distributed to the university or principal department shall not be used for personnel services expenditures.

RECOGNITION

nn. Recognition of employees and the ideas that are implemented under the University Employee Cost Savings Incentive Program will be recognized by the President and campus Chancellor.

COMMUNICATION

oo. The Idea Application and information related to the award an employee may earn will be advertised as follows:

i. Periodically on any electronic payroll statements issued to employees.

ii. In a monthly electronic communications to employees (e.g., email, newsletter).