

**SUBJECT: All Agencies - Continuation Cost Reduction Incentives**

**DATE ADOPTED BY ADVISORY GROUP: November 9, 2009; Confirmed November 16, 2009**

**COMMISSION ACTION: \_\_\_\_\_ DATE: \_\_\_\_\_**

**RECOMMENDATION:** Each state department is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Each state department, either through its Secretary, Executive Director, Commissioner, or state-wide elected official is to prepare and provide a review or an analysis of what could be changed, modified, consolidated, eliminated, streamlined, improved, and/or enhanced to ultimately permanently reduce or eliminate continuation costs or expenses in their respective department, agency, board or commission. Provide financial incentives for implementation of permanent sustainable savings.</p>	<p>All state departments, agencies, boards and commissions</p>	<p>To provide financial incentives for initiating and implementing sustainable government savings, compensate each department or either its Secretary, Executive Director, Commissioner, or state-wide elected official, and other key departmental personnel (to be identified), 10% of the actual verifiable continuation cost or expense reductions (up to a specified cap) that are fully implemented through the initiative of the department/agency/board/ commission where constitutionally and statutorily permitted; provide that such compensation will be paid in periodic increments upon verification through audits that there was a permanent sustainable reduction and the amount thereof.</p>	<p>Propose legislation as needed.</p>	<p>Savings would be realized as ideas are implemented.</p>	<p>Commission's work is done with recommendation. Implementation would be through budget process and possible legislation.</p>