

**Assembly Bill No. 2138**

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Passed the Assembly May 23, 2014

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*Chief Clerk of the Assembly*

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Passed the Senate August 20, 2014

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Article 4.5 (commencing with Section 12045) to Chapter 1 of Part 2 of Division 3 of Title 2 of the Government Code, relating to innovation awards, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2138, Gatto. Innovation awards.

Existing law authorizes the Department of Human Resources to make awards to current or retired state employees for proposing procedures or ideas that are adopted and put into effect and result in eliminating or reducing state expenditures or improving operations, or for making exceptional contributions to the efficiency, economy, or other improvement in the operations of state government.

This bill would require the Governor to designate 3 state agencies to participate in a pilot program in 2015 to award cash prizes to eligible participants in innovation contests. The bill would require each designated state agency to establish and administer an innovation contest, as prescribed, and, on or before January 1, 2016, award a prize of up to \$25,000 to a participant the state agency determines to have submitted the entry that best addresses the subject of the contest, in accordance with standards established by the state agency, and has the highest likelihood of being adopted and placed in effect. The bill would appropriate \$75,000 from the General Fund to the Governor for allocation to the designated state agencies for those awards. The bill would require, if the designated state agency deems that no participant has addressed the subject of the contest, or if it awards a prize of less than \$25,000, that unawarded prize money revert to the General Fund.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Article 4.5 (commencing with Section 12045) is added to Chapter 1 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 4.5. Innovation Awards

12045. (a) The Governor shall designate three state agencies to participate in a pilot program to award cash prizes to participants in an innovation contest established by each designated agency pursuant to this article.

(b) A sum in the amount of seventy-five thousand dollars (\$75,000) is hereby appropriated from the General Fund to the Governor, for allocation to three state agencies designated by the Governor in accordance with subdivision (a), for the award by each designated state agency of a prize of up to twenty-five thousand dollars (\$25,000) in the contests described in this article.

(c) The innovation contests shall be open to all residents of California who are not employees of the state.

(d) The innovation contests shall be held in 2015.

(e) Each state agency designated by the Governor in accordance with subdivision (a) shall determine the specific subject of the innovation contest to be held by the agency, which may include proposals that detail a procedure, plan, design, or idea to contribute to the efficiency, economy, or other improvement in the operations of the state agency, including, but not limited to, streamlining an existing process or system of the state agency or the design of a feedback system for the state agency.

(f) Each designated state agency shall administer its innovation contest, including, but not limited to, publicizing the contest and determining the standards for participation and award.

(g) On or before January 1, 2016, each designated state agency shall award a prize of up to twenty-five thousand dollars (\$25,000) to the participant the agency determines to have submitted the entry that best addresses the subject of the contest, in accordance with the standards established by the agency, and has the highest likelihood of being adopted and placed in effect. If the designated state agency deems that no participant has addressed the subject of the contest in accordance with this subdivision, or if it awards a prize of less than twenty-five thousand dollars (\$25,000), unawarded prize money shall revert to the General Fund.

Approved \_\_\_\_\_, 2014

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*Governor*