

Chairman Roers and members of the committee, my name is Shelly Miller, NDIT Chief of Staff, and I'm here to testify in support of HB 1170.

NDIT, like many other agencies, continuously recruits new talent. Looking back at 2024, we had 78 total hires, 50 of which were external candidates. The majority of the roles we recruit require experience as very few (except the apprentice or intern roles) target new graduates or those attending college. Thus, we are often looking for mid to late career individuals who have worked for a number of years in the technology field. While new employees have differing needs based on where they are in life, mid to late career individuals typically have a nice vacation/PTO plan at their current employer. Under the current leave accrual plan, they are required to start with an eight hour/month accrual rate. This results in a mid to late career employee who typically has 5-6 weeks of leave per year, starting with no leave and accruing 8 hours a month incrementally throughout the year, twelve days in total. Thus, any vacations or major life events often end up with the employee needing to take leave without pay.

Due to the fact that the majority of mid to late career individuals often accrue annual/vacation leave faster than our starting accrual rate, making the move to state employment requires them to leave a bank of hours as well as take a decrease in leave accrual. These individuals expect to be able to negotiate leave terms at time of offer as often happens in the private sector. In the current state, there is no work around for negotiation, and we are simply not competitive.

In 2024, 9/50 (18%) external new hires (hires not from within any state agency) needed to utilize LWOP for either health or personal reasons within their first year of employment. In addition to a financial burden to the employee and a hit against new employee morale, it is also an administrative burden to the state to process this payroll change. Further, it impacts their leave accrual as well as impacts some benefits such as 457 deferred comp, and retirement contributions. The following use cases over 2024 illustrate our point.

Real Life Examples:

TBP Candidate- Turned down offer due to slower accruing AL - works for judicial branch. Would be losing about a week of AL every year, was an established career individual.

TBP Candidate #2- Countered on both salary and PTO. He almost declined until we discussed the ability to flex 4 10's and take LWOP as needed, was not pleased we could not negotiate PTO. He lost a full week of annual leave time between old job and NDIT, came from private sector, established career individual.

Internal Services Business Coordinator Candidate- Was coming from the AG's office. She declined offer due to receiving a better offer of pay and PTO from another, private sector org, established career individual.

Cybersecurity Engineer- Became ill shortly after hire and ended up having to utilize LWOP, as he had very little leave accrued and no access to FMLA.

Application Developer- Father was in a serious car accident shortly after he was hired. Was placed on LWOP, as he had no sick leave or FMLA available.

Product Owner- Had a prebooked vacation planned at time of offer, requested 7 days off, and will have to take LWOP. Extensive work experience in a very technical role, was not pleased the time would be without pay, but ultimately accepted.

Sr. Infrastructure Technician- Incredibly hard role to fill, with a very niche skill set and location. Offer was initially declined. Offered a sign on bonus in part due to individual needing multiple days of leave before any would be accrued.

The ability to offer a 40 hour leave bank would help significantly in our recruitment efforts. It would positively impact new employee morale, remove the negative impact to specific benefits and lessen the administrative costs of processing leave without pay. I urge a do pass on HB 1170 and would stand for any questions.