

## HOUSE BILL NO. 1378

Introduced by

Representatives Skarphol, Carlson, Keiser

Senators Andrist, Kinnoin, Mutch

1 A BILL for an Act to provide for an independent personnel systems board and a procedure for  
2 state agencies to opt out of the central personnel system; and to provide an appropriation.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. Independent personnel systems board - Compensation - Expenses.**

5 The independent personnel systems board consists of either five or seven members appointed  
6 by the governor. The governor shall appoint at least four members from the private sector who  
7 are knowledgeable in the area of human resources. The governor shall appoint at least one,  
8 but not more than three state agency division heads or elected state officials as members. The  
9 initial board, however, must consist of four members from the private sector knowledgeable in  
10 the area of human resources and the current executive director of the workers compensation  
11 bureau or a designee of the executive director. The term of a member is two years, beginning  
12 July first of each odd-numbered year. A board member who is not otherwise a state official or  
13 employer is entitled to receive compensation at the rate of ninety dollars per day for official  
14 duties. Members are entitled to receive reimbursement for expenses as provided by law for  
15 state officers.

16 **SECTION 2. Authority of the board.** The board shall make personnel project  
17 management plan certification determinations and recommend changes necessary for  
18 certification and compliance with the requirements of this Act.

19 **SECTION 3. Removal from state central personnel system.** Notwithstanding  
20 chapter 54-44.3, any state agency required to be covered by the central personnel system may  
21 remove itself from the state's central personnel system upon board certification of a personnel  
22 project management plan. Not more than five state agencies may be removed from the state  
23 personnel system under this section per biennium.

**SECTION 4. Personnel project management plan certification requirements.** In

order to meet board certification requirements, the personnel project management plan must include a comprehensive schedule of proposed activities, with projected target dates for completion, which shows clearly how the agency will develop, implement, administer, and maintain human resource personnel programs and services. The plan must include a personnel policies and procedures manual; an employee handbook; a job description for every employee of the agency; a compensation program; the method for communicating any change to the employees; a program for supervisory training and development; and a continuous improvement program.

**SECTION 5. Plan requirement - Personnel policies and procedures manual.** A

personnel project management plan must provide for a personnel policies and procedures manual created after an audit has been conducted to determine the agency's current personnel policies and what they should be under a personnel project management plan. The purpose of this manual must be to develop and document the agency's personnel policies and administrative policies. The manual must include:

1. A grievance procedure that ensures due process for agency employees when they have a problem or complaint and ensures any problem or complaint is responded to within the shortest timeframe practical;
2. Legal compliance and reporting sections to reduce the agency's potential liability against litigation or discrimination charges; and
3. Policy sections appropriate to the needs and requirements of the agency.

**SECTION 6. Plan requirement - Employee handbook.** A personnel project

management plan must include an employee handbook that contains selected personnel policies and procedures from the personnel policies and procedures manual, must be written with less administrative detail in order to provide a tangible reference of agency or division policy, and must include clear facts about what employees can expect from the agency and what the agency can expect from its employees.

**SECTION 7. Plan requirement - Job descriptions.** A personnel project management

plan must include job descriptions developed after significant participation of employees and their supervisors which may be accomplished through the use of job description audit questionnaires or a similar type of audit to maximize employee participation. A standardized

format must be used to develop job descriptions for every different position in the agency. Each job description must include the:

1. Primary objective of the position;
2. Major areas of accountability;
3. Qualifications for entry; and
4. Requirements for effective performance.

**SECTION 8. Plan requirement - Compensation program.**

1. A personnel project management plan must include a compensation program that:
  - a. Provides positive incentives toward outstanding performance;
  - b. Keeps pace with the job market, enables the retention of present employees, and attracts new employees;
  - c. Maintains equitable salary differentials between individual positions based on assigned job responsibilities and required skills and abilities;
  - d. Improves morale by clearly defining job responsibilities and by providing visible job and salary growth potential; and
  - e. Provides controls that ensure fair administration that is based on each employee's current compensation level.
2. A compensation program must include written procedures for providing merit increases and pay increase opportunities based on the level of contribution and performance of each employee.
3. All of the components of the agency's compensation program and accompanying administrative procedures must be documented. The following components must be included:
  - a. A valid, reliable point-factor job evaluation system;
  - b. Grading charts;
  - c. Wage or salary ranges;
  - d. Individual employee analysis and recommendations;
  - e. Performance appraisals and criteria;
  - f. Wage or salary review forms and procedures; and
  - g. Pay for performance increase guidelines.

1           **SECTION 9. Plan requirement - Communication of change.** A personnel project  
2 management plan must provide a method for communicating to employees regarding all  
3 changes in personnel and administrative policy and must provide for indepth training and  
4 development workshops for employees in leadership positions.

5           **SECTION 10. Plan requirement - Supervisor training and development.** A  
6 personnel project management plan must include a training and development plan for the  
7 agency's supervisory and managerial personnel. This plan must include tentative agendas for  
8 both group and individual training.

9           **SECTION 11. Plan requirement - Continuous improvement plan.** A personnel  
10 project and management plan must include a procedure for implementing a team-oriented  
11 continuous improvement program throughout all of its operations. Each program must include  
12 a number of challenging, measurable goals to ensure the agency maintains focus on improving  
13 those areas most important to its primary purpose, objectives, and mission.

14           **SECTION 12. Agencies with federal personnel requirements.** If any law, rule, or  
15 order of the United States or of any federal agency or authority providing or administering  
16 federal funds for use in this state requires an agency to comply with civil service or merit  
17 standards or classifications other than those required by this Act, the independent personnel  
18 systems board may certify the agency's personnel project management plan if it meets federal  
19 requirements and substantially complies with the requirements of this Act.

20           **SECTION 13. APPROPRIATION.** There is hereby appropriated out of any moneys in  
21 the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so  
22 much of the sum as may be necessary, to the independent personnel systems board for the  
23 purpose of administering this Act, for the biennium beginning July 1, 1997, and ending June 30,  
24 1999.