

**HB1161**  
**Bill Testimony**  
**Rep. Eric J. Murphy**  
**District 43, Grand Forks**

This bill requires an institution under the control of the State Board of Higher Education to quantify open positions in December of an even numbered year and to place in a salary pool at Office of Management and Budget the funding for salaries and benefits for these open positions in the subsequent biennium. Upon demonstration of need, the funding for a given position is released from this pool to the institution. These funds can be released for a permanent or temporary hire.

Often money intended for salaries is used to fund other efforts in lieu of hiring an individual for an open position. While this can be intentional, more than likely this is the result of difficulty in finding a suitable employee. This is especially true for faculty positions that require a national search and competition on a national level for talented faculty.

The OMB-pool approach has proved to be a successful approach in saving the North Dakota taxpayers money as demonstrated by its implementation in the Executive Branch for the 23-25 biennium. The estimated savings is minimally \$32M but may exceed \$50M by the end of this biennium. Hence, this is a proven responsible approach to save funds and enhance the turnback to the general fund at the end of the biennium.

After speaking with leadership, I was urged to work on a similar approach for institutions under the control of the State Board of Higher Education. This is indeed, like with the Executive Branch, a departure from the *status quo*, but it is anticipated that this will result in significant savings for the North Dakota taxpayers. I recognize that this approach alters the funding formula, but it also preserves the intention of hiring faculty and staff to serve our students across the North Dakota University System's institutions.

With the demonstrated success of this OMB-pool for other state agencies, it is time to apply this approach to institutions of higher education under control of the State Board of Higher Education to realize potential savings.