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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1035

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1035

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1035

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 1-25-01

Tape Number	Side A	Side B	Meter #
1	X		3358-6014
	X		6055-END
		X	0-70
Committee Clerk Signature <i>Robin D. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order, with all committee members present.

In favor:

SEN. AARON KRAUTER, introduces the bill. Please see attached testimony.

REP. M. KLEIN states that this is a very interesting case. Talks about how the benefits are tremendous.

REP. CLEARY asks if someone could do this from their home? KRAUTER replies that yes they could.

REP. METCALF asks who would be in charge? KRAUTER refers to the handout.

REP. BELLEW asks about the payments, are they just a one time payment? KRAUTER replies that yes they would only be a one time payment.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1035
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Neutral: Information

ALAN KNUTSON, LEGISLATIVE COUNCIL

KNUTSON talks about being on the interim committee for this, also walks the committee through the bill.

In favor:

CURT WOLFE, CIO, ITD

Please see attached testimony.

REP. M. KLEIN talks about the systems tying in and being compatible with county courthouses.

WOLFE states that may or may not be an issue. The network certainly is an issue for educational works, not for home use. They will have to deal with that. Cost save initiative. REP. M. KLEIN states that if they had Internet access, they could come up with some way to get them tied in.

WOLFE replies that is correct.

REP. KROEBER asks if this access will be available to schools? WOLFE replies that every school in the state will have it when they finish with phase two. REP. KROEBER states that the person that does not have access at home then could drive to the school to have Internet access readily available to them.

Being there was no further testimony on behalf or against HB 1035, the hearing was then closed.

REP. HAAS moved for a sunset clause, seconded by REP. BELLEW. A voice vote was taken by REP. M. KLEIN. The voice vote passed. REP. GRANDE motioned for a DO PASS AS AMENDED, seconded by REP. CLEARY. The roll call vote was taken with 13-2, 0 absent and not voting. The motion carries. The carrier of the bill is REP. CLEARY.

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1035

Hearing Date 1-25-01

HB 1035: DO PASS AS AMENDED 13-2

CARRIER: REP. CLEARY

FISCAL NOTE
Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1035

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Due to the subjective nature of determining the appropriateness of placing a specific position in a telecommute setting, and due to the lack of a general policy defining the basic structure of a telecommute program, it is extremely difficult to estimate, with any degree of confidence, the fiscal effect of this bill. As a result, it is our opinion that the fiscal effect of this bill, in its present form, is unknown.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Dave Krabbenhoft	Agency:	OMB
Phone Number:	328-1024	Date Prepared:	01/08/2001

10089.0201
Title.0300

Adopted by the Government and Veterans
Affairs Committee
January 25, 2001

VR
1/25/01

HOUSE AMENDMENTS TO HB 1035 HOUSE GVA 1/25/01
Page 1, line 1, after "program" insert "; and to provide an expiration date"

Page 1, line 3, replace "Telecommuting" with "SECTION 1. Telecommuting"

HOUSE AMENDMENTS TO HB 1035 HOUSE GVA 1/25/01
Page 2, after line 23, insert:

"SECTION 2. EXPIRATION DATE. Section 1 of this Act is effective through
June 30, 2005, and after that date is ineffective."

Renumber accordingly

Date: 1-25-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1035

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Sunset clause amendment

Motion Made By Haas Seconded By Bellew

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN			REP KROEBER		
VICE CHAIR GRANDE					
REP BELLEW					
REP BRUSEGAARD					
REP CLARK					
REP DEVLIN					
REP HAAS					
REP KASPER					
REP KLEMIN					
REP MEIER					
REP WIKENHEISER					
REP CLEARY					
REP HUNSKOR					
REP METCALF					

YALOWITZ
PASSES

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 1-25-01

Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1035

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Grande Seconded By Cleary

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK		✓			
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN		✓			
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 13 No 2

Absent 0

Floor Assignment Rep. Cleary

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1035: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1035 was placed
on the Sixth order on the calendar.

Page 1, line 1, after "program" Insert "; and to provide an expiration date"

Page 1, line 3, replace "Telecommuting" with "SECTION 1. Telecommuting"

Page 2, after line 23, Insert:

"SECTION 2. EXPIRATION DATE. Section 1 of this Act is effective through
June 30, 2005, and after that date is ineffective."

Renumber accordingly

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1035

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1035

Senate Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date March 1, 2001

Tape Number	Side A	Side B	Meter #
1	X		0,0-15,6
1		X	30,7-36,1
Committee Clerk Signature <i>James A. Raib</i>			

Minutes: **Chairman Krebsbach** called the committee to order. The clerk called the roll which indicated that all members were present. **Chairman Krebsbach** opened the hearing on HB 1035 which relates to a state employee incentive program; and to provide an expiration date.

Appearing before the committee to introduce the legislation was **Allen Knudson** of the legislative council staff reviewed the bill with the committee. He directed the committee to refer to the legislative council report of the interim committee on page 80 or the interim legislative council report. This provides the information that the committee had reviewed and coming up with their recommendation for this bill draft. The committee was assigned a study of state agency office space needs. Specifically looking at the possibilities of moving state employees to rural areas of the state. That is the basis for the recommendation for this bill. What the bill does is establish a telecommuting incentive program. It is very similar to the suggestion incentive program for state employees where right now if an employee makes a suggestion for a cost saving measure, the employee would be entitled to a payment based on the savings that evolved

from that. That is what this is based on. It would use the same committee that is in statute now related to the state employee suggestion incentive program. That committee includes five state agency heads appointed by the governor. What this involves is a state agency and employees; if a state agency and employee wished to telecommute, it could be a new employee or an existing employee. The agency can submit a proposal to the suggestion incentive committee laying out what the proposal would be and what the estimated cost savings related to that would be. The proposal would then go before that committee, they would review it and either approve it or disapprove it. The state agency then receives notification from the committee of its approval or disapproval. If the committee approves it and the state agency does implement the telecommuting program then what happens is they, at the end of the first year they review the cost of the telecommuting program vs. what the estimated costs would have been if there had not been a telecommuting program. If there is cost savings as a result, the state agency head is entitled to receive up to 10% of the savings identified in the report and the employee would be entitled to receive 20% and an additional 20% can be used for one time cost within the agency for technology equivalent to capital improvement costs. That would be just a one time payment. He indicated that the house added the expiration clause to the bill. **Chairman Krebsbach** inquired once again, who would be overseeing this program? **Mr. Knudson** indicated it was the suggestion incentive committee which is made up of five agency heads appointed by the governor. **Senator C. Nelson** inquired what happens if it costs more? **Mr. Knudson** indicated then there would be no payment. **Senator C. Nelson** but, where does that money come from? **Mr. Knudson** indicated that it would have to come from within the budget of the agency that is doing the program. **Senator Kilzer** inquired when at the beginning of the bill it says a state agency head. Is that appointed heads of the department and elected state officials? **Mr.**

Knudson indicated that was correct, it includes both of them. The chairman indicated that there is a fiscal note on this bill and asked the clerk to review it with the committee. **Senator Dever** inquired if this bill was to encourage telecommuting when it fits or is it to encourage telecommuting all together? **Mr. Knudson** indicated that he believes that the intent is it needs to be the right fit for the employee, for the agency, for the job description. **Senator Dever** inquired if it was to encourage employees to move to Watford City or is it to acknowledge that an employee wants to move to Watford City and to work there. **Mr. Knudson** indicated it would be the latter, it would be if there were individuals in the rural areas that can fit in the job openings when they occur, you don't want to exclude them because they are living in a rural area. If it is possible to telecommute they can still live there and work for the state. **Senator Tim Mathern**, district 11, appeared before the committee on behalf of Senator Aaron Krauter, district 35. A copy of Senator Krauter's written testimony is attached. **Senator T. Mathern** responded to some of the questions which had been asked of Mr. Knudson. He also indicated to the committee that he stands in support of this proposed legislation. There were no questions offered by committee members at this time. **Mike Ressler**, Director of the Information Technology Department appeared before the committee, a copy of his written testimony is attached. **Senator Kilzer** inquired if in these situations the overhead is increased because you have two locations, two terminals. Is that true? **Mr. Ressler** indicated he believes that would be a true statement. We pay \$150.00 per month at each location which we wouldn't have to pay if those individuals were here. We do have two terminals, two chairs, two desks, we actually have that provided by out landlords. If we were to lose those individuals, to actually find people who could do the work is actually more difficult and so it is a cheap investment to maintain these people.

Chairman Krebsbach inquired about the space which is leased from Minot Job Service. She

wondered if more efficient use could be made of the space by placing more than one telecommuting employee into the space? **Mr. Ressler** indicated that might be so but he was concerned that if Job Service needed the space for themselves that would displace more than one telecommuting employee. There was nothing further at this time. No additional testimony was offered in support of, in neutral position on, or in opposition to HB 1035. **Chairman Krebsbach** closed the hearing on HB 1035 at this time. **Chairman Krebsbach** opened the discussion on HB 1035. **Senator T. Mathern** made a motion for a Do Pass on HB 1035, seconded by **Senator Wardner**. **Senator Wardner** indicated that he believes that what the committee is doing is setting an example. There is no question about it, we don't want people congregated all in one spot. We want them to move out and he knows that in the community of Dickinson that is what we want to do. We want to make sure that the towns in southwest North Dakota have things going on so that their schools and their communities are vibrant too and he thinks this is a step in the right direction. There are employers in Dickinson that are looking to do this very thing, having people employed in their firms but living someplace else in Southwest ND and maybe commuting once a week. They are actively pursuing this type of thing so I think this is the state setting an example for them. **Senator Kilzer** inquired who the five agency heads are that will be evaluating this. The intern will contact Mr. Purdy to find out who these five members are and will report back to the committee. **Senator C. Nelson** indicated this may be editorial comment but, her daughter does work telecommuting one day a week and day care is the reason. The other thing we need to look at is that she thinks that we need to take a look at our own house and senate. We need to take a look at the possibilities of allowing some telecommuting for people when they are in the situation such as Senator Bowman was last session, like Senator Fischer was, like representative Fairfield is now. Where they are perfectly

capable of voting and participating but they can't because they aren't on the floor. If we are allowing it in some of our agencies we should look at it for ourselves as well. **Senator T.**

Mathern indicated that just as a matter of information we did begin the process of permitting voting in committees three sessions ago. In addressing that it was noted that it is in our rules and not in statute. But, then there is also the constitutional issue of being present for a vote and I think that we address those things but there are some other requirements on the part of legislators that would be different than for employees. **Senator Dever** indicated that his only concern was with maintaining productivity with off site employees. That is something that we as legislators leave to the agency heads to police for themselves. If there is a problem with it, there is a sunset clause. Roll Call Vote indicated 6 Yeas, 0 Nays, 0 Absent or Not Voting. **Senator T. Mathern** will carry the bill.

Date: 3/01/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1035 (Engrossed)

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

☐ Subcommittee on _____
or _____

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. J. Mathern Seconded By Sen. Wardner

[illegible]

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen. T. Mathern

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 1, 2001 12:55 p.m.

Module No: SR-35-4597
Carrier: T. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1035, as engrossed: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1035 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1035

Privatizing or Sharing Laboratory Services

The committee received information from the State Department of Health on the possibilities for privatizing laboratory services, sharing laboratory services with South Dakota, and possibilities for telecommuting by employees of the department. Regarding privatizing laboratory services, the committee learned it may not be appropriate to privatize laboratory services of the department because:

1. North Dakota has no private sector crime laboratory performing forensic or toxicological evidence analysis.
2. It is not appropriate to privatize the crime laboratory due to custody of evidence requirements.
3. None of the six privately operated chemistry laboratories in the state can provide all the analytical services for the variety of samples obtained by the department.
4. It is important for staff members who gather samples for analysis to interact with laboratory staff.
5. It is important for the department to have the flexibility to react quickly to nonroutine critical health and environmental problems.

The committee reviewed the possibilities of contracting or sharing laboratory services with South Dakota. The committee learned South Dakota did not indicate an interest in sharing services or conducting laboratory tests on a contractual basis with the state of North Dakota because:

1. The primary role of a state laboratory is to provide service to the public that is accessible, independent, and trustworthy.
2. The cost to ship samples from one state to the other would increase the cost of laboratory services.

Conclusion

The committee did not make a specific recommendation regarding the master plan option of the department or the alternative plan to purchase the former Heartview Foundation facility in Mandan but requested the Legislative Council chairman to ask the State Department of Health to further explore the possibility of purchasing the former Heartview Foundation facility in Mandan from Southwest Key, Inc., and to identify other possible uses for any excess space within the facility and that the department's findings and recommendations be presented to the 57th Legislative Assembly. The Legislative Council chairman sent the State Department of Health a letter on October 17, 2000, reporting the committee's request.

STATE AGENCY OFFICE SPACE STUDY

Senate Concurrent Resolution No. 4006 directed the Legislative Council to study state agency office space needs to determine the feasibility and desirability of

transferring state agencies or state employees to rural areas.

State Agency Space Utilization

The committee reviewed each state agency's office locations, number of FTE positions at each location, types of jobs performed at each location, and the agency's dependence on technology. The committee learned most state agency FTE positions are located in the following counties:

County	Number of Agencies	Number of FTE Positions
Burleigh	57	4,135
Grand Forks	17	2,573
Cass	28	1,943
Stutsman	13	823
Ward	21	737
Walsh	8	518
Stark	18	430
Richland	10	385
Ramsey	15	370
Williams	16	245
Barnes	9	230
Traill	3	133
Morton	7	111

The attached appendix contains a map showing the number of agencies and FTEs located in each county of North Dakota.

The committee reviewed state agency leases by county. The committee learned during the 1999-2001 biennium, state agencies were leasing 552,446 square feet of space at an annual cost of \$4,843,653. The statewide average annual cost per square foot of state agency leases was \$8.77.

Vacant Buildings Available for Use

The committee heard testimony from representatives of the Department of Economic Development and Finance and the Department of Public Instruction regarding the availability of vacant buildings in rural areas of the state. The Department of Economic Development and Finance has a data base of buildings across the state available for potential business space. The information is provided to the department by local development corporations and is available for both in-state and out-of-state companies and organizations to use when seeking additional space.

The committee learned, based on a survey of all school districts by the Department of Public Instruction, the following communities indicated a vacant school building is available for other use--Tolley, Tioga, Jamestown, Grafton, Galesburg, Portland, Rutland, Overly, New Rockford, Leonard, Strasburg, Park River, Karlsruhe, Jud, Napoleon, Keene, and Carpio.

Job Location Cost Comparison

The committee reviewed the estimated costs of locating an employee in an urban part of North Dakota compared to a rural part of the state. The committee

learned North Dakota State University conducted a study comparing costs of a five-employee office and a 10-employee office at various locations in North Dakota. The cost comparison includes the Bismarck metropolitan service area (MSA), which includes Burielgh and Morton Counties, and locations in the far west, west central, east central, and far east sections of North Dakota. The far east section excludes Cass and Grand Forks Counties. The schedule below presents the projected total annual expenses and annual savings relative to the Bismarck MSA for a five-employee office.

Location	Total Expenses	Savings Relative to Bismarck MSA
Bismarck MSA	\$140,658	\$0
Far west	\$134,454	\$6,204
West central	\$115,788	\$24,870
East central	\$114,696	\$25,962
Far east	\$117,407	\$23,251

The schedule below presents the projected total annual expenses and annual savings relative to the Bismarck MSA for a 10-employee office.

Location	Total Expenses	Savings Relative to Bismarck MSA
Bismarck MSA	\$266,191	\$0
Far west	\$259,163	\$7,028
West central	\$220,733	\$45,458
East central	\$217,080	\$49,111
Far east	\$220,958	\$45,233

Information Technology Considerations

The committee reviewed the options that technology provides for locating employees away from a central office setting. The committee learned all counties, to some extent, are connected to the state's wide area network. Telephone services through the Information Technology Department are available anywhere in the state. Senate Bill No. 2043, approved by the 1999 Legislative Assembly, provides for the expansion and enhancement of the Information Technology Department's wide area network. The committee learned once the enhanced statewide network is implemented, the broad band network will allow for data, video, and possibly voice to be transmitted over the same network, which will allow for video conferencing by state agencies. The committee learned the technology is available to support virtually any function of an agency to be performed offsite.

Job Supply and Demand

The committee received information from representatives of Job Service North Dakota on the classification of job types across the state that are in demand. The committee learned North Dakota, in December 1999, had approximately 3,000 job openings. The major areas for lower paid jobs that were in demand included food service workers, health care workers, cashier/teller positions, and commission sales positions. Higher paid positions that were in most demand included carpenters,

plumbers, truck drivers, computer systems technical support positions, computer analysts, computer programmers, and computer system developers.

Examples of Telecommuting

The committee reviewed examples of state employees telecommuting or state agencies contracting for services in rural areas. The committee learned the Department of Human Services electronic benefits transfer coordinator works from an office in the Bottineau County Courthouse (the employee had previously been located in the State Capitol). The department began this arrangement in order to retain a valued employee. The department obtained office space in the Bottineau County Courthouse, and with e-mail, faxes, and telephones, communication has not been a problem. The committee learned the employee travels to Bismarck two or three days per month, and the arrangement is working well.

The committee learned the Information Technology Department contracts with a private firm for computer programming services involving five programmers in Watford City. The committee received additional information on the technology developments in Watford City and McKenzie County. The committee learned this development has resulted from a partnership between the school district, county, and city. The entities shared the cost of installing a wireless system that provides high-speed technology services to the area. The committee learned the community has been successful in attracting a number of private companies relying on technology, including Cross Consulting, the company under contract with the Information Technology Department.

The committee toured the technology development areas in Watford City including the high school, Cross Consulting, and the county courthouse. The committee learned the community is in the process of changing its wireless system to a fiber optics system.

Budget Request Forms - Agency Telecommuting Analysis

The committee learned that at the request of the chairman of this committee, the Budget Section, at its December 1999 meeting, approved a motion asking the Office of Management and Budget to provide information in the executive budget on each agency's analysis of the feasibility of locating new FTE positions, new programs, or new capital construction away from the agency's central office setting.

The committee reviewed the telecommuting analysis form developed by the Office of Management and Budget that state agencies completed as part of their 2001-03 biennium budget request. The committee learned the form is completed by state agencies requesting new positions, vacant positions that are pending reclassification, positions that will be relocated

to construction, purchase, or lease of new office space; and positions that will be assigned to new programs. The form requests information on the title and grade level of the new position, salary range, a description of the position's job tasks, and comparisons of costs and benefits of locating the position within a central office setting compared to away from a central office setting of the agency. The committee reviewed examples of completed forms for select state agencies submitted as part of the agencies' 2001-03 biennium budget requests.

County Government Space

The committee received information on efficiencies that may result from providing state government services at county courthouses utilizing county staff. The committee learned counties have an availability of office space and a willingness to cooperate in providing state services. The office space is generally well-equipped and handicapped-accessible. The committee was informed all county courthouses have computer access to the North Dakota Information Network, generally good telephone systems, and ample parking. Most counties already provide office space to state, federal, and private entities, and many counties would be willing to either reduce rent or charge no rent.

County Treasurers Administering Motor Vehicle Registrations

The committee heard presentations from representatives of the North Dakota County Treasurers Association of a proposal involving county treasurers administering motor vehicle registration or driver's license services. The committee learned after discussions with the Department of Transportation, the County Treasurers Association chose to focus its efforts on a pilot project involving county treasurers administering motor vehicle registration programs because the driver's license function is more complicated and because the driver's license program requires certified examiners.

The committee learned approximately 70 percent of motor vehicle registrations are processed by mail, 25 percent at one of the department's 13 branch offices, and five percent at the central office in Bismarck. The department's branch offices are located in Beulah, Devils Lake, Dickinson, Ellendale, Fargo, Grafton, Grand Forks, Jamestown, Minot, Rugby, Valley City, Wahpeton, and Williston. These branch offices receive no financial support from state government but generate their revenue by charging a service fee ranging from \$2 to \$6 for each customer transaction.

The committee reviewed motor vehicle registration services in other states. The committee learned in Minnesota, motor vehicle services are provided through 172 deputy registrar offices located in 35 city government offices, 63 county government offices, 61 corporate offices, and 13 offices run by individuals. These offices

charge a service fee of \$3.50 per transaction. In Montana motor vehicle registration services are provided in 56 county government offices, and in South Dakota motor vehicle registration services are provided in 64 county government offices.

The committee heard testimony regarding the benefits and concerns of county treasurers administering motor vehicle registration programs from representatives of the counties, the Department of Transportation, and other organizations. Benefits identified include:

1. Residents in rural areas of the state will have improved access to motor vehicle registration services.
2. The pilot project will serve as a model for how state government services can be successfully administered by county employees.

Concerns identified include:

1. The Department of Transportation has not received requests to expand the number of branch motor vehicle locations, except from cities concerned about enhancing local economic development or keeping jobs in the local courthouse.
2. The department does not anticipate adding to its branch system but rather would like to expand the use of technology for motor vehicle registration by using the Internet or telephone renewals.

The committee reviewed the estimated cost of establishing each of the pilot projects. The committee learned, based on the estimates made by the counties and the Department of Transportation, startup costs of each pilot site would range from between \$5,500 to \$30,000. The committee learned the counties of McKenzie, Bowman, and Emmons were interested in becoming pilot sites and that the counties involved in the pilot projects would pay the startup costs.

Other Committee Considerations

The committee received information on other states that have implemented a telecommuting program including Minnesota, Arizona, Colorado, California, and the province of Saskatchewan. The committee learned these states' and province's programs are designed to encourage employees to telecommute. Benefits of the telecommuting programs include reduced traffic congestion, reduced need for central office space, an expanded employee recruiting base, and improved employee productivity and morale. As part of its study, the committee conducted tours of the Job Service North Dakota state office building and the Workers Compensation Bureau building.

The committee reviewed statistics on the state employee suggestion incentive program (North Dakota Century Code (NDCC) Section 54-06-24). The program provides a one-time incentive payment to a state employee who submits a recommendation or proposal to reduce expenditures that is approved and implemented.

An employee is entitled to receive a one-time payment of 20 percent of any annual savings realized up to a maximum of \$2,000 for the first 12 months of implementation. Since the inception of the program in 1995, a total of \$7,808 has been paid as incentives to state employees. The estimated annual savings as a result of implementing the cost-reduction measures is \$142,000.

Recommendations

The committee recommends House Bill No. 1035 to establish a state employee telecommuting incentive program. The bill allows a state agency head to submit a proposal to the Suggestion Incentive Committee, established under NDCC Section 54-06-24 to locate a current state employee or a new employee away from a central office setting. If approved by the Suggestion Incentive Committee and implemented by the state agency, the state agency head will prepare a report after a 12-month period, comparing the actual costs relating to the telecommuting program for the period to the estimated cost if the program would not have been implemented. Based on the cost-savings report approved by the Suggestion Incentive Committee, the state agency head will be entitled to receive 10 percent of any savings identified in the report up to a maximum of \$2,000, the state employee located away from a central office setting will be entitled to receive 20 percent of any savings up to a maximum of \$2,000, and the state agency may utilize 20 percent of the savings for one-time technology or equipment purchases or capital improvements.

The committee recommends Senate Bill No. 2026 to require information technology plans prepared by state agencies to address the feasibility of telecommuting by selected employees, including positions that are suitable for telecommuting, travel and space needs, and information technology needs for supporting telecommuting.

The committee recommends Senate Bill No. 2027 to provide for a motor vehicle branch office pilot project. The bill provides that the Department of Transportation establish a pilot project office at three sites within three counties to administer motor vehicle registration programs similar to other branch offices of the department by July 1, 2001. The pilot project branch offices, in addition to other branch offices and will be operated by the treasurer in the county where the pilot project office is located. The pilot project is effective through June 30, 2005. The bill provides for the Legislative Council to consider monitoring and evaluating the efficiency and effectiveness of the project during the 2001-02 interim.

PRIVATIZATION STUDY

Section 2 of Senate Bill No. 2411 directed the Legislative Council to study privatizing and contracting for services provided by state agencies.

Privatization - Definition and Methods

Although there are many definitions of privatization, generally privatization is the involvement of the private sector in providing services or facilities usually provided by the public sector. The committee reviewed a report on privatization in the states. The committee learned the major privatization methods include:

1. Contracting with the private sector to provide services.
2. Operating public facilities by the private sector.
3. Selling certain government assets to the private sector.

Other methods of privatization include grants and subsidies, leases, public and private partnerships, and vouchers.

The committee learned agencies most involved in privatization are transportation, administration and general services, corrections, higher education, and social services-related agencies. Agencies less involved in privatization are education, labor, public safety, and treasury-related agencies.

Privatization Activities

The committee reviewed privatization activities of state agencies for the 1999-2001 biennium. The committee learned for the 1999-2001 biennium, state agencies estimate contracting for \$1.4 billion of privatized services, \$218 million of which is from the general fund. The \$1.4 billion is 29 percent of the total statewide appropriations for the 1999-2001 biennium of \$4.8 billion. Major privatization contracts include:

Agency/Service	General Fund	Total Funds
Retirement and Investment Office Investment management services		\$23,200,000
Public Employees Retirement System Health insurance plan		\$160,800,000
State Department of Health Women, infants, and children food costs		\$18,226,930
Department of Human Services Aging community-based services	\$9,479,212	\$21,495,103
Child care services	\$3,675,282	\$16,579,896
Child welfare services	\$16,898,424	\$72,180,303
Foster care eligibility determination	\$542,921	\$10,740,449
Medicaid services (excluding nursing homes services)	\$70,474,142	\$261,920,967
Nursing home services	\$75,067,679	\$252,358,444
Vocational rehabilitation services	\$2,705,320	\$10,280,731
Department of Transportation Construction activities		\$365,000,000
Roadway surface repair		\$15,250,000

Potential Services to Privatize

The committee reviewed information provided by state agencies regarding potential services agencies could privatize. The committee learned many program services provided by state agencies could be privatized; however, the costs of the services, if privatized, are

54-06-24. State employee suggestion incentive program.

1. There is established a suggestion incentive program for state employees. All persons employed by the state are eligible to participate in the program except state agency heads, administrators, or any supervisors considered at the management level by the state agency head.

2. A state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed.

3. a. The suggestion incentive committee shall consider legitimate savings reductions in expenditures made possible within the employing state agency and any other state agency.

b. The suggestion incentive committee shall determine if:

(1) The recommendation or proposal has been previously submitted and rejected.

(2) The recommendation or proposal is beyond the reasonable expectations of job performance for the employee who made the suggestion.

(3) Implementation of the recommendation or proposal is desirable and feasible.

(4) Implementation of the recommendation or proposal will continue to provide the quality of the services presently provided by the employing state agency and any other state agency affected by the recommendation or proposal.

c. The suggestion incentive committee shall submit to the state agency head of the employee submitting the recommendation or proposal any recommendation and proposal the committee approves.

4. The state agency head shall review and determine whether a recommendation or proposal approved by the suggestion incentive committee is capable of implementation. The state agency head shall make the final decision on acceptance or rejection of a recommendation or proposal.

5. A state employee who submits a recommendation or proposal to reduce expenditures that is approved by the suggestion incentive committee and approved for implementation by the state agency head is entitled to receive twenty percent of any savings realized up to a maximum of two thousand dollars. The savings must relate directly to the employee's proposed change. The suggestion incentive must be computed on the actual savings for a twelve-month period, the period to run from the time that the proposed change is instituted. An employee is entitled to the suggestion incentive payment at the end of the twelve-month period in a lump sum from funds of the employing state agency. Any payments to an employee under this program are in addition to the employee's regular salary. Employees who qualify for the suggestion incentive are entitled to an award for the first year's savings only and not for any subsequent years.

6. On July first of each year a state agency that makes a suggestion incentive payment in the preceding twelve months shall submit a report to the office of management and budget describing the implemented recommendation or proposal. On September first of each year, the office of management and budget shall provide to all state agencies a report describing the

recommendations and proposals to reduce expenditures implemented by state agencies.

Source: S.L. 1993, ch. 512, § 1; 1999, ch. 447, § 1.

Effective Date: The 1999 amendment of this section by section 1 of chapter 447, S.L. 1999 became effective August 1, 1999.

The act which enacted this section became effective April 9, 1993.

January 5, 2001

1999-2000 BUDGET COMMITTEE ON GOVERNMENT SERVICES - TELECOMMUTING CONSIDERATIONS

Pursuant to 1999 Senate Concurrent Resolution No. 4006, the Interim Budget Committee on Government Services studied state agency office space needs to determine the feasibility and desirability of transferring state agencies or state employees to rural areas. The committee, as part of this study, considered the option of telecommuting by state employees.

STATE AGENCY SPACE UTILIZATION

The committee reviewed each state agency's office locations, number of FTE positions at each location, types of jobs performed at each location, and the agency's dependence on technology. Most state agency FTE positions are located in the following counties:

County	Number of Agencies	Number of FTE Positions
Burleigh	57	4,135
Grand Forks	17	2,573
Cass	28	1,943
Stutsman	13	823
Ward	21	737
Walsh	8	518
Stark	18	430
Richland	10	385
Ramsey	15	370
Williams	16	245
Barnes	9	230
Traill	3	133
Morton	7	111

Appendix A contains a map showing the number of agencies and FTEs located in each county of North Dakota.

JOB LOCATION COST COMPARISON

The committee reviewed the estimated costs of locating an employee in an urban part of North Dakota compared to a rural part of the state. North Dakota State University conducted a study comparing costs of a five-employee office and a 10-employee office at various locations in North Dakota. The cost comparison includes the Bismarck metropolitan service area (MSA), which includes Burleigh and Morton Counties, and locations in the far west, west central, east central, and far east sections of North Dakota. The far east section excludes Cass and Grand Forks Counties. The schedule below presents the projected total annual expenses and annual savings relative to the Bismarck MSA for a five-employee office.

Location	Total Expenses	Savings Relative to Bismarck MSA
Bismarck MSA	\$140,658	\$0
Far west	\$134,454	\$6,204
West central	\$115,788	\$24,870
East central	\$114,696	\$25,962
Far east	\$117,407	\$23,251

The schedule below presents the projected total annual expenses and annual savings relative to the Bismarck MSA for a 10-employee office.

Location	Total Expenses	Savings Relative to Bismarck MSA
Bismarck MSA	\$266,191	\$0
Far west	\$259,163	\$7,028
West central	\$220,733	\$45,458
East central	\$217,080	\$49,111
Far east	\$220,958	\$45,233

INFORMATION TECHNOLOGY CONSIDERATIONS

The committee reviewed the options that technology provides for locating employees away from a central office setting. All counties, to some extent, are connected to the state's wide area network. Telephone services through the Information Technology Department are available anywhere in the state. Senate Bill No. 2043, approved by the 1999 Legislative Assembly, provides for the expansion and enhancement of the Information Technology Department's wide area network. Once the enhanced state-wide network is implemented, the broad band network will allow for data, video, and possibly voice to be transmitted over the same network, which will allow for video conferencing by state agencies. Technology is available to support virtually any function of an agency to be performed offsite.

EXAMPLES OF TELECOMMUTING

The committee reviewed examples of state employees telecommuting or state agencies contracting for services in rural areas. The Department of Human Services electronic benefits transfer coordinator works from an office in the Bottineau County Courthouse (the employee had previously been located in the State Capitol). The department began this arrangement in order to retain a valued employee. The department obtained office space in the Bottineau County Courthouse, and with e-mail, faxes, and telephones, communication has not been a problem. The committee learned the employee

travels to Bismarck two or three days per month, and the arrangement is working well.

The Information Technology Department contracts with a private firm for computer programming services involving five programmers in Watford City. The committee received additional information on the technology developments in Watford City and McKenzie County. This development has resulted from a partnership between the school district, county, and city. The entities shared the cost of installing a wireless system that provides high-speed technology services to the area. The committee learned the community has been successful in attracting a number of private companies relying on technology, including Cross Consulting, the company under contract with the Information Technology Department.

The committee toured the technology development areas in Watford City, including the high school, Cross Consulting, and the county courthouse.

BUDGET REQUEST FORMS - AGENCY TELECOMMUTING ANALYSIS

The Budget Section, at its December 1999 meeting, approved a motion asking the Office of Management and Budget to provide information in the executive budget on each agency's analysis of the feasibility of locating new FTE positions, new programs, or new capital construction away from the agency's central office setting.

The committee reviewed the telecommuting analysis form developed by the Office of Management and Budget that state agencies completed as part of their 2001-03 biennium budget request. The form will be completed by state agencies requesting new positions; vacant positions that are pending reclassification; positions that will be relocated due to construction, purchase, or lease of new office space; and positions that will be assigned to new programs. The form requests information on the title and grade level of the new position, salary range, a description of the position's job tasks, and comparisons of costs and benefits of locating the position within a central office setting compared to away from a central office setting of the agency. Appendix B includes the Office of Management and Budget summary of the forms submitted and examples of completed forms for select state agencies.

COUNTY GOVERNMENT SPACE

The committee received information on efficiencies that may result from providing state government services at county courthouses utilizing county staff. Counties have an availability of office space and a willingness to cooperate in providing state services.

The office space is generally well-equipped and handicapped-accessible. All county courthouses have computer access to the North Dakota Information Network, generally good telephone systems, and ample parking. Most counties already provide office space to state, federal, and private entities, and many counties would be willing to either reduce rent or charge no rent.

OTHER COMMITTEE CONSIDERATIONS

The committee received information on other states that have implemented a telecommuting program, including Minnesota, Arizona, Colorado, California, and the province of Saskatchewan. These states' and the province's programs are designed to encourage employees to telecommute. Benefits of the telecommuting programs include reduced traffic congestion, reduced need for central office space, an expanded employee recruiting base, and improved employee productivity and morale.

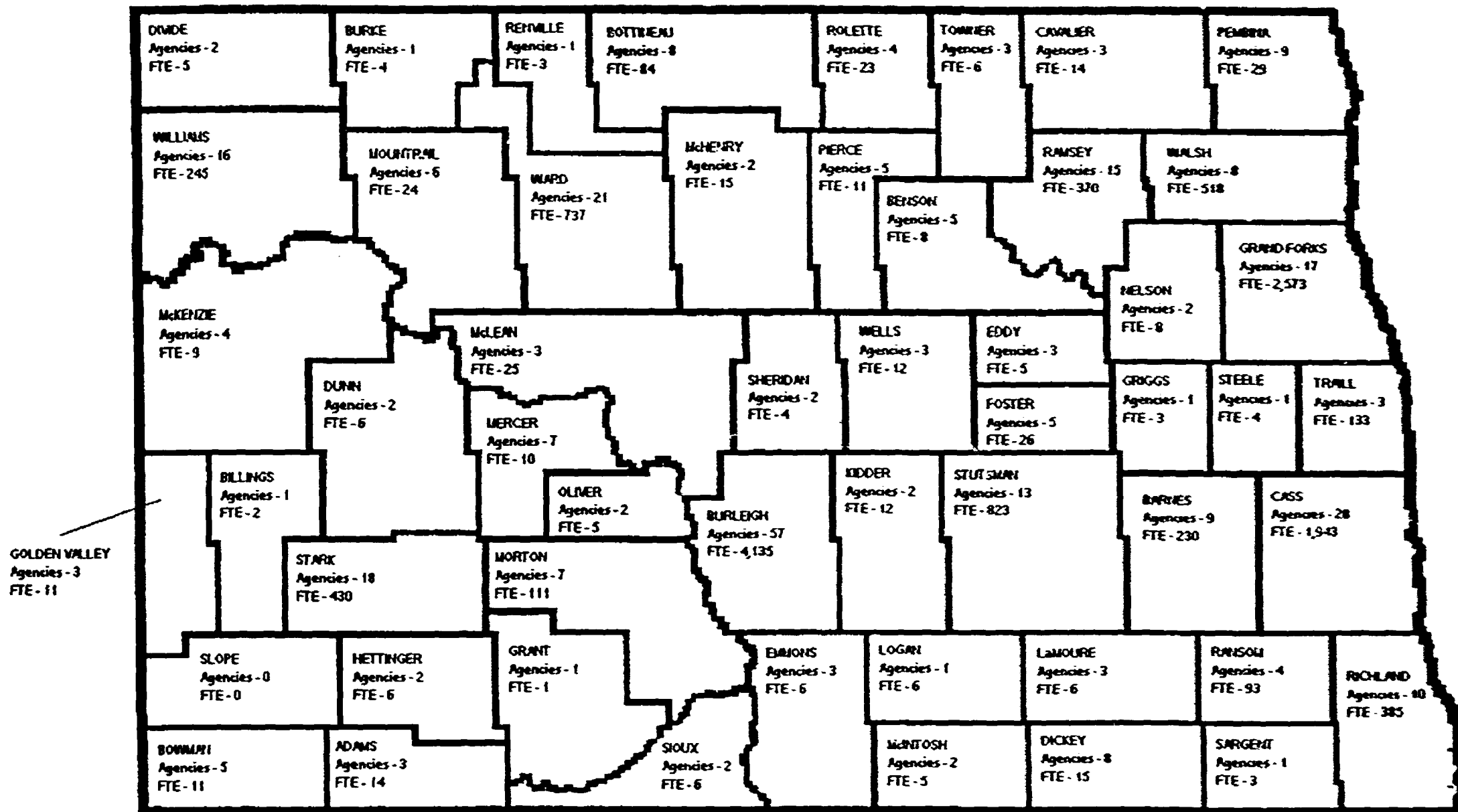
RECOMMENDATIONS

The committee recommended House Bill No. 1035 to establish a state employee telecommuting incentive program. The bill allows a state agency head to submit a proposal to the Suggestion Incentive Committee, established under North Dakota Century Code Section 54-06-24 to locate a current state employee or a new employee away from a central office setting. If approved by the Suggestion Incentive Committee and implemented by the state agency, the state agency head will prepare a report after a 12-month period, comparing the actual costs relating to the telecommuting program for the period to the estimated cost if the program would not have been implemented. Based on the cost-savings report approved by the Suggestion Incentive Committee, the state agency head will be entitled to receive 10 percent of any savings identified in the report up to a maximum of \$2,000, the state employee located away from a central office setting will be entitled to receive 20 percent of any savings up to a maximum of \$2,000, and the state agency may utilize 20 percent of the savings for one-time technology or equipment purchases or capital improvements.

The committee also recommended Senate Bill No. 2026 to require information technology plans prepared by state agencies to address the feasibility of telecommuting by selected employees, including positions that are suitable for telecommuting, travel and space needs, and information technology needs for supporting telecommuting.

ATTACH:2

NORTH DAKOTA STATE GOVERNMENT AGENCY AND POSITION LOCATIONS 1999-2001 BIENNIUM



2001-2003 AGENCY TELECOMMUTE ANALYSIS FORM SUMMARY

Date: 11/15/2000

Time: 07:25:46

Biennium: 2001-2003

Agency	2001 - 2003 Number of Positions Requested by Agency Assigned					2001 - 2003 Position Locations Submitted by Agency				2001-2003 Executive Recommendation
	New	Vacant	Relocated	New Prog	Total	Central Office	Tele- commute	Either	Total	
238 ND State College of Science	3.00				3.00		3.00		3.00	
239 Dickinson State University	2.00				2.00	2.00			2.00	
240 Mayville State University	1.50				1.50	1.50			1.50	
241 Minot State University	1.00				1.00	1.00			1.00	
242 Valley City State University	3.00				3.00	3.00			3.00	
243 MSUniversity - Bottineau	0.76				0.76	0.76			0.76	
244 ND Forest Service	1.00				1.00	1.00			1.00	
250 State Library					0.00				0.00	
252 School for the Deaf					0.00				0.00	
253 School for the Blind	2.00				2.00		2.00		2.00	
270 Voc & Technical Education					0.00				0.00	
301 State Department of Health	8.00				8.00	5.00	3.00		8.00	8.00
313 Veterans Home	3.80				3.80	3.80			3.80	2.40
316 Indian Affairs Commission					0.00				0.00	
321 Veterans Affairs					0.00				0.00	
324 Children's Services					0.00				0.00	
325 Human Services	72.00	9.00			81.00	80.50	0.50		81.00	17.05
360 Prot and Advocacy Project					0.00				0.00	
380 Job Service North Dakota	3.00		42.00		45.00	45.00			45.00	
401 Insurance Commissioner					0.00				0.00	
405 Industrial Commission	2.00				2.00	2.00			2.00	
406 Labor Commissioner	1.00				1.00	1.00			1.00	1.00
408 Public Service Commission					0.00				0.00	
412 Aeronautics Commission					0.00				0.00	
413 Bank and Financial	1.00				1.00	1.00			1.00	1.00

2001-2003 AGENCY TELECOMMUTE ANALYSIS FORM SUMMARY

Date: 11/15/2000

Time: 07:25:46

Biennium: 2001-2003

Agency	2001 - 2003 Number of Positions Requested by Agency					2001 - 2003 Position Locations Submitted by Agency				2001-2003 Executive Recommendation
	New	Vacant	Relocated	Assigned New Prog	Total	Central Office	Tele- commute	Either	Total	
414 Securities Commissioner					0.00				0.00	
471 Bank of North Dakota					0.00				0.00	
473 Housing Finance Agency	5.00				5.00	5.00			5.00	5.00
475 Mill and Elevator Association					0.00				0.00	
485 Workers Compensation	4.00				4.00	4.00			4.00	
504 Highway Patrol					0.00				0.00	
506 State Radio Communications					0.00				0.00	
512 Emergency Management					0.00				0.00	
530 Corrections & Rehabilitation	131.30	1.00			132.30	121.10	11.20		132.30	66.00
540 Adjutant General	3.00				3.00	3.00			3.00	3.00
601 Econ Develop and Finance	15.00				15.00	15.00			15.00	7.00
602 Department of Agriculture					0.00				0.00	
616 State Seed Department					0.00				0.00	
627 Upper Great Plains Transp	4.25				4.25	4.25			4.25	4.25
628 Branch Research Centers	2.80				2.80	2.50	0.30		2.80	
630 NDSU Extension Service	3.00				3.00		3.00		3.00	
638 Northern Crops Institute					0.00				0.00	
640 NDSU Main Research	4.20				4.20	2.20	1.00	1.00	4.20	
649 Agronomy Seed Farm					0.00				0.00	
665 North Dakota State Fair					0.00				0.00	
701 State Historical Society	2.00				2.00	2.00			2.00	2.00
709 Council on the Arts					0.00				0.00	
720 Game and Fish Department	5.00				5.00	1.00	4.00		5.00	
740 Department of Tourism					0.00				0.00	



TELECOMMUTE ANALYSIS FORM
OFFICE OF MANAGEMENT AND BUDGET/FISCAL MANAGEMENT
SFN 52402 (04-2000)

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This form is to be completed for requested new positions, for requested vacant positions that are pending reclassification, for positions that will be relocated due to the construction, purchase or lease of new office space, and for positions that will be assigned to new programs. For similar and/or related positions, the agency may elect to group these positions and complete one form per group.

Number of Positions Requested:	New: 1.00	Vacant Pending Reclassification:	Relocated:	Assigned to New Programs:
Position(s) Class Title: Pers - Employee Benefits Specialist				
Position(s) Grade Level: 11		Salary Range: From: \$2,203.00 To: \$3,671.00		
Funding Source of Position(s):		General Percent:	Federal Percent:	Special Percent: 100.00%
Will Position(s) Continue into the 03-05 Biennium? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
<p>1. Provide a description of the requested position(s) including specific job tasks and percent of time spent at each task. (i.e., information handling, data processing, report review, conduct business by phone, face to face communication)</p> <p>This position will be responsible for establishing an investment education program for PERS members. The duties would involve developing the format for the education sessions; coordinating speakers, meeting locations, communications and training materials; and travelling throughout the state to conduct the education sessions.</p>				
<p>2. Discuss the benefits and assets required in locating the position(s) outside of the central office setting. (benefits: improve public access, increased labor pool, job opportunities for rural areas, increased employee morale, advantage in recruitment and retention of employees; assets required: office space, furniture, equipment, technology, security)</p> <p>Since a significant portion of the duties for this position would be travelling throughout the state, it would not be necessary for this employee to be located in the central office. Removing this limitation could assist in recruitment and provide access to an increased labor pool. It could also provide a job opportunity for a rural area.</p> <p>Locating this position outside of the central office would require office furniture, telephone, computer equipment, connection to the state network, travel costs to central office, and some type of office space. It's possible the employee could conduct the job from a home office as public access would not be required.</p>				
<p>3. Document below the estimated costs necessary to fund the position(s) in a central office setting and in a telecommute setting (unless a specific location has been identified, use \$6.58 per square foot for estimating space costs in a rural setting and \$8.74 per square foot for estimating space costs in an urban setting):</p>				

	CENTRAL OFFICE		TELECOMMUTE SETTING	
	START-UP	RECURRING	START-UP	RECURRING
Salary & Fringe		\$73,645.00		\$73,645.00
Operating		6,732.00	2,500.00	15,032.00
Equipment	4,500.00		4,500.00	
Capital Improvements				
TOTAL	\$4,500.00	\$80,377.00	\$7,000.00	\$88,677.00
General Funds				
Federal Funds				
Special Funds	\$4,500.00	\$80,377.00	\$7,000.00	\$88,677.00

Agency is to maintain, and have available upon request, supporting documentation detailing the above cost estimates.

4. Identify below the source and amount of estimated in-kind or third party contributions, if any, available to assist in funding the above requested position(s).

Not aware of any

5. Is space currently available to house the position(s) at the central office?

No

6. How, and in what amount, is the position(s) requested in the Agency Budget Request:	Central Office Setting:	Telecommute Setting:	Amount: \$84,877.00
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Discuss:

The funding included in the budget could facilitate a central office setting or a telecommute setting, except for the additional travel expenses of \$10,800 required for the telecommute.



TELECOMMUTE ANALYSIS FORM
OFFICE OF MANAGEMENT AND BUDGET/FISCAL MANAGEMENT
 SFN 62462 (04-2000)

This form is to be completed for requested new positions, for requested vacant positions that are pending reclassification, for positions that will be relocated due to the construction, purchase or lease of new office space, and for positions that will be assigned to new programs. For similar and/or related positions, the agency may elect to group these positions and complete one form per group.

Number of Positions Requested:	New: 2	Vacant Pending Reclassification: 0	Relocated: 0	Assigned to New Programs: 0
Position(s) Class Title: Vision Outreach Specialist (The Proposed Class At This Time)				
Position(s) Grade Level: 11	Salary Range:		From: \$2,203.00	To: \$3,671.00
Funding Source of Position(s):		General Percent:	Federal Percent:	Special Percent: 100.00%

Will Position(s) Continue into the 03-05 Biennium?

☒ Yes ☐ No

1. Provide a description of the requested position(s) including specific job tasks and percent of time spent at each task. (i.e., information handling, data processing, report review, conduct business by phone, face to face communication)

These two positions will be located in western North Dakota and will provide technology training/service to blind and visually impaired clients that are school-age as well as adults. The majority of their time will be spent by providing face to face and telephone support to these clients. There will be some report writing required as well, and therefore, a data connection to the main NDSB data network will be required.

Discuss the benefits and assets required in locating the position(s) outside of the central office setting. (benefits: improve public access, increased labor pool, job opportunities for rural areas, increased employee morale, advantage in recruitment and retention of employees; assets required: office space, furniture, equipment, technology, security)

The benefits for locating these positions in the western part of the state would allow NDSB to provide increased access to services by reducing travel time to obtain necessary training. It would also increase the amount of training that could be provided because currently there are two staff people that provide technology training and they are both located in Grand Forks. The most most conducive way to learn technology skills would be to have the training is given in 2-3 hours time spans rather than a whole day. Since the only people we have on staff that provide this training are both based in Grand Forks they must travel to the western part of the state to provide training and meeting with clients in 2-3 hour time spans and returning back to Grand Forks is not a productive use of employee time or operating costs.

Assets Required: Office space would be required, which would be approximately \$7,200 for the biennium for both positions combined. There would also be minimal office furniture and computer equipment which would need to be provided. It is estimated that these costs would be approximately \$11,000 for the two offices. Also, as discussed above they would need telephone access as well as a network connection.

3. Document below the estimated costs necessary to fund the position(s) in a central office setting and in a telecommute setting (unless a specific location has been identified, use \$5.58 per square foot for estimating space costs in a rural setting and \$8.74 per square foot for estimating space costs in an urban setting):

The estimated costs have been discussed in question two. The justification for these two positions is to have employee coverage for the area of technology in the western part of the state so it is really a mute point to discuss locating them in the central office setting.

The information below is based on 1st year for start-up and 2nd year of the biennium for recurring.

	CENTRAL OFFICE		TELECOMMUTE SETTING	
	START-UP	RECURRING	START-UP	RECURRING
Salary & Fringe			\$70,407 00	\$70,407 00
Operating			2,668 00	1,516 00
Equipment			8,000 00	
Capital Improvements				
TOTAL			\$81,075 00	\$71,925.00
General Funds				
Federal Funds				
Special Funds			\$81,075 00	\$71,925.00

Agency is to maintain, and have available upon request, supporting documentation detailing the above cost estimates.

4. Identify below the source and amount of estimated in-kind or third party contributions, if any, available to assist in funding the above requested position(s).

There is none available. It is planned that these positions, at least in the first biennium, will be funded with general fund dollars.

5. Is space currently available to house the position(s) at the central office?

There would be space to locate in Grand Forks, however, the reason for requesting the positions is to have better coverage on the western part of the state.

6. How, and in what amount, is the position(s) requested in the Agency Budget Request:	Central Office Setting:	Telecommute Setting:	Amount:
		2.00	\$153,000.00

Discuss:

The two positions, along with the funding, are included in the base budget for the School for the Blind.



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TELECOMMUTE ANALYSIS FORM
OFFICE OF MANAGEMENT AND BUDGET/FISCAL MANAGEMENT
BPN 52482 (04-2000)

This form is to be completed for requested new positions, for requested vacant positions that are pending reclassification, for positions that will be relocated due to the construction, purchase or lease of new office space, and for positions that will be assigned to new programs. For similar and/or related positions, the agency may elect to group these positions and complete one form per group.

Number of Positions Requested:	New: 3	Vacant Pending Reclassification:	Relocated:	Assigned to New Programs:
Position(s) Class Title: Environmental Scientist II				
Position(s) Grade Level: 11		Salary Range:		
		From:	\$2,203.00	To: \$3,671.00
Funding Source of Position(s):		General Percent:	40.00%	Federal Percent: 60.00% Special Percent:
Will Position(s) Continue into the 03-05 Biennium? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
1. Provide a description of the requested position(s) including specific job tasks and percent of time spent at each task. (i.e., information handling, data processing, report review, conduct business by phone, face to face communication) Each scientist will be located in a watershed area. They will be: <ol style="list-style-type: none">1. Collecting water quality samples (20%)2. Conducting public meetings (5%)3. Face to face meetings (30%)4. Data management (10%)5. Report writing (25%)6. Conduct business by phone (10%)				
2. Discuss the benefits and assets required in locating the position(s) outside of the central office setting. (benefits: improve public access, increased labor pool, job opportunities for rural areas, increased employee morale, advantage in recruitment and retention of employees; assets required: office space, furniture, equipment, technology, security) The benefits for locating in the watershed area are improved public contact with local watershed landowners, reduced travel time and knowledge of local conditions. A remote location will require larger office space as common areas such as meeting rooms, equipment storage and restrooms would not be shared with other staff. Additional equipment such as a printer, bookcase and office chairs will need to be provided as these are shared in the central office.				
3. Document below the estimated costs necessary to fund the position(s) in a central office setting and in a telecommute setting (unless a specific location has been identified, use \$5.58 per square foot for estimating space costs in a rural setting and \$8.74 per square foot for estimating space costs in an urban setting): Start-up and recurring costs for this program will be approximately the same with the exception of additional equipment necessary that is normally shared in a central office situation, such as office furniture, printers, etc.				

	CENTRAL OFFICE		TELECOMMUTE SETTING	
	START-UP	RECURRING	START-UP	RECURRING
Salary & Fringe		\$236,657.00		\$236,657.00
Operating		102,000.00		102,000.00
Equipment	\$7,000.00		60,000.00	
Capital Improvements				
TOTAL	\$57,000.00	\$338,657.00	\$60,000.00	\$338,657.00
General Funds	\$22,800.00	\$135,462.00	\$24,000.00	\$135,462.00
Federal Funds	\$34,200.00	\$203,195.00	\$36,000.00	\$203,195.00
Special Funds				

Agency is to maintain, and have available upon request, supporting documentation detailing the above cost estimates.

4. Identify below the source and amount of estimated in-kind or third party contributions, if any, available to assist in funding the above requested positions(s).

None.

5. Is space currently available to house the position(s) at the central office?

No.

6. How, and in what amount, is the position(s) requested in the Agency Budget Request:

Central Office Setting:

Telecommute Setting:

398,657.00

Amount:

\$398,657.00

Discuss:

The proposed positions are included in our optional adjustment package and would be located in different watersheds across the state rather than in our office in Blmarck.

Testimony for HB 1035

Aaron Krauter
State Senator
District 35

Chairman Krebsbach and member of the Senate Government and Veterans Affairs Committee.
For the record my name is Aaron Krauter, State Senator from District 35.

HB 1035 is in front of you as a product of the interim Budget Committee on Government Services.

Currently, North Dakota has a state employee suggestion incentive program, NDCC 54-06-24 (as per attached) which gives incentive to state employees to find better way to perform their job and in result having a financial saving to the state.

HB 1035 takes that incentive concept and now includes tele-commuting. As we invest millions of state general fund dollars in technology and broad band service, we as a state must lead by example. But often times bureaucracy stands in the way. By establishing the incentive program the carrot is out there.

Subsection 1 in the bill sets up the proposal processes so the telecom move is away from the central office setting within the agency. The proposal must include the financial comparisons.

Subsection 2 defines the process of evaluation of the proposal.

Subsection 3 defines the incentives as such:

- State agency head is eligible to receive 10% of savings not exceed \$2000

- State employee is eligible to receive 20% of the saving not to exceed \$2000

- State agency is eligible to receive 20% of saving for one time technology related items.

This not only gives the state employee the incentive by the department and the agency head to be supportive of the tele-commuting concept.

The interim committee also studied state agency space utilization and compared many of the cost related. These are also attached.

HB 1035 TESTIMONY
SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE
BY: MIKE J. RESSLER, DIRECTOR
INFORMATION TECHNOLOGY DEPARTMENT (ITD)
MARCH 1, 2001

Madam Chair, and members of the committee, my name is Mike Ressler and I am the Director of Operations at ITD.

ITD supports this bill. Currently we have two employees telecommuting, one in Minot and one in Carson. We rent office space in the Minot Job Services building and in the Grant County Courthouse. This arrangement works well with the right people. In our case, the two individuals are programmers and they work three days away and two days in Bismarck.

This was arranged not because it was cheaper to house them in these communities, but it was our only chance for keeping these very talented people. Both live in these communities and after years of service with our department, they decided to find employment in their local community. It is important to remember that the savings may not solely be in the space rent paid. The investment we have made in these individuals would have been lost if they would have left our employment.

With the successful deployment of the state wide area network, we now have this option in place. High speed access can be obtained in 177 state facilities in 64 communities.

With regards to the incentive package in this bill, ITD is motivated to explore these accommodations for reasons outside of the incentives. However, if this encourages other agencies to explore telecommuting, we support that as well.

This concludes my testimony and I would be happy to answer any questions you may have.

Thank you for your consideration.