

2017 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1307

2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Fort Union, State Capitol

HB 1307
2/2/2017
27856

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to state employee evaluations upon resignation of employment and to provide for a report to the legislative management

Minutes:

Attachment 1

Chairman Kasper opened the hearing on HB 1307.

Rep. Mike Schatz introduced the bill. Attachment 1 (1:07-2:59)

Chairman Kasper: Can you explain the second page of your handout.

Rep. Schatz: We are trying to find out an evaluation of their agency of everybody who either resigns or retires. We would have a form which would be drawn up by the majority leaders of the House and Senate deciding what questions they want to ask of retirees and those who resign. These are the numbers on this page that OMB has provided me as far as how many do retire from North Dakota agencies.

Opposition:

Pam Sharp, Director of OMB, appeared in opposition. I don't think it is befitting of this to go through administrative rules which is a very long process. The bill says to implement a uniform system of employee evaluation for state agencies. I am not sure what system means. Is it simply a piece of paper or could it be some kind of IT system that could cost a lot of money for which we do not have funding for? Also, there is really no way an agency can force an employee to complete a form. Assuming we have roughly 10,000 employees and a turnover rate between 10-12%, perhaps that would be 1,000 evaluations that would be submitted to legislative management to look at. Again, the recommendations and criticisms would depend on the person that you actually made sit down and fill out the form. You don't know how valid those statements are, and you can't possibly follow up because the employee is gone. There are better ways to get this information. Every two years OMB does an employee survey we send out to everyone. We have most of our people complete it. We have specific questions that they rank, and we have spaces for them to put comments. We find out what we are doing well, but we also find out areas that we can improve. This is

establishing some kind of system where at a time when all agencies including OMB are losing FTEs. It is very difficult to take on more that, to me, doesn't seem to have very much value.

Vice Chair Louser: You mentioned that there are exit interviews.

Pam Sharp: I couldn't tell you how many exit interviews they do, but agencies do like to have exit interviews and exit questionnaires.

Vice Chair Louser: What happens with that data?

Pam Sharp: In our agency the data goes to me and I review it.

Rep. B. Koppelman: Would it be doable for you to undertake if this bill simply said all agencies must do an exit interview, and it must be reported to legislative management?

Pam Sharp: I can't mandate agency heads to say you have to do this, but is the best practice to do it. It doesn't always work that you can do an exit interview.

Rep. B. Koppelman: We collectively do have a hammer if that is the law of the legislature. By not having it be necessarily the prescribed way of this bill of who should write it and all that, but if the policy of legislative assembly was that all state agencies should do an exit interview with any willing party who is willing to complete it and that be compiled and reported to legislative management, is that something difficult to implement?

Pam Sharp: What is legislative management is going to do with that information of recommendations and criticisms when it can't be verified?

Rep. B. Koppelman: Providing the information is the important key here, and that is probably for them to decide what they do with it.

Pam Sharp: There are so many reports that we do that are submitted that seem like a really good time once it is put in statue, but as time goes on, we do the reporting. People have to have time to look at the reports and figure out what to do with it. I would want there to be a purpose for that report.

Rep. Rohr: Are the exit interview and the employee survey asking the questions what are we doing well and what could we do better so that we are looking at efficiencies by department?

Pam Sharp: In OMB our surveys do.

Rep. Rohr: The exit interview is done at the time of the employee's departure. The survey is done every two years. There is nothing done on a yearly basis?

Pam Sharp: We do it every two years, because we think some amount of time has to pass so we can track and make some changes.

Rep. Steiner: Is it possible to tie the exit interview to their last check?

Pam Sharp: I don't know.

Rep. C. Johnson: I think I heard once that there are 68,000 state employees. Would we be requiring every employee then to go through this process of an exit interview when they resign or retire?

Pam Sharp: I would prefer not to require that of agencies. I would like agencies to see that as a valuable tool for them to use themselves. I question the value of putting it in statute and reporting it to legislative management.

Chairman Kasper: You have no idea what the other agencies do in the executive branch on surveys or exit interviews?

Pam Sharp: I am not saying I have no idea. I know as a general rule, agencies do like to have some exit interviews and surveys. I couldn't tell you what the exact amount is.

Chairman Kasper: Clarify for us the approximate number of state employees.

Pam Sharp: In the ballpark of 9,000-10,000 state FTEs.

Rep. P. Anderson: What kind of engagement do you really have with especially people that are resigning? I had good employees, but they were leaving. They are gone. They really don't want to be engage in an exit interview to be honest with you.

Pam Sharp: I agree. That is why it would be very difficult to make that a requirement.

Rep. Rohr: Don't we have a human resource department in the state government, and would they not have some follow up for exit interviews with employees sending out questionnaires of information we could _ about these efficiencies?

Pam Sharp: We do have a HR in our system. We have about 12 FTEs in that division. They manage the classified system, act as consultants for other agencies on HR things, do some training, and manage our HRMS People Soft modules. We don't have the authority to require that of other agencies, or we don't even know when employees are leaving or being terminated in other agencies.

Chairman Kasper: What do you do with the results of the survey, and how many people participate? I assume it is voluntary.

Pam Sharp: It is voluntary. We have a pretty high completion ratio. I would say around 80%, and it is anonymous. We compile results by division, and we look at them as a whole and we track how things have changed over the last two years. We especially look at the comments and the areas that we need to improve and take note of the areas that we have improved over the last two years.

Chairman Kasper: Within the department, you would have discussion with the supervisors, share the data, and talk about changes for improvement?

Pam Sharp: Yes, we do.

Chairman Kasper: You are not aware if all the departments do that?

Pam Sharp: No, I am not.

Chairman Kasper closed the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Fort Union, State Capitol

HB 1307
2/9/2017
28123

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to state employee evaluations upon resignation of employment and to provide for a report to the legislative management

Minutes:

Chairman Kasper opened the meeting on HB 1307. He reviewed the explanation of the report. Pam Sharp, OMB, testified against the bill saying it would be very difficult to obtain the evaluations once the employee resigns. Sometimes they are angry, and the report we might get from them may not be an accurate report of their time with the state. Rep. Schatz testified for the bill.

Rep. C. Johnson: It says shall do the interview. It is going to be difficult to enforce this. I make a motion for a DO NOT PASS on HB 1307.

Rep. P. Anderson seconded the motion.

Rep. B. Koppelman: The intent of the bill was that the departments have the authority to get the exit interview filled out, but we all understand you can't handcuff an employee until they sign it. There is a difference there that we should recognize at least regardless how we feel on this bill.

Rep. Steiner: If you wanted to soften it, you could say the system may request and the report may include or just pull out the must and shalls. That way if it does pass on the floor, it is flexible. That is if you are fearful that it could pass, and it would be almost impossible to administer.

Chairman Kasper: I am not really fearful that it is going to pass.

Rep. P. Anderson: It is over 1100 people, and we are trying to reduce staff and make people more efficient. When I was a manager, even happy employees that resigned moved on and don't care what I wanted to do in my department. I definitely think it is a do not pass.

Rep. Rohr: I heard that exit interviews do occur if people want to. The data is there, but I don't think the data is getting to the right people to determine if there are efficiencies. I agree it is a do not pass.

Chairman Kasper: Another problem I see in the bill is that OMB is the executive branch, and the bill is asking for the legislative branch to get involved in how they do their business which is a little bit of conflict of interest there.

Rep. Vetter suggested an amendment that after Line 11 put when feasible at the end of the line. He made a motion and received no second.

A roll call vote was taken. 13 Yeas, 0 Nays, 1 Absent.

Rep. P. Anderson will carry the bill.

Date: 2-9-17
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1307

House Government and Veterans Affairs Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Johnson Seconded By Anderson

Representatives	Yes	No	Representatives	Yes	No
Jim Kasper-Chairman	X		Pamela Anderson	X	
Scott Louser-Vice Chairman	A		Mary Schneider	X	
Jason Dockter	X				
Craig A. Johnson	X				
Daniel Johnston	X				
Karen Karls	X				
Ben Koppelman	X				
Vernon Laning	X				
Christopher D. Olson	X				
Karen M. Rohr	X				
Vicky Steiner	X				
Steve Vetter	X				

Total (Yes) 13 No 0

Absent 1

Floor Assignment B. Anderson

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

REPORT OF STANDING COMMITTEE

HB 1307: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)
recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1307 was placed on the Eleventh order on the calendar.

2017 TESTIMONY

HB 1307

Attachment 1
1307
2-2-17

HB 1307

Chairman Kasper and members of the Government and Veterans Affairs Committee,

HB 1307 is an attempt to find out from former employees, either from resignation or from retirement, where each agency could save some money.

Exit evaluations will give the legislature a better chance to know what works and what does not work. This is a fairly simple bill and would be administered by the Legislative Council. The majority leaders will adopt rules so that it is a workable system.

I think we need more direction in what agencies need cuts and which ones may need more funds. This will be a tool we can use to learn about the inner workings of the agencies and hopefully make them more efficient, while making our job of managing budgets, more exact.

Schatz, Mike A.

From: Kinnischtzke, Levi
At: Wednesday, January 11, 2017 2:48 PM
To: Schatz, Mike A.
Cc: Knudson, Allen H.
Subject: State Employee Resignation and Retirements

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Representative Schatz,

This email is in response to your request for the number of state employees that resign and retire each year. Information for fiscal years 2014, 2015, and 2016 as provided by the Human Resource Management Services (HRMS) Division of the Office of Management and Budget is presented below.

Reason	2014	2015	2016
Resignation	964	952	872
Retirement	258	309	238

HRMS noted the following regarding these numbers:

- The numbers may vary from the North Dakota Public Employee System has as they are the agency responsible for actually processing retirement benefit payments.
- The numbers reflect state employee departures from both classified and non-classified position types.
- The numbers reflect voluntary terminations only.
- All voluntary termination reasons entered into the PeopleSoft system are based primarily on employee self-reporting.

If you have any additional questions on this topic, please let me know.

Thank you.

Levi Kinnischtzke, CPA

Fiscal Analyst

North Dakota Legislative Council

(701)-328-3694

lkinnischtzke@nd.gov

Schatz, Mike A.

From: Collins, J. Sparb
Sent: Wednesday, January 11, 2017 1:14 PM
To: Schatz, Mike A.
Subject: FW: State Employees retiring each year - NDPERS

Follow Up Flag: Follow up
Flag Status: Flagged

Please see below for information on state retirees only.

sparb

From: Reinhardt, Bryan T.
Sent: Wednesday, January 11, 2017 11:39 AM
To: Steffes, MaryJo V.; Gilliam, Ron E.
Cc: Collins, J. Sparb
Subject: RE: State Employees retiring each year

I have a query that pulls all receiving retirees and if I sort by benefit begin date for state employees I come up with the following calendar year (Jan-Dec) numbers:

2016 – 368
 2015 – 453
 2014 – 410
 2013 – 359
 2012 – 365

This wouldn't include members who retired and died. Also keep in mind someone can quit work and draw a benefit at a later date.

I think it should be fairly close and is +/- 50% of the total for each fiscal year from the actuarial reports.

Ron is also working on a query that might be more accurate.

Thanks,

Bryan T. Reinhardt
 Research & Planning Manager
 NDPERS
 400 E Bdwy, Suite 505
 Box 1657
 Bismarck, ND 58502
 (701) 328-3919



From: Steffes, MaryJo V.
Sent: Tuesday, January 10, 2017 4:16 PM
To: Gilliam, Ron E.