

**Comments on Proposed Legislation relating to Professional Employer
Organizations**

**before the
Interim Legislative Committee on
Industry, Business and Labor
Senator Karen Krebsbach, Chair**

Tuesday, July 18, 2006

Madam Chair Krebsbach and members of the Interim Industry, Business and Labor Committee, I am Lisa Fair McEvers, the Commissioner of Labor for the State of North Dakota.

I am here today to provide information and act as a resource to the committee. The Department of Labor does not take a position on the proposed legislation. From the minutes of the last meeting, it appears that the Department of Labor was suggested as a possible regulatory agency because the Department currently has the responsibility to license employment agencies under Chapter 34-13 N.D.C.C. As was speculated on in comments made by Mr. Jim Fetting at the Committee's January 5, 2006, meeting, there currently are no employment agencies licensed with the North Dakota Department of Labor. There is however, one application pending.

The Department currently has a staff of eleven FTE. The staff includes: six compliance investigators, a Human Rights Director, a business manager, two administrative support staff and the Commissioner. The investigative staff does not include anyone with a background in accounting, such as a C.P.A. The Department also does not have an IT professional on staff, so any technology changes for programs, adding or modifying a database, modifying the website and designing forms puts the

Department at the mercy of outside IT professionals who charge in the range of \$50 to \$75 per hour.

The Department is adequately staffed to carry out its current duties barring large fluctuations in case filings. I have concerns with the Department taking on additional duties which would put a strain on our resources. I have attempted to contact departments or agencies in other rural states which have implemented similar legislation. It is unclear what additional staff and resources would be necessary to oversee the proposed legislation, as the other states I have contacted have ranged from less than one to two FTE to oversee their regulatory duties.

Madam Chair, this concludes my comments. I would be pleased to answer any questions the Committee may have.