

2011 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1236

2011 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee

Fort Union Room, State Capitol

HB 1236

February 3, 2011

13953

☐ Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to the creation of a state employee compensation and retention bonus program

Minutes:

Chairman Bette Grande opened the hearing on HB 1236.

Rep. Dave Weiler, District 30, Bismarck, appeared in support of this bill. The goal of this bill is simply to treat our state employees better financially. It is my intention in this bill to pay state employees more money, but just pay fewer of them. If a state agency loses an employee because the employee either quit or retired and the agency head decides to try and get along without this employee, shift a few duties around to other individuals, the agency then would benefit from that and so would the employees of the agency and so would all the state employees. The details of the bill is that 50% of that salary savings would go back to the general fund, 20% of that salary savings would stay in that agency and the agency head can determine whether it is a bonus retention program for all the employees or they want to give a little bit more to the employees that picked up a little bit of the slack, and part of that money would go into a large pool by where all state employees would benefit from this through one time bonuses. The most important part of this bill is that if an agency head decides they need to fill that position, then fill it. No questions asked. This is not obligating any state agency head to not fill any position. We are not asking that. This is simply an option. If I asked everybody on this committee that if you would like to give me \$100, you certainly have the right to say no. That is the same thing that this bill is doing. It is an attempt to slow the growth of the state employees. When I came into office ten years ago, I think we have several hundred more state employees than we had back in 2000. Our population until very recently was stagnant at 641,000 people. Some concerns that brought me to draft this piece of legislation, there are state employees that live in my community that have come to me and they say they have a lot of people. I am sure agencies are going to come forward after I am done and because I do not have the opportunity for rebuttal, I want to respond to what I think you are going to hear from them. They are going to say this is too complicated. I would ask for you to look at the school funding formula and the oil tax formula. It is and should be a very simple process. We have in the state of North Dakota something that is called phantom FTEs. They are positions that are in state agencies that are funded but not filled. There was a legislator four or six years ago that did a study on higher ed. and they had some work done. They found out that the higher ed. system had 600 positions that were fully funded but not filled.

Granted some of those were in the process of filling and things like that. When an agency has a position that is funded but not filled, they get to keep 100% of that money. This bill is going to take 50% of that away from them and return it to the general fund. You are probably not going to hear that, but that is one of the reasons why you are going to have some people up here opposing this bill. Do you want our government to continue to grow and grow even though our population is increasing? Do we want to try and buckle up a little bit and try to keep this under control?

Rep. Bill Amerman: Each agency would establish one of these compensation retention committees? Is that correct?

Rep. Dave Weiler: Basically it can be made up of the agency head or if the agency head has two or three people they want to confide in or get together. It doesn't have to be something where it is appointed, and we have to document this. It is left up to the agency head. They can do it however they want to do it.

Rep. Gary Paur: If retiring employees, if that would work the way you illustrated it would also have all the benefits not having to be paid and it would save the money also. Correct?

Rep. Dave Weiler: You are exactly correct. That is a really good point. I know that your committee has a couple issues regarding employee contributions. That is a big concern to this legislative body as to the ever growing cost of that fund and how do we get that under control, how do we fund that, and if we have fewer people it is a lot easier to fund.

Vice Chairman Randy Boehning: How long would you expect a vacancy to be opened before this would go into effect?

Rep. Dave Weiler: You are asking how long before the agency head makes the decision as to whether or not they fill that position?

Vice Chairman Randy Boehning: Correct.

Rep. Dave Weiler: That is a good question. They certainly have a certain amount of time. If you feel that there needs to be something added—if they decide to fill the position, then fill it. If they decide not to, maybe you want to put in some kind of timeframe or something.

Rep. Ron Guggisberg: Of these 100s of positions that have been created over the last year, I am wondering is it evenly dispersed through all the departments? Is it certain departments that we are adding in?

Rep. Dave Weiler: We could probably get that information as to the growth. I don't know that it is evenly spread. I know that IT has increased their numbers drastically over the last ten years. Some of that is certain agencies have to do certain programs. When an agency has to do this, then IT has to grow with it because that is just the way it works.

Chairman Bette Grande: Mr. Purdy, do you that information kind of at your fingertips as far as which agencies, just by number? We will request that later.

Rep. Karen Rohr: It seems to me that if we have 600 positions that have not been filled and just funded, does that report equate into the dollars that are on hold? Is there not a policy that would exist that if a position is open and not filled within a certain period of time, maybe that FTE wouldn't be required in that department or needed?

Rep. Dave Weiler: I don't believe there is a policy along those lines. He asked to have the first question repeated. Obviously the dollar amount is substantial. I certainly don't want to stand here and say that higher ed still today has 600 positions that are fully funded that are not filled. I am sure that there are good reasons for some of them. There are other positions that were filled in a fairly quick manner.

Vice Chairman Randy Boehning: We are talking just on the compensation side. What about the savings that we would see from health insurance and on the retirement funds? What would you expect to do with those as well? I know insurance is a big number, close to \$900 a month. Would you just turn that back to the agency?

Rep. Dave Weiler: That is fairly a good suggestion. That is a savings that we can all share in.

Rep. Lisa Meier: In Number 3 you decided on percentages—50%, 20%, and 30%. Can you take us through on how you decided on the percentages that you did?

Rep. Dave Weiler: The idea behind this was to make this a win-win for the taxpayers of North Dakota and a win-win for state employees of North Dakota. We picked a number of 50% that would go back to the general fund. Originally, this was meant to be just one pool of money for all state employees. Then there were some complications with that, and there are some agencies that have six or eight people. They don't ever lose people and if they lose people they really have to fill them. The pool was created so that all state employees could share in this one-time bonus situations. The percentage of 20 that would stay with the agency is basically more of an incentive for that agency to take a long hard look at this to see if they really need to fill this. If we don't need to fill it, the employees of my agency are going to benefit from giving this a shot. I felt that the large pool for all state employees would need to be larger than the pool for the single state agency. That would be the reason for the 30 and the 20. Those numbers are certainly not set in stone and if you have a better idea, have at it.

Rep. Lonny Winrich: Coincidentally, Mr. Helms just walked into the room. We have often heard from Lynn and others that they have great difficulty in hiring in some of the technical people that they need out in the oil field and so on. I am sure similar situations occur in the university system with certain specialties and so on. It takes a long time to find someone to fill certain positions. Whereas other state positions are highly prized because of some of the benefit programs that state employees enjoy and so on. There are plenty of opportunities to fill those positions. It seems to me that by establishing a sort of one size fits all model here, we are ignoring a whole bunch of complications in this system.

Rep. Dave Weiler: Again, the important part of this bill is that it is an agency head's decision. If they decide that they need to fill that position, they can fill it, and if it takes them a year to find that position, then it takes them a year. This is not telling them that you have

two weeks to fill that position and if you don't 50% of the money... It is not anything like that. It is an opt in policy. If there is not one state agency that does not fill a position and chooses to not use this, that is fine. Maybe there are some state agencies that would like to try and downsize a little bit because it might be good for everybody involved. I don't share your feelings on that because I don't see a complication.

Chairman Bette Grande: This just says that if an agency knows they don't want to fill a position, they can set up this fund. If they know they are going to fill it, they just proceed as normal.

Rep. Dave Weiler: That is correct.

Rep. Karen Rohr: It would seem to me that just looking at this as a freshman, this would be an opportunity for the head of that department or agency to work with their employees, say we have two positions that are open right now, shall we absorb the workload of these one or two positions to become more efficient, or do we want to fill them?

Rep. Dave Weiler: You are exactly correct. Thank you for the word efficiency. That is certainly one of the goals in this piece of legislation.

Opposition:

Pam Sharp, Director, Office of Management and Budget, appeared in opposition. **Attachment 1.** Before going into her testimony she took a minute to explain how things work right now. Whether it is a general fund agency, special fund, federal fund, or a mixture of funding for agencies, when they have a vacant position for whatever reason the agency head gets together with other people in the office and they talk about that position. They actually do what you suggested, Rep. Rohr. They talk about do we need to fill this position. Is there a better use for this position? Can we combine duties with someone else and then we don't need to fill this position? Just say they decide that they don't need to fill the position and split up the duties among two or three other people, most likely they would use some of that money from that vacancy to give some workload increases because people are taking on more responsibilities. They might have to pay out the leave for the person who just retired. There might be annual leave, and they would have to use that remaining salary money to pay out the leave for that person. At the end of the biennium whatever is left in that salary line is turned back into the general fund.

Rep. Karen Karls: You heard the claim that at one time there were 600 vacancies in higher ed. Can you explain that or give us a reason why there would be so many or are they faulty numbers?

Pam Sharp: I don't know which 600 vacant FTEs Rep. Weiler was talking about. I know the chancellor is here. If I was to guess, I would say there are always some vacant when you have 10,000 employees because of the turnover. I do know that higher ed funding is very mixed too with tuition dollars and general fund dollars.

Rep. Gary Paur: I can see your concerns. Would the ability of the agency to retain 100% of the salary for distribution within the agency, would that make this a workable plan?

Pam Sharp: That actually is what is going on right now. Agencies are able to just keep that in their salary line and administer their salary dollars as they need to do it. At the end of the biennium the left over authority is turned back to the general fund.

Rep. Gary Paur: But it is not on a permanent basis? It is not on a recurring basis? I think this bill would make that probably recurring every year, correct?

Pam Sharp: That is what happens every year. When an agency has a vacancy, they determine what they need to do with that position. It might be they need to fill it right away and they do it. It may be that they have had some other retirements that they had to fill right away and then someone else quits their position and because they need to pay out leave payout for two or three different people they may say we have to hold this position vacant for two months. Otherwise, we are not going to have any funding to pay these annual leave and sick leave payouts. They have the flexibility to do that. At the end of the biennium anything they have not spent goes back to the general fund. That does occur on a continuing basis. Maybe we are in miscommunication.

Rep. Lisa Meier: Can you provide the committee a list—you talk of rollup dollars—can you provide the committee a list of each agency's rollup dollars from 2010?

Pam Sharp: We go by the bienniums. We wouldn't have anything at the end of fiscal year 2010. We could provide you a list of what agency turn back is, agency by agency. I am not sure if we could get down to the salary line level or not. I will check on that and see.

Rep. Lisa Meier: If you could provide us then from 2007 to 2009, then.

Rep. Karen Rohr: It would seem to me that when you are calculating the FTE budget, you would already incorporate the funds that you would have to pay out for sick leave or pay time off or vacation time so the funds that are there for vacant positions would encompass all of that.

Pam Sharp: No funding is provided for sick leave, annual leave, or for those payouts. The way a salary line is built is say you have ten employees and each person makes \$1,000 a month. You take ten employees times \$1,000 a month times 24 months in the biennium and add the health insurance on to that and that is how the salary line gets there. There are no additional funds added for anything else.

Rep. Karen Rohr: Looking at this in the intent of Rep. Weiler's bill, how would you make this work?

Pam Sharp: Everything that Rep. Weiler intends for this bill I honestly think is going on right now. Agencies are making good decisions. Speaking personally for OMB, when we put our budget together, we look very closely at FTEs. We turned one FTE back. It was one in our fiscal management division that we had asked for a couple bienniums ago and as it turned out, the work that we needed that position to do we actually needed a developer from ITD to do that work so we didn't fill that position and we are going to continue to do it that way. We are turning that position back. We took two positions that were vacant in Central Services and we have reclassified those and we will apply those to

some new positions that we need for the Heritage Center expansion when that comes on board so that we don't have to ask for any extra FTEs this biennium.

Rep. Lonny Winrich: Have you consulted with the governor about this bill and does your testimony reflect his position?

Pam Sharp: I have not spoken specifically with the governor about this bill. I do believe he thinks that what is going on right now is appropriate and agencies are appropriately managing their budgets and FTEs.

William Goetz, Chancellor, North Dakota University System, appeared in opposition. **Attachment 2.**

Rep. Vicky Steiner: It looks like you are using FTEs to fund your system when you say leaving positions vacant may be required to address revenue shortfalls. Has that been going for awhile? Is it common?

Chancellor William Goetz: Yes, it does take place on campuses. I can cite the example at Wahpeton. Based upon their budget, nevertheless they did have to reduce FTEs in order to meet a revenue shortfall due to enrollment variables. You need a management decision to be made in that regard in terms of letting faculty go or using other source of funds in order to keep that position filled or higher ed adjunct faculty which will cost you less because adjunct faculty do not receive fringe benefits. I would like to speak to the phantom FTE as well. We have to keep in mind that when a number is attained, there is a snapshot of that so called phantom FTE which was common terminology several sessions ago. When that snapshot is taken, obviously you are dealing with a set of circumstances within university system whereby you will have X number of vacancies particularly in the university system. You are going to have faculty who are leaving and faculty that are being hired. We have our research universities where we have very specialized people. It may take a year. It may take a year and a half. It could take two years to fill these positions.

Dave Clark, Executive Vice President, Bismarck State College, appeared in opposition. **Attachment 3.**

Lynn Helms, Director, Industrial Commission, appeared in opposition. **Attachment 4.** Now my story. Recently industry hired away one of my field inspectors with five years of experience, vacant for four months, \$20,000 worth of rollup salary savings. Here is what happened to it. \$4,000 went into a recruitment bonus to hire the replacement for that field inspector. \$16,000 then is available for retention bonuses for six field inspectors that fall in that three to ten year, that same experience window. These aren't people that directly work in the same district with that missing field inspector. They are people that are in other districts or other offices. They are not directly affected. Three of them have three years experience and each get a \$2,000 retention bonus. Two have ten years experience. They get a \$5,000 retention bonus and they stay on staff. Here's how this bill affects that process. Four month vacancy—it is not permanent. It is not clear under this bill whether I can even use the \$20,000, but I think the bill affects it. Now I have to get a committee decision. Remember my agency isn't DMR. It is the Industrial Commission. Who is my committee? It involves the bank and the mill and public finance and executive director and

all of that. I was glad to hear Rep. Weiler say it is an informal group, and I meet with that group every Monday morning. My agency is the Industrial Commission. Best case scenario, \$20,000 in savings, \$10,000 goes to the general fund. \$4,000 goes to the four field inspectors in that district. Two of them just have one year experience. Industry doesn't want them. Two of them have 29 years experience. I don't know if they should get a retention bonus or not. They obviously are the ones that are going to pick up the extra workload so they get a retention bonus. I have to split \$4,000 between two people that have 29 years experience. \$6,000 goes into an OMB pool for other agencies. We are already doing what the goals of this bill are at the Department of Mineral Resources. What this does is put into code a process that doesn't work for us at the Department of Mineral Resources.

There was no one neutral on this bill.

The hearing was closed.

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February 17, 2011
14693

☐ Conference Committee

Committee Clerk Signature

Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to the creation of a state employee compensation and retention bonus program

Minutes:

Chairman Bette Grande opened the committee work meeting on HB 1236. Amendments were handed out. **Attachments 1 and 2.** If you recall, this was to set up a separate fund with portions of the money off of positions that would not be filled. In that discussion Rep. Weiler has amendments he would like to offer, just kind of more so the clarification that he wasn't saying that this went on every single time there was a vacancy. It was only when it was determined that it wouldn't be filled. That is what the 1001 amendments do. In speaking with OMB they offered me this verbiage in the amendment listed as Rep. Boehning's proposal. It is just language for the agencies to have clarification in that go ahead, we would like you to look at and consider size of government and taxpayers' desire for maintenance of that. **Attachment 3** is information from OMB dealing with the different agencies, what the budget is as far as salary line, what type of expenditures they had in the previous biennium, and what they had for remaining monies in the accounts. That dollar amount on the bottom is not the amount we are probably talking about. These are probably in many cases positions that would be filled. It is just that it is taking a couple months to get them filled due either the demand on that particular position or what not.

Rep. Lisa Meier: Is the remaining balance turn back dollars?

Chairman Bette Grande: That is a good question. I am not sure if it is all turn back, or if they are able to retain that to hire.

Rep. Lisa Meier: If it is alright, I would like to check with Pam Sharp with OMB.

Chairman Bette Grande: We will have her come down later and address the questions.

Rep. Karen Rohr: Are you going to give her the questions in advance? I would like to see this translated into FTE.

Chairman Bette Grande: That is really totally going to vary because some of these positions that are left open, like the health department, they have some pretty high paying positions of specialties. This is all money.

Rep. Mark Sanford: That was my question too. I was assuming that there might be some fund balances in each of these just as normal operations. This is pretty significant. It is a large number of FTEs.

Rep. Lisa Meier: I see where Job Service actually had a remaining balance of \$4,791,766.44. Would some of that be federal dollars as well, because I know Job Service is tied into quite a bit of federal dollars as well?

Chairman Bette Grande: You are correct. Same with Game and Fish. It is special funds. It is not general fund.

Rep. Bill Amerman: In dealing with Job Service, all their administrative costs and everything come from federal dollars. Any premiums that employers pay have to go into the fund that pays out the benefits to the unemployed, but most of their administrative costs come from federal dollars. I know when the feds cut them about \$5 million some years back that is when they had to get rid of the toll free line and other things.

Chairman Bette Grande: One of the questions that will be asked is how do these lines match up in numbers of people.

Rep. Vicky Steiner: I have a concern when the oil and gas division director comes in and says that they need this system the way they have it, because I don't feel comfortable that I know enough about how this whole system works. I understand what Rep. Weiler is getting at and he is trying to implement a policy. I don't agree that they should use FTEs as operating dollars that they say well we need this person but I guess we are not going to fill it and we will take that money and use it for our program. I don't know if that is happening or if that is where you are trying to go with this to make sure they really scale back on your FTEs and really know where your people are at. We have such a need for the oil and gas division right now. When he said he didn't support the bill, it just gave me that red flag. I am not saying that I couldn't support it in the future. I have some questions I guess.

Chairman Bette Grande: In speaking with Mr. Helms afterwards and offering in the clarification what we are dealing with here is when the agencies came down in concern over this was that every time there was a vacancy whether it was for one month or seven months they had to kitty this and split it and do all that. That is not what Rep. Weiler was trying to get at. That is why the 1001 amendment comes in saying that is absolutely not what I am trying to say. What he said was when you have determined that you are not going to fill this position, this would be the next step. With Mr. Helms' situation we know he is not getting rid of positions. He needs to add positions and he has been very good at using the bonus programs that we have in place to work through that. We certainly would never want to get in the way of that because our bonus programs seem to work very well. That is why too OMB

wants to say we are going to use it as consideration for downsizing, not for that rollover money that you might need for retention or bonus signage positions.

BELOW IS THE CONTINUATION OF DISCUSSION ON THIS BILL LATER THE SAME DAY.

Chairman Bette Grande: The committee was looking at **Attachment 3**. As they look at this and they say the Governor's Office has a remaining \$218, 882, how many FTEs is that?

Pam Sharp, Director, Office of Management and Budget, came in to answer questions. They have about 20 FTEs.

Chairman Bette Grande: Of that remaining dollars you didn't have 20 positions open in the Governor's Office?

Pam Sharp: No. What that shows you is not necessarily all general fund dollars.

Chairman Bette Grande: We have Game and Fish in here. We have Job Service. We have different scenarios in here that we obviously know these are not general fund all the way up and down the line. When I see the Attorney General has 1.5 million sitting there as remaining in salary, then how many FTEs does that equal?

Pam Sharp: I could not tell you how many that equals. In the Attorney General's office they have a big combination of general fund dollars, special fund dollars, and federal dollars. Most of their attorneys are paid with special fund dollars because their services are billed to other agencies and then agencies pay them. It probably is not unusual for them to have more authority than they actually use. It would be probably bits and pieces of different positions. One position might have been left open, maybe it took five months to fill that position.

Rep. Lisa Meier: Are these turn back dollars then? Do these dollars then go back to OMB after the biennium is over with?

Pam Sharp: If they are general fund dollars, they just remain in the general fund. If it is federal fund authority, we can only spend federal funds through reimbursement. The same with special funds like Game and Fish. That doesn't go back to the general fund, but in the case of Game and Fish the authority just goes away but whatever cash they didn't spend just remains in their fund.

Rep. Lisa Meier: That probably explains why Job Service has a fund over \$4 million because a lot of that is probably federal.

Pam Sharp: That is absolutely correct. Job Service is all federal funds. They probably just had more authority than money. It is unspent federal fund authority.

Chairman Bette Grande: At the end of the biennium those dollars disappear?

Pam Sharp: Yes, they just disappear.

Rep. Lisa Meier: How does it work then? You have an employee that retires and that employee has worked for the state for 30 some years and probably hasn't used four months of vacation or sick leave then the amount of time that employee has incurred is paid out of this fund. Correct?

Pam Sharp: That is correct. They are entitled to get paid their accumulated annual leave they have not used and 10% of their sick leave. That just gets paid out of their salary line.

Rep. Lisa Meier: If this fund would go away then, what would be the source?

Pam Sharp: There would be no source because we don't budget. We don't give agencies extra money in anticipation of paying out annual leave or sick leave.

Chairman Bette Grande: Remember this fund doesn't go away. According to the Weiler amendment that money doesn't have to go into this special fund. That money goes out as normal. It would only go on if they determine they were never going to fill that position, but they could pay that out, do what they have to do for that employee, and then if they don't fill a position, then they start that fund.

Rep. Lisa Meier: Although that agency would have to predetermine then how many individuals would be retiring in the next biennium in order to hold back some of those funds to pay that out?

Chairman Bette Grande: You are saying that some of those positions are going to be terminated?

Rep. Lisa Meier: Not terminated. Let's say if an employee is considering retirement they would have to be predetermined as going to be retired...

Pam Sharp: I think I see what you are getting at. You can't actually predetermine. You can't just come right out to someone and say when are you going to retire? You do have to kind of anticipate that you might have some of that movement and that is why agencies have to manage their salary line. I know in this bill what Rep. Grande says is true. If they don't say we are never going to fill this position again, that money stays in the salary line and it is available to them.

Vice Chairman Randy Boehning: In these remaining dollars like say for Job Service where we get reimbursed from the federal government, does that take care of their retirement benefits and health insurance or is that something we take care of?

Pam Sharp: Job Service is kind of a unique agency in that they are fully funded by federal funds so that pays for all of their health insurance, retirement benefits, their everything. There is no general fund dollars at all.

Vice Chairman Randy Boehning: Same thing with the Attorney General's? Whatever they would bill the other agencies that amount would include their benefits at a certain rate. Correct?

Pam Sharp: The Attorney General's office when they bill agencies and put it into their special fund and they use that to pay their attorneys or employees that are non general funded, those special funds pay for everything that one would include in a salary line, insurance, FICA, health, retirement.

Rep. Roscoe Streyle: In your budget it looks like you had about 8% left in this biennium. How many positions did you have open at that time?

Pam Sharp: We may have had three positions open. Two of those would have been in our central duplicating office and they are special funds. In the print shop it is all special funds because they bill for services and then they run it like a business and then pay their employees. There was one position in fiscal management. The two positions in central duplicating we are reclassifying those and we are going to use those for the new positions that the Heritage Center requires for building maintenance and for janitorial. The one position that was in fiscal we are turning that back. That would be an example of in this bill if you determine you are never going to fill that position. We have determined we are never going to fill that position.

Rep. Roscoe Streyle: With that 1.2 million, 1.3 million there's three positions, and then how much was turned back that biennium? That seems like a lot.

Pam Sharp: That is all in our salary line, not just for those three positions but it would account for every time we have a vacancy and then need to fill that vacancy, the length of time that position was not filled. It usually takes a few months.

Chairman Bette Grande: In Section 3, Part B, 20% of savings may be used by the agency or branch to provide retention bonuses to employees of that agency or branch is how that new language would read. On Page 2, Line 1, replace the or with and. Then remove from there that has not filled a vacant position during the biennium. The allocated funds may be used subject to the limits of the legislative appropriation to that agency or branch to provide retention bonuses to the employees is the only language that stands then after that. Committee, have you read the new Section 2 language?

Rep. Roscoe Streyle: I move the Weiler amendment (1001).

Rep. Karen Rohr seconded the motion.

Rep. Lisa Meier: I still don't see in the amendment where it states there would be extra funds left in that ending budget so just in case a state employee would retire and have additional let's say three to four months of accrued sick leave how that would be paid out.

Vice Chairman Randy Boehning: At the end of the biennium you know you have somebody in your department that is retiring you would take that money out of the ending fund remaining balance and the remaining balance after everything is paid out could be divided up or given back or rolled up or whatever they want to do with it.

Chairman Bette Grande: Ms. Sharp, that's policy, correct?

Pam Sharp: Yes.

A voice vote was taken to adopt the amendments. Motion carried.

Chairman Bette Grande: We have another set of amendments. That deals with filling vacancies at state agencies and institutions. We will call it amendment 2. Do you think we need the wording on here.

Rep. Roscoe Streyle: I don't think it really does much. You probably think you are reducing the size of government when you are making your hiring decisions.

Chairman Bette Grande: I actually believe that is our policy of the state agencies. I trust our agencies to be doing the proper thing. I don't know if we need a policy statement in there.

Rep. Mark Sanford: We have a Hay study going on and there is going to be a compensation system that is going to be put in place. I am wondering how that entire bill fits into that.

Chairman Bette Grande: Very good point. We will have no motion on amendment 2.

Rep. Roscoe Streyle moved a Do Pass as amended.

Rep. Karen Rohr seconded the motion.

Rep. Lonny Winrich: I will oppose this bill. I don't know vice president of BSC, but we heard from Ms. Sharp, Chancellor Goetz, and Lynn Helms, who I believe are probably three of the most respected executives that we deal with in the legislature, in testimony essentially say we already do this. As Rep. Streyle said it really doesn't do much except to create some more hurdles for our administrators to jump through. I don't think it is worth passing.

Chairman Bette Grande: I appreciate the fact that Rep. Weiler was looking in this direction and I understand where he is going, but I am personally in agreement with Rep. Sanford. With the Hay Group we are meeting in a couple weeks and starting that whole process. I feel as though I want to wait until we have a full feel of what direction we are trying to move with that before we carve out different things. I think we have a good bonus program and a way to administer that in place. It seems to be working well.

Rep. Roscoe Streytle withdrew his motion. Take note. That is a very good point you just made.

Rep. Karen Rohr withdrew her second.

Rep. Gary Paur: I appreciate from Rep. Winrich and you on your opinions. Before hearing your comments I was going to vote against it. I noticed in this unspent salary line appropriation the one with the largest amount is Job Service. The people that are the experts at getting jobs have the biggest amount.

Pam Sharp: With Job Service they have been under the unique circumstance that over the last ten years their federal funds have been cut drastically. When the budget was done two years ago, they estimated more federal funds than actually happened. It was just federal funds that actually didn't materialize.

Rep. Karen Rohr: If I am understanding the Hay Group proposal correctly, that is addressing bonus for performance that is over and above the expectation of proficiency level of an existing job classification. What we are dealing with here are FTEs that are continued open in particular departments.

Chairman Bette Grande: The Hay Group is looking at salary lines and compensation packages of which the bonus programs are a part of compensation in the fact that we use them for retention. I think that kind of falls into that realm. It doesn't get counted in your compensation in retirement type of thing, but it falls into that whole scope of things.

Vice Chairman Randy Boehning: Looking at Job Service we work with a biennial budget. How does it work with the federal government? How do we coincide with them?

Pam Sharp: When they put their budget together, they have to just use their best estimate of the amount of federal funds that they anticipate getting. Some of their money that they get from the feds is for more than one year.

Rep. Lonny Winrich made a motion for a **Do not pass as amended**.

Rep. Lisa Meier seconded the motion.

DO NOT PASS AS AMENDED, 10 YEAS, 3 NAYS. Rep. Lonny Winrich is the carrier.

FISCAL NOTE

Requested by Legislative Council
01/11/2011

Bill/Resolution No.: HB 1236

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1236 provides that 50% of general funds for vacant positions would be deposited (turned back) to the general fund. It is indeterminable as to how much it would be as it depends on how many positions are left vacant.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1236 potentially eliminates agencies' ability to pay out leave when employees leave/retire. Agencies are not provided funding for leave payouts. About \$2 million of general fund dollars will be paid out in current biennium for annual/sick leave.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	01/14/2011

FISCAL NOTE

Requested by Legislative Council
01/11/2011

Bill/Resolution No.: HB 1236

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1236 could take away agencies' ability to pay annual/sick leave when employees retire or leave. Agencies are not provided funding for leave payouts; have to find money within the salary line. About \$2 million of general fund dollars will be paid out in current biennium for annual/sick leave.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Pam Sharp	Agency:	OMB
Phone Number:	328-4606	Date Prepared:	01/14/2011

V/R
2/17/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1236

Page 1, line 21, remove "that assume additional duties or responsibilities"

Page 1, line 22, replace "due to not filling the vacancy" with "of that agency or branch"

Page 2, line 1, replace "or" with "and"

Page 2, line 1, remove "that has not filled a vacant position during the"

Page 2, line 2, remove "biennium"

Page 2, line 4, remove "that assume additional duties or responsibilities due to not filling a"

Page 2, line 5, remove "vacant position"

Renumber accordingly

Date: 2-17-11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1236

House GOVERNMENT AND VETERAN AFFAIRS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0314.0001

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Streyle Seconded By Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande			Bill Amerman		
Vice Chairman Randy Boehning			Ron Guggisberg		
Glen Froseth			Lonny Winrich		
Karen Karls					
Lisa Meier					
Gary Paur					
Karen Rohr					
Mark Sanford					
Vicky Steiner					
Roscoe Streyle					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice Vote
to adopt
amendment
motion.
Carried*

Date: 2-17-11
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1236

House GOVERNMENT AND VETERAN AFFAIRS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande			Bill Amerman		
Vice Chairman Randy Boehning			Ron Guggisberg		
Glen Froseth			Lonny Winrich		
Karen Karls					
Lisa Meier					
Gary Paur					
Karen Rohr					
Mark Sanford					
Vicky Steiner					
Roscoe Streyle					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*no motion
was taken on
Amendment 2*

Date: 2-17-11
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1236

House GOVERNMENT AND VETERAN AFFAIRS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Refer to Appropriations ☐ Reconsider

Motion Made By Streyle Seconded By Rohr

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande			Bill Amerman		
Vice Chairman Randy Boehning			Ron Guggisberg		
Glen Froseth			Lonny Winrich		
Karen Karls					
Lisa Meier					
Gary Paur					
Karen Rohr					
Mark Sanford					
Vicky Steiner					
Roscoe Streyle					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

*both
withdrawn
motions*

Date: 2-17-11
Roll Call Vote #: #

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1236

House GOVERNMENT AND VETERAN AFFAIRS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☒ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Winrich Seconded By Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Bette Grande	✓		Bill Amerman	✓	
Vice Chairman Randy Boehning		✓	Ron Guggisberg	✓	
Glen Froseth	✓		Lonny Winrich	✓	
Karen Karls	✓				
Lisa Meier	✓				
Gary Paur	✓				
Karen Rohr		✓			
Mark Sanford	✓				
Vicky Steiner	✓				
Roscoe Streyle		✓			

Total (Yes) 10 No 3

Absent 0

Floor Assignment Winrich

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

REPORT OF STANDING COMMITTEE

HB 1236: Government and Veterans Affairs Committee (Rep. Grande, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO NOT PASS (10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1236 was
placed on the Sixth order on the calendar.

Page 1, line 21, remove "that assume additional duties or responsibilities"

Page 1, line 22, replace "due to not filling the vacancy" with "of that agency or branch"

Page 2, line 1, replace "or" with "and"

Page 2, line 1, remove "that has not filled a vacant position during the"

Page 2, line 2, remove "biennium"

Page 2, line 4, remove "that assume additional duties or responsibilities due to not filling a"

Page 2, line 5, remove "vacant position"

Renumber accordingly

2011 TESTIMONY

HB 1236

HB 1236
GOVERNMENT AND VETERAN'S AFFAIRS COMMITTEE

Pam Sharp, Director
Office of Management and Budget
February 3, 2011

I am appearing before you in opposition to House Bill 1236.

My main objection to this bill is that it takes away the ability of agencies to appropriately administer their agency's payroll and their agency. An agency's salary line is determined by the amount of salary required for each position in the agency. If no one ever left or retired, that salary line amount would be perfect. However, some amount of turnover in every agency is inevitable. When a person quits their job or retires, the agency is required to pay out all that person's annual leave. If a person retires and has ten years of consecutive service, that person is also entitled to a payout of 10 percent of their sick leave. Agencies are not appropriated any funding for these leave payouts, yet they are required to make the payments. The only place that funding can come from is from roll up dollars in the salary line. In the current biennium, about \$2 million in general fund dollars will be paid out in annual and sick leave.

When a state employee leaves their position, agencies already take that opportunity to determine if the position should be filled, if the position should be reclassified to meet another need in the agency, if the position's duties can be split up among others. That is part of managing an agency. Agencies administrators need to have that flexibility to appropriately manage their agencies.

In addition, North Dakota Century code provides authority for agencies to give out performance bonuses as well as retention and recruitment bonuses. No funding is provided for these bonuses, rather agencies must use funding already existing within the salary line. If this bill is passed, the authority would still remain for those bonuses, however, the possibility of any agency being able to give them would be remote because funding would never be available.

This bill contains other items that are either duplicative or problematic and I would like to address those.

The first paragraph establishes an employee compensation and retention committee for each agency. While not officially called this, I believe that each and every agency already does this, just not in a formal committee setting. In addition, there is a Hiring Council chaired by the Lt. Governor that exists by executive order and requires cabinet level agencies and other agencies with classified employees to request, justify, and receive approval for the filling of vacant positions. The Hiring Council meets every month.

Paragraph #3 requires that fifty percent of the savings must be deposited in the general fund. In reality, this would be considered turn-back rather than a deposit, since the general fund money is already in the fund.

Twenty percent of the savings would be able to be used by the agency to provide retention bonuses for employees to assume additional duties or responsibilities due to not filling the vacancy. It would be more appropriate to give an employee a permanent workload/responsibility increase if duties have been increased when a position is left vacant rather than a retention bonus.

Thirty percent of the savings would be deposited (appropriation authority would need to be transferred instead) in a special account at OMB and then OMB would make allocations of these funds to other agencies that have not filled a vacant position during the biennium. The funds then are to be used for retention bonuses.

My concern for a special account to be created within OMB to distribute the general fund dollars from vacant positions is that OMB would have no basis for determining how much funds to distribute to which agencies. In addition, it would not make sense to distribute unused general fund dollars to special or federal funded agencies.

State agencies and higher education submit 74 budgets to the Office of Management and Budget. Of these 74 agencies, 13 agencies have no general funds whatsoever; 10 agencies are all general funds; and 51 agencies have a mix of general funds and non-general funds. Of the 74 agencies, 20 agencies are under the control of the Board of Higher Education.

I believe this bill is not workable and hinders the administration of state agencies.

Attachment 2
1236

North Dakota University System
HB 1236 – House Government & Veteran Affairs
Thursday, February 3, 2011
William Goetz, Chancellor

Good morning Madam Chair and members of the House Government & Veteran Affairs Committee. For the record, my name is William Goetz, Chancellor, North Dakota University System.

The NDUS agrees that a review of vacant positions is important. All NDUS campuses currently have processes in place for review of vacant positions as outlined below. Most require senior level approval before a vacant position can be filled. Vacant positions are reviewed prior to filling to determine: 1.) whether a change in job duties is necessary; 2.) the position should be shifted to another part of the organization; or, 3.) whether the position should be eliminated, with savings reallocated for other purposes, including possibly addressing tuition revenue shortfalls. (It should be kept in mind that the campuses do not ask for additional state funds during the course of the biennium when their revenues do not materialize as anticipated. Campuses need to make operating adjustments, including leaving positions vacant or eliminating them so they are able to operate within the financial resources available.)

Vacancy savings generally revert back to the campus for institutional needs and priorities, including the following:

- ✓ Hire adjunct faculty or temporary staff to meet the teaching and service needs created by the vacancy. Instruction must continue.
- ✓ Recruitment costs (advertising, travel, etc.)
- ✓ Pay-out of annual and sick leave accruals for resigning employees, as these are not separately funded.
- ✓ Often times to recruit at current market pay rate levels, the new position must be hired at a higher pay rate than the former employee. Some of the savings are used to assist with that additional cost.
- ✓ Overload or one-time pay adjustments for existing staff who may need to pick up additional work during the term of the vacancy.
- ✓ Leaving positions vacant may be required to address institutional revenue shortfalls.
- ✓ Positions may be vacant in anticipation of new or additional grant funding.
- ✓ If position is permanently eliminated, funds are reallocated for other institutional priorities including salary adjustments for permanent staff.

While bonus flexibility is helpful, increasing base pay to market competitive rates is most important in recruiting and retaining high quality faculty and staff. The NDUS employee exit surveys have consistently identified low salary as the major factor influencing employees' decision to leave.

NDUS - Current Vacant Position Review Process, January 2011

	Description of Current Process	Final Authority	Savings/Realized Managed at	How Long has Process been in Place	Results
BSC	Departmental supervisor, along with HR, reviews: job description, seeks input from other departmental employees, and exit interview with departing employee to look for opportunities for restructuring position	Supervisor, in consultation with their immediate supervisor, possibly higher authority	Departmental/ campus level	8+ years	Improve efficiencies, productivity and effectiveness of positions
LRSC	Reviewed by the President's Council	President	Campus level	20+ years	Address critical needs
WSC	Department must review vacant position with Executive Cabinet (Pres., VP's, HR, etc.)	President	Generally, retained at departmental level	1.5 years	Savings used for the benefit of the department
UND	For staff positions, vacancies reviewed by the appropriate VP; for faculty the departmental request is reviewed by the Dean and VP for Academic Affairs and Affirmative Action office	Vice President	Generally, retained at the departmental level, but may revert to the campus at year end	Long term	Vice Presidents are able to consider priorities, funding and need
UND SOMHS	For staff positions are reviewed by the Associate Dean of Administration and Finance, and by the Dean as needed; for faculty positions vacancies are requested by the Chairs and reviewed by the Associate Deans and ultimately the Dean of the SOMHS; grant funded positions are reviewed by grant administrator and the SOMHS	VP and/or SOMHS Dean	SOMHS	Long term	Address critical needs
NDSU	Review includes	President	Campus level	Since Dec. 2010	Meet strategic

	Description of Current Process	Final Authority	Savings Realized Managed at	How Long has Process been in Place	Results
	Dean/Director, Vice President, Budget Office and ultimately President			(Slightly different process in place prior	needs as outlined by the president
NDSCS	All vacant positions reviewed by President or V. Pres before being filled	President or Vice President	Campus level	10+ years	Effective and efficient use of resources
DSU	VP/Director reviews vacant position with VP for Business Affairs	President	Department, ultimately the campus	10+ years	Shift resources to address current needs
MASU	Position vacancies must be reviewed and approved by the V. President's, HR, and President	President's Cabinet	Campus level	5 years	Able to address changing institutional priorities and needs
MISU	Faculty and staff vacancies are reviewed by the VP and President		Departmental, and ultimately campus level	7+ years	Address critical needs
VCSU	Staff positions reviewed by Pres/VP's; for faculty positions first reviewed with VP for Academic Affairs, and if want to fill position, reviewed with Pres/VP's	President	Retained at campus level	10+ years	Address critical needs
DCB	Campus Dean, Associate Dean, and Dir. Of Financial Affairs meet to review if position needed; or if change in duties is needed	Campus Dean	Retained at campus level, to address salary and wage issues	20+ years	Used for additional salary increases, address S&W funding shortfalls resulting from tuition shortfall, additional adjunct faculty or part-time staff positions
NDUS Office	Supervisor reviews position, including changing job duties, and submits proposal to appropriate VC or Chancellor	Chancellor	Office level	20+ years	Allows for shifting positions and duties based on changing needs

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Attachment 3
1236

Bismarck State College
North Dakota House Bill No. 1236
Testimony to the House Government & Veterans Affairs

Dave Clark
Executive Vice President, Bismarck State College
February 3, 2011

Madam Chairman Grande and members of the Government & Veterans Affairs Committee, my name is Dave Clark. I am the Executive Vice President at Bismarck State College and am here in opposition of HB 1236.

As a member of the North Dakota University System, Bismarck State College and all the other NDUS campuses are currently authorized to utilize salary savings from vacant positions in the manner that best represents the needs of individual campuses. This bill would take away from our ability to manage campus budgets to best meet the needs of our students and constituents.

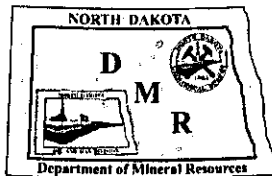
At BSC we already have a process to review vacancies and to determine the best allocation of funds resulting from a vacancy. After such a review, if a vacant position is not filled, we may decide to allocate those funds elsewhere on campus to meet student and campus needs. But by requiring those funds to come back to the general fund, this bill results in a loss of operational revenues to our campuses. For many of the campuses, approval of this bill eliminates one of the key actions we can take to manage our budget.

BSC established an employee recruitment and retention plan in 2009. Our campus objective is to increase employee retention and it's working. Our employee turnover rate has declined at BSC from 12.9% in 2008 to 7.4% in 2010. We think a big part of that is related to the action the Legislative took in 2009 to provide 5% salary increases for state and NDUS employees. These base level salary increases are the most critical component in retaining our employees and improving employee retention. It would be our opinion that a retention bonus program would have minimal impact on retention at BSC. We are better served by maximizing base level compensation increases for our employees.

As I already mentioned, BSC does have an internal process that's utilized when a vacancy occurs. It's primarily driven by our Human Resources department, which works with the supervisor of the position that becomes vacant. We have on occasion used a vacancy review process with the specific purpose to accrue savings due to a tuition revenue shortfall. This action was necessary in order to balance the budget. In our case we have not needed to do that very often due to conservative budgeting and growing enrollments at BSC. That probably isn't the case at other campuses, so this bill would make it problematic if a campus is dealing with a tuition shortfall and the savings from vacancies can't be dedicated to balancing the budget.

In other years, we have eliminated administrative positions and reallocated these savings to high priority areas of our operation. These types of managerial decisions and actions are vital to effectively deal with varying financial situations and to allow us to do what's in the best interest of our students.

Thank you for this opportunity and I'd be happy to answer any question you may have.



Attachment 4
1236

HOUSE BILL NO. 1236

House Government and Veteran Affairs
February 3, 2011

Testimony of Lynn D. Helms, Director

The Industrial Commission's Department of Mineral Resources is currently authorized for 56 full time equivalent positions. Approximately 70% of those positions require unique skills and are difficult to fill. They are eligible for recruitment and retention bonuses due to factors such as demand exceeding supply, very strong competition, being a key employee, and the department running a risk of losing an incumbent with rare skills. Our Retention and Recruitment Bonus Program is funded through the wage and salary line-item of the Industrial Commission Oil & Gas Division and Geological Survey budgets.

The department has used savings from temporary position vacancies for recruitment and retention bonuses. This process has reduced the average field inspector vacancy time from over 2 years to less than 4 months and the loss of experienced staff to the booming oil and gas industry to $\frac{1}{4}$ what it was in the 2007-2009 biennium.

This bill eliminates the use of vacancy savings for recruitment, severely limits and pools salary savings for use only to retain the co-workers of vacant positions that are not filled, and creates a burdensome decision making process to carry out the whole program.

Representative Boehning's Proposed Amendments to HB 1236

Attachment
1236

Page 1, line 3, after "program" insert "; and to create and enact a new section to chapter 54-06 of the North Dakota Century Code, relating to filling vacancies at state agencies and institutions"

Page 2, after line 8, insert:

"**SECTION 2.** A new section to chapter 54-06 of the North Dakota Century Code is created and enacted as follows:

Filling vacancies at state agencies and institutions. The head of each state agency, including agencies within the legislative and judicial branches of state government and institutions under the authority of the state board of higher education, shall take into consideration the overall size of state government and the taxpayers' desire to maintain or reduce the size of state government when reviewing the necessity of filling a vacant position."

Renumber accordingly

11.0314.01001
Title.

Prepared by the Legislative Council staff for
Representative Weiler
February 2, 2011

Attachment
2
1236

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1236

Page 1, line 21, remove "that assume additional duties or responsibilities"

Page 1, line 22, replace "due to not filling the vacancy" with "of that agency or branch"

Page 2, line 1, replace "or" with "and"

Page 2, line 1, remove "that has not filled a vacant position during the"

Page 2, line 2, remove "biennium"

Page 2, line 4, remove "that assume additional duties or responsibilities due to not filling a"

Page 2, line 5, remove "vacant position"

Renumber accordingly

2007-09 Biennium Unspent Salary Line Appropriation - Total Funds

Business Unit	Class	Budget	Expenditures	Remaining
10100 Governor's Office	10110 Salaries and Wages	2,589,735.00	2,370,852.64	218,882.36
10800 Secretary of State	10810 Salaries and Wages	2,716,079.00	2,691,506.15	24,572.85
11000 Office of Management & Budget	11010 Salaries and Wages	15,326,434.00	14,053,240.55	1,273,193.45
11200 Information Technology Dept	11210 Salaries and Wages	37,813,585.00	34,573,534.34	3,240,050.66
11700 State Auditor's Office	11710 Salaries and Wages	7,404,330.00	6,815,515.18	588,814.82
12000 State Treasurer	12010 Salaries and Wages	826,071.00	797,119.35	28,951.65
12500 Attorney General	12510 Salaries and Wages	22,695,899.00	21,184,402.64	1,511,496.36
12700 State Tax Commissioner	12710 Salaries and Wages	14,907,294.00	14,117,376.57	789,917.43
14000 Administrative Hearing	14010 Salaries and Wages	1,272,282.00	1,044,510.18	227,771.82
15000 Legislative Assembly	15010 Salaries and Wages	7,066,607.46	7,050,217.26	16,390.20
16000 Legislative Council	16010 Salaries and Wages	6,082,420.30	5,435,414.50	647,005.80
18000 Courts	18110 Salaries and Wages	7,071,605.00	6,991,176.54	80,428.46
18000 Courts	18210 Salaries and Wages	41,452,619.00	41,303,276.27	149,342.73
19000 Retirement & Investment Office	19010 Salaries and Wages	2,353,137.00	2,215,080.29	138,056.71
19200 Public Employees' Rtrmt Systm	19210 Salaries and Wages	3,776,271.00	3,685,561.56	90,709.44
20100 Public Instruction	20110 Salaries & Wages	11,814,875.00	10,631,984.50	1,182,890.50
22600 Land Commission	22610 Salaries and Wages	2,510,208.00	2,413,590.78	96,617.22
25000 Library Commission	25010 Salaries and Wages	2,746,240.00	2,697,333.76	48,906.24
25200 School for the Deaf	25210 Salaries and Wages	4,662,873.00	4,620,779.64	42,093.36
25300 School for the Blind	25310 Salaries and Wages	2,992,531.00	2,840,718.72	151,812.28
27000 Vocational Education	27010 Salaries and Wages	3,595,096.00	3,272,855.28	322,240.72
30100 Health Department	30110 Salaries and Wages	38,336,135.00	37,191,206.39	1,144,928.61
31300 ND Veterans' Home	31310 Salaries and Wages	8,730,362.00	8,708,797.77	21,564.23
31600 Indian Affairs Commission	31610 Salaries and Wages	485,699.00	460,736.01	24,962.99
32500 Human Services	32510 Salaries and Wages	50,814,093.00	49,208,363.05	1,605,729.95
38000 Job Service	38010 Salaries and Wages	33,579,479.00	28,787,712.56	4,791,766.44
40100 Insurance Commissioner	40110 Salaries and Wages	5,813,730.00	4,910,000.15	903,729.85
40500 Industrial Commission	40510 Salaries and Wages	7,154,867.00	7,117,553.85	37,313.15
40600 Labor Commissioner	40610 Salaries and Wages	1,252,393.00	1,227,432.20	24,960.80
40800 Public Service Commission	40810 Salaries and Wages	5,701,864.00	5,504,288.86	197,575.14
41200 Aeronautics Commission	41210 Salaries and Wages	808,780.00	529,797.43	278,982.57
41300 Banking & Financial Institutio	41310 Salaries and Wages	4,106,988.00	3,843,008.35	263,979.65
41400 Securities Commissioner	41410 Salaries and Wages	1,270,283.00	1,233,759.29	36,523.71
54000 Adjutant General	54010 Salaries and Wages	12,295,457.00	12,014,666.11	280,790.89
60100 Department of Commerce	60110 Salaries and Wages	8,826,879.00	8,474,760.91	352,118.09
60200 Department of Agriculture	60210 Salaries and Wages	7,173,949.00	6,500,291.74	673,657.26
70100 State Historical Society	70110 Salaries and Wages	7,370,720.00	6,877,593.24	493,126.76
70900 Council on the Arts	70910 Salaries and Wages	620,225.00	617,697.53	2,527.47
72000 Game & Fish	72010 Salaries & Wages	19,205,469.00	18,567,043.55	638,425.45
80100 Department of Transportation	80110 Salaries and Wages	127,994,185.00	127,783,770.09	210,414.91
Totals		543,217,748.76	520,364,525.78	22,853,222.98

Attachment
3
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Attachment
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