

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

Chairman Heinert and members of the House Education Committee, for the record my name is Eric Murphy, representative from District 43, Grand Forks.

This bill was previously voted a do pass by this committee in a 13-1 vote. But this morning we find ourselves in a new hearing, certainly a departure from normal legislative processes.

Today I present an amended bill that requires institutions under the control of the State Board of Higher Education (SBHE) to quantify newly created and vacant positions on December 1st of an even numbered year and to place funds in a central funding pool designated for funding salaries and benefits for these open positions in the subsequent year. Upon demonstration of need, the funding for a given position is released from this pool by the institution. These funds can be released for either a permanent or temporary hire.

The SBHE shall report to each regular meeting of the budget section regarding salaries and wages, position information, and operational uses of funding if applicable. This includes the amount of funds transferred from the pool, information on vacant full-time equivalent positions, including dates when the positions were vacated and filled, and as noted, operational use of funds.

Working with a higher educational institution in a community of >50,000 people, this amended bill was produced to accomplish the following:

- 1) Enhance the transparency on position needs and hiring of individuals into full time equivalent positions.
- 2) Requiring yearly advanced planning for the hiring of individuals and a report of open positions to the Budget Section of the Legislature.
- 3) Allow flexibility to use funds designated for salaries and benefits for operations if needed.
- 4) Requires reporting on the use of funds for operations to the Budget Section.
- 5) Preserves the State Board of Higher Education as the reporter of each institution's use of funds quarterly, this is consistent with the ND Constitution required control of institutions by the SBHE.
- 6) Permits monitoring of expenditures by the Budget Section, enhancing oversight of financial expenditures from this pool.
- 7) Each institution determines how much of their general funds are placed into this pool to meet funding of newly created and vacated positions noted as of 1 December of each year.

- 8) Eliminates the Office of Management and Budget control of the pool, maintaining the autonomy of the institution to control and report its use of funds from this pool to the SBHE.
- 9) Recognizes that the funding of institutions with general funds is different for each institution, but separates funds generated from tuition, housing, dining, fees, and other sources from general funds allocated by the legislature using the higher education formula.
- 10) This bill is structured to speed up the hiring of newly created and vacated positions in a timely manner to serve students.

This overall thrust of this bill has not materially changed, but the amended bill establishes a central fund designated for hiring to fill new and vacated positions with the SBHE reporting to the budget section fund expenditures from this pool by each institution. By requiring the preplanning of new positions and listing of vacated positions, this will provide more transparency for the Budget Section on each institution's progress in hiring to fill positions funded by this pool as well as use for operations as needed.

This bill is much more suitable as amended and I request a do pass vote.