

TESTIMONY OF

**Molly Herrington, Chief People Officer, Human Resource Management Services**

Good morning, Chairman Roers and committee members. My name is Molly Herrington, Chief People Officer and Director of Human Resource Management Services (HRMS) Division of the Office of Management and Budget (OMB). OMB supports HB 1170.

HB 1170 is a bill with the potential to enhance our recruitment tools for the state by offering new hires limited leave as they work on accruing their standard annual and sick leave. This legislation addresses recruitment challenges, particularly in hard-to-fill positions related to their access to leave.

This bill would help address recruiting challenges in the following two ways:

- Grants new employees 40 hours of new hire leave upon hire to be used within the first year of employment. This is a positive step toward ensuring that workers can manage their personal health and well-being early in their employment. This initiative supports employee engagement and productivity, which ultimately benefits the entire organization. By allowing employees to utilize this time within their first year, the bill provides a safety net during the critical early stages of employment. This leave expires after the first year of employment.
- Gives agencies the ability to offer modified accrual of leave for hard-to-fill positions as defined by Section 54-06-31(5). This would provide agencies with a valuable tool to attract and retain talent in crucial sectors where workforce shortages are most prevalent.

The two recruiting tools discussed in this bill are fairly standard practice in the private sector. We've researched multiple North Dakota employers and have found that several of them offer something similar to new hire leave and they have the option to negotiate starting leave accrual upon hire. The federal government also allows for flexibility to provide "service credit" for the purpose of determining annual leave accrual rates for new employees qualifying non-federal service or a retired member of active-duty uniformed service.

For your reference, I've also included the state's benefit summary. In that document you will find current leave accrual schedules for both annual leave and sick leave. Please note, the total team member count includes Higher Education.

In conclusion, I believe this legislation will help create a more uniform and supportive work environment across state agencies. It will enhance employee retention, foster job satisfaction,

and address the ongoing challenges in recruitment. I strongly encourage the committee to support this bill, which will ultimately benefit both the state and its employees.

Thank you for your consideration. Chairman Roers and committee members, this concludes my testimony. I would stand for any questions.



# NORTH Dakota

Be Legendary.

TEAM ND

Benefits & Extras

## Team ND

There are over  
**18,000**  
members of  
Team ND

There are over  
**70**  
individual  
state agencies

There are over  
**100**  
Team ND  
career openings

Team ND is comprised of two primary position types:

- Classified employees are covered under ND's classified state employees (civil service) and are subject to Administrative Rules adopted by the Human Resource Management Services (HRMS) division of the Office of Management and Budget (OMB). The rules guide equitable pay, open competitive selection, and protection from arbitrary personnel actions and are designed to provide consistent employment conditions. There are about 7,400 state employees in positions classified by HRMS. Newly hired or reinstated employees in classified positions must serve a probationary period of at least six months prior to obtaining "regular" status.
- Unclassified employees do not have employment rights under HRMS. The terms and conditions of employment are at-will and vary by agency, category of employee, or by individual employee. There are about 2,200 employees in appointed, elected, temporary or otherwise designated as "unclassified" positions.

NOTE: Employees of the North Dakota University System are covered by and subject to the policies adopted by the State Board of Higher Education. There are about 9,100 employees in the University System.

## EMPLOYEE BENEFITS

The state of North Dakota is proud to provide a comprehensive benefits package to all regular state team members. Many of the benefits are available at no cost, while some are available at a cost if team members wish to participate.

The primary benefit offerings are summarized here, along with the legal authority for each. Annual, sick, holiday and funeral leave is prorated for part-time team members.

### ANNUAL LEAVE (NDAC 4-07-12)

Team members begin to accrue annual leave from the first day of hire. Annual leave must be earned before it can be taken. An employee can carry over a maximum of 240 hours of accrued annual leave beyond April 30 of each year.

Full-time employees accrue annual leave monthly based on the following schedule:

Years of Service	Hours/Mo. of Leave	Days/Year of Leave
0-3	8	12
4-7	10	15
8-12	12	18
13-18	14	21
Over 18	16	24

## Team ND

Accrue  
**12**  
days of sick  
leave annually

A portion of accrued  
sick leave may be used  
to care for eligible  
family members

Accrue  
**12**  
vacation days during  
first year of service

Earn  
**\$250**  
per year through  
wellness activities

### SICK LEAVE (NDAC 4-07-13)

Full-time team members begin to earn eight hours of sick leave each month with no maximum accumulations from the first day of employment.

Sick leave must be earned before it can be taken. Team members may use accrued sick leave when ill or in need of medical care or to care for an eligible family member.

### LEAVE SHARING PROGRAM (NDCC 54-06-14.4)

Team members may be eligible to give or receive donations of annual or sick leave in case of severe illness, injury, impairment, or physical or mental condition, if the team member has exhausted all available accrued leave. Additional information on donating and requesting leave in PeopleSoft, Employee Self-Service.

### FUNERAL LEAVE (NDAC 4-07-14)

Funeral leave is an approved leave of absence with pay for up to 24 working hours to attend, or make arrangements for, a funeral as a result of a death in the team member's family or in the family of an employee's spouse.

### MILITARY LEAVE (NDCC 37-01-25)

Team members who are members of the National Guard or Armed Forces Reserve subject to call to service by the U.S. president, or are volunteers for service when ordered by proper authority to active non-civilian employment, are entitled to a leave of absence from such civil service for the period of such active service without loss of status or efficiency rating.

### FAMILY & MEDICAL LEAVE (NDCC 54-52.4)

Team members that qualify are eligible for family and medical leave under the state and federal Family and Medical Leave Acts (FMLA) if they have been employed with the state of North Dakota for at least 12 months and have worked at least 1,250 hours during the previous 12-months.

### HOLIDAY PAY (NDCC 1-03-01, NDAC 4-07-07)

Regular and probationary team members receive 10 paid holidays per year. State offices close at noon on Christmas Eve day when it falls on Monday through Thursday. A holiday occurring on Saturday or Sunday is observed the preceding Friday or succeeding Monday (does not apply to Christmas Eve office closure).

### EMPLOYEE ASSISTANCE PROGRAM

Provides short-term counseling services to assist employees and eligible dependents in dealing with alcoholism, drug abuse and personal problems. All information in this program is confidential.

### TRAINING (NDAC 4-07-36)

All employees receive training provided by the state for a variety of training types, dependent on the employee's position.

### PERFORMANCE BONUSES (NDCC 54-06-24§2)

The 2019 legislature approved an increase in the state employee performance bonus program, raising the maximum amount to \$1,500 per person, per year.

### SERVICE AWARDS (NDAC 4-07-18)

Employees are eligible to receive service awards based on years of service, beginning at three years of full-time service.

#### State Holidays

New Year's Day  
Martin Luther King Jr. Day  
Presidents' Day  
Good Friday  
Memorial Day  
Independence Day  
Labor Day  
Veterans' Day  
Thanksgiving Day  
Christmas Day

Many state agencies also offer the following to their team members:

- Employee Recognition
- Career Development Opportunities
- Promotional Opportunities
- Flexible Scheduling
- Telecommuting
- Tuition Reimbursement
- Infant-at-Work
- Employee Wellness

### RETIREMENT AWARDS (NDAC 4-07-18)

A retirement award is provided to an employee who has a minimum of 15 years of state service and who has not been previously recognized by the state.

### STAFF DEVELOPMENT (NDAC 4-07-36)

All team members have the opportunity to receive state provided staff development, dependent on the employee's position. Leadership Everywhere courses are available to all team members at no cost.

### GROUP BENEFIT PROGRAMS

All group benefit programs are administered by the North Dakota Public Employees Retirement System (NDPERS). Additional information about each of the benefit plans can be obtained from the NDPERS website. Benefit enrollments are done through the NDPERS Member Self Service website. Most group benefits are available to team members who are at least 18 years of age and work 20 hours per week for 20 or more weeks per year.

#### HEALTH INSURANCE

Team members may participate in a group health insurance program at a single or family level of coverage with the full premium paid for by the state if they work in a regularly funded position. Coverage for new team members begins the first of the month following the month employment began.

#### LIFE INSURANCE

Team members can participate in a group life insurance plan. The state pays for a basic insurance benefit per team member. Team members can buy additional insurance coverage for themselves and dependents through payroll deduction.

#### RETIREMENT

Team members are eligible to become members of the NDPERS retirement plan. Team members first enrolled on or prior to December 31, 2024, are in the Main Defined Benefit Retirement Plan. A total of 16.26% of salary is contributed towards the employee's retirement. The state contributes 13.26%, and the team member contributes the remaining 3%. Team members are vested after 36 months of employment.

New team members first enrolled after December 31, 2024, are enrolled in Tier 3 of the Defined Contribution Plan. The state contributes 9.26% toward the employee's retirement. A 3% employer match is available to team member contributing an additional 3% of gross salary into their retirement account. When the additional 3% contribution is elected, the total contribution is 15.26%. Team members are fully vested after 48 months of contributing employment.

#### DEFERRED COMPENSATION

Team members may defer taxes on a portion of their income in a voluntary deferred compensation supplementary retirement plan. The amount of income deferred plus any earnings are subject to income tax only when the team member or beneficiary receive a distribution at the time of death, retirement, disability or termination of employment.

#### FLEXCOMP

Team members may pay for eligible insurance payments, medical expenses and dependent care expenses with pre-tax dollars through payroll deductions.

## Team ND

"Working for the state of North Dakota is a rewarding experience because every employee can and does make a difference."

"After 25 years, I find there to be challenges every day that make it a joy to come to work."

"I like that what I am doing results in saving lives. It's more than just a job. It's a profession, which offers the opportunity for a satisfying life of service."

"I am proud that in a rural state like North Dakota, we can provide a level of service that is as good or better than larger states."

## DENTAL & VISION INSURANCE

Team members can choose to participate in a group dental and/or group vision insurance plan for themselves and dependents. The coverage is effective the first of the month following the employment date.

## POLICIES

### POLITICAL ACTIVITY (NDCC 34-11.1)

Team members have the right to vote as they please without any attempt from their employer to influence their political decisions. No public employee can engage in political activities while on duty or in uniform. Some state team members whose principal employment is in an activity financed in whole or in part by federal funds are covered by the federal Hatch Act. State agencies and political subdivisions cannot restrict employees from speaking on their own behalf to any member or committee of the legislative assembly.

### CONFLICT OF INTEREST

Team members should not hold a position or serve on a board that would conflict with their employment duties with the state. Any secondary employment should be discussed with their supervisor prior to accepting in order to avoid any possible conflict. State team members may not receive remuneration in any form from an individual, business, or corporation for services rendered while acting as an agent or employee of the state.

### TECHNOLOGY & SECURITY

The state of North Dakota provides team members with the technology they need to do their jobs effectively. Team members should regularly review their agency's computer security policies, and note that agencies may monitor team member computer activity.

### PERSONNEL RECORDS

North Dakota is an open records state. Most personnel files can be viewed by the public. Some information, such as social security numbers and medical information, is confidential and cannot be released to the public.

### PAYROLL

State agencies pay their team members once per month - on the first working day of the month. The amount of payment is subject to various deductions or withholdings including state and federal income tax, FICA, Medicare and other voluntary deductions.

This is intended to provide a general overview of important aspects about employment with the State of North Dakota. Nothing in this represents a firm condition of employment, nor does it imply an employment contract between you and the State of North Dakota. Your employing agency's employee handbook and policies will provide specific information relative to your employment, the benefits you will receive, and their expectations of you as an employee.

ND HUMAN RESOURCE MANAGEMENT SERVICE  
701.328.3290 • [hrms@nd.gov](mailto:hrms@nd.gov) • [nd.gov/omb](http://nd.gov/omb)

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM  
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NORTH  
**Dakota**

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