

December 23, 2025

Ms. Liz Fordahl
Assistant Code Revisor
North Dakota Legislative Council
State Capitol
600 East Boulevard, 2nd Floor
Bismarck, ND 58505-0360
Email: lcouncil@ndlegis.gov

Dear Ms. Fordahl:

The Notice of Intent to Amend Administrative Rules and a copy of the proposed rules are enclosed as required by N.D.C.C. § 28-32-10(1).

Sincerely,



Molly Herrington
Chief People Officer, Human Resource Management Services

Enclosures

600 E Boulevard Ave, Dept 110 | Bismarck, ND 58505-0400 | omb.nd.gov

DIRECTOR
& ADMINISTRATION
4th Floor
701.328.4904

CENTRAL
SERVICES
14th Floor
701.328.2740

FACILITY
MANAGEMENT
4th Floor
701.328.2471

FISCAL
MANAGEMENT
4th Floor
701.328.2680

HUMAN RESOURCE
MANAGEMENT SERVICES
14th Floor
701.328.3293

RISK
MANAGEMENT
1600 E Century Ave, Suite 4
Bismarck, ND 58503
701.328.7584

FULL NOTICE OF INTENT TO AMEND ADMINISTRATIVE RULES

TAKE NOTICE that the North Dakota Office of Management and Budget, Human Resource Management Services (HRMS), in cooperation with the State Personnel Board, will hold a public hearing to address proposed amendments to N.D. Admin. Code chapters 4-07-02, 4-07-05, 4-07-12, 4-07-13, 4-07-14, 4-07-18, 4-07-20.1, 4-07-20.2, and 4-07-37 at 11:00 a.m. on Monday, February 9, 2026, in the Red River Room of the North Dakota State Capitol, 600 E Boulevard Ave, Bismarck, ND 58505. The purpose of the proposed amendments is to improve and clarify human resource processes and implement legislative changes enacted during the 69th Legislative Assembly.

The proposed amendments to N.D.A.C. ch. 4-07-02 address salary administration procedures, including clarifications and updates to definitions, equity increase, bonus.

The proposed amendments to N.D.A.C. ch. 4-07-05 address recruitment and selection, including clarifications and updates to definitions, notification requirements, rules regarding temporary employees and interns, veterans' preference, and vacancy announcements.

The proposed amendments to N.D.A.C. ch. 4-07-12 address annual leave including updates to definitions, accrual, schedule, accrual for employment for a fraction of a month, reemployment, assumption of accrued annual leave, and a new section regarding new hire leave.

The proposed amendments to N.D.A.C. ch. 4-07-13 address sick leave including updates regarding accrual, use, reemployment, and assumption of accrued sick leave.

The proposed amendments to N.D.A.C. ch. 4-07-14 address funeral leave and honor guard leave to update and clarify the definitions.

The proposed amendments to N.D.A.C. ch. 4-07-18 address service award programs and provide clarification regarding provision of cash.

The proposed amendments to N.D.A.C. ch. 4-07-20.1 address appeals of employer actions and update and clarify the definitions.

The proposed amendments to N.D.A.C. 4-07-20.2 address appeals of discrimination or reprisal and update and clarify the definitions.

The proposed amendments to N.D.A.C. ch. 4-07-37 address shared leave and update and provide clarification to the definitions, administration, and policy on qualifying medical conditions.

The proposed amendments are not expected to have an impact on the regulated community in excess of \$50,000.

The proposed amendments to N.D.A.C. ch. 4-07-12 implement House Bill 1170, enacted during the 69th Legislative Session, concerning state employee annual leave, and the proposed amendments to N.D.A.C. ch. 4-07-37 implement House Bill 1599, enacted during the 69th Legislative Session, concerning shared leave for state employees.

The proposed rules may be reviewed at the Office of Management and Budget, Human Resource Management Services, 600 East Boulevard Avenue, Dept. 113,

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The proposed amendments to N.D.A.C. ch. 4-07-37 address shared leave and update and provide clarification to the definitions, administration, and policy on qualifying medical conditions.

The proposed amendments are not expected to have an impact on the regulated community in excess of \$50,000.

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The proposed rules may be reviewed at the Office of Management and Budget, Human Resource Management Services, 600 East Boulevard Avenue, Dept. 113,

Bismarck, ND 58505 or online at <https://www.omb.nd.gov/news/public-hearing-address-proposed-amendment-nd-admin-code-article-4-07>. A copy of the proposed amendments may be requested by writing the above address, e-mailing HRMS@nd.gov, or calling (701)328-3293. Written or oral comments on the proposed rules sent to the above address, email or telephone number and received by February 19, 2026, will be fully considered.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, please contact the Office of Management and Budget at the above telephone number or email at least seven days prior to the public hearing.

Dated this 23 day of December 2025.

A handwritten signature in black ink, reading "Molly Herrington", is written over a horizontal line.

Molly Herrington
Chief People Officer, Human Resource Management Services

Section	Change
N.D. Admin. Code § 4-07-02-01 Salary Administration Procedures – Definitions	<p>Removed: Definition of “Job evaluation committee” as it is no longer referenced in the chapter.</p> <p>Added: “Targeted market equity increase” to distinguish legislatively authorized equity programs from standard equity adjustments.</p> <p>Clarified: Definitions for “performance increase,” “promotional increase,” “reclassification adjustment,” “temporary increase,” and “salary range” were updated for consistency with current HR practices.</p> <p>These changes provide clearer guidance and reflect evolving compensation strategies, particularly around market competitiveness and legislative involvement.</p>
N.D. Admin. Code § 4-07-02-15 Salary Administration Procedures – Equity Increase	<p>Added: New subsection defining “targeted market equity increases,” which may only be granted when authorized by the legislature.</p> <p>This change allows agencies to proactively address workforce challenges such as recruitment and retention in critical roles, while maintaining legislative oversight and fiscal responsibility.</p>
N.D. Admin. Code § 4-07-02-18 Salary Administration Procedures – Bonus	<p>Clarified: Updated legal references from “chapters” to “sections” for statutory accuracy.</p>
N.D. Admin. Code § 4-07-05-01.1 Recruitment and Selection – Definitions	<p>Revised: Definition of “promotion” now includes advancement to positions with a substantially higher level of responsibility, not just higher pay grades.</p>
N.D. Admin. Code § 4-07-05-04 Recruitment and Selection – Notifying	<p>Removed: Requirement to submit vacancy notifications “prior to beginning the recruiting effort” to HRMS.</p> <p>Added: Requirement to use the statewide approved applicant tracking system for vacancy announcements.</p>

Section	Change
	These changes align with current digital recruitment practices and ensure consistency and transparency in job postings.
N.D. Admin. Code § 4-07-05-05.2 Recruitment and Selection – Temporary employees and interns	<p>Clarified: Temporary employees and interns may be considered internal applicants if hired through an open and competitive process.</p> <p>Removed: Two-year internship eligibility window to be considered as an internal applicant.</p>
N.D. Admin. Code § 4-07-05-07 Recruitment and Selection – Veterans’ preference	Clarified: Veterans’ preference applies specifically to external recruitment.
N.D. Admin. Code § 4-07-05-08 Recruitment and Selection – Vacancy Announcement	<p>Updated: Required content now includes remote work feasibility, EEO and accessibility statements, background check requirements, and optional preferred qualifications.</p> <p>Removed: Internal-use-only position numbers and outdated language.</p> <p>These changes enhance transparency and reflect modern workplace expectations. Updated requirements to the vacancy announcements to remove outdated requirements and add additional requirements to be included in the job announcement to provide necessary information to potential applicants, promoting transparency and clarity in the recruitment process.</p>
N.D. Admin. Code § 4-07-12 Annual Leave – Chapter Title and overview	<p>Updated: Title now includes “New Hire Leave.”</p> <p>Added: Section overview 4-07-12-13 now includes “or an Enhanced Annual Leave Accrual” to reflect the addition of the enhanced accrual levels. Includes new section 4-07-12-14 to include “New Hire Leave”.</p>

Section	Change
	These changes reflect the broader applicability of the chapter and introduce new leave provisions authorized under House BILL 1170 passed during the most recent 69 th legislative session that resulted in changes to NDCC 54-06-14 .
N.D. Admin. Code § 4-07-12-01 Annual Leave – Scope of Chapter	Clarified: Scope to include “except where indicated,” to this chapter applies to.
N.D. Admin. Code § 4-07-12-02 Annual Leave – Definitions	<p>Revised: Annual leave to clarify that annual leave is an approved absence from work with pay “allowed under an authorized accrual schedule.”</p> <p>Added: “New hire leave” to distinguish a one-time leave benefit granted upon hire authorized under House BILL 1170 passed during the most recent 69th legislative session that resulted in changes to NDCC 54-06-14. Defined “Reinstatement” and “Interagency transfer” to clarify employee eligibility for new hire leave.</p>
N.D. Admin. Code § 4-07-12-03 Annual Leave – Annual leave accrual	Revised: Accrual begins from the “date of hire” (previously “day”).
N.D. Admin. Code § 4-07-12-04 Annual Leave – Annual leave schedule	<p>New Provision: Agencies may grant enhanced annual leave accruals (8–16 hours/month) at hire for hard-to-fill positions, effective after April 30, 2026. Included conditions that the position must be designated as hard-to-fill under NDCC § 54-06-31 and the agency must have a written policy filed with Human Resource Management Services (HRMS) as authorized under House BILL 1170 passed during the most recent 69th legislative session that resulted in changes to NDCC 54-06-14.</p> <p>Removed: Language related to “A local government agency subject to the North Dakota merit system adopting or using a different accrual schedule shall promptly file a copy of that schedule with human resource management services.” to align with the repeal of NDAC 4-07-34.1.</p>
N.D. Admin. Code § 4-07-12-05 Annual Leave – Accrual for employment for a fraction of a month	Revised: Language cleanup to improve readability.
N.D. Admin. Code § 4-07-12-12	Revised: Language cleanup to improve readability.

Section	Change
Annual Leave – Annual leave and reemployment	
N.D. Admin. Code § 4-07-12-13 Annual Leave – Assumption of accrued annual leave	<p>Revised: Added language to the section header to include “or an enhanced annual leave accrual”.</p> <p>Added: Language that agencies may continue enhanced accrual rates for interagency transferring employees only if the new position is also designated as hard-to-fill. If not, the employee’s accrual rate reverts to the standard schedule.</p> <p>Removed: Language related to “covered by the North Dakota Merit system”.</p> <p>Clarified: Human service zones and state agencies must accept transferred leave balances for classified positions.</p>
N.D. Admin. Code § 4-07-12-14 Annual Leave – New Hire Leave	<p>New Section: Establishes a one-time bank of 40 hours of leave for new hires starting after April 30, 2026. Includes requirements of applies only to state agencies, must be used within the first year of employment, not available to reinstated or interagency transfer employees and not accrued, not paid out, and expires after one year.</p> <p>Provides immediate flexibility for new employees, supporting onboarding and work-life balance without long-term fiscal liability as authorized under House BILL 1170 passed during the most recent 69th legislative session that resulted in changes to NDCC 54-06-14.</p>
N.D. Admin. Code § 4-07-13-03 Sick Leave – Sick leave accrual	<p>Revised: Accrual begins from the “date of hire” (previously “day”).</p>
N.D. Admin. Code § 4-07-13-04 Sick Leave – Sick leave accrual rate	<p>Clarified: All state agencies use a fixed accrual rate of eight hours per month.</p> <p>Removed: Language related to “A local government agency subject to the North Dakota merit system adopting or using a different accrual schedule shall promptly file a copy of</p>

Section	Change
	that schedule with human resource management services.” to align with the repeal of NDAC 4-07-34.1.
N.D. Admin. Code § 4-07-13-07 Sick Leave – Use of sick leave	<p>Clarified: Employees may now use up to “two hundred forty hours” hours of accrued sick leave (previously “six weeks”) within six months of the birth or placement of a child.</p> <p>Employees may use sick leave to participate in a program when recommended by an EAP.</p>
N.D. Admin. Code § 4-07-13-11 Sick Leave – Sick leave and reemployment	Revised: Language cleanup to improve readability.
N.D. Admin. Code § 4-07-13-12 Sick Leave – Assumption of accrued sick leave	<p>Removed: Language related to “covered by the North Dakota Merit system”.</p> <p>Clarified: Human service zones and state agencies must accept transferred leave balances for classified positions.</p>
N.D. Admin. Code § 4-07-14-02 Funeral Leave and Honor Guard Leave – Definitions	<p>Revised: The definition of “family” was broadened to reflect a modern understanding of family relationships, ensuring equitable access to funeral leave for employees. The definition of “Funeral leave” now includes time off for attending or making arrangements, memorial or burial services, travel to and from the funeral and addressing financial or legal matters arising from the death.</p> <p>Removed: “or in the family of an employee's spouse” from the definition of “Funeral leave” as this is defined in the definition of “family”.</p>
N.D. Admin. Code § 4-07-18-07 Service Award Programs – Cash	<p>Revised: Section title changed from “Cash” to “Payment Type” to reflect broader options. The revised rule now allows for additional payment methods to team members such as payroll adjustments.</p> <p>This provides agencies with greater flexibility in how service and retirement awards are delivered. This change also reflects evolving practices in employee recognition and simplifies administration.</p>

Section	Change
N.D. Admin. Code § 4-07-20.1-02 Appeals of Employer Actions – Definitions	Revised: The definition of “reprisal” to provide clarity and ensures consistent interpretation of what constitutes reprisal.
N.D. Admin. Code § 4-07-20.2-02 Appeals of discrimination or reprisal – Definitions	Added: “Reprisal” definition to provide clarity and ensures consistent interpretation of what constitutes reprisal.
N.D. Admin. Code § 4-07-37-01 Shared Leave – Scope of chapter	Updated: The term “permanent” employee was replaced with “regular and probationary” employee.
N.D. Admin. Code § 4-07-37-02 Shared Leave – Definitions	<p>Updated: In definition “Eligible employee”, the term “permanent” employee was replaced with “regular and probationary” employee.</p> <p>Removed: “Serious” or “extraordinary” definition and referenced severe, extreme, or life threatening throughout the chapter to improve clarity and readability.</p>
N.D. Admin. Code § 4-07-37-03 Shared Leave – Administration of statewide leave sharing program	<p>Updated: The term “permanent” employee was replaced with “regular and probationary” employee. The term “serious or extraordinary” was replaced with severe, extreme, or life threatening.</p> <p>Removed: Requirement that all leave be donated in “full-hour increments”.</p>
N.D. Admin. Code § 4-07-37-04 Shared Leave – Policy on qualifying medical conditions	<p>Revised: The Human Resource Management Services (HRMS) division must “publish” criteria utilized in assessing whether a condition qualifies as a serious, extreme, or life-threatening condition under North Dakota Century Code section 54-06-14.7. Removed reference to “best practices” and instead emphasized consistency in administration.</p> <p>Removed: “the severe or extraordinary nature” referenced as it’s addressed above.</p> <p>Added: Conditions associated with normal pregnancy do not generally qualify as serious, extreme, or life-threatening condition, as previously listed under the “Serious” or “extraordinary” definition.</p>