

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1119

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1119

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1119

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 01-18-01

Tape Number	Side A	Side B	Meter #
#1	X		1124-4107
#2		X	3640-4600
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. KLEIN called the hearing to order on HB 1119.

In Favor:

KEN PURDY, ACTING DIRECTOR, OMB CENTRAL PERSONNEL DIVISION. Please refer to attached testimony.

REP. KLEIN asks about setting up these procedures, what level of management is required to process, going to the next level? Such as a persons immediate supervisor putting it in, then going to the next level, then approving it, then it proceeds to the next level and so on. How do you see that?

PURDY replies that he would see that largely depending on the agency. In some smaller agencies it would be the agency head deciding. In larger ones it might provide a dollar amount of funding and gives that division manager the authority to make the decision. The policy development would spell that out.

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House Government and Veterans Affairs Committee

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REP. KLEIN asks if there would be standard procedure set up to be followed by all agencies?

PURDY replies that the procedures are largely outlined in the bill. With a varied structure. Not an administrative code.

REP. KLEIN states that the idea has merit. Is this a one time bonus?

PURDY replies that yes this is clearly a one time bonus.

REP. HUNSKOR asks if PURDY employs people in non-classified positions?

PURDY replies that the classified workforce, which consists of about 6500 employees, are the employees under his jurisdiction. Primarily responsible for providing the classifications. The unclassified workforce is such as the Legislative Council, Workers Comp., Mill & Elevator and the court systems. Specific agencies that have not been put under our jurisdiction.

REP. HUNSKOR asks why would not a person in a non-classified position be entitled to similar benefits for excellent work?

PURDY replies that there really is no reason that they wouldn't.

REP. HUNSKOR states then that PURDY is not responsible for that.

REP. DEVLIN then asks for specific examples of the three levels of performance criteria needed.

PURDY states that it would be rating of not meeting standards, meeting standards or exceeding standards. Then there is a level above that for superior outstanding, something to that effect.

REP. KROEBER then asks if there is that much money left in the salary line item, and are you going to have some agencies that would do this and will have a number of agencies that would not have the opportunity to do this?

PURDY replies that comment is very true. There is some disparity in the flexibility in the agencies. An original outline for funding was made up.

REP. CLEARY asks if this would not be difficult for some employees, wouldn't that make them feel singled out, and the moral in the departments would start to suffer?

PURDY replies that he doesn't think so. It possibly could if it was handled incorrectly. If it was handled properly it truly sets a direction and sets a tone. It also sets an example for the other employees to look upon. Behaviors and efforts need to be rewarded.

REP. METCALF states that the management has to be exceptional for this to operate appropriately. Most of these bonuses are rotated. That way everyone was happy and no dissatisfaction, but you did not achieve the purpose that was intended. Taking money out of the average bonus or pay raise is the only way you could be able to support this. My experience with it is that it has not worked.

PURDY replies that his experience with the reports that there is some very effective use with it. It can cause you as much problems as it can good.

REP. MEIER asks how did they come up with the thousand dollar figure? Did they have input from their employees?

PURDY replies that it was nothing magic. Originally they had looked at anything ranging from a \$500.00 bonus on up to a \$1000.00 max.

REP. KLEMIN asks if there is any way to monitor this program and to insure that bonuses are only given to exceptional performance?

PURDY replies that there is ways to identify the amounts through the payroll system.

REP. KLEMIN asks who would they report back to, OMB?

PURDY replies yes, the OMB.

REP. KLEIN states that he believes that what they are doing is a step in the right direction, and a lot of it depends on management.

REP. HUNSKOR asks what research has been done in other states? And of that, what has indicated to you that this has been a positive thing?

PURDY replies that primarily they have reviewed material from special organizations. They have participated in visits with other states and an annual meeting in salary survey processes. It is still limited in state government.

REP. KLEIN states to the committee that it is a good management tool.

In Favor:

TOM TUPA with the INDEPENDENT NORTH DAKOTA EMPLOYEES ASSOC.

TUPA would like to go on record in support of this bill. There is some potential for a lot of good success with this. He suggests a sunset clause for a period of 2 to 4 years. Revisit it in a couple of years. Then maybe give it some more study.

REP. DEVLIN asks how many members in your organization?

TUPA replies that there are roughly 300, and are strictly active state employees. There are no retirees.

ARDYTH PFAFF with the NDITD. (Human Resource Manager)

Supports the remarks already made by PURDY. Expands on some of the concerns of committee. Hits on some subjects such as allocating the 3% salaries, skilled leadership, leaders that say you are not performing, and etc. She also states that it takes guts to stand up in front of their employees and tell them the wrong and the right that they are doing.

REP. KASPER asks who manages the managers? How do we know we have gutsy managers?

PFAFF replies that we have to trust our leaders. But the most significant player is Human Resources. Some agencies have a Human Resource professional on staff and others do not. That partnership is what really makes it work.

RON LEINGANG with the HUMAN RESOURCE DIRECTOR(NDDHS). Would like to go on record as for in favor of this bill. Please refer to attached testimony.

TOM FREIER, DEPUTY DIRECTOR, NORTH DAKOTA DEPT. OF TRANSPORTATION

Please refer to attached testimony.

Not in favor or opposition:

CHRIS RUNGE, NDPEA AFT

RUNGE states that they have funding resources concerns. Implementation issues also. With management it is the training that they get. It is critical that there is confidence in the employees that the managers that are going to be giving out those bonuses. That the program is going to be fairly administered.

REP. KLEIN asks RUNGE doesn't she think that this is the step in the right direction?

RUNGE replies that there are different ways to compensate their employees. Their organization has concerns about how to fund teachers salaries, and public employee salary increases, with salaries that are extremely low.

REP. KLEIN talks about the bonus system and the same pot that is used.

RUNGE talks about the same pay rate that some employees are still at.

REP. KLEIN states that a certain percentage of the total salary would be put into the bonus program in addition to the salary.

RUNGE states that she would not disagree with that, if it would be new dollars.

REP. KLEIN states that it would be.

REP. DEVLIN asks for a breakdown on retired and inactive members.

RUNGE states that their are approximately 1100 retirees and 1900 active NDPEA members.

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1119

Hearing Date 01-18-01

Committee action later that day:

REP. KLEIN passes out his amendment that he has drawn up. REP. GRANDE likes the sunset clause. REP. METCALF has a point of concern. REP. CLEARY states to the committee that she will be voting no, doesn't know where the money will come from.

REP. GRANDE makes a motion to accept the amendments, seconded by REP. HAAS.

REP. M. KLEIN takes a voice vote, 15-0. AMENDMENTS PASS. REP. BELLEW then moves for a DO PASS AS AMENDED, seconded by REP. MEIER.

The motion was approved 13-2.

REP. BRUSEGAARD is the carrier of the bill.

FISCAL NOTE

Requested by Legislative Council
12/26/2000

Bill/Resolution No.: HB 1119

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your 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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Pam Sharp	Agency:	PMB
Phone Number:	328-4606	Date Prepared:	12/27/2000

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1119

Page 2, line 9, after "5." Insert "Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6."

Renumber accordingly

18129.0102
Title.0200

Adopted by the Government and Veterans
Affairs Committee
January 18, 2001

VK
1/18/01

HOUSE AMENDMENTS TO HB 1119 HOUSE GVA 1/18/01
Page 1, line 2, after "program" insert "; and to provide an expiration date"

Page 1, line 22, replace "permanent" with "regular"

HOUSE AMENDMENTS TO HB 1119 HOUSE GVA 1/18/01
Page 2, line 9, after "5." insert "Bonuses paid under this section may not be included in an
employee's base salary for purposes of calculating any wage or salary increase.

6."

Page 2, after line 10, insert:

"SECTION 2. EXPIRATION DATE. Section 1 of this Act is effective through
June 30, 2005, and after that date is ineffective."

Renumber accordingly

Date: Jan. 18th, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1119

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Accept the Amendments

Motion Made By Grande Seconded By Haas

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN			REP KROEBER		
VICE CHAIR GRANDE					
REP BELLEW					
REP BRUSEGAARD					
REP CLARK					
REP DEVLIN					
REP HAAS					
REP KASPER					
REP KLEMIN					
REP MEIER					
REP WIKENHEISER					
REP CLEARY					
REP HUNSKOR					
REP METCALF					

~~VOICE VOTE~~
PASSES

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

