

FISCAL NOTE
Requested by Legislative Council
02/09/2015

Amendment to: SB 2290

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,286,876	\$857,917	\$1,389,826	\$926,551
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

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

The bill provides that a temporary employee working full-time for 2 years must be offered benefits like a regular employee within the agency.

- 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.*

The fiscal impact of this bill is essentially the extension of full benefits as the employee changes from 'temporary' to benefitted as a 'regular' employee. The actual cost will depend on the threshold defined as full-time.

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.*

For purposes of the fiscal note, we assumed full-time means working 90% or more (36 hrs/week for the full year).

We found 47 employee who worked 90% + of full-time in 2014.

Average temporary wage is \$20.12/hr or \$3,487/month, full time.

The value of Health Insurance, Retirement Contributions, Retiree Health Credit, Employee Assistance, Social Security, and Medicare for the 47 employees for the biennium is \$2,144,793.

If we assume full-time means working 75% or more (30 hrs/week for the full year) there would be potential of 92 employees for a total additional benefit cost of \$4,198,318. (\$2,518,991 general fund; \$1,679,327 other funds)

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Ken Purdy

Agency: HRMS/OMB

Telephone: 328-4735

Date Prepared: 02/09/2015

FISCAL NOTE
Requested by Legislative Council
01/19/2015

Bill/Resolution No.: SB 2290

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,286,876	\$857,917	\$1,389,826	\$926,551
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

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

The bill provides that a temporary employee working full-time for 2 years must be offered a regular position within the agency.

- 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.*

The fiscal impact of this bill is essentially the extension of full benefits as the employee changes from 'temporary' to 'regular'. The actual cost will depend on the threshold defined as full-time.

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.*

For purposes of the fiscal note, we assumed full-time means working 90% or more (36 hrs/week for the full year).

We found 47 employee who worked 90% + of full-time in 2014.

Average temporary wage is \$20.12/hr or \$3,487/month, full time.

The value of Health Insurance, Retirement Contributions, Retiree Health Credit, Employee Assistance, Social Security, and Medicare for the 47 employees for the biennium is \$2,144,793.

If we assume full-time means working 75% or more (30 hrs/week for the full year) there would be potential of 92 employees for a total additional benefit cost of \$4,198,318. (\$2,518,991 general fund; \$1,679,327 other funds)

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Ken Purdy

Agency: HRMS/OMB

Telephone: 328-4735

Date Prepared: 01/22/2015

2015 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2290

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee

Missouri River Room, State Capitol

SB 2290
1/29/2015
Job # 22799

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 54-06 of the North Dakota Century Code, relating to determination of full-time employment of the state.

Minutes:

Attachments 1-2

Chairman Dever: Opened the hearing on SB 2290.

Senator George Sinner, District 46: See Attachment #1 for testimony as sponsor and in support of the bill.

(9:25) Senator Davison: Asked a question trying to clarify the terminology of full time employee and 24 consecutive months.

Senator Sinner: My intention is exactly what the bill says. If they have been in the system for 24 months as a temporary full time employee then the agency or the department must offer them classified status. That was the intention of the bill and that was the intention of my testimony.

Senator Cook: What agency did the person you are referring to work with?

Senator Sinner: I am not at liberty to disclose that. I can tell you that there are 47 employees within the broad spectrum of state government that are in this category of over 2 years of full time temporary status.

Senator Cook: Is there one agency that has more than any other?

Senator Sinner: In the chart that I saw, I believe that parks and rec has more but I did not see a breakdown of those particular people over two years.

Senator Cook: We have state employees that move from one agency to another all the time. Has this individual applied for a full time job opening in the state?

Senator Sinner: I believe that he has. I believe that his work is very specialized so that he doesn't have a lot of options outside of the agency that he works for.

Vice Chairman Poolman: I have a practical question. (Reads from testimony) Practically we know how things go down in the House appropriations committee when it comes to FTE's. So it is concerning to me that we would say now if your FTE is not approved that you would lose your job. Is that the intent of the bill?

Senator Sinner: It is never the intent of the bill to have people eliminated. I believe that is not my testimony. The bill states that they must be offered a permanent position after 24 consecutive months. What does happen to these folks? When do we as state government give these people the benefits they truly deserve? If they have been employed here for 10 years do we give them the benefits? Or are we going to wait till they are dead and give something to their widow? That is where this goes. At what point do we address this problem? When I was asked to look at this problem, I was asked to put it in at 1 year and I think that is a good number, but I put 2 years because it allows agencies to look at their budget and present that and say why. We have these people and we have to give them status.

Vice Chairman Poolman: The unfortunate reality is that in the House appropriations committee they don't have to grant the FTE. Is it better to have a job then no job?

Senator Sinner: In that situation the agency has to replace that person with some other temp or they have to find another temporary position for that person and upgrade their status someway. What is going on right now is not right. You all know it is not right, and we have to fix it.

Senator Flakoll: Asked a question using the example of the interim chancellor for Higher Ed.

Senator Sinner: He is not required. He would have to be offered. That is the difference here. Nobody has to take it.

Senator Flakoll: In this case it would make it much more difficult to be removed once they have been employed in that position when he conducted violations of common practice. How will this work if you go to the one year that you would prefer with the current chancellor that is in a temporary position, and there was a failed search, then he would qualify under this and be mandated to offer him the job?

Senator Sinner: The bill does say two years and I am standing by that because of this reason.

Senator Flakoll: I thought you had said that you would prefer one year. What would prevent them from rifting someone and making them a 22 month employee if this were to pass?

Senator Sinner: If the agency needs these people, and they are good at what they do, they should give them an annual review and they should know where they stand. Riffing people should be part of the process if we have budget cycle problems. I have been a part of business my whole life and I have seen those things happen. Those options have to be on the table for everybody.

Senator Flakoll: Then you would view the process of requiring them to offer a position kind of like an internal process where you take internal candidates first. Is this closer to hiring from within and not advertising outside?

Senator Sinner: I don't know that these positions are positions that are creating a new position. I think they are the same position. I think the employee is being upgraded. Maybe we need to make some policy change to do that. I see these people as employees that have been here for many years and have given their lives to our state. Sure they love their work and they want to stay in the job that they are in, but they get no retirement benefits, sick leave, paid vacation - nothing.

(20:05) Stuart Savelkoul, Assistant Executive Director North Dakota United: Testified in support of the bill. Part of the intent behind this legislation was to put state government back on par. It is difficult for agencies to build in all of the FTE's that they may want to have to deal with need. A classic example is in DOT. At DOT the person at window half the time is a temporary employee working next to a permanent employee doing exactly the same job but without the benefits because they do not have to FTE position available but can fill the work load with a temporary employee. In some ways agencies have had to become their own worst enemy on this issue. If you had to wait a long time to get services because there were not enough people to work then the need would be felt and it would be easier to justify the new FTE. Instead they hire temporary employees to fill the space. Then when it comes time to put in for the new FTE's it is difficult to ask for a high number of employees so they get scaled back. The difficulties with the other chambers appropriations committee are precisely why this bill was introduced. I do not know if this is the mechanism to achieve what we are trying to do, but it is better than what has been done thus far.

(23:30) Tracy Stein, Director of Human Resources, Department of Corrections and Rehabilitation: See Attachment #2 in opposition to the bill.

(25:49) Senator Davison: You can have someone that works full time and they can work on a continuous basis for as long as you want them to be on that job because the state allows you to call them a temporary worker and you do not have to offer them benefits?

Tracy Stein: We do offer them medical benefits based on the affordable care act. Those that work 30 hours or more a week are entitled to medical insurance as a certain employee pay. We also offer the employee to self-pay into the pension.

Chairman Dever: Closed the hearing on SB 2290.

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee

Missouri River Room, State Capitol

SB 2290

1/29/2015

Job # 22837

Subcommittee

Conference Committee

Committee Clerk Signature



Minutes:

No Attachments

Chairman Dever: Opened SB 2290 for committee discussion.

Senator Sinner: (Explained amendments being drafted) 1. Agency that has temporary position must offer salary and benefits equivalent to a classified similar position after 24 month. The person does not have to be moved to a classified position but they have to be paid and given benefits on the same basis. 2. They will get credit for their years of service in terms of retirement. They do not get any more money put into their retirement but they get credit for the two years. 3. At the agency that has these employees, must propose these positions to be classified in the next budget session that comes around. That would start in the 2017 session.

Chairman Dever: What would happen if the legislature would say no to the proposed classification?

Senator Sinner: Then the person would stay as a temporary but keep the same salary and benefits indefinitely.

Chairman Dever: Do you know if temporary full time employees have to be authorized by the legislature?

Senator Sinner: I do not believe so.

Senator Flakoll: On your second point of credit for service, does that include the rule of 85 or rule or 90?

Senator Sinner: If you are talking defined benefit, I think it does or it should. But I am open to suggestions on that. I will get the amendments to you as soon as I have them.

(4:05)Senator Davison: Where does it say in century code about how we treat temporary full time employees? Because I work in the university system I am confused because it does not work like that so I was a little bit taken back by the whole situation. Where can I find information for me to do some information? Can you give me some history?

Ken Purdy: I think the whole difference is based in the fact that the legislature appropriates salaries and the legislature appropriates full time regular positions for the agencies. If an agency cannot cover the work load with their authorized FTE's then they have to use temporary employees to for a period of time. Sometimes federal funding comes along that also can generate a temporary employee and it continues for a longer period of time. The next legislative session they can ask for an FTE but it does not always happen.

Chairman Dever: Would they have to report to the budget section or to the appropriations when they have hired from full time temporary?

Ken Purdy: No. They are not authorized by position. Agencies take their budget and work out how many temporary they can hire with that pool of money to meet their needs.

Senator Cook: Can you tell me how many temporary employees each agency had for the last year and how much was paid for those employees? Is it not available?

Ken Purdy: It is available.

Senator Cook: If we wanted to get a report of how many temporary employees have been employed by the state for more than two years by agency we could get that?

Ken Purdy: Some of that is in the fiscal note but not by agency. At any given time we have several 1000 temps but many of them work very few shifts to fill in or they are seasonal etc. The full time temporary number is a lot fewer numbers. I do not disagree that is a heck of a way to treat employees that have been working for you that long but the process appropriates both salary hours and positions.

Senator Davison: If someone worked for game and fish and worked every year for a season for 10 years this does not impact them correct?

Ken Purdy: It says consecutive and full time. Another question is what is defined as full time.

Senator Dever: We pay benefits for permanent half-time that work 20 hours or more.

Ken Purdy: Under the affordable care act it is about 30 hours a week.

Senator Flakoll: I would assume like a graduate that would be working on a PHD program that may take them four years or more would not be included as part of this bill?

Ken Purdy: I would think that would not be full time.

Senator Flakoll: You have never been to graduate school then. If an agency had like an NIH grant that was a two or three year project, then that would pertain here even though the money essentially runs out when the grant runs out?

Ken Purdy: Potentially yes and this has always been hard to deal with and sometimes in those cases we have recommended requesting a position in knowing that it will run out someday and then you will have to reduce a position. It is a tough issue. I worry a bit about, if

they do this and work full time, an agency being accused of circumventing the number of authorized FTE's that they are given.

Chairman Dever: They do come under some scrutiny don't they?

Ken Purdy: On occasion.

Senator Davison: If a department gets a federal grant of \$1 million and they want to hire two people within that grant that lasts 3 years, does that supervisor get to make a choice of whether they are full time permanent jobs or full time temporary or would it be that they are full time temporary because the grant is 3 years?

Ken Purdy: The first option would be that they would be full time temporary.

Senator Davison: Do they have the option to go the other way without the legislature?

Ken Purdy: No.

Senator Nelson: All of our legislative employees are full-time temporary?

Chairman Dever: Yes.

Senator Nelson: I am trying to find out who is doing this. Who are the culprits that are doing this?

Ken Purdy: They are spread out and I do not have the detail with me.

Chairman Dever: Closed the committee discussion on SB 2290.

2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee
Missouri River Room, State Capitol

SB 2290
2/5/2015
Job # 23290

- Subcommittee
 Conference Committee

Committee Clerk Signature



Minutes:

Attachments 1

Chairman Dever: Opened SB 2290 for committee discussion. See Attachment #1 for proposed amendment. I think rather than making someone an FTE after 2 years, it would make them eligible for the same benefits as if they were an FTE and then they would make a request in the next session. As far as pension, they would also receive the same credit as if they were an FTE. The question I have is that if they make the request in the following session and it is denied, are they obligated to release the employee from employment?

Senator Nelson: I think they would keep the same status.

Senator Poolman: Even with the amendments before us, I still feel like we are taking the determination of FTE's or the growth of government out of the hands of the legislature and you are essentially saying that this person is working in a temporary position and it just becomes an FTE. You are not calling it that but you are providing all of the same benefits and salary increases of an FTE.

Chairman Dever: Would you see the amendment as an improvement on the bill?

Senator Poolman: I think the amendment changes the wording but I think the bill even as amended would do the same thing. It is taking it out of the hands of the legislature and putting it in the hands of the agency heads.

Chairman Dever: The fiscal note is \$1.286 million of general fund and \$857,000 of other funds. I do not see where the amendment would change the fiscal note.

Senator Flakoll: Moved Amendment 15.0873.01001.

Senator Nelson: Seconded.

A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.

Motion carries.

Senate Government and Veterans Affairs Committee

SB 2290

02/05/2015

Page 2

Senator Cook: Moved a Do Not Pass as Amended.

Senator Poolman: Seconded.

A Roll Call Vote Was Taken: 5 yeas, 2 nays, 0 absent.

Motion carries.

Senator Dever will carry the bill.

January 30, 2015

2/5/15
JAO

PROPOSED AMENDMENTS TO SENATE BILL NO. 2290

Page 1, line 6, replace "Offer of full-time employment after two years" with "Eligibility for full-time employment benefits - Agency budget requests"

Page 1, after line 6 insert:

"1."

Page 1, line 9, replace "offer" with "provide"

Page 1, line 9, replace "a" with "salary and benefits equivalent to that which is provided to"

Page 1, line 9, remove "position and eligibility for all benefits"

Page 1, line 10, remove "available to permanent full-time"

Page 1, line 10, after "employees" insert "in a comparable position"

Page 1, line 10, remove "Within fourteen days of the offer of full-time"

Page 1, replace lines 11 and 12 with "An individual who has been employed with a state agency or department on a full-time basis as a temporary or contract employee for a period of twenty-four consecutive months is eligible for annual compensation adjustments in the same percentages as provided by the legislative assembly for regular classified employees."

2. Notwithstanding any other provision of law, an individual who has been employed with a state agency or department on a full-time basis as a temporary or contract employee for a period of twenty-four consecutive months is entitled to participate in the public employees retirement system and receive credit for service for the time employed as a temporary or contract employee.
3. In preparing draft appropriations acts as required by section 54-44.1-06, the director of the budget shall include in the draft appropriations act for any state agency or department that employs any individual as a temporary or contract employee on a full-time basis for a period of twenty-four consecutive months, funding and authorization for an additional full-time equivalent position for each temporary or contract employee who has been employed by the agency or department for at least twenty-four consecutive months."

Renumber accordingly

Date: 2/5
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2290

Senate Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: 15.0873.01001 Title 02000

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Cook Seconded By Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Dever	✓		Senator Marcellais		✓
Vice Chairman Poolman	✓		Senator Nelson		✓
Senator Cook	✓				
Senator Davison	✓				
Senator Flakoll	✓				

Total (Yes) 5 No 2

Absent 0

Floor Assignment Dever

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

REPORT OF STANDING COMMITTEE

SB 2290: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2290 was placed on the Sixth order on the calendar.

Page 1, line 6, replace "**Offer of full-time employment after two years**" with "**Eligibility for full-time employment benefits - Agency budget requests**"

Page 1, after line 6 insert:

"1."

Page 1, line 9, replace "offer" with "provide"

Page 1, line 9, replace "a" with "salary and benefits equivalent to that which is provided to"

Page 1, line 9, remove "position and eligibility for all benefits"

Page 1, line 10, remove "available to permanent full-time"

Page 1, line 10, after "employees" insert "in a comparable position"

Page 1, line 10, remove "Within fourteen days of the offer of full-time"

Page 1, replace lines 11 and 12 with "An individual who has been employed with a state agency or department on a full-time basis as a temporary or contract employee for a period of twenty-four consecutive months is eligible for annual compensation adjustments in the same percentages as provided by the legislative assembly for regular classified employees."

2. Notwithstanding any other provision of law, an individual who has been employed with a state agency or department on a full-time basis as a temporary or contract employee for a period of twenty-four consecutive months is entitled to participate in the public employees retirement system and receive credit for service for the time employed as a temporary or contract employee.
3. In preparing draft appropriations acts as required by section 54-44.1-06, the director of the budget shall include in the draft appropriations act for any state agency or department that employs any individual as a temporary or contract employee on a full-time basis for a period of twenty-four consecutive months, funding and authorization for an additional full-time equivalent position for each temporary or contract employee who has been employed by the agency or department for at least twenty-four consecutive months."

Renumber accordingly

2015 TESTIMONY

SB 2290

Testimony on Senate Bill 2290

Chairman Dever and members of the Senate GVA Committee, thank you for allowing me to be here today and present Senate Bill 2290 for your consideration.

I am George Sinner, Senator from District 46 in South Fargo. I serve on the Senate IBL & Transportation Committees.

Mr. Chairman, recently I was asked to have dinner with a young person who works for state government. Kris has worked full time for the same state agency for over 5 years. Kris has a college degree and is a true professional in his field. But, Kris has been classified as a "temporary" employee for all of his career.

In fact, during a time when our state government has hired hundreds for full-time employees, we have left many of these employees with drastically reduced benefits.

Today, the agencies of state government in North Dakota regularly hire workers on a "temporary" status, or as they are often known, as temps. These "temporary" workers fill in the gaps of the workforce. Because these positions are understood as temporary or seasonal, the workers who fill these roles do not receive the benefits that the full-time, or even some part-time, classified work positions are given.

Temps are often misused and abused in all sectors of work, public and private. Because their employer spends less money on their employment, the employer sometime enjoys greater productivity than their more-expensive FTE counterparts meaning many employers exploit this system to cut corners and make ends meet.

Nationally, temp workers represent about 2 percent of the workforce. Within North Dakota state agencies, the percentage of temp workers can reach as high as 9 percent in some agencies such as Game & Fish or Parks & Rec who have high seasonal demand. Using temp workers can be expected and even prudent for agencies with high seasonal work or during times of economic depression, when employers are less able to commit to hiring full-time workers with full benefits. However, North Dakota is not facing a recession. Budget surpluses have been the norm, and tax relief regular. So, I believe that now is the time to rectify the injustice and reform the allowed usage of "temporary" workers within state agencies.

These are some points to consider about conditions our temp workers face in state employment:

- Management renews temporary positions on a yearly basis but in several years Kris has never received a performance evaluation. **WRONG!**
- Temps must pay for their health care coverage. A single policy is \$92.38 per month while family coverage is \$758.98 per month. For Kris, the family coverage is unaffordable. **WRONG!**
- There is no retirement plan for temps meaning if Kris has worked full-time for the state for several years before becoming full-time classified, he loses all of that time toward the retirement system. **WRONG!**
- Because of temp status, Kris is not eligible for any of the recognition awards that classified employees receive. **WRONG!**
- Kris is not eligible for the same education assistance that is available to classified employees, meaning he will likely not be able to advance into better paying positions within the agency. **WRONG!**
- Salary increases occur at agency management discretion despite recommendations for raises by supervisors while classified employees receive raises approved by the legislature. **WRONG!**
- Training, conference attendance and the ability to stay current in one's profession is, in many cases, at the temp employee's expense. **WRONG!**
- Temporary employees have a difficult time qualifying for loans and mortgages because they cannot show permanent employment. **WRONG!**
- There are no sick days or vacation days. There is no time for doctor appointments of sick kids meaning temps will often come to work sick because they cannot afford the time off. **WRONG!**
- Full-time classified who advocate for temps often do so at the risk of repercussions, and some have left because of that very reason. **WRONG!**

WHAT DOES THIS MEAN FOR OUR STATE EMPLOYEE SYSTEM?

- It means that equal pay for equal work does not exist.

- It means we are severely hampering employee morale in the workplace.
- It means we are inhibiting management's ability to set goals, build leadership or foster professional growth.
- It means that we are hindering the future leadership potential of our state government by keeping young employees poor and disadvantaged.

SO THE QUESTION IS WHY WOULD WE DO THIS?

- Does our state of North Dakota use temporary employees to make it appear as if the state is not growing government?
- Do we do this in the event of an economic downturn?
- Or do we do it to ensure that we get the right people in the right positions?

SO, THE REASON FOR THIS BILL.

Mr. Chairman, this bill provides that "**Full-time temporary**" employees that have been in their position for two years must be "offered" classified status with the state of North Dakota. I honestly think these employees should be offered these positions after one year, but I realize that there are budget consequences to these changes. Two years allows for agencies to present these employees for upgrade status in the next budget cycle or eliminate their position.

This bill means that all employees could look forward to the day when they could enjoy classified status and the benefits that go with that status.

Mr. Chairman, in many situations investing in temporary employees can be prudent if these positions truly were temporary and as a long time business owner and manager, I understand why the state would not want to put a lot of money or resources into an employee that is expected to leave employment within one year.

However, when temp employees are staying in their positions for nearly a decade, yes folks, some have been here a full decade, it is time to start putting an investment into those workers, and molding them into valuable commodities. Treating them fairly and with the dignity they deserve which encourages them to become long-term, valuable state employees.

Mr. Chairman, I respectfully request that you give this bill a thorough review and then bring it to the full Senate with a Do-Pass recommendation. Thank you,



NORTH DAKOTA
Department of Corrections
& Rehabilitation

Central Office

PO Box 1898 • 3100 Railroad Avenue
Bismarck, ND 58502-1898
(701) 328-6390 • Fax (701) 328-6651

TDD 1-800-366-6888 • TTY Voice 1-800-366-6889

Jack Dalrymple, Governor
Leann K. Bertsch, Director

1/29 #2
pg 1

Senate Government and Veteran Affairs Committee
Senator Dick Dever Chairman
Senate Bill 2290

Mr. Chairman and members of the Senate Government and Veteran Affairs Committee, my name is Tracy Stein the Director of Human Resources for the Department of Corrections and Rehabilitation. I am here today representing the Department of Corrections in opposition of Senate Bill 2290.

The Department has many employees filling positions at a fulltime temporary status. These temporary employees work in varying types of responsibilities through-out the DOCR in positions such as Correctional Officers, Juvenile Institutional Resident Specialist, Security Officers, Administrative Support and other positions within NDSP's Medical Unit. In lieu of authorized permanent positions these positions are needed for security, managing juveniles and adult offenders, assisting in administrative support tasks within various work units in the DOCR, and providing health care to offenders. Rather than grant the DOCR fulltime equivalent positions the Legislature approves funding for the DOCR to use its discretion on filling temporary positions to provide services for the rehabilitation of juveniles and adult offenders.

Within our juvenile and adult secure facilities, new correctional staff are hired as fulltime temporary employees, through attrition, these staff move into authorized position that are vacated within two-three months of hire. One exception is the Missouri River

Correctional Center (MRCC), vacancies are less frequent and so the three temporary correctional officers that provide security could be in the temporary status beyond two years. According to the language in Senate Bill 2290 the DOCR would have to offer those employees a fulltime equivalent permanent position at the employees two year anniversary date. The DOCR may not have an authorized position to place the employee into. I think it is important to allow state agencies to manage their temporary positions based on the needs of that agency. As I stated earlier, the DOCR moves temporary employees into permanent positions on a regular bases. Those temporary employees that start their career with the DOCR are given the first opportunity to bid in on permanent positions when a permanent position vacates. In many cases those employees are very qualified for permanent positions because they are familiar with responsibilities of those permanent vacated positions since they have been working as a temporary employee with the DOCR.

Mr. Chairman and members of the committee I encourage you to vote a do not pass on this bill and allow state agencies to manage their positions and personnel based on the business needs of that agency. This concludes my testimony.

1/29 SB # 2
2290 PG 2

January 30, 2015

2/5

#1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2290

Page 1, line 6, replace "Offer of full-time employment after two years" with "Eligibility for full-time employment benefits - Agency budget requests"

Page 1, after line 6 insert:

"1."

Page 1, line 9, replace "offer" with "provide"

Page 1, line 9, replace "a" with "salary and benefits equivalent to that which is provided to"

Page 1, line 9, remove "position and eligibility for all benefits"

Page 1, line 10, remove "available to permanent full-time"

Page 1, line 10, after "employees" insert "in a comparable position"

Page 1, line 10, remove "Within fourteen days of the offer of full-time"

Page 1, replace lines 11 and 12 with "An individual who has been employed with a state agency or department on a full-time basis as a temporary or contract employee for a period of twenty-four consecutive months is eligible for annual compensation adjustments in the same percentages as provided by the legislative assembly for regular classified employees."

2. Notwithstanding any other provision of law, an individual who has been employed with a state agency or department on a full-time basis as a temporary or contract employee for a period of twenty-four consecutive months is entitled to participate in the public employees retirement system and receive credit for service for the time employed as a temporary or contract employee.
3. In preparing draft appropriations acts as required by section 54-44.1-06, the director of the budget shall include in the draft appropriations act for any state agency or department that employs any individual as a temporary or contract employee on a full-time basis for a period of twenty-four consecutive months, funding and authorization for an additional full-time equivalent position for each temporary or contract employee who has been employed by the agency or department for at least twenty-four consecutive months."

Renumber accordingly