

1999 HOUSE HUMAN SERVICES

HB 1491

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1491

House Human Services Committee

Conference Committee

Hearing Date January 27, 1999

Tape Number	Side A	Side B	Meter #
1	X		0.0 - 26.0
2	X		41.0 - 41.5
Committee Clerk Signature <i>Susan Lindstaigen</i>			

Minutes:

Rep. RACHAEL DISRUD, District 21, testified this bill was brought forth by a bipartisan concept to deal with an issue of keeping local control. We are open to adopting amendment no. 90737.0101 (attached).

KATHY HOGAN, Director, Cass County Social Services, testified (Testimony attached).

Rep. CAROL NIEMEIER asked what do merit system standards cover? KATHY HOGAN stated it assures the classification system is fair and consistent, sets standards on benefits, prevents nepotism, or political system.

Rep. ROBIN WEISZ asked are any other counties interested in this? KATHY HOGAN stated that the County Committee Association looked at this as an option and agreed the state system is beneficial to counties.

Rep. CLARA SUE PRICE asked are you saying federal certification? KATHY HOGAN said they would look at our policies to see if we meet federal requirements. Rep. CLARA SUE PRICE asked what happens if you don't meet the federal requirements? KATHY HOGAN said we'll be put back in the state system.

Rep. RALPH METCALF asked what is the benefit to the county to establish this system?

KATHY HOGAN stated the biggest advantage would be that county employees will be treated equally but we also have state merit system requirements that must be complied with. Thus, we have two sets of paperwork and rules. Rep. RALPH METCALF asked does the state oversee you to ensure compliance? KATHY HOGAN said the state oversees the county to determine that we meet federal standards and also discussed the difficulty for employees.

Rep. CLARA SUE PRICE asked how much is saved? KATHY HOGAN stated its primarily administrative costs. The biggest thing is a consistency issue for employees.

Rep. TODD PORTER asked about the fiscal note and can there be legislation for the state to bill the county for the expenses? KATHY HOGAN stated that makes sense if we have to apply for certification. We don't know how much time it would take.

NEUTRAL TESTIMONY

MARSHALL FLAGG, Director, Human Resources, Department of Human Services, testified (Testimony and proposed amendment attached).

Rep. WILLIAM DEVLIN expressed surprise for the fiscal note and thought that Department of Human Services had staff people to do work for a couple of counties on the merit system.

MARSHALL FLAGG stated it was difficult to prepare because we didn't know the number of counties that wanted to opt out of the merit system. We audit the county's work.

RON LEINGANG, Department of Human Services, dittoed Marshall Flagg's comments and further stated we do periodic audits for compliance. We provide technical assistance for compliance and investigate any complaints. In regard to the fiscal note, we may not hire immediately but would probably start with a temporary or a consultant.

Rep. WILLIAM DEVLIN asked if auditors could help do the work? RON LEINGANG stated the auditors do fiscal work, not this type of work. We had 3000 staff and are down to 2200.

Rep. TODD PORTER asked if the bill is amended to allow the county to go federal, would it end the fiscal note? RON LEINGANG said they would be open to it.

Rep. ROBIN WEISZ asked if the county meets the state merit system, then the state is already doing the work, so why is there an increase to go federal? MARSHALL FLAGG stated the state administrative rules include county employees. We don't audit the existing system but the audit system that will be implemented is different.

Rep. CAROL NIEMEIER asked about the amendment, page 1, line 12, on where it leaves the county board? MARSHALL FLAGG discussed being brought back under the state system.

Rep. CLARA SUE PRICE asked if one county doesn't meet the federal requirements, how long can they be out of compliance and how much money do we loose? RON LEINGANG stated they don't really know. Rep. CLARA SUE PRICE asked does this jeopardize only Cass County or all state funds? RON LEINGANG stated only Cass County, but will check.

KATHY HOGAN stated federal rules apply only to that county. Cass County gets \$32 million in federal funds.

DAN LEROY, Director, Central Personnel, testified the federal merit system is much less intensive over the years. Six agencies are part of the merit system. We classify 6000 employees

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House Human Services Committee

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plus 800-900 county employees. County classification is fairly minor and without cost to the county. Problems with counties is the social services work force on merit system as proposed to their own system. There are two views: (1) larger counties have salary ranges which are not sufficient to compete , and (2) small counties feel state system good or the county commission would lower their pay. Central Personnel Division's standpoint is that it doesn't really make a difference.

OPPOSITION - None

Hearing Closed.

Rep. CLARA SUE PRICE added an e-mail message to the record (attached).

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1491

House Human Services Committee

Conference Committee

Hearing Date February 2, 1999

Tape Number	Side A	Side B	Meter #
2	X		28.0 - 39.6
Committee Clerk Signature <i>Susann Lindteigen</i>			

Minutes:

Committee Discussion.

Rep. WILLIAM DEVLIN stated this merit system bill is a Cass County problem. We have not heard from Ward, Grand Forks, or Burleigh Counties. The amendments limit it to the four big counties. Rep. CHET POLLERT stated they're saying the two systems don't work, and asked why will three? Rep. TODD PORTER stated Burleigh County was present during hearing, but didn't say anything. Rep. CLARA SUE PRICE explained if the county is out of compliance, it could jeopardize federal funds.

Rep. TODD PORTER moved DO NOT PASS.

Rep. CHET POLLERT second the motion.

Further Committee Discussion.

Rep. BRUCE ECKRE mentioned the possibility of the amendments being discriminatory.

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Rep. ROBIN WEISZ stated there wouldn't be a third system. The counties would have to meet merit system standards.

ROLL CALL VOTE #7: 13 yeas, 1 nay, 1 absent

CARRIER: Rep. CHET POLLERT

FISCAL NOTE

(Return original and 14 copies)

Bill / Resolution No.: HB 1491

Amendment to: _____

Requested by Legislative Council

Date of Request: 01-20-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: HB 1491 relates to Department of Human Services authority surrounding the State merit system and the county public assistance agency participation in such system.

In order to determine that Counties who elect to create their own merit system meet federal standards, the Dept. of Human Services, Human Resource unit would need to create a position. It would require an experienced senior personnel officer with associated equipment and travel expenses. The amount of travel would be dependent on how many counties elected to pursue this option. Currently the Department screens and ranks social service related vacancies at no charge.

County cost would depend on the number of counties choosing to establish a personnel merit system and the status or complexity of any existing personnel function for positions unrelated to social services. Therefore a county cost cannot be determined at this time.

2. State fiscal effect in dollar amounts:

1997-1999		1999-2001		2001-2003	
Biennium		Biennium		Biennium	
General	Special	General	Special	General	Special
Fund	Funds	Fund	Funds	Fund	Funds

Revenues:

Expenditures: -0- 55,364 48,703 55,260 48,613

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-99 biennium: -0-

b. For the 1999-01 biennium: 104,067

c. For the 2001-03 biennium: 103,873

4. County, City, and School District fiscal effect in dollar amounts:

1997-1999			1999-2001			2001-2003		
Biennium			Biennium			Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
-0-			Unknown.			Unknown.		

If additional space is needed, attach a supplemental sheet.

Signed

Brenda M. Weisz

Typed Name

Brenda M. Weisz

Date Prepared: January 22, 1999

Department

Human Services

Phone No.

328-2397

90737.0101
Title.

Prepared by the Legislative Council staff for
Representative Disrud
February 1, 1999

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1491

Page 1, line 10, after "determine" insert ", for the counties of Burleigh, Cass, Grand Forks, and
Ward."

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1491

Page 1, line 10, after "determine" insert ", for any county with a population of fifty thousand or more,"

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1491

Page 1, line 10, after "determine" insert ", for any county or combination of counties with a population that totals fifty thousand or more."

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 1491

Page 1, line 3, remove "subsection 26 of section"

Page 1, line 4, remove "50-06-05.1,", remove "50-09-02,
50-10-06,", and remove the fourth comma

Page 1, line 5, replace "public assistance agency" with "county
social service board"

Page 1, line 10, replace "public assistance agency's" with
"social service board's"

Page 1, line 11, remove "public"

Page 1, line 12, replace "assistance agency" with "social ser-
vice board" and, after "system" insert ", and to rescind
that determination and require termination of a county
social service board's merit system that fails to meet
federal merit system standards"

Page 1, remove lines 13 through 24

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 24

Page 5, line 2, replace "public assistance agency" with "social
service board"

Page 5, line 8, replace "public assistance agency" with "social
service board"

Renumber accordingly

Date: 2-9-99
 Roll Call Vote #: 7

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1491

House Human Services Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Todd Porter Seconded By Chet Pollert

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairwoman	X		Bruce A. Eckre	X	
Robin Weisz - Vice Chairman		X	Ralph Metcalf	X	
William R. Devlin	X		Carol A. Niemeier	X	
Pat Galvin			Wanda Rose	X	
Dale L. Henegar	X		Sally M. Sandvig	X	
Roxanne Jensen	X				
Amy N. Kliniske	X				
Chet Pollert	X				
Todd Porter	X				
Blair Thoreson	X				

Total Yes 13 No 1
 Absent 1

Floor Assignment Chet Pollert

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

REPORT OF STANDING COMMITTEE (410)
February 2, 1999 5:10 p.m.

Module No: HR-21-1732
Carrier: Pollert
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1491: Human Services Committee (Rep. Price, Chairman) recommends DO NOT PASS (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1491 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

HB 1491

Testimony in support of HB 1491
by Kathy Hogan
January 27, 1999

Madam Chair and Members of the Committee, my name is Kathy Hogan. I am the Director of Cass County Social Services and I am here today representing Cass County.

This bill was developed in response to a request from the Cass County Commission. Currently all county social service agencies are included under the ND Merit System as directed by federal law. This system has been in place for many years and has been very effective.

In the early 1990's, Cass County government established a county wide personnel system for all county employees, similar to state system. Because of the current law, Cass County Social Service employees' fall under both personnel systems. This has resulted in the need for development of unique standards for some areas for county social service employees when the county did not choose to adopt the state policies. Because the Merit system does not provide comprehensive personnel policies, all counties need to supplement Merit system rules and those areas are permissive for counties.

Because of the current structure, it is necessary for county social services to complete personnel paperwork and requirements for both the county and the state system. If a new employee is hired, both the state and the county have documentation requirements. This requires that agency staff know two sets of policies and regulations.

This legislation is not intended to be a criticism of the current ND Merit System or the DHS Personnel Department. Personally, I have found both systems to be very professional, knowledgeable and support of county personnel issues. They provide significant training and technical support, particularly if a county does not have Human Resource Personnel and expertise.

The Cass County Commission strongly supports this legislation because it is permissive and could allow for increased efficiency at the local level. Currently Cass County has many of the federal requirements for a Merit System including an independent classification system, hiring procedures and strong personnel policies. We recognize that we may need to change some policies to fully comply with federal merit system requirements but we believe that could be done without significant efforts.

The Cass County Commission has not formally decided if it would seek to be certified. If this legislation were passed, we would look forward to working with state personnel staff to assure a smooth certification process would be developed.

Thank you for the opportunity to testify. I am willing to answer any questions.

**TESTIMONY BEFORE THE
HOUSE HUMAN SERVICES COMMITTEE
REGARDING H.B. 1491
WEDNESDAY, JANUARY 27, 1999**

Chairman Price, and members of the Committee, my name is Marshall Flagg. I am a Human Resources Director with the Department of Human Services with the responsibility for Merit System Operations. The Department of Human Services is not here to testify for or against this bill, but to give information with respect to the fiscal note and answer questions.

The Department also recommends the bill be amended. The drafter used the phrase "county public assistance agency" rather than the phrase "county social service board." The amendments would use the correct phrase. The drafter also amended two sections (50-09-02 and 50-10-06) that are already consistent with allowing county merit system operations. The amendments would remove those sections. None of the Department's proposed amendments would substantively alter the bill. The most significant change would specifically authorize the Department to rescind approval of a county merit system if it later fails to meet federal standards. This would allow the Department to provide necessary assurances that merit systems are in place statewide.

The fiscal note is to employ 1 FTE employee, plus operating expenses that would be required for that position. The fiscal note for the 1999 - 2001 Biennium is \$104,067.00 and \$103,873.00 for the 2001 - 2003 Biennium. The \$104,067.00 is not currently included in the Department's budget.

Prepared by:

**Marshall Flagg
Human Resources Division
Department of Human Services**



Daniel P. Richter
01/27/99 10:35 AM

To: Clara Sue Price/NDLC/NoDak@NoDak
cc:
Subject: House Bill 1491

I have serious concerns about the effects of HB1491 on the ability of county social services to recruit, retain, and adequately pay staff if counties are allowed to withdraw from the Merit System. I understand that the legislation is permissive but I believe it would be by large margin detrimental to county social service employees. The following issues are of concern:

- 1) I believe we would lose "equal pay for equal work" among county social service, human service center, and state employees. In many instances, we administer the same programs at the different levels of government.
- 2) We could conceivably create 53 different systems of personnel administration.
- 3) I believe the outcome would be lower salaries and benefits, especially in the smaller counties. A historic objection to Merit System by some counties has been the requirement to pay the minimum salary. It is my understanding that many county social service employees are at the minimum levels of pay mandated by the Merit System.
- 4) We would lose uniformity in qualification standards and people with different qualifications would be doing similar work. The history of the eligibility worker series illustrates that before uniformity was achieved that many clerical staff were doing eligibility work.
- 5) I believe standards would be lowered and that quality and error rates would increase.
- 6) Current employees should not suffer a loss in pay and benefits when and if a change in a personnel system occurs. For example, what would an employee's status be for accrued annual and sick leave to date if a new system in the county provided for less of these benefits.

I can understand that some individuals may feel that HB1491 may be consistent with SWAP; however, I feel that the negative factors outweigh the positive factors.