

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1341

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1341

House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 01/23/09

Recorder Job Number: 7656

Committee Clerk Signature

W. Engelson

Minutes:

Chairman Grande opened the hearing on HB 1341. The clerk read the title.

Chairman Grande: During the interim committee Representative Glassheim was on the employee benefits committee. In our discussions we had a survey done. There was a survey done. Our committee had not commissioned it. After it was done, it ended up as a part of our committee through being assigned to Legislative Council by Legislative Council. In it it surveyed the agencies, and it talked about tuition payments and whether or not the agency was doing it, why they were doing it, kind of how they were doing it, and justifying it by their administrative rule. As we looked through that survey, some of the agencies were not offering tuition, and in asking some of the questions on that, it was really some of the smaller agencies. They just didn't have the money inside to offer this type of a program. They have to come up with that within their budget type thing. Representative Klein is also on that employee benefits committee. We just had a discussion. The committee itself did not want to put forward a bill that had an appropriation on it, but Representative Glassheim felt it was an important thing. He put forth the bill, and Representative Klein and I said we would support him in that effort.

Rep. Amerman: Is this all new? I don't see anything underlined or crossed out.

Chairman Grande: Brand new. It's all new language. That's why I think it's written that way.

Any other questions? Alright. Now that we know what this bill is in front of us is there anybody who wishes to speak in favor of 1341? Is there anyone who wishes to speak in favor of 1341? Is there anyone who wishes to oppose 1341. Opposition to 1341? Neutral testimony to 1341? We're closing the hearing on 1341

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work One HB 1341

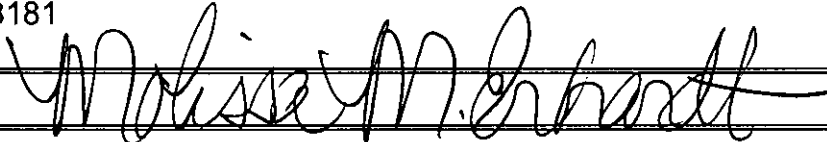
House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 01/29/2009

Recorder Job Number: 8181

Committee Clerk Signature



Minutes:

COMMITTEE WORK ONE:

Chairman Grande: We will take up HB 1341. I have some testimony (See Attachment #1) from Rep. Eliot Glassheim who was unable to make it down here for the hearing on this and I told him I would pass out his testimony. This is HB 1341 on whether or not they should set up a pool of money for State agencies to use for tuition. To create a pool of money for State agencies to pay tuition costs for employees when taking educational credits relating to their agencies responsibilities. OMB will have the rule making decision and discretion on how this will take place. The purpose of the bill is two-fold, to increase employee skills and confidence and to retain our State workforce by offering challenging and interesting educational opportunities during the interim. Both workforce committee and employee benefits committee studied this issue and it was brought up that there is a serious recruitment need and retention for workers in both the private and public sector. We have a high number of agencies that

will have people retiring over the four to eight years. Originally, this bill was drafted this summer with a \$1 million in it and in discussion later, he cut this back to \$200,000 figuring it will cover about 50 employees. There are rules that are in place on pay back and if the employee leaves. That is about all I have from Rep. Glassheim.

Rep. Froseth: Don't most of these agencies include in their budgets requests for a lot of these purposes?

Chairman Grande: They can or they can do as the larger agencies have done and that is to find money within their own budget to do so. It is very similar to the tuition reimbursement pool, when they know they have people who need to go to school and stuff they will request it and have it in their budgets. Otherwise if something comes up the agencies have been able to find ways to do tuition. Not a lot of the agencies use the educational components, but by law they have the ability to do so.

Rep. Meier: Do you about how much dollar amount goes into continuing education for State Employees?

Chairman Grande: Down at my desk, I have a survey that was done of the agencies. I don't know how much money goes in and I don't know how much of it is found within agency budgets. I just happen to know what was spent one particular year. It is just a snapshot taken of the agencies in a survey. I could

not even begin to tell you what it says. It varies with the agencies and what their needs are. Higher Education was not a part of it at all.

Vice Chairman Randy Boehning: Does the agency request the money from OMB and OMB approves the request for each individual person? Is there a cap on this because I don't see one?

Chairman Grande: They have to go to OMB and OMB rules already give agencies the right to pay for approved educational opportunities for their employees or if they find the money in their existing budgets. So it is within strictly each agency that they make all these decisions. But if you remember we passed a bill on the floor that dealt with the tuition stuff and each one now has to submit to human resources or OMB whether it is classified or unclassified and they have to have rules in place, they have to set up payment plans, they have to be uniformed in how we are going to proceed.

Rep. Conklin: Motion for a Do Pass.

Rep. Wolf: 2nd.

Chairman Grande: We have a Motion for a Do Pass by Rep. Conklin and a 2nd by Rep. Wolf.

Rep. Kasper: I just heard testimony yesterday when I presented my property tax bill from a retired engineer who had testimony talking about private businesses now losing engineers to the public sector because the salary and benefits in the

public sector are beginning to be greater than the private sector. He was an engineer for many years with a local firm that had about 340 employees. He said ten to fifteen years ago it was not the case, but now especially in the Bismarck area the government employees have caught up and are ahead. This is certainly a worthy idea but it's another use of State Funds that provides a benefit for a State employee that a lot of the private sector businesses can't afford. So for that reason I am not going to support the bill.

Vice Chairman Randy Boehning: Is there any clause in here that says that if the employee takes the class and betters himself and takes a job in the private sector would he have to reimburse the State?

Chairman Grande: The rules are being established in the other bills that we passed out last week on the floor. There is a payment plan in place for that, unless you are in Higher Education, then you just get the money free and you can leave.

Vice Chairman Randy Boehning: I am going to have to resist the Do Pass motion on this as well.

Rep. Conklin: As you were saying, they find the money anyway. What they are doing is shorting themselves an employee for two months so they can give someone else a raise. It's like hiding it, this way it is out in the open and the money is there. I don't believe they should be hiding it like that.

Rep. Kasper: I think that what a lot of agencies do is, when Rep. Dorso was the majority leader he coined the phrase "phantom employees" and whether there was empty spots that had not been filled by the various agencies they are still funded for that spot and I think that a lot of the dollars that are used in the agencies come from the funding of employees that are not employed during the whole biennium or part of the biennium. I think that they have plenty of money.

Rep. Winrich: I think that we need to keep in mind that this bill is addressed at the small agencies where there is not necessarily plenty of money. The Higher Education system has funded its own sort of program for years, both for staff and faculty because of the need for continuing education in those areas. I heard the same testimony that Rep. Kasper referred to about the private sector the other day. The gentleman was not presenting some sort of study, it was anecdotal information, and I think there is probably plenty of anecdotal in the other direction as well. My experience as a public sector employee, up until a few years ago when I retired from the university, as compared with the experience of my children in the private sector, has been that the benefits in the private sector are quite generous. I would support the bill as a Do Pass.

Chairman Grande: Any other discussion?

Rep. Froseth: How do they define the number of small agencies? By the number of employees?

Rep. Winrich: Fewer than 30 authorized full-time equivalent positions.

Chairman Grande: That was something that LC came up with or OMB.

Rep. Wolf: The other thing I like about this is in the last sentence, Only the tuition costs of education programs directly related to the duties and responsibilities of the agency. For example: I look at that as being, if your secretary has a current technical education degree they are not going to put you through law school.

Chairman Grande: Call the roll on a Do Pass motion.

Clerk Erhardt: Roll Call: Yes: 5. No: 6. Absent: 2. Rep. Dahl and Rep. Schneider.

Chairman Grande: Motion fails. Do we have another motion in front of us.

Vice Chairman Randy Boehning: Move a Do Not Pass motion.

Rep. Kasper: 2nd.

Chairman Grande: Clerk will call the roll.

Clerk Erhardt: Roll call. Yes: 6. Yes: 6. Absent: 1. Rep. Schneider.

Chairman Grande: We are going to put this bill away for a day.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. Committee Work Two HB 1341

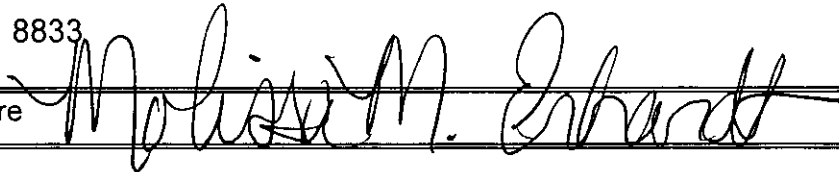
House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Hearing Date: 02/05/2009

Recorder Job Number: 8833

Committee Clerk Signature



Minutes:

COMMITTEE WORK TWO:

Chairman Grande: Open HB 1341. Our committee is torn with. I did speak with Rep. Glassheim a little bit about this bill and he is aware of how contentious is. We have discussed this throughout the interim, so this is something that he, I, and Rep. Klein battled with to decide how we could do this and how it would work out fair within all the agencies. In the grand scheme of things, the tuition reimbursement office has done like we talked about with all the bonus programs, all of this, they have all found it inside their agencies to do so. One of things that we thought as we looked at the particular survey that was done. It was a grouping survey, there were seven questions and they were all sent out to all these agencies. As we looked down, not many agencies were doing a tuition reimbursement program like this. So we kind of thought it might be a small agency issue. But as Rep. Glassheim and I talked about maybe it is not necessarily small agency nor were we sure that 30 is the number we are looking

for. So we debated back and forth, should we go to agencies of fifteen, well that did not make sense either so we just kind of left it with the thought of 30 but Rep. Glassheim also suggested \$100,000. Then we both looked at each other and said "What are we trying to accomplish", so we both have kind of thrown up our hands on this bill. What I would like to see possibly done with this, is that we continue the study of this particular issue. I feel education is important enough with our agencies, our workers, that when they are willing to go the extra mile outside of work time to further educate themselves to become a better worker, a better employee, I think that we should be able to somehow reward that with a tuition reimbursement program of some sort. Having said that, we don't know that this is our mechanism and since Rep. Glassheim and I are on the interim committee we need to continue to study this, I think he would feel comfortable with this, and that was that we somehow put this as a study to how tuition reimbursement can be done within the various agencies and particularly your agencies below 30 employees that have authorized full time equivalent positions. That way we can get a handle on what kind of money we are actually looking at. During the interim we were thinking a million and all of a sudden we got to \$200,000 and all of sudden now we are at \$100,000 and so we really didn't have a handle on what we wanted to do. I just throw that out to the committee and I'll let it go to your wishes as to how you might want to deal with that.

Rep. Winrich: Are you looking for a motion to reconsider?

Chairman Grande: The bill is on the table I think you should move it for us?

Rep. Winrich: I will move to take it from the table.

Chairman Grande: All in favor. I. (Consent). The bill is before us, what are the committee's wishes?

Rep. Meier: What agencies are we exactly talking about?

Chairman Grande: I don't know, we don't even have a list of which agencies are the 30's and below. That was the other thing in our discussion, the only agency I could think of was the Council on the Arts. I know there are more

agencies but I draw a blank. There are a number of them out there and I think we need to look at how we do that. As we heard this morning we are looking at a huge educational component within the Veterans' Affairs area. So there is a great need for this but is this the mechanism to do it, I am starting to question it. That is all I can say and don't feel an obligation because my name is on the bill.

Rep. Wolf: Is there a mechanism in place within the State employee tuition reimbursement program pool or whoever is in charge of that money, that if this would be put into place and these agencies would have 30 or fewer employees where they could take money out of it, is there a paper trail or paperwork or whatever needs to be there, is that already there?

Chairman Grande: There is no pool anywhere. The only tuition reimbursement that takes place at this time is within every agency and whatever they choose to establish. Every agency we talked about has the ability to do this. They have to find the money inside their agency.

Rep. Wolf: This would not set up the mechanism to not even be able to this?

Chairman Grande: No because it is strictly an agency thing.

Rep. Winrich: This does not have a fiscal note does it?

Chairman Grande: It does, \$200,000. We have to get rid of it today.

Rep. Dahl: Are you looking for a motion to study or something?

Chairman Grande: I would like a motion to study because I think that employee benefits should continue with this effort.

Rep. Dahl: Move for a hog house amendment.

Rep. Amerman: You and Rep. Glassheim and some other interim committee have been studying this, will it have to go back to that committee?

Chairman Grande: Yes, the employee benefits committee. No it will not have to go back to that committee because it will go to LC. They take all the topics and study them. There is no one else who is going to want this. We have a motion to hog house this to a study resolution by Rep. Dahl. Do we have a second?

Rep. Karls: 2nd.

Chairman Grande: Any further discussion? In favor of the amendment? I.

(Consent). Opposed? We have the amended bill in front of us. What are the committee's wishes?

Rep. Dahl: Move a Do Pass As Amended.

Vice Chairman Randy Boehning: 2nd.

Chairman Grande: Discussion? Clerk will call the roll on a Do Pass As Amended.

Clerk Erhardt: Total: Yes: 13, No: 0, Absent: 0. Carrier: Rep. Amerman.

Date: 1/29/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1341

House Government and Veterans Affairs

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Conklin

Seconded By Rep. Wolf

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande		✓	Rep. Amerman	✓	
Vice Chairman Boehning		✓	Rep. Conklin	✓	
Rep. Dahl		✓	Rep. Schneider		✓
Rep. Froseth		✓	Rep. Winrich	✓	
Rep. Karls		✓	Rep. Wolf	✓	
Rep. Kasper		✓			
Rep. Meier	✓	✓			
Rep. Nathe		✓			

Total (Yes) 5 No 6

Absent 2

Floor Assignment _____

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

Date: 11/29/09
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1341

House Government and Veterans Affairs

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DRP

Motion Made By Rep Boehning

Seconded By Rep Kasper

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman		✓
Vice Chairman Boehning	✓		Rep. Conklin		✓
Rep. Dahl		✓	Rep. Schneider		
Rep. Froseth	✓		Rep. Winrich		✓
Rep. Karls	✓		Rep. Wolf		✓
Rep. Kasper	✓				
Rep. Meier		✓			
Rep. Nathe	✓				

Total (Yes) 6 No 6

Absent 1

Floor Assignment _____

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

VR
2/6/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1341

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of a state employee tuition reimbursement pool program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. STATE EMPLOYEE TUITION REIMBURSEMENT POOL -
LEGISLATIVE COUNCIL STUDY.** During the 2009-10 interim, the legislative council shall consider studying the feasibility and desirability of an appropriation to the office of management and budget for a state employee tuition reimbursement pool program. The study must address the amount to be allocated to the pool and the agencies that would be authorized to reimburse state employees for tuition costs of eligible and approved education programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

Date: 2/5/09
Roll Call Vote #: 3

#2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB7341

House Government and Veterans Affairs

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By

Seconded By

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman	✓	
Vice Chairman Boehning	✓		Rep. Conklin	✓	
Rep. Dahl	✓		Rep. Schneider	✓	
Rep. Froseth	✓		Rep. Winrich	✓	
Rep. Karls	✓		Rep. Wolf	✓	
Rep. Kasper	✓				
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep. Amerman

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

REPORT OF STANDING COMMITTEE

HB 1341: Government and Veterans Affairs Committee (Rep. Grande, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1341 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of a state employee tuition reimbursement pool program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. STATE EMPLOYEE TUITION REIMBURSEMENT POOL - LEGISLATIVE COUNCIL STUDY. During the 2009-10 interim, the legislative council shall consider studying the feasibility and desirability of an appropriation to the office of management and budget for a state employee tuition reimbursement pool program. The study must address the amount to be allocated to the pool and the agencies that would be authorized to reimburse state employees for tuition costs of eligible and approved education programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

2009 SENATE EDUCATION

HB 1341

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1341

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: March 11, 2009

Recorder Job Number: 10676

Committee Clerk Signature



Minutes:

Chairman Freborg opened the hearing on HB 1341. All members were present.

Representative Glassheim testified in favor of the bill. The original bill would have created a pool of \$200,000 for smaller state agencies to pay tuition costs for employees taking educational credits related to their agency's responsibilities. OMB rules already give agency managers discretion to pay for approved educational opportunities for their employees if they can find the dollars in their budgets. The larger departments have more opportunity to find those dollars from vacancies and operational savings while small agencies have trouble finding the funds. Of 6750 state employees, 93% are in 16 agencies with over 100 employees. The remaining 470 state employees are spread out in 34 agencies that range from 1 – 81 employees. The purpose of the bill was to increase employee skills and competencies and to retain our state workforce. During the interim he was on both the workforce and the employee benefits committees. Both brought into focus the serious need to recruit and retain workers in both the private and public sectors in North Dakota. The high number of expected retirements of state employees in the next 4 – 8 years argues that we need to make employment by the state as satisfactory as possible. The House committee hearing the bill thought there were unanswered questions and turned it into a study.

Senator Taylor asked if the state has ever had a tuition reimbursement program.

Representative Glassheim said it is allowed now, there has not been a special fund.

Senator Taylor asked if we would study the dollars.

Representative Glassheim said we would study how would it work, should there be a pool. He had not vetted the concept properly with HR in advance and there were apparently some questions as to how it would operate.

Laurie Sterioti Hammeren, Director of Human Resource Management Services, appeared to provide information. She wanted to clarify a couple of points. The original bill provided for a funding pool for those agencies with 30 or fewer authorized FTEs. Most agencies that provide tuition reimbursement can fund it through roll up of vacant positions. There is limited ability for small agencies to do that. They took a look at the agencies with less than 30 positions and there was a question as to whether those agencies actually would use a tuition reimbursement program. HRMS is certainly not opposed to the bill.

Chairman Freborg closed the hearing on HB 1341.

Senator Bakke moved Do Pass on HB 1341, seconded by Senator Taylor.

Senator Bakke said our public employees are certainly not in it for the money, they give a lot of time and energy. This would be a good benefit. It should be available to all agencies, not just the large agencies. Studying the concept would be worth looking at.

Senator Freborg said it might be interesting to know how much of it they do now.

Senator Bakke said it is more likely to happen for employees of a university. In other areas, it is not as advertized.

The motion passed 5 – 0.

Senator Taylor will carry the bill.

Date: 3/11/09 :
Roll Call Vote #: 1 :

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1341

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Sen. Bakke Seconded By Sen. Taylor

Senators	Yes	No	Senators	Yes	No
Senator Freborg	✓		Senator Taylor	✓	
Senator Gary Lee	✓		Senator Bakke	✓	
Senator Flakoll	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Sen. Taylor

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

REPORT OF STANDING COMMITTEE

HB 1341, as engrossed: Education Committee (Sen. Freborg, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1341 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1341

Attachment
#1

Testimony of Rep. Eliot Glassheim on HB 1341

HB 1341 creates a pool of money to be used by smaller state agencies to pay tuition costs for employees taking educational credits related to their agencies' responsibilities.

OMB rules already give agencies discretion to pay for approved educational opportunities for their employees, if they find the money within their existing budgets. Larger agencies have more leeway to find additional funds from vacancies, operational savings or other budget savings. Smaller agencies have less money to work with and fewer opportunities to pay for employees' education.

The purpose of the bill is twofold: to increase employee skills and competencies and to retain our state workforce by offering challenging and interesting educational opportunities.

During the interim I was on both the Workforce Committee and Employee Benefits Committee. Both committees brought into focus the serious need to recruit and retain workers in both the private and public sectors in North Dakota. The high number of expected retirements of state employees over the next 4-8 years argues that we need to make employment by the state as satisfactory as possible to retain the workers we have. We heard that most small agencies don't have an equal ability to pay for part or all of course credits as larger agencies do.

I had originally wanted to set aside \$1 million for this purpose, but given growing concerns about the size of our surplus I cut that back to \$200,000. If one figures \$2,000 per course, about 50 employees in small state agencies would be eligible to participate. Obviously if there was not that much interest the unspent funds would return to the General Fund.

I hope you will give favorable consideration to HB 1341.



State of North Dakota

**HUMAN RESOURCE
MANAGEMENT SERVICES**

A Division of the Office of Management and Budget

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