

**Testimony
House Bill 1174
Senate Appropriations Committee
Senator Holmberg, Chairman
February 26, 2007**

Chairman Holmberg and members of the Senate Appropriations Committee, I am Carol K. Olson, Executive Director of the Department of Human Services (DHS). I am here to provide testimony in opposition to House Bill 1174.

Many functions of staff positions within DHS differ from those of an office-based agency, in that they are responsible for the provision of direct care services to our clients. The nature of our work is such that the work duties must be carried out despite staff turnover or recruitment difficulties. For example, hospitalized patients need adequate staff to meet facility standards for both treatment and safety. Community clients depend upon staff to fill and deliver medication boxes, to assist them with daily living skills, and to monitor symptoms for signs of relapse.

Even with these critical functions, it is our internal procedure to assess the need to fill any vacancy, and to explore any alternatives. In order to do this, the flexibility to utilize available salary funds is necessary. We may, for example, redistribute workload and ask others to assume additional duties. At times this is done for a trial period to determine whether it is feasible on a permanent basis; at other times we can immediately implement the change permanently. To do this requires that we use salary rollup funds to provide some workload salary adjustment to those who assumed additional duties. This works well, and has enabled us to save money while compensating staff for extra effort. If we were

unable to do so, it would actually decrease the potential for finding additional efficiencies within our department.

As we have testified in other areas during this session as well as during the interim period, we at times experience major challenges in maintaining our workforce for several reasons. Probably the most prevalent is due to increasing market pressures for staff salaries. If the market in North Dakota's cities sees increasing salaries, we see a larger number of staff leave for other jobs, and we in turn face barriers to replacing those staff.

When recruitment is difficult, we may turn to use of temporary staff in order to meet critical client needs while the position is empty. We then utilize rollup funds from the vacant position to assist us in maintaining continuity of services until a permanent hire can be located. This prevents creating new barriers to client access due to the vacancy.

In addition, at times it becomes obvious in the recruitment process that we will not be able to fill a position at the offered salary level. In that case, rollup funds may be needed to increase the salary for that position, as well as other internal staff who would be negatively impacted in terms of equity. This is done only if recruitment efforts have been exhausted.

Internally the Department of Human Services requires that all vacant positions not of direct care status are reviewed and a justification to fill is completed by the supervisor. This is reviewed by Fiscal Administration and Human Resources before going to the Executive Director for approval to fill. Likewise, any salary adjustments, whether for workload or market

adjustment, occur only after the same process has been completed. This is true for all staff including direct care staff.

The Department of Human Services has approximately 2000 employees and a 14% turnover rate. This means we can expect to have approximately 280 vacancies per year. Our ability to utilize salary rollup in a flexible manner to meet unusual needs is a necessary tool if we are to maintain critical client services.

It is for these reasons that the Department is in opposition to House Bill 1174. Thank you for the opportunity to speak with you; I would be happy to answer any questions you might have.