

**Fifty-eighth Legislative Assembly of North Dakota
In Special Session Commencing Monday, May 5, 2003**

SENATE BILL NO. 2423
(Senator Stenehjem)
(Representative Berg)
(Approved by the Delayed Bills Committee)

AN ACT to provide legislative intent regarding state employee reductions; to provide for a report to the budget section; to provide for state employee compensation increases; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE REDUCTIONS - BUDGET SECTION REPORT. It is the intent of the legislative assembly that the number of full-time equivalent state employees be reduced by employee retirements, employee turnover, and vacant employee positions during the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Executive branch agencies and the office of the governor, excluding other offices of state elected officials and higher education	155
State elected officials, excluding the governor	13
Judicial branch	8

It is the intent that one-half of this total reduction be accomplished by December 31, 2003, and the remaining reductions by December 31, 2004. Agencies shall report employee positions eliminated and projected salary and wages and fringe benefit savings for the remainder of the 2003-05 biennium to the office of management and budget. The office of management and budget shall provide periodic reports on the employee positions eliminated by agencies and reported agency budgetary savings to the budget section of the legislative council.

SECTION 2. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE COMPENSATION POOLS. The office of management and budget shall establish a state employee compensation pool for executive branch agencies from agency savings resulting from employee reductions under section 1 of this Act and a state employee compensation pool for the judicial branch from agency savings resulting from employee reductions within the judicial branch under section 1 of this Act.

SECTION 3. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION INCREASES - REPORT TO THE BUDGET SECTION. It is the intent of the legislative assembly that funding for state employee salary increases for the biennium beginning July 1, 2003, and ending June 30, 2005, be provided from permanent savings resulting from reductions in full-time equivalent positions and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent positions.

Executive branch agencies may provide state employee salary increases effective January 1, 2004, to be paid in February 2004 of up to one percent from pooled savings as provided in section 2 of this Act and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent positions of the agency, upon approval of the office of management and budget. At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act.

The judicial branch may provide state employee salary increases effective January 1, 2004, to be paid in February 2004 of up to one percent from pooled savings as provided in section 2 of this Act and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent

positions of the judicial branch. At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act.

Executive branch agencies may provide state employee salary increases effective January 1, 2005, to be paid in February 2005 of up to two percent from pooled savings as provided in section 2 of this Act and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent positions of the agency, upon approval of the office of management and budget. At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act.

The judicial branch may provide state employee salary increases effective January 1, 2005, to be paid in February 2005 of up to two percent from pooled savings as provided in section 2 of this Act and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent positions of agencies of the judicial branch. At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act.

The office of management and budget and the judicial branch shall provide reports to the budget section relating to salary increases provided for each year of the 2003-05 biennium.

SECTION 4. EFFECTIVE DATE. This Act becomes effective on July 1, 2003.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2423.

Senate Vote: Yeas 29 Nays 17 Absent 1

House Vote: Yeas 66 Nays 27 Absent 1

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2003.

Approved at _____ M. on _____, 2003.

Governor

Filed in this office this _____ day of _____, 2003,
at _____ o'clock _____ M.

Secretary of State