

Introduced by

Representative Schatz

1 A BILL for an Act to provide for state employee compensation adjustments and to provide for an  
2 appropriation and transfer to the teachers' fund for retirement for cost-of-living adjustments.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES -**  
5 **INTENT.**

- 6 1. The 2025-27 biennium compensation adjustments for permanent state employees are  
7 to average 3 percent per eligible employee for the first fiscal year of the biennium and  
8 are to average 2 percent per eligible employee for the second year of the biennium.  
9 The increases for the first year of the biennium are to be given beginning with the  
10 month of July 2025, to be paid in August 2025, and for the second year of the  
11 biennium are to be given beginning with the month of July 2026, to be paid in August  
12 2026. Increases for eligible state employees are to be based on documented  
13 performance and are not to be the same percentage increase for each employee.
- 14 2. The office of management and budget shall develop guidelines for use by state  
15 agencies for providing compensation adjustments for classified state employees. The  
16 guidelines must follow the compensation philosophy statement under section  
17 54-44.3-01.2.
- 18 3. Probationary employees are not entitled to the increases. However, at the discretion of  
19 the appointing authority, probationary employees may be given all or a portion of the  
20 increases effective in July, paid in August, or upon completion of probation. Employees  
21 whose overall documented performance level does not meet standards are not eligible  
22 for any salary increase.

1           4. It is the intent of the sixty-ninth legislative assembly that an appropriation be provided  
2           to each state agency for the costs of providing the compensation adjustments under  
3           this section.

4           5. It is the intent of the sixty-ninth legislative assembly that the amounts provided for the  
5           2025-27 biennium state employee compensation increases are one-half of the  
6           6 percent first year and 4 percent second year increases approved by the sixty-eighth  
7           legislative assembly for the 2023-25 biennium. It is further the intent of the legislative  
8           assembly the funding available because of this reduction in state employee  
9           compensation increases be transferred to the teachers' fund for retirement.

10           **SECTION 2. APPROPRIATION - TRANSFER - GENERAL FUND TO TEACHERS' FUND**  
11           **FOR RETIREMENT - SUPPLEMENTAL PAYMENT.**

12           1. There is appropriated out of any moneys in the general fund in the state treasury, not  
13           otherwise appropriated, the sum of \$49,200,000, which the office of management and  
14           budget shall transfer to the teachers' fund for retirement during the biennium beginning  
15           July 1, 2025, and ending June 30, 2027.

16           2. The amount of funding transferred under this section, which represents one-half of the  
17           estimated general fund cost of providing state employee compensation increases of  
18           6 percent the first year and 4 percent the second year of the 2023-25 biennium, must  
19           be used for a one-time supplemental payment to eligible retirees in recognition of  
20           cost-of-living adjustments.