

HOUSE BILL NO. 1285

Introduced by

Representatives Schatz, Jonas, Mitskog, Schreiber-Beck, Monson

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.