

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2247

2005 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2247

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2247

Senate Government and Veterans Affairs

Conference Committee

Hearing Date 1/27, 2005

Tape Number	Side A	Side B	Meter #
1	x		5,690-6231
		x	0-3130
Committee Clerk Signature <i>Stiane Davis</i>			

Chairman Krebsbach opens hearing on 2247

To provide an appropriation for 2003-3005 biennium state employee compensation adjustments.

(meter #5690)

Senator Dave Nething - See written attachment - Our state employees did not receive a pay raise so the state is falling behind. The agencies are turning back 12.8 million dollars to general fund.

He handed out a chart of past pay increases and discussed the chart by year.

(meter #6231)

Tape 1 side B

Senator Nething continued.

Believes this pay raise would be a great moral booster to our state employees. He said there needs to be a blending with the governors budget.

Senator Kringstad - In favor of this bill, says a lot of people have not had raises for 4 years and are very deserving of a raise.

Tom Tupa - Independent ND State employee's Association- In support of this bill, see written testimony.

(meter # 660)

Chris Runge-NDPEA- In support of this bill.

Bob Evans - 30 year employee of the state, 25 years at DOT. See written testimony.

Senator Syverson - Asked about a 1% vacancies when military folks return to the states, asked what is your vacancy rated running right now, and how do they cover the responsibilities that were vacated when they left.

Evans - Stated right now they have 13 vacancies, 6 on military duty, as many as 15. They have reassigned management positions.

Jeff Weispfenning - Giving statement for Roger Johnson - ND Dept of Agriculture- see written testimony. In favor of this bill.

Closed hearing on 2247

(meter #1720)

(meter #1924) - discussion on bill 2247

Senator Syverson - Wanted to know if it was for 3%, now 4%.

Senator Krebsbach - Mentioned Senator Nething said it was a blending 4+4.

Senator Brown - Would like to see is to get this approved retroactively January 1st.

Page 3

Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2247

Hearing Date January 27, 2005

Senator Brown - Says the fiscal note looks to be governors budget.

Senator Krebsbach - mentioned that the fiscal note is based on 3% and to raise it 1%.

Senator Nelson - motioned to change the numbers, 3% to 4%. Also the date to 2006.

Senator Brown - seconded

There was discussion to clarify the bill stating that this is implementing the governor's proposal six months earlier. They feel the employees work very hard and deserve 4% retro to January 1st.

Discussion followed on the fiscal note.

Senator Brown moved to Do Pass on the amended bill and re-refer to appropriations

Senator Lee - seconded

Senator Brown will carry.

(meter #3130)

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2247

Senate Government and Veterans Affairs

Conference Committee

Hearing Date *January* 28, 2005

Tape Number	Side A	Side B	Meter #
1	x		320-1180
Committee Clerk Signature <i>Jane Davis</i>			

Chairman Krebsbach opens discussion on 2247

To provide an appropriation for 2003-2005 biennium state employee compensation adjustments.

(meter #320 - tape 2)

Sparb Collins - Director of Employee Retirement (PERS)- He voiced his questions on the increased salary regarding how the retirement should be handled. He gave 3 different options how it could be handled. He would like the bill to say how to handle this.

Senator Brown - Asked if we needed an amendment.

Collins - Said it would be helpful.

Page 2

Senate Government and Veterans Affairs Committee

Bill/Resolution Number **SB 2247**

Hearing Date January 28, 2005

Senator Brown moved to amend the original bill with language that it is counted in the month it is given.

Collins - Said he would immediately put something together for the bill.

FISCAL NOTE

Requested by Legislative Council
02/17/2005

Amendment to: Engrossed
 SB 2247

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$1,220,659	\$1,342,844	\$0	\$0	\$0	\$0
Appropriations	\$1,220,659	\$1,342,844	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

A salary bonus of 1.5 percent for state employees for January - June, 2005.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

A salary bonus of 1.5 percent for state employees for January - June, 2005.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

A salary bonus of 1.5 percent for state employees for January - June, 2005.

Name:	Sheila Peterson	Agency:	OMB
Phone Number:	328-4905	Date Prepared:	02/17/2005

FISCAL NOTE

Requested by Legislative Council
02/02/2005

Amendment to: SB 2247

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$3,255,058	\$3,580,916	\$0	\$0	\$0	\$0
Appropriations	\$3,255,058	\$3,580,916	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Retroactive salary increase of 3 percent effective January 1, 2005.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Amounts shown for 2003-05 are the retroactive salary increases. The executive recommendation includes the amount needed to continue the increase into the 2005-07 biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Amounts shown for 2003-05 are the retroactive salary increases. The executive recommendation includes the amount needed to continue the increase into the 2005-07 biennium.

Name:	Celeste Kubasta	Agency:	OMB
Phone Number:	328-4947	Date Prepared:	02/07/2005

FISCAL NOTE

Requested by Legislative Council
01/18/2005

Bill/Resolution No.: SB 2247

1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$2,441,294	\$2,685,687	\$9,765,176	\$10,742,748	\$9,765,176	\$10,742,748
Appropriations	\$2,441,294	\$2,685,687	\$9,765,176	\$10,742,748	\$9,765,176	\$10,742,748

1B. **County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

Retroactive salary increase of 3 percent effective January 1, 2005.

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Amounts shown for 2003-05 are the retroactive salary increases. Amounts in 2005-07 and 2007-09 are the costs to continue the salary increases.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Amounts shown for 2003-05 are the retroactive salary increases. Amounts in 2005-07 and 2007-09 are the costs to continue the salary increases.

Name:	Celeste Kubasta	Agency:	OMB
Phone Number:	328-4947	Date Prepared:	01/21/2005

Date: 1/27/05
 Roll Call Vote #: 1

**2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2247**

Senate **Government and Veterans Affairs** Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass amendment

Motion Made By Senator Nelson Seconded By Senator Brown

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson	X	
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson		X			

Total (Yes) 4 No 1

Absent 0

Floor Assignment _____

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

Date: 1/27/05
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2247

Senate **Government and Veterans Affairs** Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended, referred to appropriations

Motion Made By Senator Brown Seconded By Senator Lee

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson	X	
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson	X				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Brown

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

Date: 1/28/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2247

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass on amendment

Motion Made By Senator Brown Seconded By Senator Nelson

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson	X	
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson		X			

Total (Yes) 4 No 1

Absent _____

Floor Assignment _____

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

Date: 1/28/05
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2247

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as further amended + re-referred to appropriations

Motion Made By Senator Brown Seconded By Senator Lee

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson	X	
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson	X				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Brown

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

REPORT OF STANDING COMMITTEE

SB 2247: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2247 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "2003-05 biennium"

Page 1, line 4, remove "2003-05"

Page 1, line 10, replace the second "2005" with "2006"

Page 3, line 16, remove "2003-05"

Page 3, line 17, replace "three" with "four" and replace the second "2005" with "2006"

Page 3, line 24, replace "three" with "four"

Page 3, after line 25, insert:

"For purposes of retirement, salary and wage payments made under this Act are deemed earned in the month paid."

Renumber accordingly

2005 SENATE APPROPRIATIONS

SB 2247

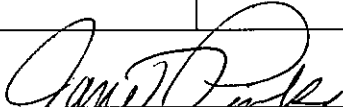
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2247

Senate Appropriations Committee

Conference Committee

Hearing Date February 8, 2005

Tape Number	Side A	Side B	Meter #
1	a		1,250
Committee Clerk Signature 			

Minutes:

Vice Chairman Bowman called the hearing to order on SB 2247.

Senator Dave Nething, District 12, testified in support of SB 2247. He indicated SB 2247 was designed to implement pay raises for state employees retroactively. Originally the governor requested a 3 percent pay for January to June. The bill has increased that to 4 per cent. The purpose of drafting the bill was to make up for employees not getting raises during the past biennium. He distributed a handout which showed an analysis of previous pay increases. With a return of 12.8 million to the general fund from various agencies, he felt this would be appropriate.

Senator Tallackson asked if the Governor was consulted about this increase.

Senator Nething indicated he had not been but (for the record) He needs to do what he thinks he has to do, and we as legislators must do what we need to do.

Roger Johnson, Agriculture Commissioner provided written testimony and testified in **support of SB 2247**. He indicated the lack of raises has created a detrimental impact on state employee morale as well as loss of employees. He indicated that approving raises would create a strong message to employees.

Senator Bowman indicated balancing these raises with what would be approved during the next biennium may be a lot lower.

Roger Johnson indicated that state employees pay is not consistent with other states or private industry. We will not be able to keep state employees with the wages the way they are and can't recruit new people.

Senator Tallackson indicated this proposal shows half of the appropriation from the general fund and half from special funds which will help in the decision making process.

Chris Runge, Executive Director, North Dakota Public Employees Retirement testified in **support of SB 2247**. She indicated having retroactive pay will help with the morale of state employees and urged the support of the appropriations committee.

Senator Tallackson asked how the raises would affect state employee retirements.

Chris Runge indicated she did not know. The effective date for employment and retroactive pay would have to be determine by those proposing the bill.

Senator Robinson testified in **support of SB 2247** indicating he knows the budget is tight but this bill should be approved as well as the raises in July at 4 and 4 increases. The analysis of the Commissioner of Agriculture is a story of many agencies. Without employees it would be difficult to run the facilities and programs let alone recruiting new employees and retaining those we have.

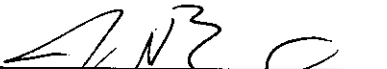
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2247

Senate Appropriations Committee

Conference Committee

Hearing Date February 16, 2005

Tape Number	Side A	Side B	Meter #
1	X		3,000-4,240
Committee Clerk Signature 			

Minutes:

Chairman Holmberg opened the meeting on SB 2247.

Senator Kringstad introduced amendment (.201) for SB 2247. It will provide a one time bonus of 1.5% out of the general fund for state employees. Employees hired after January 1 will not be eligible.

Senator Kringstad moved a Do Pass recommendation for the amendments, which was followed by a second.

Discussion:

Chairman Holmberg- So, the fiscal effect will be an appropriation of \$1.2 million from the general fund, and \$1.3 million from the special fund.

Senator Andrist- This would be in addition to the 3 & 4% pay increases?

Chairman Holmberg- Correct.

Senator Tallackson- I have some concerns, why does the Upper Great Plains get more funding than the Ag Commissioner's entire budget?

Allen from Legislative Council- The Upper Great Plains has a number of employees who are not paid from the general fund.

Chairman Holmberg- No one was singled out, it just turned out that's how the numbers worked.

Senator Thane- So, 1.5 % of a 6 month salary of \$12,000 would be figured into the equation?

Allen from L.C.- \$180 would be their bonus payment in that case. The Upper Great Plains transportation institute has 49 employees.

Senator Andrist- What is the difference between this and the 4:4 pay package being reduced to 3:4 because of the need to save?

Senator Mathern- The difference is this giving back more to state employees.

Senator Kringstad- I would like to make a correction, the general fund is \$1.2 million and the special funds is \$1.3 million, with the total being \$2.5 million.

The amendments passed with a voice vote.

Senator Kringstad moved a Do Pass as Amended recommendation for the bill. Seconded by Senator Thane.

Discussion-

Senator Schobinger- Would the payment be made in the current biennium or the next biennium?

Allen from L.C.- It would be paid in this biennium.

Senator Kilzer- So, this will decrease our ending fund balance by this amount?

Page 3
Senate Appropriations Committee
Bill/Resolution Number SB 2247
Hearing Date February 16, 2005

Chairman Holmberg- Correct.

The bill as amended passed with a vote of 10-4-1. Senator Kringstad is the carrier of the bill.

Chairman Holmberg closed the meeting on SB 2247.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2247

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for state employee bonus payments; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STATE EMPLOYEE COMPENSATION ADJUSTMENTS. The sums hereinafter listed, or so much of the sums as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds or other income as indicated to the agencies and institutions of state government for the purpose of providing a one-time bonus payment to employees of the various agencies and institutions in accordance with section 2 of this Act for the period beginning January 1, 2005, and ending June 30, 2005.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$6,950		\$6,950
Secretary of state	6,647	\$152	6,799
Office of management and budget	28,249	7,024	35,273
Information technology department	6,362	96,053	102,415
State auditor	13,883	6,387	20,270
State treasurer	1,944		1,944
Attorney general	43,886	15,757	59,643
Tax commissioner	40,008		40,008
Administrative hearings office		3,233	3,233
Legislative council	14,075		14,075
Judicial branch	94,226	2,985	97,211
Retirement and investment office		5,966	5,966
Public employees retirement system		8,639	8,639
Department of public instruction	9,983	20,554	30,537
Board of university and school lands		6,781	6,781
State library	5,833	773	6,606
School for the deaf	8,414	586	9,000
Vision services - school for the blind	2,784	1,101	3,885
Board for career and technical education	6,512	3,294	9,806
State department of health	35,332	64,670	100,002
Veterans' home	19,651		19,651
Indian affairs commission	1,042		1,042
Department of veterans' affairs	1,500		1,500
Department of human services	352,608	205,375	557,983
Protection and advocacy project	1,790	6,087	7,877
Job service	287	108,067	108,354
Insurance commissioner		15,654	15,654
Industrial commission	16,105	2,617	18,722
Labor commissioner	2,606	815	3,421
Public service commission	10,369	5,745	16,114
Aeronautics commission		2,131	2,131
Department of financial institutions		10,631	10,631
Securities commissioner	3,466		3,466
Bank of North Dakota		54,828	54,828

Housing finance agency		13,404	13,404
Workforce safety and insurance		78,743	78,743
Highway patrol	62,077	2,010	64,087
Division of emergency management	9,391	8,474	17,865
Department of corrections and rehabilitation	163,469	16,208	179,677
Adjutant general	12,052	30,910	42,962
Department of commerce	15,900	7,090	22,990
Agriculture commissioner	10,916	8,362	19,278
Seed department		8,963	8,963
Upper great plains transportation institute	1,068	24,130	25,198
Branch research centers	21,521	6,714	28,235
NDSU extension service	56,563	39,572	96,135
Northern crops institute	2,083	7,495	3,578
Main research center	99,013	51,306	150,319
Agronomy seed farm		1,223	1,223
Historical society	14,207	1,773	15,980
Council on the arts	1,368		1,368
Game and fish department		52,611	52,611
Parks and recreation department	12,356	1,167	13,523
Water commission	4,161	25,446	29,607
Department of transportation		<u>307,338</u>	<u>307,338</u>
Total	\$1,220,657	\$1,342,844	\$2,563,501

SECTION 2. 2003-05 BIENNIUM STATE EMPLOYEE BONUS PAYMENTS - GUIDELINES. Each state agency or institution shall provide, within the limits of appropriations provided in this Act, a one-time bonus payment to permanent state employees of one and one-half percent of the employee's monthly salary for the six-month period January 1, 2005, through June 30, 2005.

Employees whose documented performance levels do not meet standards are not eligible for the bonus payment.

Employees hired after January 1, 2005, are not eligible for the bonus payment.

Probationary employees on January 1, 2005, are not entitled to the bonus payment.

Payments provided under this Act shall not be considered a fiscal irregularity pursuant to section 54-14-03.1.

For purposes of retirement, bonus payments made under this Act are considered salary and must be annualized pursuant to rules adopted by the public employees retirement system.

SECTION 3. EMERGENCY. This Act is to declared to be an emergency measure."

Renumber accordingly

Date 2-16-05
 Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2247

Senate SENATE APPROPRIATIONS Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass (is Amended) 0201

Motion Made By Kringstad Seconded By Thane

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	✓		SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN		✓	SENATOR LINDAAS	✓	
VICE CHAIRMAN GRINDBERG		✓	SENATOR MATHERN	✓	
SENATOR ANDRIST		✓	SENATOR ROBINSON	✓	
SENATOR CHRISTMANN			SEN. TALLACKSON	✓	
SENATOR FISCHER	✓				
SENATOR KILZER	✓				
SENATOR KRINGSTAD	✓				
SENATOR SCHOBINGER		✓			
SENATOR THANE	✓				

Total (Yes) 10 No 4

Absent 1

Floor Assignment Kringstad

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

REPORT OF STANDING COMMITTEE

SB 2247, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2247 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 an appropriation for state employee bonus payments; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STATE EMPLOYEE COMPENSATION ADJUSTMENTS. The sums hereinafter listed, or so much of the sums as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds or other income as indicated to the agencies and institutions of state government for the purpose of providing a one-time bonus payment to employees of the various agencies and institutions in accordance with section 2 of this Act for the period beginning January 1, 2005, and ending June 30, 2005.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$6,950		\$6,950
Secretary of state	6,647	\$152	6,799
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Information technology department	6,362	96,053	102,415
State auditor	13,883	6,387	20,270
State treasurer	1,944		1,944
Attorney general	43,886	15,757	59,643
Tax commissioner	40,008		40,008
Administrative hearings office		3,233	3,233
Legislative council	14,075		14,075
Judicial branch	94,226	2,985	97,211
Retirement and investment office		5,966	5,966
Public employees retirement system		8,639	8,639
Department of public instruction	9,983	20,554	30,537
Board of university and school lands		6,781	6,781
State library	5,833	773	6,606
School for the deaf	8,414	586	9,000
Vision services - school for the blind	2,784	1,101	3,885
Board for career and technical education	6,512	3,294	9,806
State department of health	35,332	64,670	100,002
Veterans' home	19,651		19,651
Indian affairs commission	1,042		1,042
Department of veterans' affairs	1,500		1,500
Department of human services	352,608	205,375	557,983
Protection and advocacy project	1,790	6,087	7,877
Job service	287	108,067	108,354
Insurance commissioner		15,654	15,654
Industrial commission	16,105	2,617	18,722
Labor commissioner	2,606	815	3,421
Public service commission	10,369	5,745	16,114
Aeronautics commission		2,131	2,131
Department of financial institutions		10,631	10,631
Securities commissioner	3,466		3,466

Bank of North Dakota		54,828	54,828
Housing finance agency		13,404	13,404
Workforce safety and insurance		78,743	78,743
Highway patrol	62,077	2,010	64,087
Division of emergency management	9,391	8,474	17,865
Department of corrections and rehabilitation	163,469	16,208	179,677
Adjutant general	12,052	30,910	42,962
Department of commerce	15,900	7,090	22,990
Agriculture commissioner	10,916	8,362	19,278
Seed department		8,963	8,963
Upper great plains transportation institute	1,068	24,130	25,198
Branch research centers	21,521	6,714	28,235
NDSU extension service	56,563	39,572	96,135
Northern crops institute	2,083	7,495	3,578
Main research center	99,013	51,306	150,319
Agronomy seed farm		1,223	1,223
Historical society	14,207	1,773	15,980
Council on the arts	1,368		1,368
Game and fish department		52,611	52,611
Parks and recreation department	12,356	1,167	13,523
Water commission	4,161	25,446	29,607
Department of transportation		<u>307,338</u>	<u>307,338</u>
Total	\$1,220,657	\$1,342,844	\$2,563,501

SECTION 2. 2003-05 BIENNIUM STATE EMPLOYEE BONUS PAYMENTS - GUIDELINES. Each state agency or institution shall provide, within the limits of appropriations provided in this Act, a one-time bonus payment to permanent state employees of one and one-half percent of the employee's monthly salary for the six-month period January 1, 2005, through June 30, 2005.

Employees whose documented performance levels do not meet standards are not eligible for the bonus payment.

Employees hired after January 1, 2005, are not eligible for the bonus payment.

Probationary employees on January 1, 2005, are not entitled to the bonus payment.

Payments provided under this Act shall not be considered a fiscal irregularity pursuant to section 54-14-03.1.

For purposes of retirement, bonus payments made under this Act are considered salary and must be annualized pursuant to rules adopted by the public employees retirement system.

SECTION 3. EMERGENCY. This Act is to declared to be an emergency measure."

Renumber accordingly

2005 HOUSE APPROPRIATIONS

SB 2247

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2247

House Government Performance Division

Conference Committee

Hearing Date March 9, 2005

Tape Number	Side A	Side B	Meter #
1	X		1-3565
Committee Clerk Signature <i>Stephanie N. Thomas</i>			

Minutes: **Chair Carlson** opened hearing on SB 2247, relating to an appropriation for state employee bonus payments; and to declare and emergency.

Sen. Dave Nething, District 12: (SEE HANDOUT) The reengrossed bill before you is going to ask for a bonus for our state employees for the past 6 months, or the current 6 month we're in of the biennium. I wanted to show you that on two occasions before, we have given retroactive pay raises. We did that in 1975 when we made an 11.9% salary adjustment, and again in 1981 when we made a 10% salary adjustment.

Chair Carlson: When we say salary adjustment, does that mean bonus?

Sen. Nething: It wasn't a bonus. At that time we did it in the context of a retroactive pay raise that went from Jan 1, it was monthly at that point. Due to the history and awareness of it, I asked to have prepared a bill that would provide a 3% increase. The original bill was that way, but it was to be a salary increase paid on a monthly basis, versus a bonus. The reason I used the 3% figure is because that would have been the amount, had the Governor's pay proposal gone into

effect 2 years ago, that was the amount he wanted for the second year of the biennium. The first hearing resulted in the committee recommending a 4% increase, because that was to coincide with the 4% and 4% that the bill had recommended that was in the Legislature. Then the second hearing was in the Senate Appropriations committee, and that's where they changed it from the 4% to the bonus proposal which is equivalent to a 1 1/2 %, and that's the bill you have before you. We had the best intentions last time to provide a pay increase for State Employees, but unfortunately the events that needed to trigger it never occurred. Personally, I'd like to see us go back to a full 3% as a bonus.

Chair Carlson: So your not proposing we go back to the original bill?

Sen. Nothing: No. I like the bonus idea, because I think it accomplishes what we need. I would like to see you go back to the 3% instead of the 1 1/2%, which basically would cost another 1 million 220,000 dollars, then out of the special funds, 1 million 342,000 dollars.

Rep. Monson: You are aware that some agencies did give some very hefty raises last time, are you not?

Sen. Nothing: Yes, very few of them.

Rep. Skarphol: 3600 State Employees got raises this biennium. That's significant to me out of roughly 8,000.

Sen. Nothing: I'm really interested in those that didn't get it.

Rep. Monson: The intent of this would not go on to their salary schedule. It's just a one time payment.

Sen. Nothing: That's right. That's the intent.

Rep. Skarphol: It is considered salary when your looking at your retirement.

Sen. Nething: Yes, and I think there is going to be an amendment offered along those lines.

Rep. Glassheim: Is it paid in one lump?

Sen. Nething: That's the intention as I understand it.

Sen. Ed Kringstad, District 35: There are some departments that need this, Corrections is one of them. They need about 4.2 million just to get up to the medium. I realize that a lot of people got raises this past session, but some of that was done, I'll use the Attorney General's Office, it was 247,000 and that was an adjustment to get the attorney's more equitable between the agencies and so forth. So, we can't look at that. It was a pay raise, but it was assigned to certain people within that department.

Rep. Skarphol: We've had some conversations with some entities included on lists that would rather not have the dollars put into salary, but would rather have the dollars available for their budget in other areas, because they were given raises over the last biennium. Would you have any heartburn with us doing that?

Sen. Kringstad: No, not if it's the desire of that particular department.

Chris Runge, Executive Director of the ND Public Employees Association: We stand in support of SB 2247. Our priority remains, however, the fully funded 4% and 4%, and the 5 million dollar equity pool. Anything else that you could provide to the State Employees would be a bonus for them. So, that's why we are standing in support of 2247, because it's the recognition of some of the issues out there of the State Employees not receiving a pay raise over the last biennium. I think it's important to put into perspective the 3600 State Employees that received pay increases over the last biennium, because a number of those were legislatively mandated raises, and a substantial amount of those were pay raises given by nonclassified state

agencies as well. The rest were equity and work load adjustments. They were also merit, and reclassifications and promotions. I think it's important to put that 3600 figure into perspective as well.

Chair Carlson: Your first comments talked about your main emphasis being fully funded 4% and 4%. What would be your response if this bill were to die, and neither all or some of the money was rolled into the pay package for the next biennium?

Chris: We as an organization have been working on a fully funded 4% and 4%, the fully funded health insurance plan, and the 5 million dollar equity pool for the last year. We think that's a fair plan. Anything else you can add to the plan we would certainly be happy with that, but we certainly don't want it to be in lieu of a 4% and 4% across the board pay raise for State Employees.

Sparb Collins: (SEE PROPOSED AMENDMENT)

Chair Carlson: Is that the logical way to do that?

Sparb: In the retirement system, we're concerned about bonuses for the reason we call pension spiking. To the extent that a bonus occurs, and retirement is based upon the final average salary and the final average salary is calculated by the high 36 months out of the last 120 months. So what we do is when we calculate as we go on, we pick the high 36 months and we divide it by 36, and then that becomes the final average salary that's taken times the multiplier, times your years in service, and that's your retirement benefit. To the extent bonuses occur, we're concerned about them for two reasons. One, if there is a large and substantial bonus that would occur in a particular year, for one month for example, that would end up pushing up that final average salary. The second concern is if they occur not so much to a high amount, but if they

occur annually. If you have a bonus every year that occurs in a certain month, and that increases somebody's salary by 10%, then when we go back and pick out those high 36 months, we're going to be picking up those atypical salaries. Those atypical salaries are going to cause that to go up.

Chair Carlson: Does the option exist that you don't recognize it for retirement purposes at all?

Sparb: I don't know how much that would involve in the payroll system to be able to do things like that. I'm sure it probably could be done, but I don't know how that would be mechanically, if that would require special adjustments.

Ardy Paff, Human Resource function at the Information Technology Department: I do support 2247, the providing of one time bonuses to State Employees. The first priority, however, is to ask for your support of 1050, the 4% and 4% payroll adjustment.

Rep. Skarphol: I had the opportunity to have a discussion with someone who said that they had been given raises over this last biennium, and it happens to be Higher Education. They indicated that they would have better use for the dollars, and that their employees would be happy to give those dollars up for that other use, rather than have it as salary. If they wanted to use the money for something else within the agency, I just think it's an appropriate thing to do, as long as they have received their pay raises anyway.

Ardy: In my mind, it seems like it's clear to keep the compensation issue separate from like operating expense issues and things of that nature, so that we're sure to get the proper solution for the problem that we're having in terms of being able to recruit and retain State Workers. If you do support the giving of bonuses, I ask that you give the agency the authority to decide which employees to give bonuses to. Let them administer, divvy up the dollars. Sometimes there are

employees that aren't given salary adjustments, or wouldn't be given a performance bonus even if we did have money, because of performance issues.

Tom Tupa, Independent ND State Employees Association: We support 2247, the bonus amounts to be given to State Employees. We think sense they missed it in 2003, this might be a nice catch up for them, and then they can go forward from there for 2005/07.

Rep. Skarphol: There were a significant number of State Employees that did get raises last time, and a significant number that did not. What would be inappropriate about ensuring some of those who didn't get a raise got a little more than those that did?

Tom: We understand that there were a number of employees who did get pay raises between the 2003/2005 biennium, but we also know that a lot of those people got it because of additional workloads, reclassifications, and reassignments. When you take that group out, how many of those out of all those that got adjusted are left, and maybe that would be something that could be considered by agencies or departments.

Rep. Glassheim: If we were inclined to spend 1.2 million dollars, do you think it would be preferable to put it here, or into a 4% and 4% permanent raise situation, or into the equity pool that was 2 ½ million of general fund before it left here?

Tom: I understand the dilemma that is facing you legislatures, and if you were to shuffle that total dollar amount elsewhere and if it could be used to still address a bonus issue, I think that would be certainly worth considering, on top of the equity pool and the 4% and 4%. If you want to roll it all into one bill, and give them some additional money for bonuses, I think that would be fine.

Rep. Skarphol: How are irregularities considered in the retirement system, based on what you considered the lump sum payment of a bonus versus a monthly payment?

Sparb: What we do is there's bonus payments, and of course provision statute where we try and take a bonus. Sometimes a bonus is just for a year. Then what we try and do is will try to take that bonus and spread it back over the period for which it's intended. Now, an irregular payment occurs once in awhile, to the extent that we're aware of it and see it. With irregular payments there may be some retroactive adjustment that occurs in salaries, then again we try to spread it back to the period for which it's earned.

Rep. Skarphol: If we pay someone a bonus to come to work at an agency, you can't spread that back.

Sparb: There are 3 types of bonuses that you authorized at one time. There was a recruitment bonus. They were deemed not to be eligible for retirement. Another bonus was retention and performance. Performance bonuses were eligible for retirement, and those again can be assigned for a period, and I don't remember what happened with the retention bonus.

Rep. Skarphol: The irregularities that I'm referring to, the one that comes to mind is typically most often discussed, is the one where agencies give some employees a salary bump because of the legislative session. Some of us feel that is not appropriate because not all agencies do it, and I'm just wondering how the agencies that do choose to do that, how it affects the retirement for those employees?

Sparb: I would suspect that would probably be included in retirement for the month that it is paid. I don't think that it would be spread back.

Rep. Skarphol: What difference does it make whether you take a 1,000 dollar bonus that someone gets paid for extra work, your going to add it to just the month that they receive it in. What difference does that make versus spreading it out over the 6 months in regard to the retirement calculations that you do?

Sparb: By spreading it back, it normalizes that adjustment. If we had regular bonuses that occurred, if every year for ten years there was one month of salary that was 20% higher than every other one, when we went back and picked up that high 36, it's going to bump it. If there was a bonus to occur that was a single bonus that's substantial in a particular year, again out of those 36 it could move that up slightly, and that's why we are concerned with that. Our smaller adjustments usually have a tendency to work there way through the system, and that's like the case here.

Rep. Monson: Someone who is close to the end of their retirement or getting close to their retirement age. If they had every year a pretty nice bonus, and they do that for 4 or 5 years and their close to that retirement age, that would really be a substantial bump in their retirement, wouldn't it?

Sparb: Depending upon the dollar amount, it could influence it.

Ken Purde: In terms of the fiscal irregularities question, the statute requires reporting of temporary adjustments, one time adjustments, and so forth. The provisions for giving bonuses for recruiting retention was excepted from those budget irregularities. So, those legitimate bonuses are not, I don't believe, reported anymore.

Chair Carlson: If we were to give this money to an agency, 40,000 dollars to distribute among its employees, and we told them they had to address performance and equity, how would it be spread?

Ken: With 60 some agencies, it would probably be 60 individual methods, and some variations among all of them.

Chair Carlson: If I gave you the 40,000 dollars and said I want you to spread this so it addresses equitable situations in the Tax Department, could you do it?

Ken: I'd probably plug it in parallel, or with the 5 million dollar market equity fund, and use that methodology.

Rep. Skarphol: Does this bonus payment raise the paygrade?

Ken: No, it has no affect on the grades ranges, or base pay at all.

Closed Hearing on SB 2247.

*Govt Performance
2247*

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date March 30, 2005			
Tape Number	Side A	B Side	Meter #
1	X		2135-4835
Committee Clerk Signature <i>Stephanie N Thomas</i>			

Minutes: **Chair Carlson** opened general discussion hearing on SB 2247, relating to an appropriation for state employee bonus payments; and to declare an emergency.

Overview of amendment. (SEE AMENDMENT 50226.0304)

Rep. Glasheim: There is no original 500 million dollar employee pool?

Chair Carlson: The pool is gone.

Rep. Glasheim: Who's going to pay \$500 for the Health Insurance?

Chair Carlson: Our premium for next year will be \$554, and this says \$54.00 will be paid by everybody that has our coverage, meaning the state contribution is \$500, and the individuals contribution is \$54.50.

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Rep. Skarphol: I move.

Rep. Monson: Second.

Rep. Glassheim: Looking at the whole picture, you can certainly make a case that we're paying a lot on insurance, and I'm sure there are many businesses that don't pay the full amount. If you look at the whole picture of employee compensation, and how far we are in salaries behind, and the one thing they have to hold on to is a sure and certain benefit that their healthcare is off the table. They still want as much raise as they can get, but it compensates a lot. When your not competitive in salaries, you have to be better at something, so one way to retain some people is if healthcare is pretty good. Furthermore, although we pay 100%, our cost for healthcare is much less than many other states.

Chair Carlson: We have a motion and a second on amendment 0304 to SB 2247. Roll call vote conducted, amendment passes.

Closed General Discussion Hearing.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2247
State Employee Compensation Adjustments

House Appropriations Full Committee

Conference Committee

Hearing Date March 31, 2005

Tape Number	Side A	Side B	Meter #
1	X		#9.7 - # end
1		X	#0 - #9.3
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2247.

Rep. Al Carlson distributed handout #59.1 (attached) and explained that this is the Bonus Bill that originally had \$1.2 million. Amendment #0304 hothouses the bill. It sets the compensation at 4% the first year and 5% the second year. This establishes a \$108 minimum and has the same features that HB1050 had when we sent it across. Those features include that of the 5%, 3% is for the raises and 2% is distributed based on equity, merit raises, market adjustments, and discretionary salary adjustments. The rest of the language explains that if people don't meet the standards or if they are on probation, they would not be eligible for the increases. The basis for the \$108 minimum is that it establishes a contribution on the part of the employee on their health care of \$54. The \$108 dollar minimum is to make sure that those people on the low end of the pay scale would be held harmless on this so they could still receive their 4%. The state's share of health care is \$500. Rep. Carlson reviewed the figures on the attached handout.

Rep. Ken Svedjan, Chairman clarified that employees lower on the compensation scale receive the highest level of increase.

Rep. Al Carlson answered that this was correct and moved to adopt amendment #0304 to SB2247.

Rep. Francis J. Wald seconded

Rep. Ron Carlisle moved a substitute amendment to SB2247 by giving the Department of Corrections and Rehabilitation \$600,000 and the Office and Management and Budget \$600,000. Rep. Carlisle requested a roll call vote.

Rep. Bob Martinson seconded

Rep. Mike Timm, Vice Chairman asked if this would be better as a further amendment. (meter Tape #1, side A, #17.3)

Rep. Ron Carlisle answered no and clarified the amendment that would hog house the bill.

Rep. Al Carlson commented that there needed to be debate on the original amendment first.

Rep. Ken Svedjan, Chairman stated that both amendments could be debated within the discussion of the substitute motion.

Rep. David Monson commented that he would like to see this discussion move in the direction of Rep Carlson's amendment so he would resist this substitute motion.

Rep. Pam Gulleon asked why legislator's were not included in Section 3 of the amendment for requirement of contributing \$54 for the health care premium.

Rep. Al Carlson answered that this discussion never came up

Rep. Pam Gulleon asked if the legislators were considered employees in this section

Mr.. Jim Smith of legislative council answered that the legislators were included as employees here.

Rep. Francis J. Wald commented that private corporations are beginning to cap health care costs. Several households are doubly insured and with both plans to work from over utilization happens.

Rep. Alon C. Wieland asked if any discussion was held regarding future employees with regards to single and family coverage.

Rep. Al Carlson answered that this was discussion happened in an earlier bill that was defeated in this committee so we did not include this discussion in this bill.

Rep. Ron Carlisle asked if all lawmakers would need to begin paying health care. Also, do judges pay for their health care. (meter Tape #1, side A, #23.9)

Mr. Allen Knudson of legislative council answered yes

Rep. Mike Timm, Vice Chairman commented that he would resist the substitute motion because this amendment only benefits two groups of people.

Rep. Eliot Glasheim commented that the interim committee came to no opinion in the end regarding the health care issue because there were so many diverse opinions overall. We are making this recommendation without any public testimony being heard on this issue, without any discussion, analysis or data on this issue. This is happening in the private section, however our salaries are not competitive with the private sector. This is the reason for the high turnover and the difficulty in hiring new people. The one thing good that we offer is a decent health care package. When you start taking that away, and pay only minimal increases, then you have a serious problem in state government employment. The way this is set up, those earning \$16,000

per year will receive the full 4% net increase. But those earning \$24,000 to \$48,000 are only receiving 2-2.7%. In the second year they are not receiving 5% they are receiving 3% plus they have to pay for their health care. This is really a 3 and 2 percent net raise in reality.

Rep. Al Carlson commented that this proposal is the highest of all the proposals made this session in either chamber. The turnover rate for state employees at 8% is acceptable, not high. The health care policy stays the same for most and it is participation that drives the utilization. If testimony was heard, the employees and the public would not want to hear what private industry is paying on health care benefits.

Rep. Mike Timm, Vice Chairman asked why we would want a package where only two groups of employees are being rewarded rather than all of the employees. We should pass the original amendment and then take out section three if that is a problem, but it is not good to vote for this substitute amendment.

Rep. Ken Svedjan, Chairman commented that the organization in which Rep Svedjan works made a change in health care two years ago and they switched to an 80/20 plan. This proposal is better than that. This increase is built in to future salary increases so everything is covered and this effects all employees instead of just two groups of people.

Rep. Keith Kempenich commented that if this is passed the legislature is receiving a net decrease over the next two years overall.

Rep. Eliot Glassheim explained that the proposal by Rep Carlson had all increases under the 4 level so it must take it down to under the 3 level since this proposal would mean they would need to start paying for their health care too. This proposal is not evenly distributed either since 2% of the increase is for selected employees. And, the balance is 3%, that will be less too once they pay

for their own health care. This also puts these bonuses on top of the taxable income so they wouldn't be receiving it in its entirety after taxes were removed. Overall this proposal is not a good deal for the employees.

Rep. Ken Svedjan, Chairman called for a roll call vote on the substitute motion to a give DOCR \$600,000 and OMB \$600,000. Motion failed with a vote of 11 yeas, 12 nays, and 0 absences. Rep Carlisle requested a minority report on this amendment, but they would have to wait until after the bill is passed by committee and the majority report is in place. (meter Tape #1, side A, #37.0).

Rep. Ken Svedjan, Chairman explained that we had the original motion in front of us to adopt amendment #0304 to SB2247

Rep. Al Carlson commented that there is \$2.6 million more going into salaries, then what was there before.

Rep. Alon C. Wieland asked if salaries would be interpellated and brought up to the point where the net increase of \$54.00 starts to leave and then it becomes over \$54.00 and then it goes into the regular percentage.

Rep. Al Carlson answered that this was correct.

Rep. Bob Martinson moved a substitute motion to delete section 3 of amendment #0304 so this can be a true 4% and 5% salary increase.

Rep. Ron Carlisle seconded

Rep. David Monson commented that he would resist this substitute motion because it is a good idea to be moving in the direction that employees take a part of the cost for insurance because the costs are getting too high and stifling other salary increases.

Rep. Ken Svedjan, Chairman called for a roll call vote on the substitute motion to remove section 3 from amendment #0304. Motion carried with a vote of 12 yeas, 11 nays, and 0 absences.

Rep. Al Carlson moved a Do Not Pass motion on SB2247

Rep. Jeff Delzer seconded

Rep. Ken Svedjan, Chairman led a discussion concerning procedure which ended in the consensus that the amendment has not been adopted yet.

Rep. Al Carlson and **Rep. Jeff Delzer** withdrew their motion

Rep. Ken Svedjan, Chairman explained that the committee is now looking at SB2247 with amendment #0304 minus section 3.

Rep. Mike Timm, Vice Chairman moved to adopt amendment #0304 without section 3, to SB2247

Rep. Bob Martinson seconded

Rep. Al Carlson commented that if section 3 is removed from this amendment then it should be killed and then kill the original bill.

Rep. Jeff Delzer commented that the committee ought to deal with the original bill and decided what to do with that rather than adopt these amendments.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0304 without section 3, to SB2247. Vote was unclear. A roll call vote was called. Motion failed with a vote of 11 yeas, 12 nays, 0 absences.

Rep. Ron Carlisle moved to amend original bill with the \$1.2 million divided equally between DOCR and OMB. Rep Carlisle requested a recorded vote.

Rep. Bob Martinson seconded

Rep. Al Carlson commented that the committee ought to resist this amendment because we spent a great deal of time yesterday debating the amount of money that should go to DOCR and we decided on an amount. Now this amendment would take what could have gone to all employees and adds it to the already agreed upon amount for DOCR. This is a mistake.

Rep. Alon C. Wieland commented that he was under the impression that this bill is a one time bonus and not a salary raise. Is this correct?

Rep. Ken Svedjan, Chairman explained that the original bill is a bonus that goes back to January 1. This amendment would hog house the bill and would provide \$600,000 to DOCR and \$600,000 to OMB for critical salary needs. So yes this is now a raise issue.

Rep. David Monson asked that the committee resist this amendment commented that it was not right to give a lot of money to only two groups

Rep. Mike Timm, Vice Chairman moved a substitute motion to return this bill to the subcommittee to be further discussed and come back to the full committee with a new recommendation.

Rep. Blair Thoreson seconded

Rep. James Kerzman commented that this motion should be opposed and would like to comment on the fact that the budget for corrections has not been agreed upon as Rep Carlson referred to earlier.

Rep. Pam Gulleeson asked if the bonus was separate from the pay package and/or if this bill was meant to be a vehicle for arguing the salary package. Because it was not, I would resist the

motion to send this back to committee since we should decide this now and argue the salary package issues when the other bills come before this committee. (meter Tape #1, side B, #6.8)

Rep. Francis J. Wald asked if this one time bonus becomes part of the base.

Rep. Ron Carlisle and **Rep. Al Carlson** answered that this was correct

Rep. Al Carlson commented that this is obviously a point of discussion. Whether it was the bonus bill or the equity payments. This bill is focused on all employees and it should stay this way. Our committee will try to work this out this way.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to send this bill back to the government performance subcommittee to further discussion and recommendation. Motion carried. Rep Svedjan assigned SB2247 back to subcommittee and closed the discussion on SB2247.

*Govt Performance
2247*

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date April 4, 2005			
Tape Number	Side A	B Side	Meter #
1	X		5000-5730
Committee Clerk Signature <i>Stephanie A Thomas</i>			

Minutes: **Chair Carlson** opened general discussion on SB 2247, relating to an appropriation for state employee bonus payments; and to declare an emergency.

Overview of amendment. (SEE AMENDMENT 50226.0305)

Rep. Skarphol: I move 0305 to SB 2247.

Rep. Monson: Second.

Roll call vote, amendment passes.

Rep. Skarphol: I move SB 2247 have a do pass, as amended.

Rep. Monson: Second.

Roll call vote. SB 2247 is a do pass, as amended.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2247
State Employee Bonus Payments

House Appropriations Full Committee

Conference Committee

Hearing Date April 4, 2005

Tape Number	Side A	Side B	Meter #
1		X	#20.7 - #44.5
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2247.

Rep. Al Carlson distributed handout #61-2 (attached) and moved amendment #0305 to SB2247.

Rep. Bob Skarphol seconded

Rep. Al Carlson explained that this is a hog house amendment that establishes a compensation at 4% for the first year in the biennium and 4% in the second year with a minimum of \$80. It also calls for a contribution from the employee of 5% of the health benefits.

Rep. Ron Carlisle commented that this still asks employees to pay for their own health care and I cannot support this

Rep. Joe Kroeber moved a substitute motion to amend SB2247 with amendment #0306 which would take the bill back to the Governor's recommendation of the \$5 million equity pool of which \$2.5 million general fund and \$2.5 million is special funds.

Rep. Tom Brusegaard and **Rep. Ken Svedjan, Chairman** led a discussion concerning the procedures for substitute motions.

Rep. Ole Aarsvold seconded

Rep. Bob Skarphol commented that he would resist this motion because we have already created equity pools in a couple of agency and we should not add to these pools in at least those agencies. (meter Tape #1, side B, #28.3)

Rep. Joe Kroeber answered that we have added funds to other bills because we thought it important so this is no different.

Rep. Mike Timm, Vice Chairman commented that this amendment creates an equity pool but does not give the employees a raise.

Rep. Joe Kroeber explained that HB1050 is the bill which includes the raises for the employees.

Rep. Francis J. Wald asked if section 1 was the way the Governor's budget had this

Rep. Joe Kroeber answered that he had asked that the amendment be drafted based on the Governor's recommendation.

Rep. Ken Svedjan, Chairman called for a roll call vote on the motion to adopt amendment #0306 to SB2247. Motion failed with a vote of 8 yeas, 14 neas, and 1 absence. Rep Svedjan explained that this brings the committee back to amendment #0305.

Rep. Eliot Glassheim commented that he would resist this motion because it is not smart to fool with this. The best thing about employment at the state is the health care.

Rep. Al Carlson answered that this topic will not go away. The rising cost of health care will always be an issue and it deserves a discussion on the house floor.

Rep. Eliot Glassheim referred to handout #61-2 (attached) and noted that some employees only get 1-1.25% in the second year.

Rep. James Kerzman asked why the private industry is paying over \$700 in insurance if they are so conscious of the utilization issue.

Rep. Al Carlson commented that there were lots of options to discuss with this, but we discuss them because we keep saying that the state needs to pay 100% of the health benefits.

Rep. Joe Kroeber commented that the highest factor in utilization is not availability, but age.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0305 to SB2247. Motion carried

Rep. Al Carlson moved a Do Pass As Amended motion for SB2247

Rep. Bob Skarphol seconded

Rep. Ole Aarsvold commented that this bill should be defeated because we should not take away the one thing that employees look forward to in working for the state.

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for SB2247. Motion carried with a vote of 13 yeas, 9 nays and 1 absence. Rep Carlson will carry the bill to the house floor.

Rep. Joe Kroeber requested a minority report on amendment #0306 (withdrawn later).

Rep. Ken Svedjan, Chairman closed the discussion on SB2247 and adjourned meeting.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2247
State Employee Bonus Payments

House Appropriations Full Committee

Conference Committee

Hearing Date April 5, 2005

Tape Number	Side A	Side B	Meter #
1	X		#0 - #6.8
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2247.

Rep. Tom Brusegaard moved to reconsider the committee's action on SB2247.

Rep. Blair Thoreson seconded.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to reconsider the committee's actions on SB2247. Motion carried.

Rep. Al Carlson moved adopt amendment #0308 to SB2247.

Rep. Mike Timm, Vice Chairman seconded

Rep. Al Carlson explained that the amendment is a 4% increase in the first year and a 4% increase in the second year with a \$60.00 minimum provided for each year. Section 2 explains that 1% of the second year's 4% could be used for merit or equity.

Rep. Ken Svedjan, Chairman explained that this amendment allows for a 4-4 plan and allows 1% to be used for merit and equity raises. This merit section is not required of the agencies but they can use it if they want.. This also includes a \$60.00 minimum for lower level employees.

Rep. Ole Aarsvold asked if section 2 of the amendment was a 3-1 plan

Rep. Ken Svedjan, Chairman explained that it could be but the 1% is permissive but not required of the agencies.

Rep. Mike Timm, Vice Chairman asked if the committee could please use the 4-4 plan semantics in our discussions on this so people don't misunderstand again.

Rep. Francis J. Wald asked what the additional cost would be for the \$60.00 minimum.

Rep. Ken Svedjan, Chairman answered that if every agency took did this the cost would total approximately \$500,000. This is in addition to the 4-4 plan.

Rep. Ken Svedjan, Chairman called for a voice vote on the motion to adopt amendment #0308 to SB2247. Motion carried.

Rep. Al Carlson moved a Do Pass As Amended motion to SB2247.

Rep. Tom Brusegaard seconded

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass As Amended motion for SB2247. Motion carried with a vote of 22 yeas, 1 neas and 0 absences. Rep Carlson will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on SB2247.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 2247

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for a statewide equity pool for classified state employees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,500,000, or so much of the sum as may be necessary, and from other funds the sum of \$2,500,000, to the office of management and budget for the purpose of providing market equity compensation adjustments for classified state employees, for the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 2. STATEWIDE EQUITY POOL FOR CLASSIFIED STATE EMPLOYEES. The statewide equity pool funding included in section 1 of this Act must be used for market equity compensation adjustments for classified state employees. The market equity adjustments are to begin with the month of July 2005, to be paid in August 2005. The market equity adjustments are to be independent of any general salary increase provided by the fifty-ninth legislative assembly.

The market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints effective July 1, 2005. Market equity increases may not be give to employees whose salary exceeds the midpoints of their assigned salary range effective July 1, 2005.

Probationary employees are eligible for the market equity increases. Employees whose documented performance levels do not meet standards are not eligible for the market equity increases.

The human resource management services shall provide a model base plan to each agency. Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an alternative plan which meets the intent outlined in this section.

Upon adoption of an appropriate plan and application to the human resource management services, the fiscal management division shall transfer appropriated general fund or special fund spending authority for the increases to the agencies."

Renumber accordingly

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2247

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a statement of legislative intent regarding state employee compensation adjustments; and to amend and reenact section 54-52.1-06 of the North Dakota Century Code, relating to state employee contributions for participation in the uniform group insurance program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-ninth legislative assembly that 2005-07 biennium compensation adjustments for permanent state employees are to be increases of four percent with a minimum increase of \$108 beginning with the month of July 2005, to be paid in August 2005, and of five percent beginning with the month of July 2006, to be paid in August 2006. Of the five percent increase beginning with the month of July 2006, two percent is to be distributed for the following adjustments:

1. Equity increases to address a documented and serious internal agency inequity affecting the agency's ability to retain an employee.
2. Market adjustments to address a documented external salary disparity identified by comparison with generally recognized market data. Appropriate documentation supporting all market adjustments must be maintained. Market adjustments may not be provided in situations where serious internal inequities will result.
3. Merit and performance increases in recognition of documented performance which is consistently superior or which consistently exceeds performance and accountability standards.
4. Discretionary salary adjustments at the discretion of the appointing authority based on changes in workload, promotion, reclassification, or other permanent job reassignment. Appropriate documentation and justification must be maintained by the appointing authority.

Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the four percent with a minimum of \$108 in July 2005 and the five percent in July 2006 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Each agency appropriation for salaries and wages is increased by four percent with a minimum of \$108 the first year and five percent the second year of the 2005-07 biennium for these compensation adjustments.

SECTION 2. AGENCY SALARY INCREASE INFORMATION. State agencies shall report to the human resources management services division of the office of management and budget in the format developed by the division, information regarding

the state employee salary increases provided pursuant to section 1 of this Act. The human resources management services division shall analyze the impact of the increases on the classified employee system and include this analysis in the division's presentation to the appropriations committees of the sixtieth legislative assembly.

SECTION 3. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution - State employee contribution. Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract less employee contributions as required by this section for the full single rate monthly premium for each of its eligible employees enrolled in the uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract less employee contributions as required by this section, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. An eligible employee employed by a state department, board, or agency who, on July 1, 2005, is participating in the uniform group insurance program and for whom that eligible employee's employer is paying a premium must be assessed and required to pay monthly fifty-four dollars for uniform group insurance program coverage under this section. The assessment must be deducted and retained out of the eligible employee's salary. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises."

Renumber accordingly

Date: March 30, 2005
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2247

House Government Performance Committee

Check here for Conference Committee

Legislative Council Amendment Number 50226.0304

Action Taken Do Pass, As Amended

Motion Made By Rep. Skarphol Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlson	X		Rep. Glassheim		X
Vice Chairman Skarphol	X				
Rep. Monson	X				

Total (Yes) 3 No 1

Absent 0

Floor Assignment _____

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

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2247

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide a statement of legislative intent regarding state employee compensation adjustments; to amend and reenact section 54-52.1-06 of the North Dakota Century Code, relating to state employee contributions for participation in the uniform group insurance program; to provide for application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-ninth legislative assembly that 2005-07 biennium compensation adjustments for permanent state employees are to be increases of four percent with a minimum increase of \$80 beginning with the month of July 2005, to be paid in August 2005, and of four percent beginning with the month of July 2006, to be paid in August 2006. Employees are to contribute five percent of the monthly cost of the uniform group insurance program under section 54-52.1-06. Of the four percent increase beginning with the month of July 2006, two percent is to be distributed for the following adjustments:

1. Equity increases to address a documented and serious internal agency inequity affecting the agency's ability to retain an employee.
2. Market adjustments to address a documented external salary disparity identified by comparison with generally recognized market data. Appropriate documentation supporting all market adjustments must be maintained. Market adjustments may not be provided in situations where serious internal inequities will result.
3. Merit and performance increases in recognition of documented performance which is consistently superior or which consistently exceeds performance and accountability standards.
4. Discretionary salary adjustments at the discretion of the appointing authority based on changes in workload, promotion, reclassification, or other permanent job reassignment. Appropriate documentation and justification must be maintained by the appointing authority.

Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the four percent with a minimum of \$80 in July 2005 and the four percent in July 2006 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Each agency appropriation for salaries and wages is increased by four percent with a minimum of \$80 the first year and four percent the second year of the 2005-07 biennium for these compensation adjustments.

SECTION 2. AGENCY SALARY INCREASE INFORMATION. State agencies shall report to the human resources management services division of the office of management and budget in the format developed by the division information regarding the state employee salary increases provided pursuant to section 1 of this Act. The human resources management services division shall analyze the impact of the increases on the classified employee system and include this analysis in the division's presentation to the appropriations committees of the sixtieth legislative assembly.

SECTION 3. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution - State employee contribution. Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract less employee contributions as required by this section for the full single rate monthly premium for each of its eligible employees enrolled in the uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract less employee contributions as required by this section, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. An eligible employee employed by a state department, board, or agency who is participating in the uniform group insurance program and for whom that eligible employee's employer is paying a premium must be assessed and required to pay monthly five percent of the total premium for uniform group insurance program coverage under this section. The assessment must be deducted and retained out of the eligible employee's salary. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises.

SECTION 4. APPLICATION OF ACT. Section 3 of this Act applies to health insurance premiums paid for health insurance coverage after June 30, 2005.

SECTION 5. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

Date: April
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2247

House Government Performance Committee

Check here for Conference Committee

Legislative Council Amendment Number 50226 - 0305

Action Taken Do Pass, as Amended.

Motion Made By Rep. Skarphol Seconded By Rep. Manson

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlson	X		Rep. Glassheim		X
Vice Chairman Skarphol	X				
Rep. Monson	X				

Total (Yes) 3 No 1

Absent 0

Floor Assignment Chairman Carlson

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

Carlisle Amendment

Date: 3/31/05

Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. SB 2247

House Appropriations - Full Committee

Fails

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Give 600,000 to DOCR 600,000 OMB

Motion Made By Carlisle Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman		✓	Rep. Bob Skarphol		✓
Rep. Mike Timm, Vice Chairman		✓	Rep. David Monson		✓
Rep. Bob Martinson	✓		Rep. Eliot Glassheim	✓	
Rep. Tom Brusegaard		✓	Rep. Jeff Delzer		✓
Rep. Earl Rennerfeldt		✓	Rep. Chet Pollert	✓	
Rep. Francis J. Wald		✓	Rep. Larry Bellew	✓	
Rep. Ole Aarsvold	✓		Rep. Alon C. Wieland		✓
Rep. Pam Gulleeson	✓		Rep. James Kerzman	✓	
Rep. Ron Carlisle	✓		Rep. Ralph Metcalf	✓	
Rep. Keith Kempenich		✓			
Rep. Blair Thoreson		✓			
Rep. Joe Kroeber	✓				
Rep. Clark Williams	✓				
Rep. Al Carlson		✓			

Total (Yes) 11 No 12

Absent _____

Floor Assignment _____

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

*Request Minority
Carlisle*

Date: 3/31/05
 Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2247

House Appropriations - Full Committee

Check here for Conference Committee

Amend to Delete
See 3 of Amend
0304

Legislative Council Amendment Number

Action Taken

Motion Made By Martenson Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman		✓	Rep. Bob Skarphol		✓
Rep. Mike Timm, Vice Chairman		✓	Rep. David Monson		✓
Rep. Bob Martinson	✓		Rep. Eliot Glassheim	✓	
Rep. Tom Brusegaard		✓	Rep. Jeff Delzer		✓
Rep. Earl Rennerfeldt		✓	Rep. Chet Pollert	✓	
Rep. Francis J. Wald		✓	Rep. Larry Bellew		✓
Rep. Ole Aarsvold	✓		Rep. Alon C. Wieland		✓
Rep. Pam Gulleason	✓		Rep. James Kerzman	✓	
Rep. Ron Carlisle	✓		Rep. Ralph Metcalf	✓	
Rep. Keith Kempenich	✓				
Rep. Blair Thoreson	✓				
Rep. Joe Kroeber	✓				
Rep. Clark Williams	✓				
Rep. Al Carlson		✓			

Total (Yes) 12 No 11

Absent _____

Floor Assignment _____

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

CB2247

Date: 3/31/05
Roll Call Vote #: 3

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. _____

House Appropriations - Full Committee

Check here for Conference Committee

Amend 0304
minus sec 3

Legislative Council Amendment Number _____

Action Taken _____

Fail 5
martinson

Motion Made By Timm

Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman		✓	Rep. Bob Skarphol		✓
Rep. Mike Timm, Vice Chairman	✓		Rep. David Monson		✓
Rep. Bob Martinson	✓		Rep. Eliot Glassheim	✓	
Rep. Tom Brusegaard		✓	Rep. Jeff Delzer		✓
Rep. Earl Rennerfeldt		✓	Rep. Chet Pollert		✓
Rep. Francis J. Wald		✓	Rep. Larry Bellew		✓
Rep. Ole Aarsvold	✓		Rep. Alon C. Wieland		✓
Rep. Pam Gulleason	✓		Rep. James Kerzman	✓	
Rep. Ron Carlisle	✓		Rep. Ralph Metcalf	✓	
Rep. Keith Kempenich		✓			
Rep. Blair Thoreson	✓				
Rep. Joe Kroeber	✓				
Rep. Clark Williams	✓				
Rep. Al Carlson		✓			

Total (Yes) 11 No 12

Absent _____

Floor Assignment _____

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

Was given a substitute motion that killed this

Date: 3/3/05
 Roll Call Vote #: 4

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2247

House Appropriations - Full Committee

Check here for Conference Committee

Move to Amend original Bill (tried again)

Legislative Council Amendment Number _____

\$1.2M

Action Taken _____

*600,000 DOCR
600,000 OMB*

Motion Made By Carlisle Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman			Rep. Bob Skarphol		
Rep. Mike Timm, Vice Chairman			Rep. David Monson		
Rep. Bob Martinson			Rep. Eliot Glassheim		
Rep. Tom Brusegaard			Rep. Jeff Delzer		
Rep. Earl Rennerfeldt			Rep. Chet Pollert		
Rep. Francis J. Wald			Rep. Larry Bellew		
Rep. Ole Aarsvold			Rep. Alon C. Wieland		
Rep. Pam Gulleason			Rep. James Kerzman		
Rep. Ron Carlisle			Rep. Ralph Metcalf		
Rep. Keith Kempenich					
Rep. Blair Thoreson					
Rep. Joe Kroeber					
Rep. Clark Williams					
Rep. Al Carlson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: April 4, 2005
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2247

House Appropriations - Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 50226.0306 Minority Report

Action Taken Adopt Amendment #0306 - Fails

Motion Made By Rep Kroeber Seconded By Rep Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman		X	Rep. Bob Skarphol		X
Rep. Mike Timm, Vice Chairman		X	Rep. David Monson		X
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard		X	Rep. Jeff Delzer		X
Rep. Earl Rennerfeldt		X	Rep. Chet Pollert		X
Rep. Francis J. Wald		X	Rep. Larry Bellew		X
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland		X
Rep. Pam Gulleason	AB		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich		X			
Rep. Blair Thoreson		X			
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson		X			

Total Yes 8 No 14

Absent 1

Floor Assignment Rep Kroeber

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

Rep Carlson will carry the Majority Report Amendment #0305.

*Withdrawn
4/4/05
5:30pm*

Date: April 4, 2005
Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2247

House Appropriations - Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 50226.0305 Majority Report

Action Taken DO PASS AS AMENDED

Motion Made By Rep Carlson Seconded By Rep Skarphol

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson		X	Rep. Eliot Glassheim		X
Rep. Tom Brusegaard	X		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew		X
Rep. Ole Aarsvold		X	Rep. Alon C. Wieland	X	
Rep. Pam Gulleson	AB		Rep. James Kerzman		X
Rep. Ron Carlisle		X	Rep. Ralph Metcalf		X
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber		X			
Rep. Clark Williams		X			
Rep. Al Carlson	X				

Total Yes 13 No 9

Absent 1

Floor Assignment Rep Carlson

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

Rep Kroeber requested a minority report on Amendment #0306.

*Withdrawn
4/4/05
5:30pm*

REPORT OF STANDING COMMITTEE

SB 2247, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 9 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2247 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 a statement of legislative intent regarding state employee compensation adjustments; to amend and reenact section 54-52.1-06 of the North Dakota Century Code, relating to state employee contributions for participation in the uniform group insurance program; to provide for application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-ninth legislative assembly that 2005-07 biennium compensation adjustments for permanent state employees are to be increases of four percent with a minimum increase of \$80 beginning with the month of July 2005, to be paid in August 2005, and of four percent beginning with the month of July 2006, to be paid in August 2006. Employees are to contribute five percent of the monthly cost of the uniform group insurance program under section 54-52.1-06. Of the four percent increase beginning with the month of July 2006, two percent is to be distributed for the following adjustments:

1. Equity increases to address a documented and serious internal agency inequity affecting the agency's ability to retain an employee.
2. Market adjustments to address a documented external salary disparity identified by comparison with generally recognized market data. Appropriate documentation supporting all market adjustments must be maintained. Market adjustments may not be provided in situations where serious internal inequities will result.
3. Merit and performance increases in recognition of documented performance which is consistently superior or which consistently exceeds performance and accountability standards.
4. Discretionary salary adjustments at the discretion of the appointing authority based on changes in workload, promotion, reclassification, or other permanent job reassignment. Appropriate documentation and justification must be maintained by the appointing authority.

Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the four percent with a minimum of \$80 in July 2005 and the four percent in July 2006 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Each agency appropriation for salaries and wages is increased by four percent with a minimum of \$80 the first year and four percent the second year of the 2005-07 biennium for these compensation adjustments.

SECTION 2. AGENCY SALARY INCREASE INFORMATION. State agencies shall report to the human resources management services division of the office of management and budget in the format developed by the division information regarding the state employee salary increases provided pursuant to section 1 of this Act. The human resources management services division shall analyze the impact of the increases on the classified employee system and include this analysis in the division's presentation to the appropriations committees of the sixtieth legislative assembly.

SECTION 3. AMENDMENT. Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-06. State contribution - State employee contribution. Each department, board, or agency shall pay to the board each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract less employee contributions as required by this section for the full single rate monthly premium for each of its eligible employees enrolled in the uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contractless employee contributions as required by this section, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. An eligible employee employed by a state department, board, or agency who is participating in the uniform group insurance program and for whom that eligible employee's employer is paying a premium must be assessed and required to pay monthly five percent of the total premium for uniform group insurance program coverage under this section. The assessment must be deducted and retained out of the eligible employee's salary. The board shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the board to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the board to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises.

SECTION 4. APPLICATION OF ACT. Section 3 of this Act applies to health insurance premiums paid for health insurance coverage after June 30, 2005.

SECTION 5. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

Date: April 5, 2005
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2247

House Appropriations - Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 50226.0308

Action Taken DO PASS AS AMENDED

Motion Made By Rep Carlson Seconded By Rep Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol		X
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	X		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Gulleeson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total Yes 22 No 1

Absent 0

Floor Assignment Rep Carlson

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

This is a reconsideration - originally heard on 4/4/05

REPORT OF STANDING COMMITTEE

SB 2247, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (22 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Reengrossed SB 2247 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 a statement of legislative intent regarding state employee compensation adjustments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-ninth legislative assembly that 2005-07 biennium compensation adjustments for permanent state employees are to be increases of four percent beginning with the month of July 2005, to be paid in August 2005, and of four percent beginning with the month of July 2006, to be paid in August 2006. A minimum increase of sixty dollars per month is to be provided each year.

Employees whose documented performance levels do not meet standards are not eligible for the general increases.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than the four percent in July 2005 and the four percent in July 2006 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Each agency appropriation for salaries and wages is increased by four percent the first year and four percent the second year of the 2005-07 biennium for these compensation adjustments.

SECTION 2. LEGISLATIVE INTENT - MERIT AND EQUITY INCREASES. Of the four percent increase each year, one percentage point may be used by agency and institution directors for equity and market adjustments to address salary disparities, merit and performance increases in recognition of documented performance consistently superior or which consistently exceeds performance and accountability standards, or salary adjustments for changes in workload, promotions, and reclassifications. Appropriate documentation and justification must be maintained by the agency or institution."

Renumber accordingly

2005 TESTIMONY

SB 2247

TESTIMONY ON SB 2247

SENATE GVA COMMITTEE

January 27, 2005

Madame Chair and members of the committee, my name is Tom Tupa and I am representing the Independent ND State Employee's Association (INDSEA). I am here in urging your support for SB 2247.

In 2004 INDSEA established four objectives for its membership. One was to seek a "reasonable salary increase applied equitably to all State employees". SB 2247 is a good beginning.

In 2003, there was an attempt to provide a slight salary adjustment but, that effort did not become a reality for many State employees. While most, if not all, Higher Education employees got their increases, few, if any classified employees in the Executive branch got their's. (The exception might be a few reclassifications or promotions.)

We applaud Higher Education for giving salary adjustments in the last biennium. Now it is time for the Career Service Employees to get some consideration.

INDSEA believes SB 2247 is a good place to start. By now, most employees and legislators have seen or heard of the Compensation report put together by the ND Human Resource Management Services Office of OMB. The information contained in that report, shows ND state employee salaries far behind most other states and the private market.

The report, among other findings, shows a high employee turnover rate in the first 5 years of State employment. That tells me that State government has become a training

ground for other employers. Those "other" employers, be they in the public or the private sector, are getting the benefit of hiring well trained employees – employees trained at State expense. We need to halt the State employee out migration to other employers -- either in or out of State.

The Compensation Report also addresses the retirement projections for the next several years. If we think we have a problem with recruitment and retention of good, quality employees today, wait till 2007 and beyond when it is projected we could have 32 % of our State workforce eligible for retirement. A pay increase will help keep those employees at their desks.

I would also like to suggest to the committee that you give attention to the distribution formula of the percentage adjustments. You may want to consider a flat dollar amount across the board rather than the percentage distribution.

Madame Chair and committee members, I urge you to give serious consideration to SB 2247 and its request for the catch-up salary increase this year and its retroactive application.

Please give SB 2247 a strong "do pass" recommendation. This is not an extravagant request, but one that would go a long way toward telling State employees we care about them and their well-being.

Thank you, Madame Chair and committee members. I will try to respond to any question you might have.

2247

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



Phone (701) 328-2231
Toll Free (800) 242-7535
Fax (701) 328-4567

600 E Boulevard Ave., Dept. 602
Bismarck, ND 58505-0020

*Same given
to Senate
Appropriations*

**Testimony of
Agriculture Commissioner Roger Johnson
SB 2247
Senate Government and Veterans Affairs Committee
January 27, 2005**

Chairman Krebsbach and members of the Government and Veterans Affairs Committee, I am Agriculture Commissioner Roger Johnson. I am here today in support of SB2247, which provides raises to state employees retroactive to January 1, 2005.

The lack of raises for state employees as a result of the 2003 Legislature has had a detrimental impact on state employees' morale and has caused our agency significant monetary and other losses.

We are a small state agency—the 2003 Legislature authorized us for 57 FTE's. In the first eighteen months of the current biennium, we have lost ten employees, and the lack of raises for state employees was a significant factor in this extremely high turnover rate. All but one of these employees went to positions outside of state government. In the previous biennium, only three employees left our agency for other employment. Of those three, two went to positions outside of state government, and one left as a result of disciplinary action.

Losing a state employee represents not only the cost of recruiting and filling a vacant position, it also represents a loss of investment in training, a loss of valuable experience and added costs of training a new employee.

The work our state employees do every day is just as important as the work of those who teach in public schools and universities. Approving this package of raises would send a strong signal of support to the employees who make sure that your food is safe, who ensure that pesticides are not misused and who provide an array of other necessary services to the public.

I'd be happy to answer any questions that you have. Thank you for the opportunity to testify.

249

①

Madame chair - members of the Committee -
My name is Bob Brown. I have been
employed with the state for over 30
years - over 25 years at WDDOT. I am
a part of the management team. Today however
I am on annual leave and am testifying
on my own behalf.

Over those 30 + years, I have experienced
several cycles of employee pay deficits
and then catch-up efforts. These have
created approaches to ^{pay} management through
the states pickup of the cost of benefits

(2)

I understand the Total Compensation Concept. Our excellent benefit program is critical to employee overall well-being and is certainly a part of the pay package provided to state employees.

Due to the efforts of this Committee, in combination with the Interim Benefits Committee, the PERS Board and Staff and their private sector partners we have the best managed most cost effective Benefits system to be found. From the data I have seen, most employees pay a lot more, most employees pay a lot more and overall the value is equal or less.

(3)

Getting back to the computer side, I don't even recall the kind of net we currently have. Our salaries lag the market by 20 to 30 percent. WDDOT, with the help of many new tools approved in past sessions has finally been able to fill our previously vacant technical positions. When our military personnel return we will virtually have all positions filled.

I am greatly concerned that unless we can offer a more competitive base salary, all of our efforts and all of our investment in bringing these exciting new people to our department might be lost. These employees don't see

have the same perspective regarding the value of benefits. Being healthy and immortal, they don't have the same concern about insurance as we do, and retirement is a concept they haven't begun to think about. But salary allows to pay for places to live, get the funds established and payoff student loans is critical. If we can't offer competitive salaries along with competitive benefits those individuals will subject to the draw of greener pastures offered by the next headhunter call.

Our department conducts an employee survey every two years. The most recent survey results ^{show} that employees like their department jobs. They like the mission - the variety of work - the equipment they have to perform their duties. For the most part the report high levels of appreciation for fellow workers and supervisors. However the second lowest rated question on the survey was among the WDDOT employees, morale is high. The only really significant factor that stands out as a basis for the low morale is ~~the~~ dissatisfaction with the

level of salary and the poor prospects for salary increases in the future.

Quite frankly the early very positive discussion of salary increases brought forward in the session are making an impact.

I sense a ~~change~~ ^{relief} from the ~~difficulties~~ that have prevailed in recent months

I appreciate the ~~recognition~~ ^{effort} of these

the sponsors of SB 2247 who recognize

that salaries must be adjusted if the state is to remain a viable employer.

I urge DO pass on this bill and

encourage momentum continued on for early consideration and passage by the

entire Senate. WDDOT had already lost

(7)

an excellent engineer to Minnesota DOT.
we have lost several employees to
the oil patch. with major retail
developments in Bemidji, there will be
significant employment options for many
of our administrator personnel. It is important
that the only words ~~be~~ meaningful
salary increases ~~be~~ be followed with
positive action.

ANALYSIS OF STATE EMPLOYEE SALARY INCREASES

Year	Salary Increase Provided or Proposed	Annual Inflation*
1973	5%	6.2%
1974	4%	11.0%
1975	5% (in addition to an 11.9% salary adjustment)	9.1%
1976	5%	5.7%
1977	5%	6.5%
1978	5%	7.6%
1979	6.5%	11.3%
1980	6.5%	13.5%
1981	9% (in addition to a 10% salary adjustment)	10.3%
1982	8% (reduced by Governor's budget allotments)	6.2%
1983	2% contribution to retirement	3.2%
1984	2% contribution to retirement	4.3%
1985	9.5% higher education faculty and senior administrative staff, 5.5% for all other state employees	3.5%
1986	4% with a minimum of \$50 per month; the Governor deferred this increase for agencies under his control to January 1, 1987	1.9%
1987	0%	3.7%
1988	0%	4.1%
1989	11.4% higher education faculty at UND and NDSU; 9.5% higher education faculty at other four-year universities; 7.3% higher education faculty at two-year colleges; 9.1% faculty at the medical school; administrative, professional, and classified employees at the institutions of higher education received increases averaging between 8.7% and 9.7%; 7.1% for all other state employees	4.8%
1990	7% higher education faculty at four-year universities, 5% higher education faculty at two-year colleges, 0% all other state employees	5.4%
1991	4% with a minimum of \$50 per month	4.2%

1991
 Meeting

Year	Salary Increase Provided or Proposed	Annual Inflation*
1992	\$40 per month	3.0%
1993	\$60 per month	3.0%
1994	3% (to the extent available from agency savings)	2.6%
1995	2%	2.8%
1996	3% (includes 1% for salary inequity correction and merit increases)	2.9%
1997	3% (includes 1.5% for salary inequity correction and merit increases)	2.3%
1998	3% (includes 1.5% for salary inequity correction and merit increases; in addition, the University System received a \$3.2 million pool of funds for the 1997-99 biennium to address salary compression, market, and equity problems)	1.5%
1999	2% with a minimum of \$35 per month - Increases over \$35 are to be based on merit and equity	2.2%
2000	2% with a minimum of \$35 per month - Increases over \$35 are to be based on merit and equity. An additional 1% may be provided to the extent the increase can be paid with existing agency resources.	3.4%
2001\1	3% with a minimum of \$35 per month - Increases over \$35 are to be based on merit and equity	2.8%
2002\1	2% with a minimum of \$35 per month - Increases over \$35 are to be based on merit and equity	1.6%
2003	Up to 1% effective on January 1, 2004, for the executive and judicial branches to the extent that the increase can be provided from pooled savings realized from the eliminated full-time equivalent (FTE) positions and from accumulated savings from other vacant FTE positions. At least 70% of the funding for the increase provided must be from pooled savings of the eliminated FTE positions. No specific funding was provided to higher education institutions for salary increases, with the intent that any salary increases provided be from existing appropriation authority. The judicial branch eliminated four vacant FTE positions and provided a 1% salary increase to its employees effective January 1, 2004. The executive branch did not receive a salary increase.	2.3%
2004	Up to 1% effective on January 1, 2005, for the executive and judicial branches to the extent that the increase can be provided from pooled savings realized from the eliminated FTE positions and from accumulated savings from other vacant FTE positions. At least 70% of the funding for the increase provided must be from pooled savings of the eliminated FTE positions. No specific funding was provided to higher education institutions for salary increases, with the intent that any salary increases provided be from existing appropriation authority. It is anticipated that neither the executive branch nor the judicial branch will provide a January 1, 2005, salary increase.	2.7% (projected)

Year	Salary Increase Provided or Proposed	Annual Inflation*
2005\2	4% recommended	2.1% (projected)
2006\2	3% recommended - An additional 1% may be provided to the extent the increase can be paid with existing agency resources.	2.0% (projected)

* Percentage change, consumer price index annual rate, Economy.com

\1 In addition, the 2001 Legislative Assembly provided:

\$5 million, \$2.7 million of which is from the general fund, for market equity compensation adjustments for classified employees as approved by the Central Personnel Division.

\$4,628,824 from the general fund for equity and special needs for entities under the control of the State Board of Higher Education. A portion of this amount may be used for salary increases to address equity issues.

\$178,233, \$142,697 of which is from the general fund, for salary equity adjustments for elected and appointed officials.

\2 In addition, the 2005 executive budget recommends:

\$5 million, \$2.5 million of which is from the general fund and \$2.5 million of special funds for market equity salary adjustments based on market data for all classified employees. Those employees furthest from market will receive the largest increase. Employees at or above the midpoint of their salary range will not receive adjustments.

\$1 million to the Department of Corrections and Rehabilitation to provide market equity salary increases for correctional officers.

Handout # 59-1
3-31-05

SB 2247

59648.01

Prepared by the North Dakota Legislative Council
staff for Representative Carlson
March 2005

ESTIMATED COST OF STATE EMPLOYEE HEALTH INSURANCE PREMIUM ALTERNATIVE
(4 and 5 Salary Increase With a \$108 Minimum and Limiting the State Payment for Health Insurance to \$500 Per Month)

2005-07 Biennium Effect	General Fund	Special Funds	Total
Health insurance premium budget base - \$488.70 per month	\$41,726,477	\$59,067,870	\$100,794,347
Premium increase - \$65.25 per month	5,328,752	7,893,464	13,222,216
Current health insurance premium budget - \$553.95 per month	<u>\$47,055,229</u>	<u>\$66,961,334</u>	<u>\$114,016,563</u>
Cost-sharing alternative - Total cost			
State share - \$500 per month	\$42,472,524	\$60,439,834	\$102,912,358
Employee share - \$53.95 per month	4,582,705	6,521,500	11,104,205
Total	<u>\$47,055,229</u>	<u>\$66,961,334</u>	<u>\$114,016,563</u>
Health premium cost per month per plan			<u>\$553.95</u>
Premium cost-sharing			
State share			\$500.00
Employee share			53.95
Total			<u>\$553.95</u>
State employee salary increase of 4 percent with a \$108 minimum for the first year of the biennium and 5 percent for the second year	\$23,700,000	\$25,600,000	\$49,300,000
Less state employee salary increase of 3 percent for the first year and 4 percent for the second year	16,500,000	18,100,000	34,600,000
Additional cost of salary increase package	\$7,200,000	\$7,500,000	\$14,700,000
Less state savings on health insurance premium costs	4,582,705	6,521,500	11,104,205
Cost increase (savings) - 2005-07 biennium	<u>\$2,617,295</u>	<u>\$978,500</u>	<u>\$3,595,795</u>

NOTE:

This proposal provides a 4 percent first-year salary increase with a \$108 per month minimum to hold harmless lower-paid employees, 50 percent (\$54) of the minimum provides for the additional cost to state employees of their share of health insurance premiums and the remaining 50 percent (\$54) maintains the 4 percent salary increase for lower-paid employees. Under this proposal, the salary increase percentages listed below would be provided for the first year of the biennium based on various salary levels of employees. For the second year, a 5 percent salary increase is provided, 2 percent of which is allocated for equity, market, and other adjustments.

Monthly Salary	Proposed Salary Increase (4% or \$108 Minimum)	Less Proposed Health Insurance Payment	Net Increase	Net Percentage Increase
\$1,350	\$108	\$54	\$54	4%
\$2,025	\$108	\$54	\$54	2.7%
\$2,700	\$108	\$54	\$54	2.0%
\$4,050	\$162	\$54	\$108	2.7%
\$5,400	\$216	\$54	\$162	3.0%
\$6,750	\$270	\$54	\$216	3.2%

SB2247 4-4-05
 Rep Carlson
 House Apps Full Cmtee

59648.02

Handout # 61-2

Prepared by the North Dakota Legislative Council
 staff for Representative Carlson
 April 2005

ESTIMATED COST OF STATE EMPLOYEE HEALTH INSURANCE PREMIUM ALTERNATIVE

(4 and 4 Salary Increase With a \$80 Minimum and Limiting the State Payment for Health Insurance to 95 Percent of the Total Cost)

	General Fund	Special Funds	Total
2005-07 Biennium Effect			
Health insurance premium budget base - \$488.70 per month	\$41,726,477	\$59,067,870	\$100,794,347
Premium increase - \$65.25 per month	5,328,752	7,893,464	13,222,216
Current health insurance premium budget - \$553.95 per month	<u>\$47,055,229</u>	<u>\$66,961,334</u>	<u>\$114,016,563</u>
Cost-sharing alternative - Total cost			
State share - 95 percent	\$44,702,468	\$63,613,267	\$108,315,735
Employee share - 5 percent	2,352,761	3,348,067	5,700,828
Total	<u>\$47,055,229</u>	<u>\$66,961,334</u>	<u>\$114,016,563</u>
Health premium cost per month per plan			<u>\$553.95</u>
Premium cost-sharing			
State share - 95 percent			\$526.25
Employee share - 5 percent			27.70
Total			<u>\$553.95</u>
State employee salary increase of 4 percent with a \$80 minimum for the first year of the biennium and 4 percent for the second year	\$20,600,000	\$22,400,000	\$43,000,000
Less state employee salary increase of 3 percent for the first year and 4 percent for the second year	16,500,000	18,100,000	34,600,000
Additional cost of salary increase package	\$4,100,000	\$4,300,000	\$8,400,000
Less state savings on health insurance premium costs	2,352,761	3,348,067	5,700,828
Cost increase (savings) - 2005-07 biennium	<u>\$1,747,239</u>	<u>\$951,933</u>	<u>\$2,699,172</u>

NOTE:

This proposal provides a 4 percent first-year salary increase with an \$80 per month minimum to hold harmless lower-paid employees. Under this proposal, the salary increase percentages listed below would be provided for the first year of the biennium based on various salary levels of employees. For the second year, a 4 percent salary increase is provided, 2 percent of which is allocated for equity, market, and other adjustments.

Monthly Salary	Proposed Salary Increase (4% or \$80 Minimum)	Less Proposed Health Insurance Payment	Net Increase	Net Percentage Increase
\$1,300	\$80	\$28	\$52	4%
\$1,500	\$80	\$28	\$52	3.5%
\$1,800	\$80	\$28	\$52	2.9%
\$2,000	\$80	\$28	\$52	2.6%
\$2,500	\$100	\$28	\$72	2.9%
\$4,000	\$160	\$28	\$132	3.3%
\$6,000	\$240	\$28	\$212	3.5%

2004

**North Dakota
State Employee
Compensation Report**

to the

**Joint House & Senate
Appropriations Committees**

ND Human Resource Mgmt Services
Office of Management & Budget
State Capitol – 14th Floor
701-328-3290
www.discovernd/hrms

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INTRODUCTION

This report is provided as a resource describing and analyzing the compensation of North Dakota State Employees. The report focuses on "career service" employees.

North Dakota currently employs approximately 7,316 'regular' employees. This number does NOT include the University System. This number does not include temporary employees

Generally, the 7,316 employees is comprised of:

6,409	Classified	Career or Civil Service employees under the jurisdiction of HRMS Personnel System
907	Unclassified	Includes State Officials (Elected, Appointed, Deputies); Legislative Council staff; ND Court System; Workforce Safety & Insurance; Dept of Commerce; Physicians; Teachers; and other miscellaneous categories

This report focuses on the compensation of the Classified or Career Service employees under the jurisdiction of the classification system administered by the Human Resource Management Services (HRMS) Division of the Office of Management and Budget. The North Dakota Class Evaluation System administered by HRMS provides a consistent basis for determining the relative value of jobs within state government and for comparing that value to the compensation for jobs outside of North Dakota state government.

CLASSIFIED EMPLOYEE INFORMATION

The following tables provide a snapshot of facts and figures describing the classified workforce of the state. The first table describes an average employee over the years.

AVERAGE CLASSIFIED STATE EMPLOYEE

	Years of Age	Years of Service	Annual Salary	Actual Increase	Appropriated	Compa-Ratio
January-93	42.0	9.5	22,189			
January-94	42.0	11.0	22,812	2.8%	\$60/mo	
January-96	46.0	11.4	25,476	11.7%	5.0%	
January-97	43.0	12.2	26,273	3.1%	3.0%	
January-98	43.8	12.1	27,034	2.9%	3.0%	0.98
August-98	44.0	12.1	27,963	3.4%	3.0%	0.97
November-99	44.2	12.2	28,860	3.2%	2.0%	0.96 *
August-00	44.4	12.3	29,993	3.9%	2.0%	0.97 **
August-01	44.8	12.5	31,467	4.9%	3.0%	0.96 *
December-02	45.4	12.6	32,262	2.5%	2.0%	0.96
December-03	45.7	13.2	32,627	1.1%	0.0%	0.96
December-04	45.9	13.2	32,604	0.0%	0.0%	0.96

6,409 Classified Employees - Dec

* Included 1999 & 2001 Market/Equity Fund Increases (\$5.4 mill & \$5.0 mill respectively)

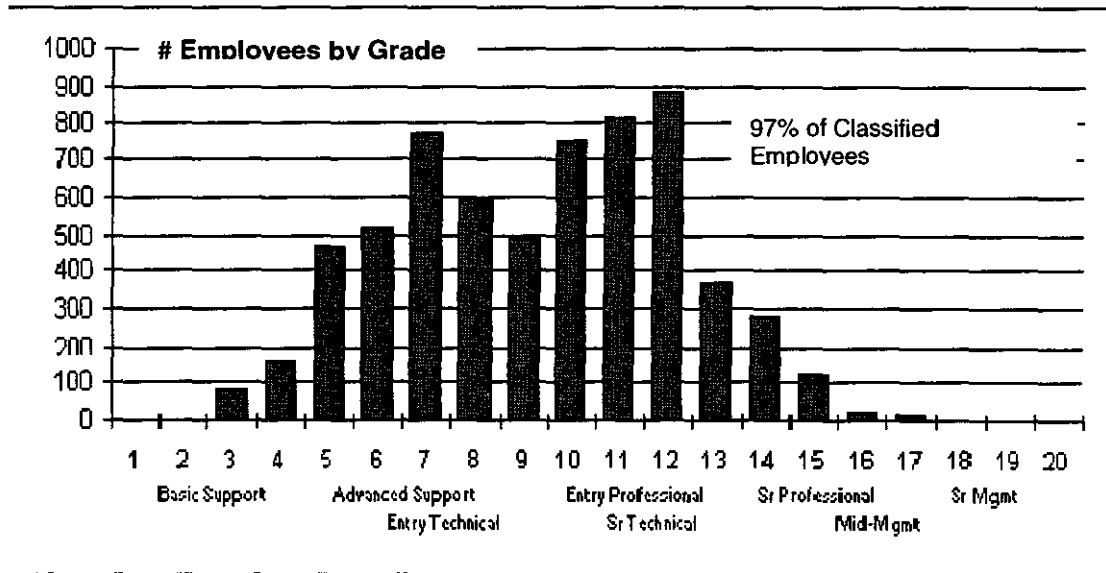
** Included authorization for agencies to "self-fund" additional 1.0%

The following table details the averages by grade level.

EMPLOYEES AND AVERAGES BY GRADE

Grade	Midpoint	# Employees	Average			
			Age	Yrs Service	Salary	Compa-Ratio
1	14,580	1	43.1	17.1	1,196	0.98
2	16,032	0				
3	17,640	81	53.0	9.4	1,414	0.96
4	19,404	159	43.9	10.3	1,562	0.97
5	21,348	472	46.8	10.3	1,643	0.92
6	23,472	519	46.9	11.6	1,804	0.92
7	25,824	773	46.6	13.2	2,153	0.97
8	28,404	597	47.5	15.9	2,390	1.01
9	31,296	493	41.3	10.6	2,608	0.90
10	34,092	750	44.6	12.4	2,661	0.94
11	37,824	816	46.0	12.3	2,951	0.94
12	41,964	883	45.0	14.3	3,351	0.96
13	46,512	368	45.5	15.1	3,863	1.00
14	50,556	278	47.3	18.0	4,307	1.02
15	57,066	121	49.8	16.8	4,986	1.05
16	63,156	18	51.5	20.0	5,494	1.04
17	69,888	16	49.7	22.0	6,082	1.04
18	77,328	2	52.7	18.8	6,444	1.02
19	85,500	2	46.2	22.3	6,532	0.92
20	94,608	0				

There are 20 grades in the pay plan although there are no employees currently in grade 1 or 20. 97% of classified employees are in grades 4 through 15.



SALARY DISTRIBUTION

SALARY DISTRIBUTION

Classified Employee Salary Distribution	# of Employees	Percent
upto \$10,000	-	0.0%
\$10,000to \$15,000	11	0.2%
\$15,000to \$20,000	613	9.6%
\$20,000to \$25,000	1,157	18.1%
\$25,000to \$30,000	1,192	18.6%
\$30,000to \$35,000	1,229	19.2%
\$35,000to \$40,000	790	12.3%
\$40,000to \$45,000	561	8.8%
\$45,000to \$50,000	358	5.6%
\$50,000to \$55,000	227	3.5%
\$55,000to \$60,000	103	1.6%
\$60,000to \$65,000	71	1.1%
\$65,000to \$70,000	63	1.0%
\$70,000to \$75,000	19	0.3%
\$75,000to \$80,000	11	0.2%
\$80,000to \$85,000	2	0.0%
\$85,000to \$90,000	2	0.0%
	6,409	

- Over 46% of the classified workforce earns less than \$30,000/yr
- 22% of the classified workforce earns more than \$40,000/yr

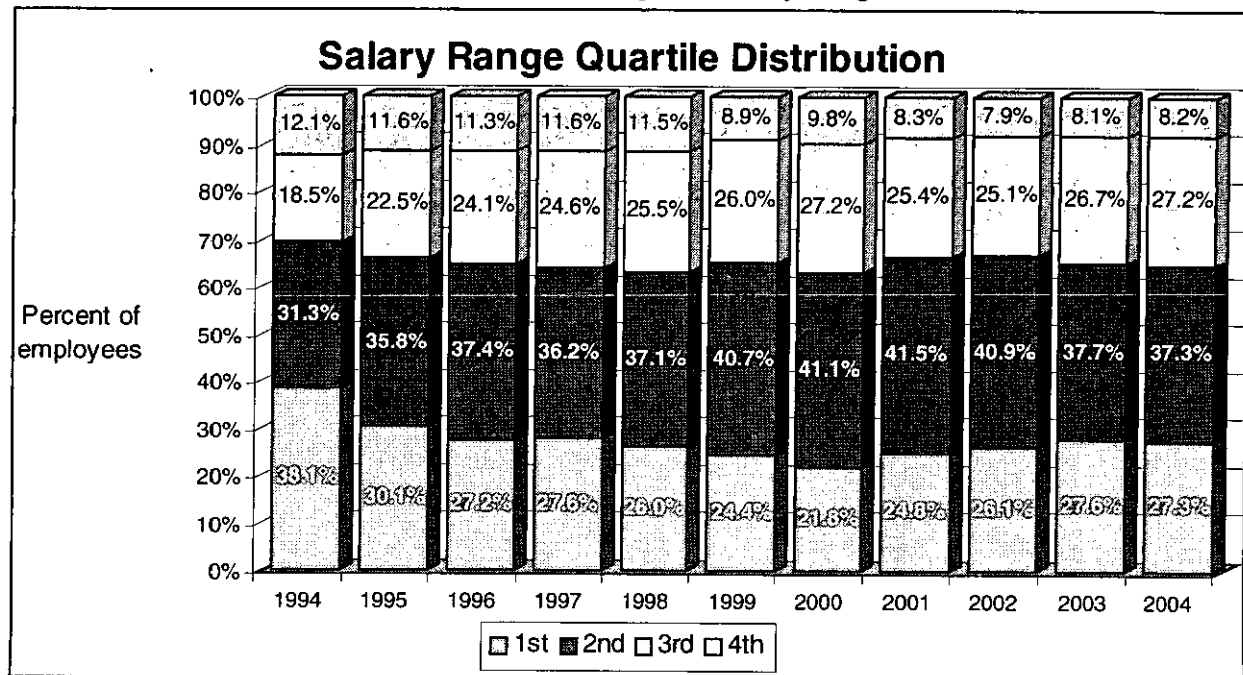
These pay levels may be put further into context with some information regarding the education levels of the workforce:

- 82% of Classified Employees have formal education or trade school beyond high school
- 54% of Classified Employees have a bachelors degree or higher

In the North Dakota general workforce:

- 84% of workers have completed high school
- 22% have a bachelors degree or higher

One goal of a pay plan is to establish salary ranges that are competitive within the employment market. A second goal is to pay employees properly within the salary range based on individual value to the organization (performance, training, experience, etc). One issue facing North Dakota is that funds have not been available to distribute pay of existing employees through the ranges. Consistently, over 2/3 of our employees have been paid in the lower half of their assigned salary range.



TURNOVER INFORMATION

Turnover rates are often used to evaluate the workplace. Compensation is one employment factor that can affect turnover rates. Other working conditions, benefits, employee/management relations, personal opportunities, and personal issues such as family and spouse employment opportunities can also play a role at least as significant as pay in job retention.

Detailed analysis can identify certain occupations or other demographic segments with more significant turnover issues. The following tables show an overall rate of 8.4% but identify some specific segments of our workforce where turnover is a more significant issue.

Turnover Rate Summaries

	Rate	# Sep'ns	Avg # E'ees
2001	9.0%	571	6,333
2002	7.7%	509	6,587
3/2003 - 2/2004	8.4% *	535	6,333

* Excludes Inter-Agency Transfers - rate including transfers is 9.3%

Implementation of the ConnectND HR module has improved the capability to separate Inter-Agency Transfers when analyzing turnover information.

Percent of Total Turnover By Reason

Reason	2001	2002	2003
Involuntary	10.5%	9.4%	12.1%
Retirement	14.4%	17.5%	22.2%
Other Employment/Personal	66.9%	66.4%	44.7%
Health or No Reason	8.2%	6.7%	20.9%

The reasons people leave state employment show a steady increase in retirement which is consistent with overall workforce demographics.

Although there is a reduction shown in resignations for 'Other Employment/Personal', it appears that may be offset by the increase in 'Health or No Reason'. Some resigning employees simply will not reveal their reasons or future plans.

Turnover rates by occupation are generally confirmed by agency observations of areas where recruiting is difficult. Agencies report that it's more and more difficult to find well-qualified administrative support staff. Educational positions are difficult to fill. Medical/Health occupations continue to see high demand. Custodial & Food Service have shown a significant increase from 2002 to 2003. Lower turnover rates showing up in Information Technology and Engineering occupations is probably due to aggressive salary administration triggered by high demand in those occupations for a number of years.

Turnover Rate by Occupation

Occupation	2001	2002	2003
Admin Support	9.1%	8.2%	9.7%
Info Tech	7.8%	6.0%	6.0%
Misc Admin	7.6%	7.6%	6.6%
Education	9.6%	13.2%	9.3%
Engineering	5.3%	3.6%	4.7%
Medical/Health	9.1%	10.7%	13.6%
Social Services	11.6%	9.9%	10.1%
Public Safety	10.2%	7.3%	8.3%
Natl Res/Agric	5.3%	2.5%	4.3%
Custodial & Food Svc	12.4%	6.6%	20.7%
Labor/Trades	6.5%	5.2%	6.0%

Finally, when turnover occurs in terms of years of service gives us further clues of what issues might exist. A very large portion (nearly 50%) of our total turnover occurs with employees who have less than 5 years of service.

Especially noteworthy is the rate of 27% for employees with 1-2 years of service; in other words, **we lose over ¼ of our employees between their 1 and 2 year anniversaries!**

The rate reduces significantly after 5 years and stays low all the way to 30 years of service. The Defined Benefit retirement plan is most likely a significant factor in keeping turnover low among those employees once they pass 5 years of service.

Obviously then, turnover increases dramatically as employees with 30 and over 40 years of service qualify for retirement.

Turnover Rate by Years of Service

Yrs	Turnover Rate	Total # Employees
Less than 1	7.7%	329
1 - 1.9	27.1%	357
2 - 2.9	14.2%	331
3 - 3.9	14.2%	333
4 - 4.9	11.8%	304
Less than 5 yrs	14.6%	1,654
5 - 9.9	7.5%	1,265
10 - 14.9	5.2%	965
15 - 19.9	5.1%	880
20 - 29.9	5.0%	1,289
30 - 39.9	14.6%	309
Over 40	26.0%	50

RETIREMENT PROJECTIONS

A few basic projections done the ND Public Employees Retirement System in March of this year showed that just over 6% of current employees are eligible for 'Normal' or 'Rule of 85' retirement. Another 15% meet requirements for early retirement.

Those same projections advanced to March 2007 showed 13% of current employees eligible for 'Normal' or 'Rule of 85' retirement. Another 19% would meet requirements for early retirement at that time.

The aging 'Baby Boomer' workforce impacting employment throughout the country is also being felt in North Dakota.

The following table compares salary increases appropriated for classified state employees with Market Increases reported through annual Salary Budget Surveys conducted by World at Work (formerly the American Compensation Ass'n) and with the annual reported CPI increase.

Salary Increase History				
Date	Amount	Specific Provisions	Mkt Inc *	CPI
7/1/83	2%	Ret Cont'n in lieu of salary increase	6.8%	3.2%
5/1/84	\$60/mo	Not appropriated but allowed by Governor within available agency funds		
7/1/84	2%	Ret Cont'n in lieu of salary increase	6.4%	4.3%
4/1/85	5.50%	Minimum increase of \$50	6.2%	3.6%
7/1/86	4%	Minimum increase of \$50	5.7%	1.9%
7/1/87	0%		5.0%	3.6%
7/1/88	0%		5.1%	4.1%
7/1/89	7.10%	Minimum increase of \$50	5.2%	4.8%
7/1/90	0%		5.4%	5.4%
7/1/91	4%	Minimum increase of \$50	5.0%	4.2%
7/1/92	\$40/mo	Averaged approximately 2%	4.6%	3.0%
7/1/93	\$60/mo	Averaged approximately 3.2%	4.2%	3.0%
7/1/94	3%		4.0%	2.6%
7/1/95	2%		3.9%	2.8%
7/1/96	3%	2% across the board; 1% for performance, range compression, & equity	4.0%	3.0%
7/1/97	3%	\$30 across the board; remainder of 3% appropriation based on merit & equity	4.1%	2.3%
7/1/98	3%	Same as 1997	4.2%	1.6%
7/1/99	2%	\$35 across the board; remainder of 2% appropriation based on merit & equity	4.2%	2.2%
7/1/00	2%	\$35 across the board; remainder of 2% appropriation based on merit & equity (additional 1% allowed with funding from existing appropriations)	4.4%	3.4%
7/1/01	3%	\$35 across the board; remainder of 3% appropriation based on merit & equity	4.4%	2.8%
7/1/02	2%	\$35 across the board; remainder of 2% appropriation based on merit & equity	3.7%	1.6%
7/1/03	0		3.4%	2.3%
7/1/04	0		3.4%	3.2% (Projected)
Average in last 10 yrs	2.0%		4.0%	2.5%

* Mkt Increase data from annual surveys by World at Work

SALARY SURVEY

Salary survey information is obtained from two sources. North Dakota participates with 26 other states in the Central States Compensation Association. The CSCA is a consortium formed to lessen the burden of states surveying each other and to ensure and improve the quality of salary survey information.

North Dakota focuses on the following 10 state governments for a comparative employment Market:

Colorado	Iowa	Kansas
Minnesota	Missouri	Montana
Nebraska	Oklahoma	South Dakota
Wyoming		

The second source is Job Service North Dakota through Occupational Employment Surveys.

Data from both of these sources provide the basis for the following payline charts. Specific data from the two surveys are shown in Appendix 1 – CSCA and in Appendix 2 – Job Service ND.

The following payline charts show comparisons of State Classified pay, Salary Range Midpoints, and Employment Market pay.

Chart 1 – Shows the relationship of average salaries, salary range midpoints, and the employment market as of December 2004.

Chart 2 – Shows the same information as Chart 1 but 'zooms' in on grades 4 – 15 to show more detail. 97% of classified employees are in grades 4 – 15.

- Average Salaries are lagging market pay ranging from 14 to over 30%
- Classified Midpoints are behind market pay by 17 to 30%

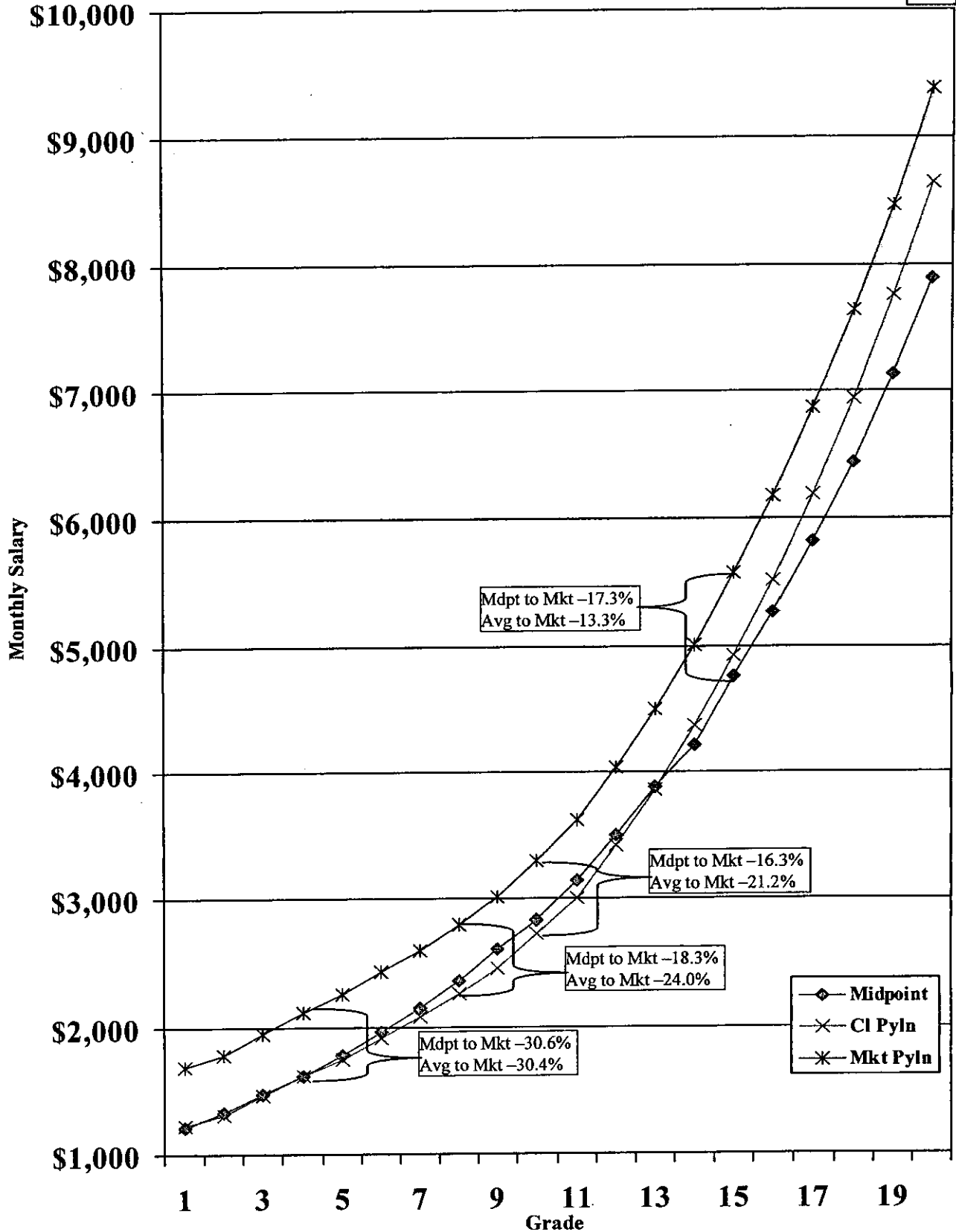
Chart 3 – Shows where the midpoints should be to maintain a relationship of 95% of market pay

- Salary ranges need to be moved from 10 to 24%

Chart 4 – Shows that IF the midpoints are restored to 95% of market, average salaries would range from about 8% to 24% below the midpoints.

Classified & Market Paylines

1



December 2004

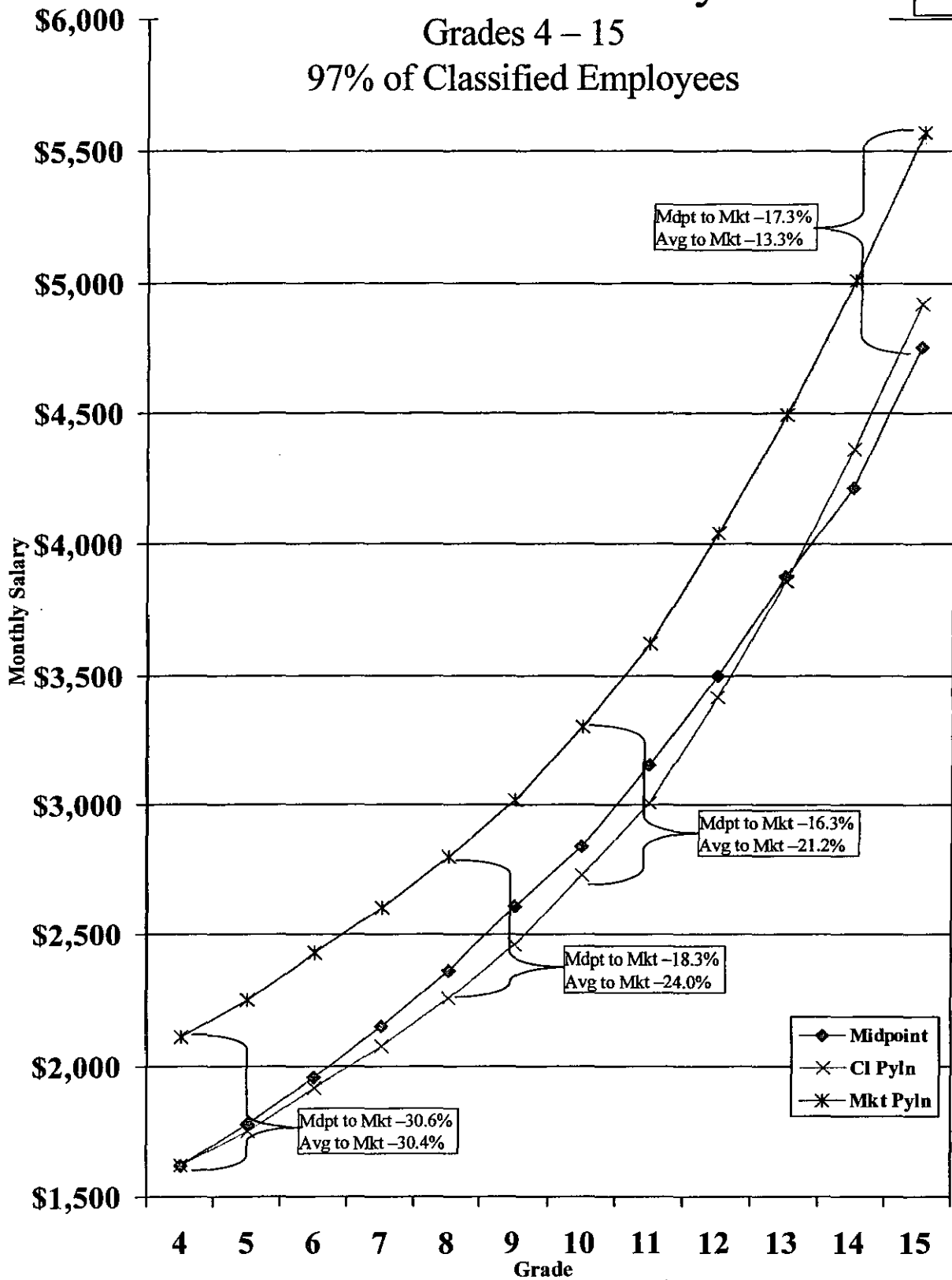
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Classified & Market Paylines

2

Grades 4 – 15

97% of Classified Employees



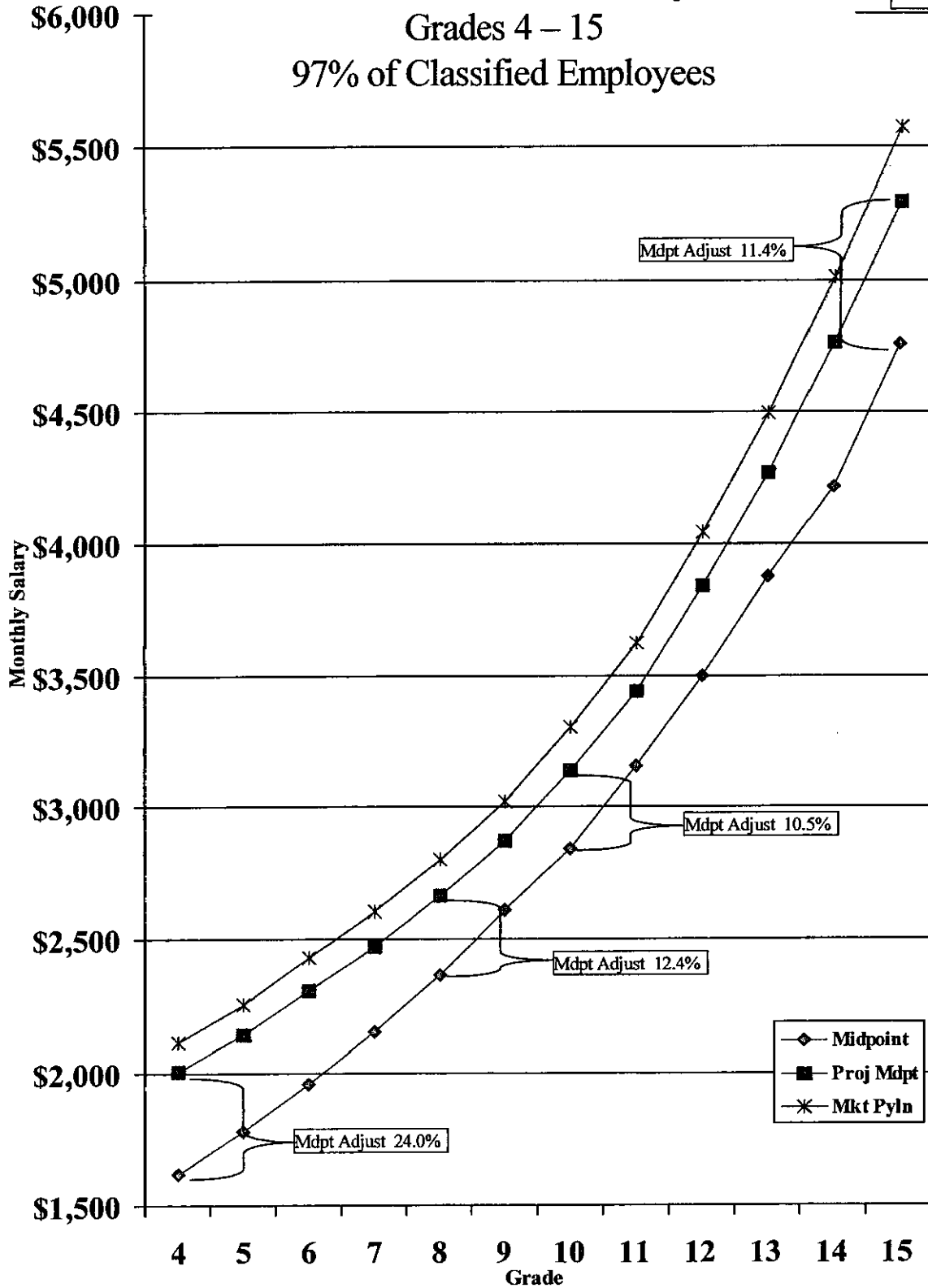
December 2004

Classified & Market Paylines

3

Grades 4 – 15

97% of Classified Employees

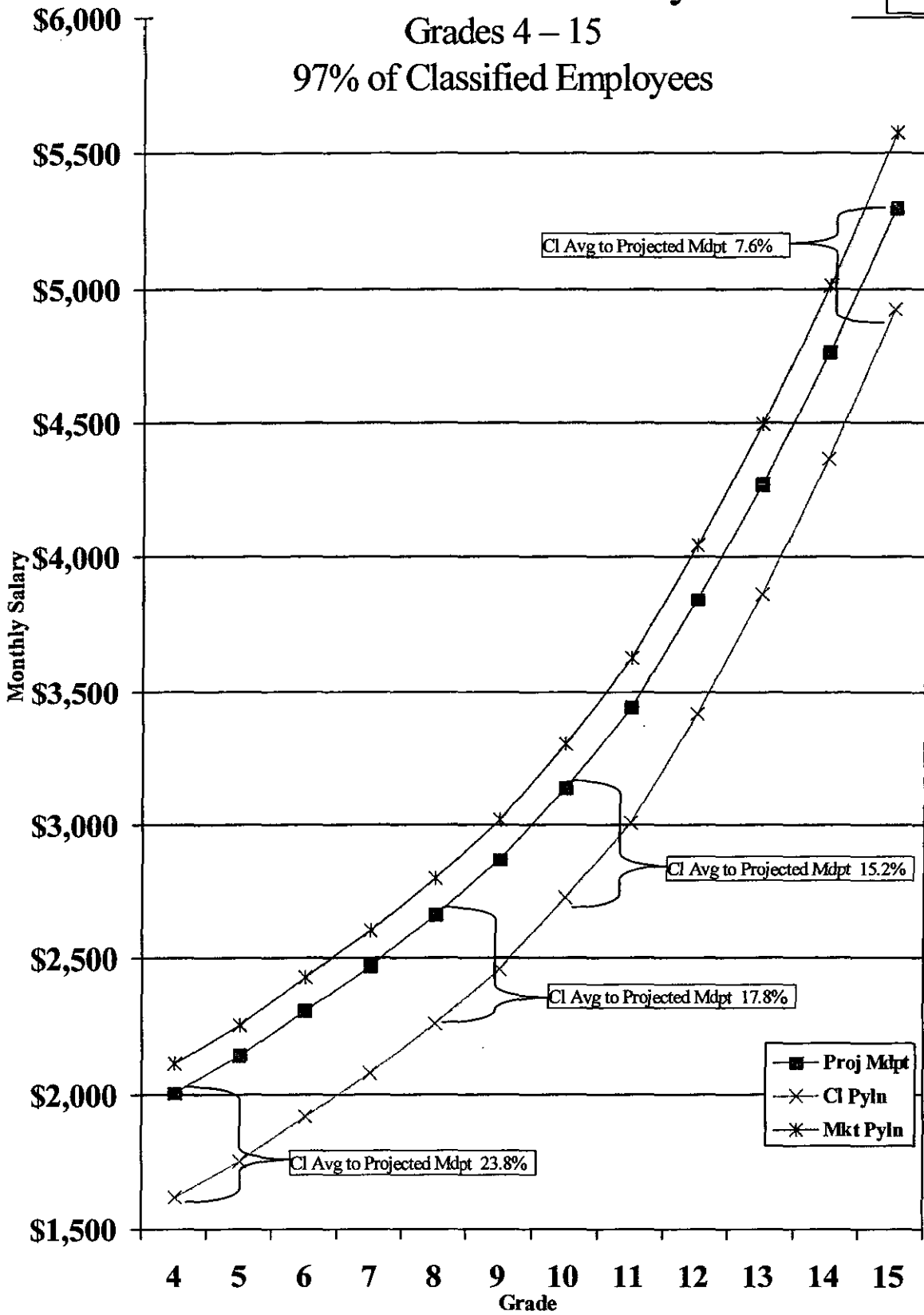


December 2004

Classified & Market Paylines

Grades 4 – 15

97% of Classified Employees



December 2004

BENEFITS

Another significant component of employee compensation is the fringe benefit package. The CSCA includes benefits in the association's annual survey. Generally, the comparisons focus on the cost of benefits to the employer. Quality of benefits, especially insurances, is extremely difficult if not impossible to compare due to all the variables in coverage options. In general, North Dakota's benefit package is competitive. The following tables compare benefits among the states.

"Table 36 – Central States Regional Total Compensation Analysis (Classified Only)" is taken from the CSCA Benefit Survey Report. The table calculates a 'Total Compensation' value for each state based on the reported average salary for the respective state classified employees and calculates leave based on a 5 year employee. The analysis calculates the hourly value for each benefit and includes that in a Total Compensation value.

State	Average Salary	Vacation Hours	Sick Hours	Holiday Hours	Insurance					Social Security	Total Benefit	% of Salary	Total Comp'n
					Health	Dental	Vision	Life	Retirement				
COLORADO	\$45,425.00	120	80	80	\$326.46	\$16.26		\$0.14	10.15%				
per hour	\$21.84	\$1.26	\$0.84	\$0.84	\$1.88	\$0.09		\$0.03	\$2.22		\$7.17	32.82%	\$29.01
IOWA	\$45,545.00	120	144	88	\$687.86	\$20.19		\$0.23	5.75%	6.20%			
per hour	\$21.90	\$1.26	\$1.52	\$0.93	\$3.97	\$0.12		\$0.05	\$1.26	\$1.36	\$10.46	47.77%	\$32.36
KANSAS	\$32,139.00	120	96	80	\$513.57	\$21.72		\$0.42	4.87%	6.20%			
per hour	\$15.45	\$0.89	\$0.71	\$0.59	\$2.96	\$0.13		\$0.10	\$0.75	\$0.96	\$7.09	45.91%	\$22.55
MINNESOTA	\$44,621.00	130	104	88	\$848.39	\$19.10			4.00%	6.20%			
per hour	\$21.45	\$1.34	\$1.07	\$0.91	\$4.89	\$0.11			\$0.86	\$1.33	\$10.52	49.03%	\$31.97
MISSOURI	\$29,477.00	120	120	96	\$703.00			\$0.49	10.64%	6.20%			
per hour	\$14.17	\$0.82	\$0.82	\$0.65	\$4.06			\$0.11	\$1.51	\$0.88	\$8.85	62.41%	\$23.02
MONTANA	\$32,624.00	120	96	84	\$511.00	\$28.60		\$0.23	6.90%	6.20%			
per hour	\$15.64	\$0.90	\$0.72	\$0.63	\$2.95	\$0.17		\$0.05	\$1.08	\$0.97	\$7.47	47.77%	\$23.11
NEBRASKA	\$33,877.00	120	112	96	\$785.16			\$0.14	6.75%	6.20%			
per hour	\$16.29	\$0.94	\$0.88	\$0.75	\$4.53			\$0.03	\$1.10	\$1.01	\$9.24	56.73%	\$25.53
NORTH DAKOTA	\$32,600.00	120	96	84	\$489.00			\$0.19	4.12%	6.20%			
per hour	\$15.67	\$0.90	\$0.72	\$0.63	\$2.82			\$0.04	\$0.65	\$0.97	\$6.74	43.02%	\$22.41
OKLAHOMA	\$29,963.00	144	120	80	\$858.74			\$0.24	10.00%	6.20%			
per hour	\$14.41	\$1.00	\$0.83	\$0.55	\$4.95			\$0.06	\$1.44	\$0.89	\$9.73	67.51%	\$24.13
SOUTH DAKOTA	\$31,424.00	120	112	92	\$407.32			\$0.21	6.00%	6.20%			
per hour	\$15.11	\$0.87	\$0.81	\$0.67	\$2.35			\$0.05	\$0.91	\$0.94	\$6.59	43.65%	\$21.70
WYOMING	\$36,106.00	120	96	72	\$828.29	\$10.74		\$0.29	11.25%	6.20%			
per hour	\$17.36	\$1.00	\$0.80	\$0.60	\$4.78	\$0.06		\$0.07	\$1.95	\$1.08	\$10.34	59.57%	\$27.70
Avg per Hour =	\$17.21	\$1.02	\$0.88	\$0.71	\$3.65	\$0.11	0	\$0.06	\$1.25	\$1.04	\$8.56	\$0.51	\$25.77
		123	107	85	633	19	0	\$ 0.26	\$ 0.07	\$ 0.06			

For our standard 10-state employment market, the Total Compensation values range from \$21.70/hr in South Dakota to \$32.36/hr in Iowa. The overall average Total Compensation is \$25.77. North Dakota's value is \$22.41 (14.9% below the average). If we include the additional 1% retirement contribution for retiree health insurance, North Dakota's value increases to \$22.57 (14.2% below the average). If we further include the 4% contribution made by the State on behalf of the employee, the value is \$23.20 (11.1% below the average).

The following table provides a further detailed look at health insurance premiums paid by the ten states in our employment market. The health plans in various states include many variables and ranges of plan options making comparisons such as this very complex. The focus of the table is to compare the premiums (or range of premiums) paid by each state.

State	Estimated Total SINGLE Premium	Single Premium Split				Estimated Total FAMILY Premium	Family Premium Split			
		Employer Portion		Employee Portion			Employer Portion		Employee Portion	
CO	\$261 - \$283	57%	\$156 - \$156	43%	\$105 - \$127	\$673 - \$740	70%	\$326 - \$326	30%	\$347 - \$414
IA	\$287 - \$431	100%	\$287 - \$431	0%	\$0 - \$0	\$688 - \$1,008	86%	\$688 - \$778	14%	\$0 - \$230
KS	\$326 - \$357	90%	\$307 - \$308	10%	\$19 - \$50	\$916 - \$1,000	54%	\$514 - \$514	46%	\$402 - \$487
MN	\$320 - \$320	100%	\$320 - \$320	0%	\$0	\$942 - \$942	90%	\$848 - \$848	10%	\$93 - \$93
MO	\$316 - \$409	86%	\$281 - \$342	14%	\$35 - \$67	\$934 - \$1,236	74%	\$703 - \$910	26%	\$231 - \$326
MT	\$328 - \$365	100%	\$328 - \$365	0%	\$0 - \$0	\$572 - \$628	89%	\$511 - \$560	11%	\$61 - \$68
NE	\$280 - \$306	79%	\$221 - \$241	21%	\$59 - \$64	\$994 - \$1,085	79%	\$785 - \$857	21%	\$209 - \$228
OK	\$371 - \$372	100%	\$371 - \$371	0%	\$0 - \$0	\$916 - \$1,037	88%	\$859 - \$859	12%	\$57 - \$178
SD	\$407 - \$407	100%	\$407 - \$407	0%	\$0	\$615 - \$693	62%	\$407 - \$407	38%	\$208 - \$286
WY	\$400 - \$400	93%	\$372 - \$372	7%	\$28 - \$28	\$1,200 - \$1,200	69%	\$828 - \$828	31%	\$372 - \$372
Avg	\$330 - \$365	91%	\$305 - \$331	9%	\$31 - \$34	\$845 - \$957	76%	\$647 - \$689	24%	\$198 - \$268
ND *	\$230	100%	\$230	0%	\$0	\$568	100%	\$568	0%	\$0

Observations:

Single Plan

- The average premium ranges from \$330-\$365; the lowest is a CO plan at \$261
- States average 91% of the premium with average employer cost ranging from \$305-\$331
- Employees average 9% of the premium with the average employee cost ranging from \$31-\$34
- ND pays \$230 per month for 100% of the premium; less than the average minimum of \$305 paid by states
- Only 2 states contribute less than ND for the minimum employee only plan; CO @ \$156 (57%) and NE @ \$221 (70%)

Family Plan

- The average premium ranges from \$845-\$957; the lowest is a MT plan at \$572
- ND is the only state paying 100% of the premium
- States average 76% of the premium with employer cost ranging from \$326-\$910
- Employees average 24% of the premium with the average employee cost ranging from \$198-\$268
- ND pays \$568 per month for 100% of the premium
- 4 states contribute less than ND for the minimum family plan

North Dakota's 100% premium is less than the average 76% premium paid by the survey states.

OBSERVATIONS/CONCLUSIONS

- With no salary range movement and little salary increase activity this biennium, the State has continued to fall further behind employment market pay
- Both Salary Ranges and Average pay levels are far below market averages
- Fringe Benefit package which has been a key to retaining and recruiting is competitive but not a market leader
- The State must strive to maintain competitive salary ranges
- The State must strive to advance employees into/through their ranges with training and experience
- Distribute salary increases strategically to address inequities among employees and between agencies in order to maximize available funds

APPENDIX

CENTRAL STATES COMPENSATION ASSOCIATION 2004

Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Difference		
			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL0032	Office Assistant II	6089	19,517	24,161	28,784	23,582	21,720	10-State			
		83	14,556	19,404	21,828	19,008	18,480	ND	-24.1%	-17.5%	-21.5%
CL0033	Office Assistant III	4094	18,779	23,214	27,628	22,681	21,180	10-State			
		167	16,008	21,348	26,688	20,408	19,884	ND	-11.1%	-6.5%	-6.2%
CL0041	Administrative Assistant I	1248	26,176	33,686	40,813	33,247	33,717	10-State			
		193	17,604	23,472	29,340	22,302	22,260	ND	-49.1%	-51.5%	-41.6%
CL0043	Administrative Assistant III	1417	28,717	36,245	43,662	37,087	31,848	10-State			
		74	21,300	28,404	35,508	30,048	30,534	ND	-23.4%	-4.3%	-30.6%
CL0115	Computer Prod Operator II	146	24,564	30,806	36,877	30,111	27,569	10-State			
		5	19,368	25,824	32,280	28,812	28,392	ND	-4.5%	2.9%	-16.6%
CL0125	Computer Operations Mgr	54	41,245	52,491	63,432	59,012	58,311	10-State			
		1	31,476	41,964	52,452	45,000	45,000	ND	-31.1%	-29.6%	-40.6%
CL0138	Directors, Software Dev/ Tele-comm/Cmptr Sys/Info Mgmt-DHS	74	61,468	76,876	92,083	82,206	80,589	10-State			
		4	47,364	63,156	78,948	70,632	70,128	ND	-16.4%	-14.9%	-30.2%
CL0142	Programmer Analyst II	1024	33,332	42,446	51,234	41,632	40,720	10-State			
		30	31,476	41,964	52,452	39,975	40,332	ND	-4.1%	-1.0%	0.8%
CL0143	Programmer Analyst III	813	42,584	53,579	64,371	56,154	55,361	10-State			
		55	34,884	46,512	58,140	46,874	46,944	ND	-19.8%	-17.9%	-20.7%
CL0144	Sr Programmer Analyst	296	48,420	61,472	74,321	65,722	64,235	10-State			
		32	37,920	50,556	63,192	53,585	53,712	ND	-22.7%	-19.6%	-30.0%
CL0150	DB Design Analyst III	800	45,811	58,346	70,610	61,666	60,642	10-State			
		4	37,920	50,556	63,192	55,476	55,698	ND	-11.2%	-8.9%	-22.0%
CL0157	Telecomm Tech II	169	30,085	36,985	43,651	36,943	39,362	10-State			
		5	25,572	34,092	42,612	36,780	35,280	ND	-0.4%	-11.6%	-8.4%
CL0162	Tech Support Spec II	1152	40,216	51,337	62,188	54,205	55,513	10-State			
		4	34,884	46,512	58,140	48,813	48,372	ND	-11.0%	-14.8%	-16.5%
CL0163	Tech Support Spec III	304	51,988	66,385	80,602	70,072	71,654	10-State			
		9	37,920	50,556	63,192	56,603	56,640	ND	-23.8%	-26.5%	-38.6%
CL0169	Telecomm Analyst II	840	36,191	46,413	56,350	46,763	45,343	10-State			
		15	31,476	41,964	52,452	43,308	44,604	ND	-8.0%	-1.7%	-11.4%
CL0174	Computer & Network Sp II	1265	35,862	45,562	54,967	45,434	44,502	10-State			
		20	28,368	37,824	47,280	34,798	33,536	ND	-30.6%	-32.7%	-20.1%
CL0175	Computer & Network Sp III	532	40,822	51,943	63,062	55,933	55,734	10-State			
		13	34,884	46,512	58,140	44,010	45,252	ND	-27.1%	-23.2%	-20.3%
CL0194	Info Sys Security Analyst	888	38,323	51,030	63,738	50,473	45,631	10-State			
		2	31,476	41,964	52,452	46,188	46,188	ND	-9.3%	1.2%	-20.3%
CL0211	Account Technician I	821	21,388	26,602	31,794	25,788	24,394	10-State			
		19	16,008	21,348	26,688	20,983	21,420	ND	-22.9%	-13.9%	-20.8%
CL0222	Accounting/Budget Specialist II	721	29,825	37,143	44,279	37,836	37,160	10-State			
		17	25,572	34,092	42,612	32,549	32,474	ND	-16.2%	-14.4%	-11.0%
CL0225	Accounting Manager II	163	52,134	66,086	81,196	68,677	66,490	10-State			
		16	42,792	57,060	71,328	60,140	60,468	ND	-14.2%	-10.0%	-20.4%
CL0242	Auditor II	309	31,902	40,101	48,025	38,147	36,438	10-State			
		33	28,368	37,824	47,280	34,150	33,516	ND	-11.7%	-8.7%	-0.9%
CL0243	Auditor III	291	33,012	41,743	50,167	41,071	41,377	10-State			
		33	31,476	41,964	52,452	39,461	38,460	ND	-4.1%	-7.6%	2.1%
CL0251	Asst Exec Budget Analyst	65	43,793	55,503	66,878	54,462	53,642	10-State			
		3	37,920	50,556	63,192	56,244	57,900	ND	3.2%	7.4%	-7.7%
CL0302	Collections Officer II	126	26,148	31,530	36,783	30,034	27,219	10-State			
		3	21,300	28,404	35,508	26,683	26,988	ND	-12.6%	-0.9%	-5.7%
CL0311	Compliance Officer I	608	26,309	32,888	39,402	31,651	31,340	10-State			
		4	25,572	34,092	42,612	35,279	35,388	ND	10.3%	11.4%	7.2%
CL0402	Financial Institutions Examiner II	108	35,033	45,992	56,629	44,529	42,598	10-State			
		4	31,476	41,964	52,452	37,095	36,960	ND	-20.0%	-15.3%	-6.1%
CL0410	Loss Control Analyst	123	32,948	42,541	51,786	41,006	38,147	10-State			
		2	31,476	41,964	52,452	35,232	35,232	ND	-16.4%	-8.3%	2.3%
CL0421	Grants & Contracts Officer I	749	32,247	41,617	50,987	41,794	38,303	10-State			
		5	25,572	34,092	42,612	31,881	32,892	ND	-31.1%	-16.5%	-22.6%
CL0442	Customer Service Spec	1278	26,224	32,896	39,414	31,882	29,145	10-State			
		86	25,572	34,092	42,612	29,142	28,494	ND	-9.4%	-2.3%	6.5%
CL0443	Customer Service Cons	589	28,251	35,615	42,838	34,958	32,394	10-State			
		57	28,368	37,824	47,280	34,183	33,816	ND	-2.3%	4.2%	7.6%
CL0446	Customer Service Mgr	220	35,685	45,172	54,372	45,262	43,448	10-State			
		9	37,920	50,556	63,192	46,276	44,328	ND	2.2%	2.0%	10.5%

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Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Difference		
			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL0455	Policyholder Cms Invest	63	34,499	44,420	54,014	43,612	41,240	10-State			
		1	21,300	28,404	35,508	32,329	32,329	ND	-34.9%	-27.6%	-53.5%
CL0460	Ins Co Financial Analyst	20	30,285	41,375	52,020	42,692	39,024	10-State			
		1	28,368	37,824	47,280	39,480	39,480	ND	-8.1%	1.2%	-12.9%
CL0462	Ins Co Examiner	61	35,687	48,069	60,061	50,671	50,899	10-State			
		1	25,572	34,092	42,612	35,700	35,700	ND	-41.9%	-42.6%	-48.6%
CL0556	Benefit Prog Admin	737	30,701	40,975	51,248	40,843	39,013	10-State			
		3	31,476	41,964	52,452	38,424	38,856	ND	-6.3%	-0.4%	2.7%
CL0606	State Procurement Officer II	820	33,189	42,049	50,611	41,521	40,322	10-State			
		1	31,476	41,964	52,452	42,864	42,864	ND	3.1%	5.9%	1.1%
CL0701	Legal Assistant I	1443	24,574	31,424	38,274	31,578	30,879	10-State			
		4	19,368	25,824	32,280	26,927	26,550	ND	-17.3%	-16.3%	-22.3%
CL0801	Human Resource Tech I	1447	23,908	30,715	37,288	30,687	29,075	10-State			
		6	21,300	28,404	35,508	25,802	25,842	ND	-18.9%	-12.5%	-8.0%
CL0803	Human Resource Ofcr I	967	30,767	38,971	46,878	40,363	37,565	10-State			
		6	28,368	37,824	47,280	37,699	36,298	ND	-7.1%	-3.5%	-6.7%
CL0804	Human Resource Ofcr II	741	38,030	49,669	60,939	51,092	51,563	10-State			
		13	34,884	46,512	58,140	42,862	42,732	ND	-19.2%	-20.7%	-9.8%
CL0806	Human Resource Director II	397	46,997	60,716	75,008	62,876	57,424	10-State			
		2	42,792	57,060	71,328	58,296	58,296	ND	-7.9%	1.5%	-10.2%
CL0807	Class & Comp Manager	213	49,651	63,335	78,050	67,110	66,789	10-State			
		1	37,920	50,556	63,192	56,016	56,016	ND	-19.8%	-19.2%	-32.7%
CL0818	Training Officer I	1041	30,724	38,744	46,570	40,107	39,095	10-State			
		1	25,572	34,092	42,612	31,920	31,920	ND	-25.6%	-22.5%	-17.6%
CL0823	Public Information Specialist III	900	33,587	42,791	51,689	42,681	40,601	10-State			
		12	28,368	37,824	47,280	39,352	38,154	ND	-8.5%	-6.4%	-12.8%
CL0835	Ins/Form Rate Analyst II	71	33,293	42,580	51,609	42,103	41,501	10-State			
		3	28,368	37,824	47,280	38,208	36,683	ND	-10.2%	-13.1%	-11.3%
CL0902	Research Analyst II	175	32,587	41,227	49,609	42,267	42,566	10-State			
		4	25,572	34,092	42,612	31,047	31,734	ND	-36.1%	-34.1%	-24.0%
CL1206	Library Associate II	242	23,539	28,741	33,944	29,513	28,049	10-State			
		2	19,368	25,824	32,280	25,332	25,332	ND	-16.5%	-10.7%	-14.3%
CL1212	Librarian II	816	30,603	38,642	46,499	38,351	37,153	10-State			
		4	28,368	37,824	47,280	31,524	31,524	ND	-21.7%	-17.9%	-1.4%
CL1213	Librarian III	560	39,176	49,746	60,317	54,022	57,928	10-State			
		3	34,884	46,512	58,140	37,008	36,636	ND	-46.0%	-58.1%	-16.1%
CL1232	Museum Specialist II	55	28,626	35,728	42,468	34,945	32,163	10-State			
		4	25,572	34,092	42,612	30,624	30,894	ND	-14.1%	-4.1%	-2.5%
CL1242	Historian II	62	30,575	38,654	46,515	38,358	36,105	10-State			
		2	25,572	34,092	42,612	31,332	31,332	ND	-22.4%	-15.2%	-12.5%
CL1604	Asst Dir, P/S Educ Prgrms	401	37,688	47,837	57,986	49,933	47,749	10-State			
		9	34,884	46,512	58,140	41,955	40,704	ND	-19.0%	-17.3%	-7.4%
CL2004	Engineering Tech IV	1581	26,272	32,763	39,050	33,732	29,524	10-State			
		69	25,572	34,092	42,612	35,652	35,676	ND	5.4%	17.2%	1.1%
CL2015	Transportation Project Manager	1199	30,282	37,932	45,336	39,945	36,307	10-State			
		29	28,368	37,824	47,280	38,220	39,240	ND	-4.5%	7.5%	-5.6%
CL2016	Transportation Project Sr Manage	579	33,847	43,293	52,739	46,788	43,691	10-State			
		28	31,476	41,964	52,452	45,493	45,840	ND	-2.8%	4.7%	-11.5%
CL2021	Transportation Engineer I	319	33,189	41,462	49,775	39,073	37,303	10-State			
		20	25,572	34,092	42,612	36,152	36,600	ND	-8.1%	-1.9%	-14.6%
CL2022	Transportation Engineer II	950	42,188	52,607	63,218	53,881	48,420	10-State			
		27	31,476	41,964	52,452	40,844	40,368	ND	-31.9%	-19.9%	-28.4%
CL2023	Transportation Engineer III	633	49,528	62,151	74,942	65,656	57,911	10-State			
		56	34,884	46,512	58,140	48,691	47,934	ND	-34.8%	-20.8%	-41.2%
CL2025	Admin Trans Engineer II	247	58,871	75,269	91,667	84,501	84,247	10-State			
		15	47,364	63,156	78,948	68,962	68,760	ND	-22.5%	-22.5%	-33.8%
CL2030	Chief Trans Engineer	175	67,021	83,614	105,314	96,262	100,124	10-State			
		1	64,128	85,500	106,872	84,660	84,660	ND	-13.7%	-18.3%	-12.6%
CL2043	Environmental Engineer III	530	47,598	60,224	72,680	62,853	58,676	10-State			
		14	34,884	46,512	58,140	44,055	45,276	ND	-42.7%	-29.6%	-35.1%
CL2057	Hydrologist II	374	37,270	47,682	57,774	48,228	45,457	10-State			
		1	31,476	41,964	52,452	37,452	37,452	ND	-28.8%	-21.4%	-14.9%
CL2058	Hydrologist III	203	42,735	53,891	64,588	55,548	53,168	10-State			
		5	34,884	46,512	58,140	44,218	42,960	ND	-25.6%	-23.8%	-19.4%

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			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL2059	Hydrologist Manager I	411	48,668	62,357	76,046	66,810	61,647	10-State			
		4	37,920	50,556	63,192	56,394	56,448	ND	-18.5%	-9.2%	-32.2%
CL2065	Facility Construction Engineer	471	48,413	60,923	73,229	63,805	58,418	10-State			
		1	37,920	50,556	63,192	52,848	52,848	ND	-20.7%	-10.5%	-26.2%
CL2082	Geologist II	201	33,544	43,093	52,275	42,549	39,800	10-State			
		1	34,884	46,512	58,140	38,496	38,496	ND	-10.5%	-3.4%	8.5%
CL2083	Geologist III	154	39,249	49,779	60,309	53,901	51,876	10-State			
		4	37,920	50,556	63,182	51,297	51,558	ND	-5.1%	-0.6%	-6.6%
CL2092	Petroleum Engineer II	179	31,094	39,820	48,546	40,445	41,453	10-State			
		7	31,476	41,964	52,452	38,389	37,380	ND	-5.4%	-10.9%	3.6%
CL2102	Planner II	936	32,100	40,668	49,019	41,391	40,810	10-State			
		3	25,572	34,092	42,612	36,476	38,460	ND	-13.5%	-6.1%	-21.4%
CL3018	Physician Assistant	170	50,501	64,598	78,695	65,374	65,750	10-State			
		1	42,792	57,060	71,328	65,856	65,856	ND	0.7%	0.2%	-14.6%
CL3020	Nurse Practitioner	207	49,432	62,493	75,555	63,458	64,596	10-State			
		5	42,792	57,060	71,328	57,526	56,736	ND	-10.3%	-13.9%	-11.2%
CL3030	Director of Nursing-NDSH	87	50,358	63,277	76,196	67,690	62,422	10-State			
		1	47,364	63,156	78,948	74,616	74,616	ND	9.3%	16.3%	-7.2%
CL3052	Licensed Prac Nurse I	1945	24,503	30,915	37,262	31,118	30,032	10-State			
		61	21,300	28,404	35,508	29,184	29,112	ND	-6.6%	-3.2%	-9.6%
CL3062	Registered Nurse II	1768	32,531	41,889	50,988	42,195	40,973	10-State			
		90	28,368	37,824	47,280	39,013	39,114	ND	-8.2%	-4.8%	-11.6%
CL3063	Registered Nurse III	888	37,813	47,739	57,491	50,464	47,596	10-State			
		33	31,476	41,964	52,452	43,233	44,720	ND	-16.7%	-6.4%	-20.3%
CL3075	Pub Hlth Nurse Cons I	267	39,170	49,320	59,471	51,493	55,343	10-State			
		4	25,572	34,092	42,612	32,220	32,592	ND	-59.8%	-69.8%	-51.0%
CL3103	Aud/Speech Lang Path II	88	35,116	44,622	53,851	46,002	46,244	10-State			
		3	28,368	37,824	47,280	36,264	38,196	ND	-26.9%	-21.1%	-21.6%
CL3123	Physical Therapist	27	39,344	50,541	61,738	58,967	53,703	10-State			
		2	37,920	50,556	63,192	54,581	54,581	ND	-8.0%	1.6%	-16.6%
CL3133	Occupational Therapist	61	36,821	46,859	56,624	49,700	50,408	10-State			
		8	34,884	46,512	58,140	40,796	40,776	ND	-21.8%	-23.6%	-6.9%
CL3172	Therapeutic Rec Spec II	267	27,925	35,032	42,012	36,056	34,195	10-State			
		5	25,572	34,092	42,612	32,446	32,604	ND	-11.1%	-4.9%	-5.8%
CL3201	Medical Lab Tech I	98	22,880	28,465	34,029	27,532	26,128	10-State			
		1	21,300	28,404	35,508	27,948	27,948	ND	1.5%	6.5%	3.1%
CL3225	Medical Technologist II	81	28,868	36,420	43,754	38,068	35,963	10-State			
		1	25,572	34,092	42,612	34,872	34,872	ND	-9.2%	-3.1%	-11.7%
CL3232	Chemist II	132	34,360	43,752	52,821	43,745	42,166	10-State			
		5	28,368	37,824	47,280	35,928	36,108	ND	-21.8%	-16.8%	-15.7%
CL3236	Forensic Scientist II	262	37,337	47,120	57,110	46,912	46,746	10-State			
		6	28,368	37,824	47,280	29,561	29,364	ND	-58.7%	-59.2%	-24.0%
CL3242	Microbiologist II	172	33,306	42,377	51,152	41,611	38,891	10-State			
		5	28,368	37,824	47,280	35,112	35,220	ND	-18.5%	-10.4%	-10.0%
CL3261	Pharmacist I	54	46,861	60,158	73,066	67,369	66,904	10-State			
		3	42,792	57,060	71,328	66,080	67,956	ND	-2.0%	1.5%	-18.1%
CL3326	Dental Hygienist	15	29,274	36,279	43,011	44,976	47,780	10-State			
		1	31,476	41,964	52,452	49,080	49,080	ND	8.4%	2.6%	-7.2%
CL3402	Env Hlth Practitioner II	323	32,335	41,328	49,952	41,924	38,506	10-State			
		4	25,572	34,092	42,612	30,843	30,540	ND	-35.9%	-26.1%	-23.0%
CL3412	Epidemiologist II	152	36,829	46,709	56,395	46,340	40,766	10-State			
		15	25,572	34,092	42,612	31,076	29,748	ND	-49.1%	-37.0%	-35.9%
CL3429	Health Education Spec II	321	32,482	40,969	49,260	39,490	38,205	10-State			
		2	25,572	34,092	42,612	33,696	33,696	ND	-17.2%	-13.4%	-15.8%
CL3512	Hlth Care Fac Surveyer II	331	34,199	43,353	52,289	43,319	41,266	10-State			
		15	28,368	37,824	47,280	33,789	32,856	ND	-28.2%	-25.6%	-14.5%
CL3544	Dietitian II	88	32,616	40,315	47,727	42,195	40,292	10-State			
		3	25,572	34,092	42,612	37,454	36,670	ND	-12.7%	-9.9%	-23.8%
CL3701	Veterinarian I	47	51,498	61,960	72,943	62,946	63,150	10-State			
		1	42,792	57,060	71,328	46,800	46,800	ND	-34.5%	-34.9%	-10.3%
CL4003	Eligibility Worker II	302	29,270	35,429	41,588	35,943	36,764	10-State			
		1	23,472	31,296	39,120	29,844	29,844	ND	-20.4%	-23.2%	-14.8%
CL4033	Human Service Prog Admin III	469	42,110	54,323	67,109	56,834	56,056	10-State			
		52	28,368	37,824	47,280	36,671	36,708	ND	-55.0%	-52.7%	-50.3%

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			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL4034	Human Service Prog Admin IV	249	39,737	50,371	60,738	52,360	46,706	10-State			
		62	31,476	41,964	52,452	41,443	41,022	ND	-26.3%	-13.9%	-24.8%
CL4037	Treatment Unit Director	93	57,252	72,289	87,430	76,596	73,668	10-State			
		2	42,792	57,060	71,328	70,356	70,356	ND	-8.9%	-4.7%	-34.2%
CL4101	Mental Health Care Spec I	5208	19,115	23,896	28,691	23,729	22,307	10-State			
		28	14,556	19,404	24,252	16,758	16,349	ND	-41.6%	-36.4%	-22.3%
CL4102	Mental Health Care Spec II	4825	23,264	29,046	34,717	28,500	25,833	10-State			
		126	17,604	23,472	29,340	20,652	20,412	ND	-38.0%	-26.6%	-21.4%
CL4111	Direct Training Tech II	1576	21,993	27,643	33,268	26,925	24,854	10-State			
		29	19,368	25,824	32,280	22,631	22,464	ND	-19.0%	-10.6%	-4.3%
CL4116	Unit Program Coordinator	310	33,510	42,158	50,531	43,031	39,099	10-State			
		11	28,368	37,824	47,280	35,619	36,924	ND	-20.8%	-5.9%	-13.8%
CL4120	Juv Inst Res Specialist I	1220	25,779	32,717	39,450	32,734	31,014	10-State			
		26	23,472	31,296	39,120	25,642	24,402	ND	-27.7%	-27.1%	-4.6%
CL4133	Addiction Counselor II	197	29,667	36,379	42,872	35,024	33,862	10-State			
		63	28,368	37,824	47,280	34,789	34,200	ND	-0.7%	1.0%	7.4%
CL4142	Human Relations Counselor	600	32,653	40,185	47,388	39,518	38,269	10-State			
		20	28,368	37,824	47,280	34,307	34,170	ND	-15.2%	-12.0%	-4.5%
CL4164	Licensed Psychologist I	206	43,272	54,621	65,711	56,844	57,087	10-State			
		12	42,792	57,060	71,328	57,673	58,650	ND	1.4%	2.7%	0.4%
CL4171	Chaplain	74	31,026	38,865	46,703	37,183	35,532	10-State			
		1	28,368	37,824	47,280	44,054	44,054	ND	15.6%	19.3%	1.7%
CL4213	Social Worker III	3927	29,096	36,557	43,817	35,169	33,429	10-State			
		45	28,368	37,824	47,280	35,164	35,148	ND	0.0%	4.9%	7.0%
CL4215	Supervisor/Clinician	620	34,537	43,776	52,797	43,194	42,167	10-State			
		6	31,476	41,964	52,452	45,030	44,748	ND	4.1%	5.8%	-2.9%
CL4222	Voc Rehab Couns II	526	30,655	38,688	46,711	38,190	36,967	10-State			
		23	25,572	34,092	42,612	31,013	31,140	ND	-23.1%	-18.7%	-12.0%
CL4226	Vision Rehab Spec II	232	31,293	39,026	46,436	38,396	35,499	10-State			
		5	28,368	37,824	47,280	33,029	32,760	ND	-16.2%	-8.4%	-1.5%
CL4252	Dis Claims Analyst II	1006	27,310	34,844	42,379	35,289	35,756	10-State			
		4	25,572	34,092	42,612	27,804	27,180	ND	-26.9%	-31.6%	-3.5%
CL4323	Job Service Prog Admin II	135	37,065	47,430	57,488	49,416	41,974	10-State			
		8	31,476	41,964	52,452	39,447	37,886	ND	-25.3%	-10.8%	-17.8%
CL4360	Appeals Referee	146	43,686	55,318	66,607	56,105	50,542	10-State			
		2	31,476	41,964	52,452	41,274	41,274	ND	-35.9%	-22.5%	-33.7%
CL4402	Human Service Aide II	406	18,410	23,393	28,376	21,124	22,116	10-State			
		15	17,604	23,472	29,340	21,910	20,604	ND	3.6%	-7.3%	10.0%
CL5022	Communications Spec II	434	24,628	30,728	36,670	29,971	28,851	10-State			
		15	21,300	28,404	35,508	28,457	27,648	ND	-5.3%	-4.4%	-5.5%
CL5035	Deputy Boiler Inspector	23	33,057	41,180	48,842	44,182	43,389	10-State			
		1	28,368	37,824	47,280	41,632	41,632	ND	-6.1%	-4.2%	-16.8%
CL5038	Compliance Investigator	750	31,004	39,397	47,791	40,518	38,950	10-State			
		6	28,368	37,824	47,280	35,098	35,196	ND	-15.4%	-10.7%	-7.1%
CL5050	Safety Officer	347	36,004	46,962	57,920	51,686	53,661	10-State			
		2	28,368	37,824	47,280	37,002	37,002	ND	-39.7%	-45.0%	-36.6%
CL5102	Parole & Prob Officer II	870	28,236	36,646	44,852	36,266	35,630	10-State			
		42	31,476	41,964	52,452	35,470	35,220	ND	-2.2%	-1.2%	13.6%
CL5103	Parole & Prob Officer III	323	38,866	48,993	58,753	49,480	41,454	10-State			
		6	34,884	46,512	58,140	38,998	38,820	ND	-26.9%	-6.8%	-6.4%
CL5108	Correctional Caseworker	980	30,196	38,172	45,930	38,569	36,192	10-State			
		36	23,472	31,296	39,120	27,204	26,688	ND	-41.8%	-35.6%	-23.2%
CL5112	Correctional Officer II	11947	24,998	30,940	36,771	30,283	27,883	10-State			
		173	23,472	31,296	39,120	25,947	25,152	ND	-16.7%	-10.9%	3.2%
CL5113	Correctional Officer III	2126	31,466	39,279	46,891	41,710	38,841	10-State			
		7	25,572	34,092	42,612	32,374	33,324	ND	-28.8%	-16.6%	-22.3%
CL5114	Correctional Officer IV	204	36,722	47,060	57,004	48,725	44,843	10-State			
		9	31,476	41,964	52,452	37,012	36,600	ND	-31.6%	-22.5%	-16.1%
CL5120	Dir, Prisons Div/Warden	269	54,078	71,664	89,653	75,791	75,604	10-State			
		1	52,416	69,888	87,360	67,572	67,572	ND	-12.2%	-11.9%	-8.4%
CL5212	Criminal Investigator II	410	41,073	50,723	60,372	49,963	47,241	10-State			
		8	31,476	41,964	52,452	35,102	35,124	ND	-42.3%	-34.5%	-19.1%
CL5242	Drivers License Exmnr II	526	23,568	29,451	35,220	29,163	27,276	10-State			
		26	21,300	28,404	35,508	26,090	25,590	ND	-11.8%	-6.6%	-2.7%

**CENTRAL STATES COMPENSATION ASSOCIATION
2004**

Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Difference		
			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL5250	Weights & Measures Insptr	298	28,334	35,364	42,223	36,498	37,045	10-State			
		5	19,368	25,824	32,280	26,616	25,740	ND	-37.1%	-43.9%	-41.3%
CL5254	Chief Inspector - PSC	743	31,776	40,632	49,233	42,134	38,649	10-State			
		1	28,368	37,824	47,280	36,876	36,876	ND	-14.3%	-4.8%	-11.4%
CL5272	Environ Scientist II	544	30,290	38,534	46,596	37,630	39,495	10-State			
		42	28,368	37,824	47,280	32,875	32,424	ND	-14.5%	-21.8%	0.5%
CL5275	Environ Sciences Admin II	251	48,433	61,589	75,192	64,900	63,005	10-State			
		4	42,792	57,060	71,328	58,866	58,812	ND	-10.2%	-7.1%	-13.7%
CL5331	Public Utility Analyst II	50	38,477	49,615	60,333	50,173	44,741	10-State			
		1	31,476	41,964	52,452	43,404	43,404	ND	-15.6%	-3.1%	-19.6%
CL5531	Security Officer I	221	20,002	24,765	29,503	25,677	25,681	10-State			
		12	19,368	25,824	32,280	22,368	21,792	ND	-14.8%	-17.8%	0.6%
CL5702	Comrol Mtr Carrier Ins I	683	27,471	34,255	41,193	34,136	32,541	10-State			
		14	21,300	28,404	35,508	29,855	30,492	ND	-14.3%	-6.7%	-20.2%
CL5706	Hwy Patrol Officer II	3014	34,528	43,232	51,939	42,639	39,601	10-State			
		83	31,476	41,964	52,452	38,798	39,420	ND	-9.9%	-0.5%	-1.6%
CL5707	Hwy Patrol Sergeant	744	45,294	55,150	65,464	56,240	52,046	10-State			
		14	34,884	46,512	58,140	45,521	46,512	ND	-23.5%	-11.9%	-20.9%
CL5710	Hwy Patrol Staff Officer	37	60,543	72,388	84,553	77,693	76,664	10-State			
		13	37,920	50,556	63,192	53,451	54,492	ND	-45.4%	-40.7%	-53.7%
CL6002	Wildlife Tech II	244	32,904	40,847	48,790	38,999	37,793	10-State			
		2	25,572	34,092	42,612	33,150	33,150	ND	-17.6%	-14.0%	-14.4%
CL6012	Game Warden II	827	34,701	44,625	53,746	43,226	42,053	10-State			
		25	31,476	41,964	52,452	42,471	43,548	ND	-1.8%	3.4%	-3.0%
CL6040	Park Ranger	256	30,764	38,130	45,127	35,902	35,184				
		8	25,572	34,092	42,612	27,863	27,345	ND	-28.9%	-28.7%	-5.3%
CL6046	Park Manager II	192	34,030	43,141	52,252	43,073	38,221				
		6	34,884	46,512	58,140	39,191	40,020	ND	-9.9%	4.5%	7.4%
CL6072	Biologist II	492	35,060	45,040	54,218	42,262	40,758	10-State			
		24	31,476	41,964	52,452	44,212	44,982	ND	4.4%	9.4%	-0.7%
CL6306	Agri Marketing Specialist II	61	39,673	48,020	56,366	47,552	44,533	10-State			
		2	31,476	41,964	52,452	39,929	39,929	ND	-19.1%	-11.5%	-13.3%
CL6403	Seed Analyst III	185	26,469	33,787	40,833	36,871	36,723	10-State			
		2	21,300	28,404	35,508	29,850	29,850	ND	-23.5%	-23.0%	-29.8%
CL7010	Custodian	2192	17,357	21,259	25,176	21,203	20,530	10-State			
		50	13,236	17,640	22,056	16,819	16,535	ND	-26.1%	-24.2%	-20.2%
CL7163	Food Service Director II	63	34,232	43,462	52,473	46,755	45,193	10-State			
		4	31,476	41,964	52,452	41,112	38,616	ND	-13.7%	-17.0%	-11.4%
CL8055	Highway Mtc Foreman	812	32,002	40,197	48,428	41,422	38,529	10-State			
		2	23,472	31,296	39,120	37,224	37,224	ND	-11.3%	-3.5%	-32.4%
CL8122	Pilot II	29	35,394	45,403	55,412	50,094	50,104	10-State			
		3	31,476	41,964	52,452	47,664	46,884	ND	-5.1%	-6.9%	-19.4%
CL8133	Physical Plant Dir III	302	41,677	53,315	65,399	56,537	55,141	10-State			
		3	37,920	50,556	63,192	49,100	48,456	ND	-15.1%	-13.8%	-11.8%
CL8210	Gen Trades Maint Wkr II	819	24,238	29,383	34,527	30,571	30,858	10-State			
		6	21,300	28,404	35,508	25,796	25,182	ND	-18.5%	-22.5%	-7.6%
CL8222	Carpenter II	524	25,600	31,672	37,573	32,598	31,235	10-State			
		9	21,300	28,404	35,508	26,029	26,040	ND	-25.2%	-20.0%	-14.8%
CL8232	Plumber II	227	27,144	33,586	39,858	34,424	33,714	10-State			
		4	25,572	34,092	42,612	33,381	33,372	ND	-3.1%	-1.0%	-1.0%
CL8242	Electrician II	242	28,026	34,605	41,012	35,810	33,429	10-State			
		7	25,572	34,092	42,612	32,990	33,600	ND	-8.5%	0.5%	-5.0%
CL8262	Systems Mechanic II	201	28,175	34,721	41,041	36,176	34,671	10-State			
		6	25,572	34,092	42,612	33,176	33,600	ND	-9.0%	-3.2%	-6.1%
CL8412	Equipment Operator II	5292	24,611	30,010	35,486	31,230	32,325	10-State			
		250	19,368	25,824	32,280	25,324	25,608	ND	-23.3%	-26.2%	-20.9%
CL8625	Graphic Artist II	103	28,709	35,419	41,807	35,387	36,294	10-State			
		2	21,300	28,404	35,508	28,986	28,986	ND	-22.1%	-25.2%	-24.6%

JOB SERVICE NORTH DAKOTA 2004

Cls Code	Match Title	# Ee's	Salary Range			Average	State	Difference	
			Min	Mid	Max			Avg	Mdpt-Avg
CL0032	Office Assistant II	5770				20,410	JSND		
		83	14,556	19,404	21,828	19,008	ND	-7.4%	-5.2%
CL0033	Office Assistant III	5770				23,302	JSND		
		167	16,008	21,348	26,688	20,408	ND	-14.2%	-9.2%
CL0042	Administrative Assistant II	3130				28,343	JSND		
		141	19,368	25,824	32,280	25,340	ND	-11.9%	-9.8%
CL0043	Administrative Assistant III	3130				32,220	JSND		
		74	21,300	28,404	35,508	30,048	ND	-7.2%	-13.4%
CL0142	Programmer/Analyst II	460				57,218	JSND		
		30	31,476	41,964	52,452	39,975	ND	-43.1%	-36.4%
CL0143	Programmer/Analyst III	460				67,085	JSND		
		55	34,884	46,512	58,140	46,874	ND	-43.1%	-44.2%
CL0131	Programmer	900				45,822	JSND		
		8	23,472	31,296	39,120	30,528	ND	-50.1%	-46.4%
CL0174	Computer & Network Specialist II	250				43,862	JSND		
		20	28,368	37,824	47,280	34,798	ND	-26.0%	-16.0%
CL0175	Computer & Network Specialist III	250				50,686	JSND		
		13	34,884	46,512	58,140	44,010	ND	-15.2%	-9.0%
CL0222	Accounting/Budget Specialist II	1890				48,115	JSND		
		17	25,572	34,092	42,612	32,549	ND	-47.8%	-41.1%
CL0223	Accounting/Budget Specialist III	1890				58,175	JSND		
		28	31,476	41,964	52,452	40,530	ND	-43.5%	-38.6%
CL0712	Attorney II	650				71,627	JSND		
		7	37,920	50,556	63,192	44,729	ND	-60.1%	-41.7%
CL0713	Attorney III	650				90,688	JSND		
		5	47,364	63,156	78,948	63,240	ND	-43.4%	-43.6%
CL2003	Engineering Tech III	400				33,132	JSND		
		41	21,300	28,404	35,508	30,517	ND	-8.6%	-16.6%
CL2004	Engineering Tech IV	400				37,642	JSND		
		69	25,572	34,092	42,612	35,652	ND	-5.6%	-10.4%
CL2022	Transportation Engineer II	610				52,368	JSND		
		27	31,476	41,964	52,452	40,844	ND	-28.2%	-24.8%
CL2023	Transportation Engineer III	610				59,261	JSND		
		56	34,884	46,512	58,140	48,691	ND	-21.7%	-27.4%
CL2042	Environmental Engineer II	90				56,158	JSND		
		15	31,476	41,964	52,452	37,672	ND	-49.1%	-33.8%
CL2043	Environmental Engineer III	90				64,830	JSND		
		14	34,884	46,512	58,140	44,055	ND	-47.2%	-39.4%
CL3051	Licensed Prac Nurse I	2670				27,873	JSND		
		8	19,368	25,824	32,280	26,751	ND	-4.2%	-7.9%
CL3052	Licensed Prac Nurse II	2670				29,715	JSND		
		61	21,300	28,404	35,508	29,184	ND	-1.8%	-4.6%
CL3062	Registered Nurse II	6180				43,961	JSND		
		90	28,368	37,824	47,280	39,013	ND	-12.7%	-16.2%
CL3063	Registered Nurse III	6180				49,031	JSND		
		33	31,476	41,964	52,452	43,233	ND	-13.4%	-16.8%

**JOB SERVICE NORTH DAKOTA
2004**

Cls Code	Match Title	# Ee's	Salary Range			Average	State	Difference	
			Min	Mid	Max			Avg	Mdpt-Avg
CL3232	Chemist II	130				43,408	JSND		
		5	28,368	37,824	47,280	35,928	ND	-20.8%	-14.8%
CL3233	Chemist III	130				51,418	JSND		
		3	31,476	41,964	52,452	41,816	ND	-23.0%	-22.5%
CL4133	Addiction Counselor II	210				35,740	JSND		
		66	28,368	37,824	47,280	34,355	ND	-4.0%	5.5%
CL4134	Addiction Counselor III	210				38,924	JSND		
		15	31,476	41,964	52,452	42,726	ND	8.9%	7.2%
CL4212	Social Worker II	260				33,420	JSND		
		24	25,572	34,092	42,612	31,231	ND	-7.0%	2.0%
CL4213	Social Worker III	260				37,788	JSND		
		45	28,368	37,824	47,280	35,164	ND	-7.5%	0.1%
CL5112	Correctional Officer II	180				29,654	JSND		
		176	23,472	31,296	39,120	25,862	ND	-14.7%	5.2%
CL5113	Correctional Officer III	180				33,340	JSND		
		7	25,572	34,092	42,612	32,374	ND	-3.0%	2.2%
CL6072	Biologist II	100				49,707	JSND		
		26	31,476	41,964	52,452	44,212	ND	-12.4%	-18.5%
CL6073	Biologist III	100				56,428	JSND		
		7	34,884	46,512	58,140	49,347	ND	-14.3%	-21.3%
CL7010	Custodian	6470				18,673	JSND		
		50	13,236	17,640	22,056	16,819	ND	-11.0%	-5.9%
CL7122	Cook I	1370				18,293	JSND		
		34	16,008	21,348	26,688	18,495	ND	1.1%	14.3%
CL7123	Cook II	1370				20,379	JSND		
		13	17,604	23,472	29,340	21,960	ND	7.2%	13.2%
CL7203	Laundry Worker	630				17,486	JSND		
		4	13,236	17,640	22,056	18,813	ND	7.1%	0.9%
CL8412	Equipment Operator II	510				26,641	JSND		
		250	19,368	25,824	32,280	25,324	ND	-5.2%	-3.2%
CL8413	Equipment Operator III	510				30,538	JSND		
		84	21,300	28,404	31,956	31,736	ND	3.8%	-7.5%

1999 & 2001 Market/Equity Distribution Plan

SALARY INCREASE MODEL - 2001 Special Market/Equity Increase

Prepared by: ND Central Personnel Division Office of Management & Budget	MARKET/EQUITY MODEL		Salary Increase: 4.8% 3.4% 2.1% 0.9%	# Employees rcvg: 85 386 2,058 1,717																																			
Increase Information		General Information																																					
Total # Ees: 6,572	# Employees: 6,572																																						
Ees Receiving Increases: 4,226	Avg Salary: \$2,448 (Current) \$2,474 (New)		RANGE COMPRESSION MATRIX <table border="1"> <tr> <th colspan="2">Yrs Svc</th> <th colspan="5">8-tile</th> </tr> <tr> <th>From</th> <th>Up To</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> <tr> <td>12</td> <td>99</td> <td>4.8%</td> <td>3.4%</td> <td>2.1%</td> <td>0.9%</td> <td>0.0%</td> </tr> <tr> <td>7</td> <td>12</td> <td>3.4%</td> <td>2.1%</td> <td>0.9%</td> <td>0.0%</td> <td>0.0%</td> </tr> <tr> <td>0</td> <td>7</td> <td>2.1%</td> <td>0.9%</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> </tr> </table>		Yrs Svc		8-tile					From	Up To	1	2	3	4	5	12	99	4.8%	3.4%	2.1%	0.9%	0.0%	7	12	3.4%	2.1%	0.9%	0.0%	0.0%	0	7	2.1%	0.9%	0.0%	0.0%	0.0%
Yrs Svc		8-tile																																					
From	Up To	1			2	3	4	5																															
12	99	4.8%			3.4%	2.1%	0.9%	0.0%																															
7	12	3.4%			2.1%	0.9%	0.0%	0.0%																															
0	7	2.1%	0.9%	0.0%	0.0%	0.0%																																	
Total Market/Equity Salary Increase: \$ 4,006,968	Avg Compa-Ratio: 0.92 (Current) 0.93 (New)																																						
Total Market/Equity Cost: \$ 4,675,303	Yrs in Cls/Grd (7/1/01): 12.6																																						
Total General Fund Cost: \$ 2,694,343	Yrs in Cls/Grd (7/1/01): 7.0																																						
Total Special Fund Cost: \$ 1,980,960	Avg Increase \$: \$25.41																																						
	Avg Increase %: 1.1%																																						

DRAFT 6/8/01 (7/16/01) FINAL

Org	Dept	Div	Name	Class	Grade	Current Salary	Current C-Ratio	8-tile	Yrs Svc on 7/1/01	Yrs in Cls/Grd	Total Increase #	\$ Increase/mo	Cost with Benefits	% Gen Fund	Gen Fund Cost	Spcl Fund Cost	Salary % Inc	New Salary	New C-Ratio	
1000	yyy	50%	a	33	5	767.00	0.88	3	1.9	1.9	0			100%	0.00	0.00	0.0%	767.00	0.88	
1000	yyy		b	33	5	1,262.00	0.72	1	0.7	0.7	1	\$ 27.00	31.50	100%	31.50	0.00	2.1%	1,289.00	0.74	
1000	yyy		c	32	5	1,463.00	0.64	2	1.7	1.7	1	\$ 13.00	15.20	100%	15.20	0.00	0.9%	1,476.00	0.85	
1000	yyy		d	3	5	1,533.00	0.89	3	1.8	1.8	0			100%	0.00	0.00	0.0%	1,533.00	0.89	
1000	yyy		e	33	5	1,533.00	0.88	3	3.1	3.1	0			100%	0.00	0.00	0.0%	1,533.00	0.88	
1000	yyy		f	42	7	1,547.00	0.73	1	0.7	0.7	1	\$ 32.00	37.30	100%	37.30	0.00	2.1%	1,579.00	0.75	
1000	yyy		g	42	7	1,635.00	0.77	1	1.8	1.8	1	\$ 34.00	38.70	100%	39.70	0.00	2.1%	1,669.00	0.79	
1000	yyy		h	33	5	1,731.00	0.99	4	7.2	7.2	0			100%	0.00	0.00	0.0%	1,731.00	0.99	
1000	yyy		i	41	6	1,943.00	1.01	5	13.3	13.3	0			100%	0.00	0.00	0.0%	1,943.00	1.01	
1000	yyy		j	42	7	2,042.00	0.97	4	13.0	13	1	\$ 18.00	21.00	100%	21.00	0.00	0.9%	2,060.00	0.98	
1000	yyy		k	212	7	2,042.00	0.97	4	13.9	13.9	1	\$ 18.00	21.00	100%	21.00	0.00	0.9%	2,060.00	0.98	
1000	yyy		l	33	5	2,014.00	1.15	5	20.2	20.2	0			100%	0.00	0.00	0.0%	2,014.00	1.15	
1000	yyy		m	43	8	2,280.00	0.87	4	15.6	15.3	1	\$ 20.00	23.30	100%	23.30	0.00	0.9%	2,280.00	0.88	
1000	yyy		n	43	8	2,085.00	0.89	3	10.5	10.8	1	\$ 19.00	22.20	100%	22.20	0.00	0.9%	2,084.00	0.90	
1000	yyy		o	33	5	2,122.00	1.22	5	22.9	22.9	0			100%	0.00	0.00	0.0%	2,122.00	1.22	
1000	yyy		p	43	8	2,364.00	1.02	5	14.4	14.4	0			100%	0.00	0.00	0.0%	2,364.00	1.02	
1000	yyy		q	181	8	2,446.00	1.05	5	15.8	15.3	0			100%	0.00	0.00	0.0%	2,446.00	1.05	
1000	yyy		r	221	8	2,529.00	1.09	5	22.9	21.8	0			100%	0.00	0.00	0.0%	2,529.00	1.09	
1000	yyy		s	911	8	2,620.00	1.13	5	24.1	24.1	0			100%	0.00	0.00	0.0%	2,620.00	1.13	
1000	yyy		t	912	10	2,857.00	1.03	5	21.8	21.8	0			100%	0.00	0.00	0.0%	2,857.00	1.03	
1000	yyy		u	912	10	3,228.00	1.16	5	27.8	27.8	0			100%	0.00	0.00	0.0%	3,228.00	1.16	
1000	Cd21										8		211.20		211.20	0.00				
1000	Total					2,001.19	0.97		12.1	12.1		\$ 22.63		100%		0.00	0.5%	2,009.81	0.97	
1000	Average																			

Explanation of Market/Equity Model

Employee List

- 8-tile** - Identifies which 8th of the range the employee's salary is in (5 indicates pay above midpoint).
- Yrs Svc** - Employees total years of state service on 7/1/01

Range Compression Matrix

- 8-tile** - 1st, 2nd, 3rd, 4th octile (or eighth) of the salary range; 5 indicates any pay above midpoint.
- Yrs Svc** - 3 groupings of years; 0-7 years, 7-12 years, over 12 years.

The spreadsheet bases the calculated salary increases on range position and years of service.

An employee paid in the 1st eighth of the range with 0-7 yrs of service was identified for a 2.1% increase.

↓	2nd	7-12	3.4%
		over 12	4.8%
		0-7	0.9%
		7-12	2.1%
	3rd	over 12	3.4%
		0-7	0.0%
		7-12	0.9%
	4th	over 12	2.1%
		0-7	0.0%
		7-12	0.0%
	over 12	0.9%	
	5th eighth of the range and above were not eligible for market/equity increases.		