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10/3/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1377

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1377

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1/29/03

Tape Number	Side A	Side B	Meter #
1	x		39.0-end
1		x	0.0-15.6
3	x		15.5-27.4
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Kelser** opened the hearing on HB 1377.

Rep. Winrich, District 18, prime sponsor of HB 1377, introduced this legislation at request of ND Public Employees Association. He quoted a T-shirt slogan: "Unions-The People Who Invented the Weekend". Because of the impact of collective bargaining by unions, 5 day workweeks, health insurance, retirement benefits, all these things are now acceptable practices. Some of that is a history of violence and that is regrettable. Especially so, because a vast majority of union history emanated true concern and compassion for the working classes. Enlightened employers realized that workers who are safe and healthy and fairly compensated and appreciated are more productive. As you consider this bill, remember how your life is improved because of the benefits that were won over the years by collective bargaining.

Rep. Kasper: Do state employees enjoy their benefits now? Are they missing some of those benefits you just spoke of?

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Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1377

Hearing Date 1/29/03

Rep. Winrich: In my opinion, I think the most glaring lack is fair compensation. Other areas need improvement. Collective bargaining is the best way to deal with differences between workers and management.

Rep. Aarsvold, District 20, appeared in support of HB 1377 and offered oral testimony outlining his experience as a school board member for 15 years. For 5 years, he was lead negotiator representing the school board. Interestingly, ND mandates that school boards must negotiate with their employees but yet, do not allow that right to state employees.

Kris Runge, Executive Director of the NDPEA, AFT #4660, AFL-CIO, appeared to testify in support of HB 1377. (See attachments)

Rep. Dosch: What are your current job duties at NDPEA?

Runge: I am executive director, I supervise a staff of five employees. We enroll new members and handle grievances. I serve as chief lobbyist for the organization on behalf of our members. Our primary goal is to bring collective bargaining to allow all state employees and political subdivision workers the right to vote for collective bargaining agreements.

Rep. Kasper: On page 2, are you implying that currently state employees are not involved or do not wish to be involved in activities unless we have collective bargaining?

Runge: No, workers would take ownership of what happens in state government if they feel they can negotiate equally across the table from their employers.

Rep. Kasper: Isn't it their responsibility as employees whether they are state of ND or any employer to be involved in those activities whether or not there is collective bargaining?

Runge: I do believe that.

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Page 3

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1377

Hearing Date 1/29/03

Rep. Froseth: How does this differ from provisions set forth....? (continued from side A, some of Froseth's question was not captured on tape)

Runge: This will not allow is that we would not be able to strike and do those types of things that are allowed in the private sector. Employees need the right to vote.

Rep. Ekstrom: The largest single item in the fiscal note is establishing a state employees relation board. Where are these numbers coming from?

Runge: I've not seen the fiscal note. I'm assuming it's almost identical to the one we had two years ago. Costs could come down because the labor relations board could be shared with the cities and counties when collective bargaining comes into play. There is a cost to this.

Rep. Klein: How many employees would be eligible to join NDPEA? How many members as present?

Runge: We have 1800 active members, 1100 retirees. There are 8000 state employees who could join NDPEA.

Chairman Keiser: Review for us, how do we avoid strikes in your proposal?

Runge: There is arbitration in the bill, that's in Section 14. Negotiations would have to be completed prior to commencement of legislative session so the contract could be negotiated.

Rep. Froseth: If this isn't completed during the legislative session, what happens?

Runge: I believe it goes to Legislative Council.

Rep. Nottestad: What assurances do we have that work slowdowns wouldn't happen instead of strikes?

Runge: ND's public and state employees are an excellent work force, teachers don't do slowdowns, why would our employees? We want to negotiate our working conditions.

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Page 4

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1377

Hearing Date 1/29/03

Rep. Severson: Does this apply to all political subdivision?

Runge: No, that's a Senate bill.

Rep. Klein: Why do only 10% of the employees belong to NDPEA?

Runge: Because we don't have collective bargaining.

Chairman Kelser: What is your official position on performance based or merit pay?

Runge: Performance pay is happening in ND. We want to make sure that standards are used fairly and that supervisors are trained well to conduct evaluations. When we catch up with pay raises, then merit pay can be addressed. Specific agencies like DOT and IT with hard to fill positions set up the bonus and retention. Salary schedule is low, the further we not fund salaries, the bigger problem we'll have when so many current employees are nearing retirement.

Dave Kemnitz, President of AFL-CIO and a member of IBEW, appeared to testify in wholehearted support of HB 1377. He pointed out that the State Employment Relations Board would be appointed by the Governor and the Senate. (Refer to Section 5) He also spoke to the arbitration process.

Rep. Kasper: Do you believe that state employees feel safe, healthy, appreciated and fairly compensated?

Kemnitz: My perspective is gleaned from casual conversation. Most feel that they'd have a better chance if they had procedure to address it on a level playing field where they are peers rather than adversaries. Most feel they could improve their lives and situations through a process where their voice is heard.

As there was no one else present to testify either in support of or in opposition to HB 1377, the hearing was closed.

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Page 5
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1377
Hearing Date 1/29/03

During the afternoon work session, **Chairman Kelsner** called for committee work on HB 1377.

Rep. Klein moved a Do Not Pass, **Rep. Ruby** seconded the motion.

Rep. Ekstrom: State employees deserve the same rights as employees in the private sector. I don't think this will lead to strikes, etc.

Rep. Johnson: One area that concerns me is the binding arbitration. Once before our citizens voted that down.

Rep. Ruby: The majority of state's employees aren't covered.

Rep. Klein: Look at the fiscal note...Yikes!!! PERS represents only 10% of state employees. We can't pass this thing out.

Rep. Kasper: Runge provided me with stats that shows average classified state employee's annual salary over the years. 1993, classified was \$22,189. In 2002, the salary was \$32,262. That's without benefits. PERS health insurance equals about \$500 per month per employee, regardless if they have families or not. That's \$6000. Retirement benefits run \$3-4000 a year. That plus vacation equals well over \$40,000. The average employee in the state earns dramatically less than that. **Rep. Winrich** said he didn't think they are fairly compensated

Rep. Thorpe: I am philosophically supportive of collective bargaining, so I'll have to vote against a Do Not Pass, in spite of the death by fiscal note.

Rep. Klein: Recognize too that they're retirement and health insurance benefits are deducted before taxes are taken out. That's considerable.

Rep. Ekstrom: We still have folks within the system that aren't paid well enough. Some qualify for food stamps. If 50-60% of state employees belonged to PERS, we'd be better inclined to support this.

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Page 6
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1377
Hearing Date 1/29/03

Chairman Kelser: Empowered employees are better employees, that's true. The perception that they have input into the process of negotiation is important. But we vote appropriations in the legislature. Through referral, the citizens of the state can tell us what to do. There's merit on both sides of this topic.

The results of the roll call vote were 10-3-1.

Rep. Severson will carry this bill on the floor.

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FISCAL NOTE
Requested by Legislative Council
01/20/2003

Bill/Resolution No.: HB 1377

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$507,721		\$649,914	
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

STATE EMPLOYEES RELATIONS BOARD

2003-2005 2005-2007

Compensation for 3 board members
Members are entitled to receive per diem payments
equal to \$333/day for 3 days/mo. for 23 months

\$22,977.00 \$23,976.00

Transcription for Unfair Labor Practices
(2 hrs./month @ \$155/hr.)

\$3,720.00 \$7,440.00

Office of State Employee Relations Board

\$354,560.00 \$476,160.00

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>		
1 Director (19 mos)	\$60,000	\$16,800	\$76,800	(19 mos.)	\$121,600
1 Legal Counsel (18 mos)	\$60,000	\$16,800	\$76,800	(18 mos.)	\$115,200
1 Labor Rel. Spec. (16 mos)	\$42,000	\$11,760	\$53,760	(16 mos.)	\$71,680
\$6,720 \$30,720 (18 mos.)		\$46,080		1 Admin. Support (18 mos)	\$24,000

Operating Expenses (20 percent base salary) \$70,912.00 \$95,232.00

Equipment for 4 \$25,000.00 \$10,000.00

Contract Hearing Officer
(80 hrs/yr @ \$81.91/hr for 1 yr)

\$6,552.80 \$13,105.60

Agency Costs

Negotiations (\$25/hr, 10 contracts, 80 hrs/contract) \$20,000.00 \$20,000.00

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Mediation & arbitration (20 days @ \$200/day) \$4,000.00 \$4,000.00

TOTALS \$507,721.80 \$649,913.60

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.

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.

Name:	Laurie Sterlotti Hammeren	Agency:	OMB-Central Personnel
Phone Number:	328-4735	Date Prepared:	01/24/2003

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Date: 1/29/03
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1377

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Klein Seconded By Ruby

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom		✓
Rep.Dosch			Rep.Thorpe		✓
Rep. Froseth	✓		Rep. Zaiser		✓
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Severson

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

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Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
January 30, 2003 10:26 a.m.

Module No: HR-18-1334
Carrier: Severson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1377: Industry, Business and Labor Committee (Rep. Kelsor, Chairman)
recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING).
HB 1377 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-18-1334

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2003 TESTIMONY

HB 1377

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Attach. 1 1/29/03



NORTH DAKOTA
PUBLIC EMPLOYEES ASSOCIATION

3333 EAST BROADWAY AVE, SUITE 1220
BISMARCK, NORTH DAKOTA 58501-3396

701-223-1964
1-800-472-2698

AMERICAN FEDERATION
OF TEACHERS LOCAL 4660 AFL-CIO



EMAIL: ndpea@bllgate.com
WEBSITE: www.ndpea.org

TESTIMONY IN SUPPORT OF HB 1377

Before the House Industry, Business and Labor Committee
North Dakota Public Employees Association, American Federation of Teachers, #4660
AFL-CIO
January 29, 2003

Chairman Keiser, members of the House Industry, Business and Labor Committee, my name is Chris Runge and I am the Executive Director of the North Dakota Public Employees Association, AFT Local #4660. NDPEA supports HB 1377, a bill which would bring collective bargaining rights to state employees, a right now enjoyed by all other workers in the state of North Dakota.

But first, let me tell you what this bill does not do. This bill does not permit strikes. This bill does not repeal the right to work provisions of state law and this bill does not force the Legislature to spend more money outside the money appropriated by the Legislature. This bill does not take away the power of the Legislature to manage the resources of government nor does it place employers and employees in an adversarial position.

The right to association in the workplace is a right afforded to all workers in North Dakota except public employees and in this case, state employees. Collective bargaining, quite simply, is a democratic process of determining wages, hours of work, and working conditions with our employer. Collective bargaining will give public employees a real voice in the decisions that affect our jobs by allowing us to negotiate as equals with the state in determining our salary, benefits, and working conditions.

Quality Services from Quality People

Testimony

260 C

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Collective bargaining for public employees is allowed in every state surrounding North Dakota and then some. Twenty-eight states allow for collective bargaining for state employees. Some of the most innovative and effective worker involvement programs in this country are in the organized workplace. If the state, as our employer, wants to empower employees, if you want employees to be involved in discussions on how to make government more efficient, more responsive and more customer driven, then it is necessary for you to allow the employees to vote for meaningful representation through the process outlined in HB 1377.

Today, the state employees are asking you to afford them the same workplace rights afforded to those in the private sector, federal employees and K-12 educators; the right to choose through free and open democratic elections whether to be represented by a labor organization in order to negotiate employment contracts. I challenge you to open government up to workers and apply the law of the land to state employees.

North Dakota Century Code 34-12-02 provides, "Employees have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other lawful concerted activities for the purpose of collective bargaining or other mutual aid or protection, and also have the right to refrain from any or all of such activities and are free to decline to associate with their fellows and are free to obtaining employment wherever possible with interference or being hindered in any way." This is the law of the land for all citizens of North Dakota unless you happen to be a public servant. It is time to open the door to the democratic process for all public employees of North Dakota who provide quality services to our citizens.

NDPEA supports HB 1377 and urges a DO PASS. You will find attached a section by section explanation of the bill and I would be more than willing to go through each and every section of the bill if

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the committee would like. Thank you for the opportunity to testify in support of collective bargaining rights for state employees and I am available to answer any questions you may have.

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Att. 2 1/22/03

HB 1377 BILL EXPLANATION

Section 1 is the definitions section of the bill. Enclosed in this section are the definitions of those terms used throughout the legislation. It is in this section that an employee is defined.

Section 2 addresses an employee rights. This section specifically protects employees in their decision to either join or not join an employee organization.

Additionally, this section identifies as the exclusive representative that organization which has been recognized as the representative of the majority of employees.

Finally, this section provides that the exclusive representative shall bargain for all employees in the unit with respect to wages, hours and other conditions of employment even if those employees don't hold membership in the employee organization.

Section 3 addresses the duty to bargain. It is under this section, that the employer and the exclusive representative are required to meet and negotiate, in good faith, with respect to wages, hours, terms and other conditions of employment.

Section 4 is the management rights section. Under the provisions of this bill, management is protected from having to bargain over certain matters of inherent management policy. This section identifies those matters that the employer shall not be required to bargain including: overall budget levels, the direction of employees and the selection of new employees.

Section 5 Establishes the state employment relations board.

Section 6 relates to the duties of the state employment relations board. The state employment relations board shall be responsible for carrying out the provisions of this Act. Some of the duties include: determining appropriate bargaining units, conducting representation elections, develop rules and regulations as necessary to carry out the board's functions and hold hearings and issue orders to enforce the board's rules.

Section 7 relates to elections and possible recognition of an exclusive representative. This section provides for a democratic process of elections to determine if employees want an employee organization to represent them for the purposes of collective bargaining. Employees are guaranteed the option of "no representation" on the secret ballot election.

Section 7 also outlines the procedure necessary to remove an employee organization as the exclusive representative of the employees. The removal of an exclusive representative is conducted through the same democratic secret ballot election process used to certify an agent.

Section 8 relates to unit determination for purposes of collective bargaining. This section sets into place guidelines to assist the state employment relations board in determining appropriate bargaining units. The board, in their decision, is to take into account such things as: community of interest; administrative structure; the negative effect of over fragmentation; and wages, hours and other working conditions of the various employees.

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Section 9 requires a grievance resolution process be part of the negotiated agreement to address disputes that may arise regarding the administration or interpretation of the agreement.

Section 10 identifies those activities that are unfair labor practices for both the employer and employee organization. It is this section that specifically prohibits strikes, work stoppages or slowdowns.

Section 11 sets into place the procedures to be followed by the state employment relations board in investigating and dealing with charges of unfair labor practices.

Section 12 outlines the various time frames involved in negotiating an employment contract. If the Legislature is in session when the contract is ratified by the employees and negotiators, the Legislature will vote to either approve or reject the request for funds needed to implement the contract. If the Legislature is not in session, the request for funds will be submitted to a committee designated by the Legislative Council and that committee shall either approve or reject the request for funds necessary to implement the contract.

If the Legislature or Committee designated by the Legislative Council rejects the monetary funding requirements, the parties may reopen the contract and continue negotiations.

Section 13 relates to a mediation process. If after approximately four months of negotiating, an agreement is not reached, the parties involved may request or the state employment relations board may appoint a mediator to assist the parties in reaching an agreement.

Section 14 relates to the arbitration process. If after fifteen days of mediation, an agreement is not reached, either party may request the assistance of an arbitrator. The arbitrator, after holding a hearing, shall issue an order and that order shall be binding on both the employer and the exclusive representative.

However, the Legislature, if it is in Session, or a committee designated by the Legislative Council, shall have final authority over the funds necessary to implement an agreement. If the Legislature determines, that there are insufficient funds to implement the arbitrator's award, the matter is returned to the parties for further bargaining.

Section 15 simply says that if the Legislature has not rejected the arbitrator's award, then the contract is implemented and the state shall fund the contract.

Section 16 states that this Act and collectively bargained agreements shall take precedence.

Section 17 makes it very clear that strikes, work stoppages and slowdowns are prohibited at all times.

Section 18 protects employees from having to work in unsafe work environments and allows individual employees to make decisions regarding continued employment with the state.

Section 19 allows the employers and exclusive representative to negotiate multi-year agreements.

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Health Insurance Premium Information Regional State Governments

The following table is summarized from the 2002 Central States Compensation Association Benefit Survey. This summary is an attempt to show the range of premiums for insurance coverage and to show the range of share paid by the various states and the share paid by their employees.

The range in premiums can be attributed to variations in coverage and levels of co-payments and deductibles for which the employee is responsible. Where there are ranges in the premium or splits within a state, it is due to options in coverage (i.e. traditional insurance, PPO plans, HMO's).

The total employee only premium among the 10 states ranges from \$214 to \$366.36. North Dakota's single rate is \$190.

The total family premium ranges from \$428 to \$1,080. North Dakota's family rate is \$470.

State	Estimated Total Single Premium	Single Premium Split		Estimated Total Family Premium	Family Premium Split	
		Employer	Employee		Employer	Employee
CO	Information not available					
IA	\$214 - \$348	100%	0%	\$754 - \$814	75 - 80%	25 - 20%
KS	\$259 - \$288	95%	5%	\$725 - \$827	61 - 63%	39 - 37%
MN	\$261	100%	0%	\$718	93%	7%
MO	\$289 - \$332	90%	10%	\$901 - \$1,071	73 - 77%	27 - 23%
MT	\$294	100%	0%	\$428	64%	36%
NE	\$265 - \$304	79%	21%	\$939 - \$1,080	79%	21%
OK	\$228 - \$236	100%	0%	\$660 - \$705	89 - 96%	11 - 4%
SD	\$366.36	100%	0%	\$561 - \$634	58 - 65%	42 - 35%
WY	\$225	100%	0%	\$469	48%	52%
ND *	\$190	100%	0%	\$470	100%	0%

* Family & Single premium breakdown provided by NDPERS, state premiums paid at \$409 per contract.

NOTE: North Dakota's state agencies budget and pay a flat rate of \$409 per contract regardless of single or family coverage.

Prepared by: **Central Personnel Division**
January 2003

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Att 1

From Chris
Ruge

→ 1/29/03

**Senate & House
Appropriation Committees**
January 7 & 8, 2003

Introductory Information from the
Central Personnel Division
Office of Management and Budget

Laurie Steriotti-Hammeren, Director 328-4735
Ken Purdy, Compensation Manager 328-4739
or 328-6066

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Deanna Halliwell
Operator's Signature

10/3/03
Date

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%	\$80/mo	
January-96	46.0	11.4	26,478	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%	0.96
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	28,993	3.9%	2.0%	0.97 **
August-01	44.8	12.5	31,487	4.9%	3.0%	0.96 *
December-02	45.4	12.9	32,262	2.5%	2.0%	0.96

**6,587 Classified
Employees**

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

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

Compa-Ratio = Salary / Midpoint

Grade 6

Minimum is \$1,467 = 0.75 C/R

Midpoint is \$1,956 = 1.00 C/R

Maximum is \$2,445 = 1.25 C/R

If John Doe's salary is \$1,878, his C/R is 0.96

Grade 12

Minimum is \$2,623 = 0.75 C/R

Midpoint is \$3,497 = 1.00 C/R

Maximum is \$4,371 = 1.25 C/R

If Jane Smith's salary is \$4,000, her C/R is 1.14

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10/3/03

AVERAGE CLASSIFIED STATE EMPLOYEE

	Years of Age	Years of Service	Annual Salary	Actual Increase	Appropriated	Compa- Ratio
December-02	45.4	12.9	32,282	2.5%	2.0%	0.98

•Education

- 46% of Classified Employees have bachelors degrees or higher
- 81% have some formal education beyond High School

By Grade

Grade	Midpt	# E'ees	Salary	Average Compa-Ratio	Yrs Svc
1	1,215	2	1,174	0.97	12.8
2	1,338	1	1,343	1.01	5.8
3	1,470	105	1,435	0.98	10
4	1,617	178	1,568	0.97	11.7
5	1,779	508	1,657	0.93	9.9
6	1,956	556	1,818	0.93	11.1
7	2,152	838	2,077	0.97	12.7
8	2,367	841	2,364	1.00	14.8
9	2,608	442	2,374	0.91	10
10	2,841	783	2,664	0.94	12.6
11	3,152	833	2,941	0.93	11.8
12	3,497	887	3,360	0.96	14.1
13	3,876	322	3,690	1.00	15.2
14	4,213	283	4,280	1.02	17.7
15	4,755	123	4,683	1.03	15.5
16	5,283	86	5,404	1.03	20.4
17	5,824	13	6,049	1.04	20.4
18	6,444	3	6,965	0.93	21.9
19	7,125	2	6,354	0.89	20.4
20	7,864	0	n/a	n/a	n/a

97% of Classified Employees are in Grades 4-15

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Turnover Summaries
2002

North Dakota
Career Service

Class Series	Category	# Separations	# Employees	%
0-100	Admin Support	84	781	8.2%
100-200	Info Tech	25	382	6.0%
200-300	Misc Admin	79	1039	7.6%
1000-1999	Education	23	174	13.2%
2000-2999	Engineering	17	488	3.8%
3000-3999	Medical/Health	52	488	10.7%
4000-4999	Social Services	144	1456	9.9%
5000-5999	Public Safety	57	788	7.3%
6000-6999	Nat'l Rec/Agric	8	198	3.5%
7000-7999	Custodial & Food Svc	13	187	6.8%
8000-8999	Labor/Trade	32	618	5.2%
		508	6,387	7.7%

Reason	# Separations
Involuntary	48
Retirement	88
Other Employment	339
Health or No Reason	34
	509
Yrs Svc @ Sep'n	# Separations
< 1 yr	43
1 - 5 yrs	218
6 - 10 yrs	81
10 - 20 yrs	83
> 20 yrs	84
	509

•Retirement Outlook

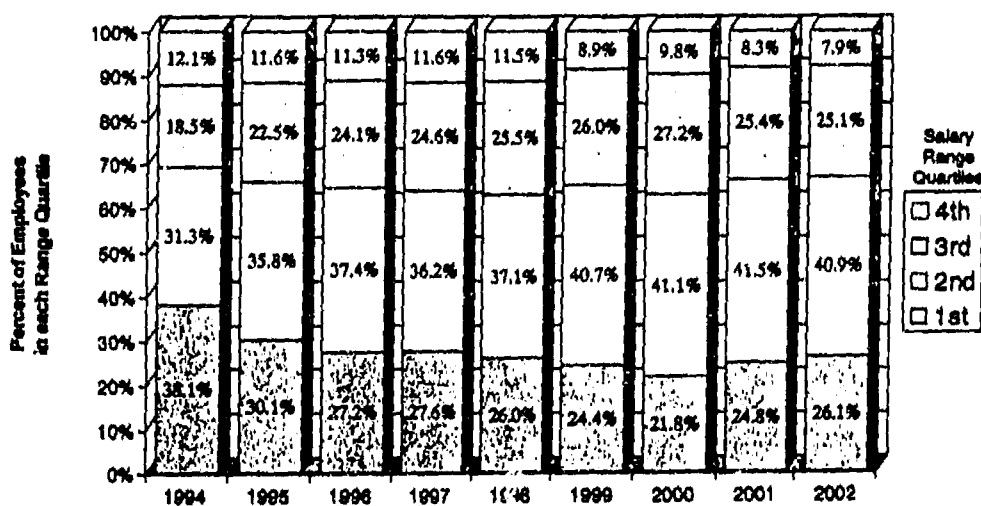
-417 Employees Currently Meet 'Rule of 85' Retirement Eligibility

- 90 additional will attain 'Rule of 85' within 2 years

-214 additional will attain 'Rule of 85' within 5 years

A total of 721 (11%) will meet 'Rule of 85' within 5 years

Salary Range Quartile Distribution



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Donna Hall
Operator's Signature

10/3/03
Date

BENEFITS

STATE	Annual Leave Hours	Sick Leave Hours	Holiday Hours	Health Insurance Employer Contribution	Dental Insurance	Vision Insurance	Life Insurance	Retire- ment	Social Security	Total Benefit \$/hour	Percent of Salary
Colorado	130	80	80	2,014.80	171.00	0	26.82	10.40%	0.0%	5.30	38.0%
\$ per hr	1.03	0.66	0.66	0.97	0.06	0	0.01	1.85	0.00	5.30	38.0%
Iowa	130	144	88	7,171.80	186.72	0	21.60	5.75%	8.2%	8.88	48.0%
\$ per hr	1.03	1.23	0.75	3.45	0.08	0	0.01	1.02	1.10	8.88	48.0%
Kansas	170	88	80	2,989.44	332.72	0	80.48	4.18%	4.2%	6.44	36.0%
\$ per hr	1.50	0.88	0.66	1.41	0.16	0	0.03	0.74	1.10	6.44	36.0%
Minnesota	130	104	88	4,287.72	536.28	0	0	4.00%	6.2%	7.85	44.0%
\$ per hr	1.11	0.89	0.75	3.03	0.36	0	0	0.71	1.10	7.85	44.0%
Missouri	130	120	88	3,336.00	0	0	104.64	8.61%	6.2%	7.20	41.0%
\$ per hr	1.03	1.03	0.88	1.6	0	0	0.05	1.57	1.10	7.20	41.0%
Montana	130	88	84	3,103.88	263.2	27.72	33.12	6.80%	6.2%	6.64	37.0%
\$ per hr	1.03	0.88	0.72	1.48	0.14	0.01	0.02	1.23	1.10	6.64	37.0%
Nebraska	130	88	88	7,752.24	0	0	27.36	6.75%	6.2%	8.71	46.0%
\$ per hr	1.03	0.88	0.88	3.73	0	0	0.01	1.2	1.10	8.71	46.0%
Oklahoma	144	120	80	4,370.88	237.36	0	36.00	10.00%	6.2%	8.06	45.0%
\$ per hr	1.23	1.03	0.66	2.1	0.11	0	0.02	1.78	1.10	8.06	45.0%
South Dakota	130	112	82	3,227.40	0	0	28.64	6.00%	6.2%	6.51	37.0%
\$ per hr	1.03	0.86	0.78	1.56	0	0	0.01	1.07	1.10	6.51	37.0%
Wyoming	130	88	72	2,580.00	0	0	31.88	11.25%	6.2%	6.83	38.0%
\$ per hr	1.03	0.88	0.62	1.24	0	0	0.02	2.00	1.10	6.83	38.0%
Avg	130	108	88	4,278.48	176.83	2.77	37.84	7.80%	6.2%	7.24	41.0%
\$ per hr	1.18	0.91	0.73	2.88	0.08	0	0.02	1.24	1.18	7.24	41.0%
North Dakota	130	88	84	4,888.84	0	0	2.88	6.12% *	6.2%	6.90	39.0%
\$ per hr	1.03	0.88	0.72	2.36	0	0	0	0.91	1.10	6.90	39.0%

Based on Central States Compensation Association Survey
with an average Salary of \$38,962 and 5 years of service.

BENEFITS

STATE	Annual Leave Hours	Sick Leave Hours	Holiday Hours	Health Insurance Employer Contribution	Dental Insurance	Vision Insurance	Life Insurance	Retire- ment	Social Security	Total Benefit \$/hour	Percent of Salary
Avg	130	108	88	4,278.48	176.83	2.77	37.84	7.80%	6.2%	7.24	41.0%
\$ per hr	1.18	0.91	0.73	2.88	0.08	0	0.02	1.24	1.18	7.24	41.0%
North Dakota	130	88	84	4,888.84	0	0	2.88	6.12% *	6.2%	6.90	39.0%
\$ per hr	1.03	0.88	0.72	2.36	0	0	0	0.91	1.10	6.90	39.0%

* Includes 1% Prepaid Retiree Health

Based on Central States Compensation Association Survey
with an average Salary of \$38,962 and 5 years of service.

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Operator's Signature

10/3/03
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2002 Payline Charts

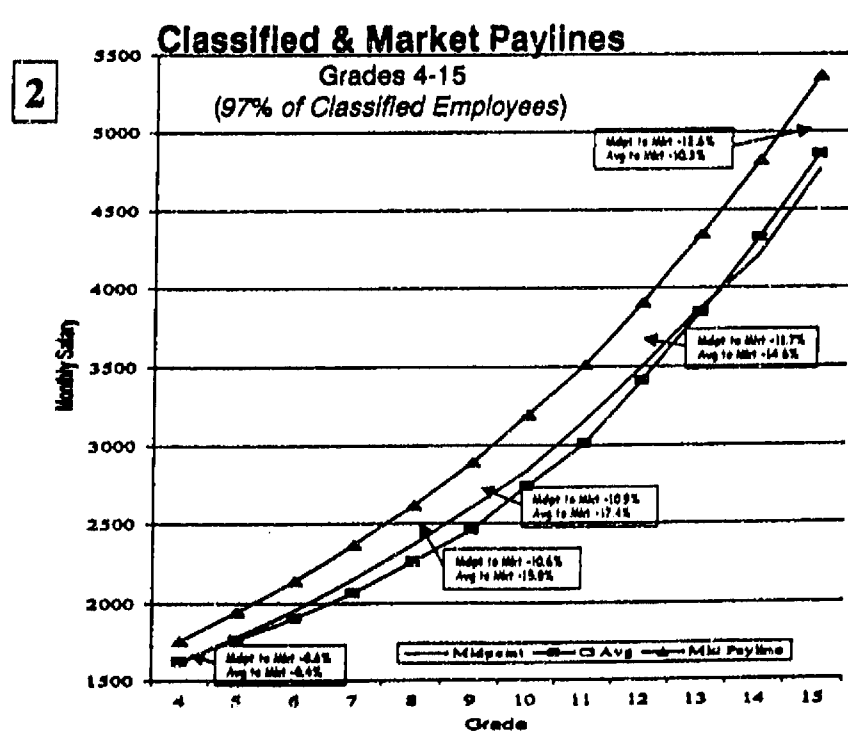
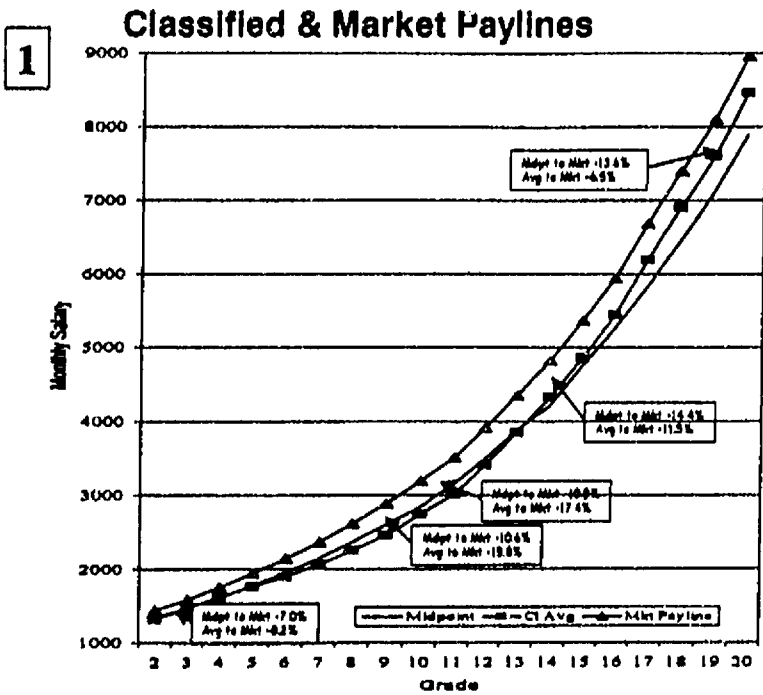
The following charts show comparisons of State Classified pay, Salary Range Midpoints, and Employment Market pay:

- Chart 1 Shows the current relationship of average salaries, salary range midpoints, and the employment market as of July 2002.
- Chart 2 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.
- Chart 3 Presents the proposed midpoints for July 2003 based on ND's established target of 95% of market. The number boxes show the percent movement required to keep the midpoints at 95% of average market pay.
- Chart 4 Shows the relationship of average salaries, projected salary range midpoints, and the current employment market.

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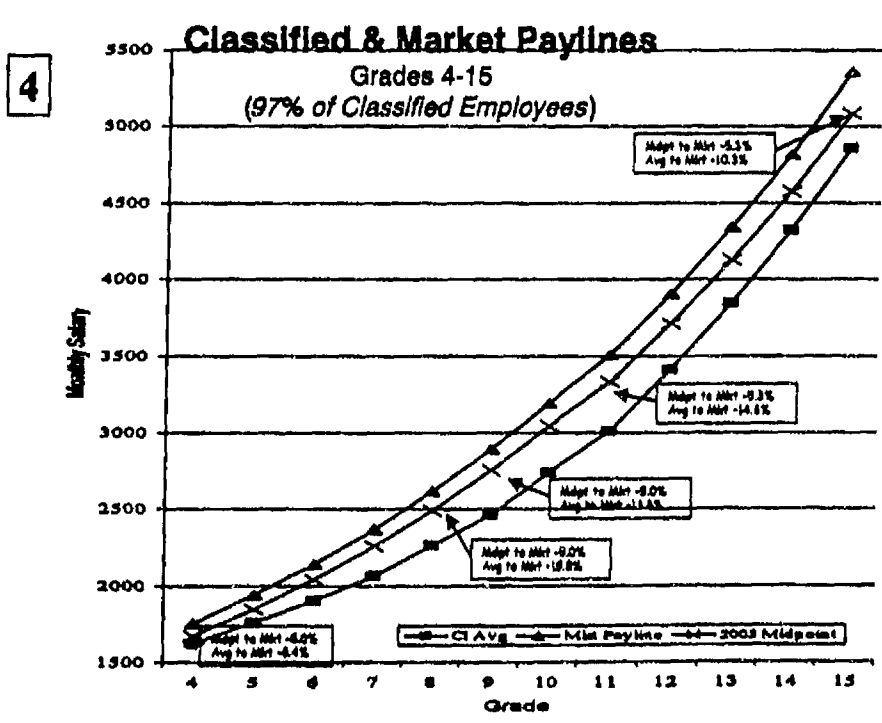
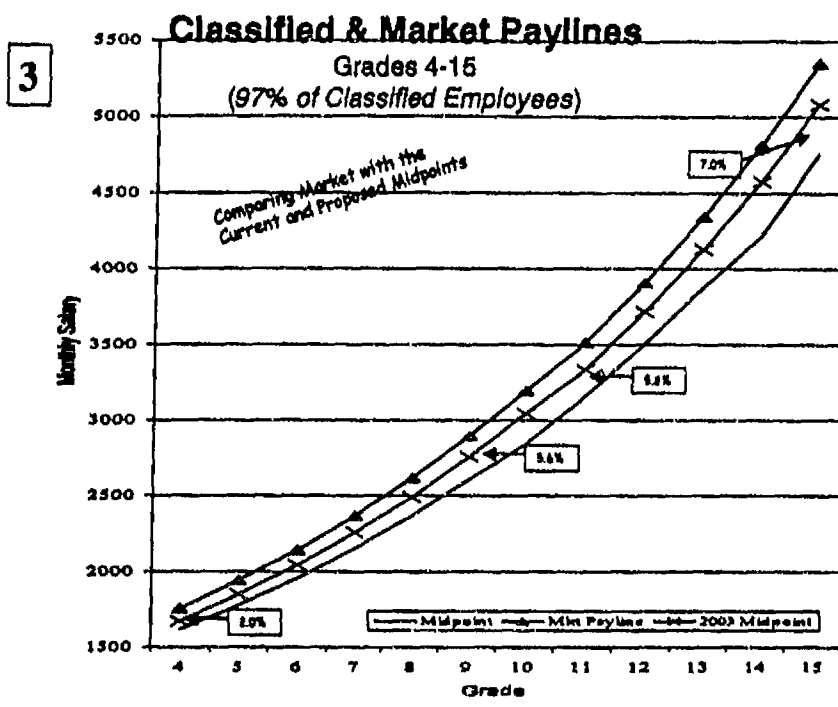
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Dennis Hallworth
Operator's Signature

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Deanna Hollenbach
Operator's Signature

10/3/03
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