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OMB/RECORDS MANAGEMENT DIVISION

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ROLL NUMBER

DESCRIPTION

2423

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SPECIAL SESSION
2003 JOINT APPROPRIATIONS

SB 2423

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2423

Joint Senate and House Appropriations Committee

☐ Conference Committee

Hearing Date 5-5-03

Tape Number	Side A	Side B	Meter #
1	x		190-2500
Committee Clerk Signature <i>Sandra Davison</i>			

Minutes: **CHAIRMAN HOLMBERG** opened the joint session hearing to SB 2423. A bill relating to provide legislative intent regarding state employee reductions; to provide for a report to the budget section; to provide for state employee compensation increases; and to provide an effective date.

REPRESENTATIVE RICK BERG explained the changes to this bill that the Governor vetoed.

This bill was introduced because of the workforce adjustment, basically the changes are on the second page of the bill. This concept was to have a reduction in our state workforce and savings from permanent reduction for salary increases. On page 2, the dates were changed on the OMB bill on lines 9 to January 1, 2004, and line 18 was January 1, 2005. The reductions would be achieved and then the savings would be used for the salary increases. The other change on line 6, the original language stated the dollars would come from permanent reductions through retirements or through vacant positions. Line 6 was added savings were provided primarily from permanent savings resulting from reduction of full time equivalent positions. Line 10, language

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was added, the dollar supplemented as necessary to accumulate savings as part of a full time position. Those are the languages from the original bill.

(Meter 321) **REPRESENTATIVE DELZER** asked **REPRESENTATIVE BERG** to describe what he feels is the definition of the word "primarily" as used in the bill.

(Meter 345) **REPRESENTATIVE BERG** stated a high number such as 90%.

(Meter 365) **REPRESENTATIVE DELZER** asked why not put in the number 90% instead of the word primarily? **REPRESENTATIVE BERG** stated that it is something the committee needs to discuss. He stated this is the language that is before them and his concern is with in the past there have been salary increases that require agencies to find the money within and his perception of those salary increases are to determine what equipment or other expenses appropriated that end up being tossed in the next biennium. The intent here is a permanent savings to those dollars.

(Meter 457) **REPRESENTATIVE SKARPHOL** asked in the original version there was a triggered number of reductions that had to take place. Is that still in place?

(Meter 465) **REPRESENTATIVE BERG** stated that is another significant difference here. In the original language said there were two things that had to happen. That number was 84 positions eliminated and the salary increases would be up to a one or a two. This bill still has those targeted reductions but if that number is not achieved, the dollars that would be saved could be used for salary increases. The part of the discussion that evolved around that was that maybe positions that may be in upper management that could be consolidated or eliminated or merged and there would be a substantial savings there that wouldn't reflected in the numbers.

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(Meter 544) **REPRESENTATIVE SKARPHOL** asked if what he is saying is if there is an employee reduction of one, whatever salary that individual had would be split up? If there is no employee reduction there will be no salary raise? **REPRESENTATIVE BERG** answered yes to both questions.

(Meter 567) **REPRESENTATIVE DELZER** asked about the second page, in effect are we allowing any rollup to be used for the payment of the one and two percent, whereas before, we passed this, we were not.

(Meter 587) **REPRESENTATIVE BERG** stated that it gets back to the word "primarily" and gets back to the word "supplemented". He thinks it is agreed that if additional money is to be used, it defines it more clearly.

(Meter 615) **SENATOR ANDRIST** stated he is not agreeable with the word "primarily". He stated it seems to him that it makes it flat out a one or two percent raise. He would prefer that the word "primarily" removed and stick to the original concept.

(Meter 651) **REPRESENTATIVE GLASSHEIM** asked how does this work? Whatever you save the month before, then is divided by 4,000? **REPRESENTATIVE BERG** stated there are targeted dates in here and we would know what the salary was appropriated so those dollars can be easily identified. Targeted dates of July 1, 2003 and January 1, 2004.

(Meter 735) **REPRESENTATIVE GULLESON** stated the different language here, but the bottom line here is still facing employee compensation increases on finding a reduction in the staff. **REPRESENTATIVE BERG** answered that is one way to look at it. Whatever a \$12,000 a year employee salary increase would increase the health insurance \$400 or \$500 a month. An

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average cost of a state employee is \$50, 000 per year, \$100,000 per biennium. There is a lot of discussion about doing something different with the health insurance. What we are seeing here

really long term is if we control the road of state government, the number one cost is state employees and if that can be controlled to some degree, there will be a chance of salary increases.

(Meter 837) **REPRESENTATIVE SVEDJAN** stated prior coming into this meeting, they were in conversation with the Governor's office on a number of things related to this bill. Not the lest, of which was the changes of dates. The dates that are shown on page 2, when the bill was originally passed, those dates coincide with the dates on the front of the bill. As dollars are rolled up from savings as generated from retirements, vacancies, or employee turnovers. The one percent or two percent would be paid out on the dates that coincide with the dates on the front of the bill. The intent of passing it out it was the House and the Senate did in regular session, was there needed to be dollars rolled up from these sources of savings before salary increase could be granted. In the discussions today earlier was how could we authorize salary increases without any time for these roll ups to occur. So in discussing these, it was his understanding that the Governor's office would be amenable to putting the dates back to the original date in the original bill.

(Meter 1000) The second discussion had to do with the word "primarily" and whether or not there should be some percentage put in there. Reason being this bill could be read a number of ways. On the one hand, you could read it there would be no attempt dirviring savings from vacancies result from retirements or termination or otherwise. And all the dollars would simply be rolled up from vacant positions. On the other hand, the word "primarily" suggests that most

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of the money that is authorized for paying salary increases should come from permanent savings resulting from reductions from the full time equivalent positions. So it was suggested at the earlier meetings, the inquirer about this, OMB, he wants to find out their feelings about whether or not a percentage should be put in there in place of the word "primarily".

(Meter 1123) **SENATOR MATHERN** asked how are we protecting the services to the public?

If an agency decides to have a vacancy to provide salary increases, that translates into less services because that work that was no longer done. How is the public protected? What is the rationale of this method?

(Meter 1179) **REPRESENTATIVE SVEDJAN** responded the intent of this was not to lessen the amount of service of the employees offer to the tax paying public. The second year is rather and where possible, positions can be merged or the work load can be spread amongst them and therefore positions could be eliminated. That decision would fall within the agency. There is no requirement here, that just because a position is vacant, it is going to be terminated. It needs to be based on the needs of the agency. There is no intention here to reduce the position.

(Meter 1300) **SHEILA PETERSON**, OMB, testified that she could answer some of the questions. The OMB supports the concept of reducing full time FTE in order to provide a mechanism for salary increases for state employees. The second question of the word "primarily" versus percentage, to the extent of allowing some flexibility in accomplishing this, would be very comfortable with this.

(Meter 1403) **REPRESENTATIVE SKARPHOL** referred to the bill of lines 10-15-19 & 24, on page 2, it says supplemented if necessary from accumulated savings from other vacant positions. That to him, implies that they do not need to get rid of the vacant positions, they can merely use

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the dollars to supplement the pay increase. Is that correct? Take line 10 for example, he reads that to say that you don't have to eliminate the position, but you can merely use the money to pay increases. He believes that defeats the whole purpose of the bill.

(Meter 1466) **SHEILA PETERSON** looking at line 9, it states primarily.

REPRESENTATIVE SKARPHOL stated that "primarily" to him and "primarily" to her may mean two different things. What assurance does he have that we are going to see these vacant positions eliminated? (Meter 1513) **SHEILA PETERSON** stated that OMB would work individually with each agency and help to determine what positions are vacant or are being vacated and whether or not they can be permanently vacated and those dollars would be moved into a pool as set up in Section 2. Once the money is in the pool, the agencies do not have that money any longer. A permanent savings is a permanent savings, not only a dollar set aside in the pool, but also the FTE. There isn't an opportunity for the agency to retain that FTE then. Otherwise it doesn't become a permanent savings.

(Meter 1625) **SENATOR ANDRIST** asked if the "primarily" is more that 1/2, where is the other rollup savings?

(Meter 1740) **SHEILA PETERSON** answered it would come from positions that are held over for less than a year, or if there are dollars left over from an overtime project, or temporary positions.

(Meter 1779) **SENATOR ANDRIST** asked where in the bill would he find those examples? The language states the money comes from the pooled salary savings?

(Meter 1799) **SHEILA PETERSON** answered on page 2, line 6 & 7, it states "primarily" from permanent savings resulting from reductions in full-time equivalent positions. In addition to the

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reduction of full time equivalent, there are also other sum dollars at are related to a full-time FTE.

(Meter 1889) **REPRESENTATIVE KOPPELMANN** asked the point have been drawn of the word "primarily" troubles him as well. If you are talking about 51% of the dollars of the reduction of force to fund the primary portion of salary increase while the other dollars come from the sources that you are talking about.

(Meter 2053) **LT. GOVERNOR JACK DALRYMPLE** helped **SHEILA** answer some concerns of the committee members. He stated the way that the administration views this situation is important to how it functions. How the administration would carry this out is important. The problem with the bill as it was introduced was the result was going to be very difficult to achieve without some management flexibility. The permanent savings that could be rolled up do not occur informally in all agencies. In many cases, they are concentrated very heavily in individual agencies. So if you do not have an incentive, or you can't create an incentive for that agency to want to convert those positions, you have a real problem, in terms of execution. All the agencies will tell you everyday, they need absolutely every position they have. The only way to ever have any success of this type of thing, is when we create a financial incentive for them to convert these positions. So we need to be able to handle an interagency pool, so to speak, also a cross agency. They would like the flexibility after they have demanded that they do everything that they can to look at temporary based agencies. The legislature would also like to see these raises to occur. He thinks rolling up FTE positions on a permanent basis is a good idea. But there is a need of some flexibility to manage it as best as it can. The problem with percentage, the percentage number is really unknown of what is needed today.

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(Meter 2298) **SENATOR KRAUTER** asked about the effective dates of July 1, 2003 and July 1, 2004? With the reduction of full-time equivalent positions happening prior to July 1st, they would have to be prior to that in order for an effective date to give any type of an increase. Do you have a problem with those effective dates? Up to 1% on July 1, 2003 and up to 2% on July 1, 2004?

(Meter 2354) **LT GOVERNOR JACK DALRYMPLE** stated that some good logic in delaying the beginning of a pay increase, to give you an opportunity to see what kind of voluntary conversion of positions can get going. Keep in mind until that pay increase becomes available, you will have to have some real incentive to have some people to agree to those conversions. The answer to the effective dates is what is preferable, do you want 10 months to go with no increase or do you want to gradually ease into it.

(Meter 2474) **CHAIRMAN HOLMBERG** stated the way he reads into it, is July 1st of this year, and the Governor's original proposal was January 2004.

(Meter 2525) There was no opposition testimony.

CHAIRMAN HOLMBERG closed the hearing to SB 2423. (Meter 2583)

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SPECIAL SESSION
2003 SENATE APPROPRIATIONS
SB 2423

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2423

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 5-5-03

Tape Number	Side A	Side B	Meter #
2	A		135-555
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes: **CHAIRMAN HOLMBERG** opened the hearing to SB 2423. A bill relating to provide legislative intent regarding state employee reductions; to provide for a report to the budget section; to provide for state employee compensation increases; and to provide an effective date.

CHAIRMAN HOLMBERG stated there are really some issues that may not be the right thing to do but end up doing. He stated it is not a perfect bill, there was some real concern that was expressed regarding the dates when the executive branch offices (on page 2), may provide state employee increases effective July 1, 2003, to be paid in August and if you are looking at those permanent rollups, the biennium did not start until July 1st. He was struggling trying to see how that would work. (Meter #213) **CHAIRMAN HOLMBERG** asked the Legislative Council, A. Knudson to prepare an amendment to change those dates back to the December 31 to January 1st in the appropriate places and to remove on page 2, the lines were "primarily" are written.

No vote was made.

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(Meter 330) **SENATOR KRAUTER** asked with the proposed amendments that are to be presented, starting on July 1 to December 31, if there is a proved savings, those would be the pooled dollars up to a 1% increase basically the next 12 months.

CHAIRMAN HOLMBERG stated that would be correct.

(Meter 377) **SENATOR MATHERN** asked if it is his understanding that this pool savings could be accumulated across the executive branch and distributed across the executive branch or would it be agency by agency? **CHAIRMAN HOLMBERG** stated it is his understanding it would be across the executive branch because OMB can prepare or set up this pool. They are not required to do so but they can set up this pool. **SENATOR MATHERN** stated that one agency could receive increases even though they had no decreases in staff because another agency had decreases in staff. **CHAIRMAN HOLMBERG** agreed that was his understanding and some agencies are so small, there is no way that they could continue their functions with that type of rollup.

(Meter 474) **ALLEN KNUDSON**, Legislative Council stated in Section 2 explained that is what it says.

The committee will look at the amendment tomorrow.

CHAIRMAN HOLMBERG closed the hearing to SB 2423.

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2423

Senate Appropriations Committee (Special Session)

☐ Conference Committee

Hearing Date 5-6-03

Tape Number	Side A	Side B	Meter #
1	X		0-1413
Committee Clerk Signature <i>Sandra Dawson</i>			

Minutes: **CHAIRMAN HOLM BERG** opened the hearing to SB 2423 for the special session.

Attendance was taken, a quorum was established.

(Meter 54) **CHAIRMAN HOLM BERG** handed out a proposed amendment 30805.0307 and explained the changes. The first change on page 1 of the bill, would change the OMB "may" to "shall", the other two changes are as follows: on the back side of the bill, all of those dates are changed. The bill originally came in with a date of July 1, 2003, they were all changed to January 1, 2004 and 2205 when they come into effect. The other change which was talked about, reminding the committee about the concern of the word "primarily". The amendment would say at least 70% of the funding for the increases must be from pooled savings and the rest could come from accumulated savings and other full-time equivalent positions of the agencies. It gets them a little flexibility perhaps not as much as they would like, but it would give them a bit more flexibility rather than saying provided completely or using the word "primarily" which is an

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nebulous term. He asked for a motion for adopting the amendment. **SENATOR GRINDBERG** made a motion to **DO PASS** of the amendment with **SENATOR THANE** seconded.

(Meter 210) Discussion to follow

(Meter 213) **SENATOR MATHERN** stated he felt there is a problem with these amendments. Agencies are under funded at the point and so the reality of an increase is not there. They really don't have the money to fund these salary increases, promoting this bill with this concept which essentially means you don't get a raise unless your colleague dies or gets sick and doesn't come back and you do more work. If that happens that you colleague is gone, you do more work. It isn't a workable bill.

(Meter 297) **CHAIRMAN HOLMBERG** stated this gives that agency absolute control whether to keep or eliminate vacancy or that particular position. He gave examples of how higher education gives salary increase - increasing tuition or through efficiencies of joining of positions.

(Meter 414) **SENATOR KRAUTER** stated he has similar concerns and looking at the budget of the Human Services Department, they have eliminated over 200 positions, in the budget and now we are expecting them to find other positions to eliminate which has major unfunding already in it. What do you do in a special funded agency? How are they going to be administered in something like this? Where by, a pool is generated from general fund dollars and is going to be commingled into a special fund agency. How does that work?

(Meter 477) **ALLEN KNUDSON** explained that OMB would be responsible for establishing the pool and it would need to set up the guidelines with how those various funding sources would be allocated back out. It would be basically up to the OMB to comprise any federal requirements that would associated with those funds.

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(Meter 513) **SENATOR KRAUTER** stated then we would commingle all general fund money into a 100% special fund agency then? How is the money going to get there? Where is it going to come from?

(Meter 529) **CHAIRMAN HOLMBERG** added it is up to OMB to allocate the money back out.

(Meter 538) **ALLEN KNUDSON** repeated his answer that OMB would set up the guidelines to how those funds would be designated once they were included in the pool and allocated back out.

(Meter 553) **SENATOR KRAUTER** stated the pool is 100% general funds, correct? **ALLAN KNUDSON** stated they could be special funds as well. **CHAIRMAN HOLMBERG** added they would have to comply with all federal laws and regulations.

(Meter 582) **SENATOR MATHERN** wanted to make a motion to move to substitute the amendment and **CHAIRMAN HOLMBERG** clarified there needs to be a vote on the proposed amendment (30805.0307).

(Meter 599) Roll call on the amendment (30805.0307) **PASSED** with 9 yeas, 3 nays and 2 absent and not voting.

(Meter 656) **SENATOR MATHERN** proposed an amendment (30805.0306) made a motion to adopt with a second from **SENATOR KRAUTER**. He explained what this amendment does. It takes out the specific listing of employees between lines 10 through 14 and establishes the procedure where \$2.6 million of general funds is put in to salary increases to all state agencies which translates into a salary increase beginning January 1, 2004 of \$28 per month for each state employee. The amount of \$28 was noted in Section 3 on page 2. He quoted that page. It is not for employees who performance levels do not meet the standards, it is not for probationary employees and the wording is retained in the bill and it suggests it is important that the legislative

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intent be followed. That the number of state employees be reduced where there are employee retirements and there is employee turnover, however, there is no requirement of so many of those positions being eliminated. The amount \$28 was essentially comes from looking at what would a 1% increase be across for all state employees, instead of providing a 1% increase which would give a higher salary increase to a hundred thousand person compared to a twenty thousand person. Translating that same amount of money, \$2.6 million, into a flat increase for every state employee per month at \$28 is how that amount was raised. He feels this is an actuate way for employees to be aware of salary increases, it reflects the concern of the reduction of employees, it also suggests that we don't do this until January 1, 2004, and the funding would include not just general funds but special funds which would bring it to \$5 million.

(Meter 931) **CHAIRMAN HOLMBERG** stated to the committees new members, it has happened on occasion that a flat per month rate be given XX number of dollars for salary raises. He also asked **ALLEN** what changes the House Appropriations made to the Corrections bill, taking a million dollars out of the general fund balance. If we were to pass this, what would be the ending fund balance? **ALLEN KNUDSON, LEGISLATIVE COUNCIL**, answered as the legislature left, the balance was \$11.2 million and if you reduce that with the Corrections, it would be \$10.2 million. This would reduce it by an additional \$2.6, the ending would be \$7.6 million.

(Meter 1035) **SENATOR O'CONNELL** asked if there was a million dollars savings from yesterday from IT? Has that been reflected into the budget?

(Meter 1045) **ALLEN KNUDSON, LC**, answered that was actually offset because it was special funds that they were going to receive that million dollars that they wouldn't be receiving from

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central purchasing. To offset that, the budget was also reduced by a million. Those were offsets, there was no general funds savings.

(Meter 1072) **SENATOR MATHERN** wanted to note that the positive feature of this amendment would be that the state employees would know in advance of what their situation would be over the next couple years and there won't be this ambivalence of will they get a salary increase or not. That would add to the stability of the public employee turn over system as we deal with the rough economy. The ending fund balance is healthy enough to accommodate this. There is also discussion in the House about a tobacco tax increase and the discussion is still not finished.

He hopes that the committee members could come together where there would be a real salary increase available to deal with that income.

(Meter 1220) Roll call vote of a **DO PASS** on amendment 30805.0306 **failed** by a vote of 3 yeas, 9 nays, 2 absent and not voting.

(Meter 1315) There was a motion of **DO PASS AS AMENDED** by **SENATOR GRINDBERG** and a second by **SENATOR THANE** for the bill with amendment 30805.0307. A roll call vote of 9 yeas, 3 nays, 2 absent and not voting passed the bill. **CHAIRMAN HOLMBERG** to carry the bill.

Hearing closed for SB 2423. (Meter 1400)

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FISCAL NOTE
Requested by Legislative Council
05/05/2003

Bill/Resolution No.: SB 2423

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	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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.

No fiscal impact.

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:	Sheila Peterson	Agency:	OMB
Phone Number:	328-4905	Date Prepared:	05/06/2003

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Operator's Signature

Date

10/23/03

30805.0307
Title.0400

Prepared by the Legislative Council staff

May 5, 2003

[Handwritten signature]
5-6-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2423

Page 1, line 22, replace "may" with "shall"

Page 2, line 6, remove "primarily"

Page 2, line 7, after "positions" insert "and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent positions"

Page 2, line 9, replace "July 1, 2003" with "January 1, 2004", replace "August 2003" with "February 2004", and remove "primarily"

Page 2, line 12, after the period insert "At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act."

Page 2, line 13, replace "July 1, 2003" with "January 1, 2004"

Page 2, line 14, replace "August 2003" with "February 2004" and remove "primarily"

Page 2, line 16, after the period insert "At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act."

Page 2, line 18, replace "July 1, 2004" with "January 1, 2005", replace "August 2004" with "February 2005", and remove "primarily"

Page 2, line 21, after the period insert "At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act."

Page 2, line 22, replace "July 1, 2004" with "January 1, 2005"

Page 2, line 23, replace "August 2004" with "February 2005" and remove "primarily"

Page 2, line 25, after the period insert "At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 110 - Office of Management and Budget - Senate Action

This amendment requires the Office of Management and Budget to establish state employee compensation pools, changes the dates for state employee salary increases from July 1, 2003, to January 1, 2004, for the up to 1 percent increase and from July 1, 2004, to January 1, 2005, for the up to 2 percent increase, and provides that at least 70 percent of the funding for the increases must be provided from the pooled savings resulting from reductions in FTE positions.

Date: 5-6-03
Roll Call Vote #: /

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2423

Senate Appet Amendment Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30805. 0307

Action Taken Do Pass

Motion Made By Grindberg Seconded By Thane

Senators	Yes	No	Yes	No
HOLMBERG	✓			
BOWMAN	✓			
GRINDBERG	✓			
ANDRIST	✓			
CHRISTMANN	✓			
KILZER	✓			
KRINGSTAD	✓			
KRAUTER		✓		
LINDAAS		✓		
MATHERN		✓		
ROBINSON		A		
SCHOBINGER	✓			
TALLACKSON		A		
THANE	✓			

Total (Yes) 9 No 3

Absent 2 passed amendment

Floor Assignment _____

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

change effective dates

change wording - primarily

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Deanna Hall
Operator's Signature

10/23/03
Date

30805.0306
Title *Amended*

Prepared by the Legislative Council staff for
Senator Mathern
May 6, 2003

PROPOSED AMENDMENTS TO SENATE BILL NO. 2423

Page 1, line 2, after "provide" insert "an appropriation"

Page 1, line 9, remove ", as follows:"

Page 1, remove lines 10 through 15

Page 1, line 16, remove "the remaining reductions by December 31, 2004"

Page 1, replace lines 21 through 24 with:

"SECTION 2. APPROPRIATION - STATE EMPLOYEE COMPENSATION - JANUARY 1, 2004. The sums hereinafter listed, or so much thereof as may be necessary, are appropriated from the general fund and from special funds or moneys derived from federal funds or other income in the state treasury, not otherwise appropriated, as indicated to the agencies and institutions of state government for the purpose of providing compensation adjustments to employees of the various agencies and institutions in accordance with section 3 of this Act for the period beginning January 1, 2004, and ending June 30, 2005.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$9,990		\$9,990
Secretary of state	15,302		15,302
Office of management and budget	77,083	\$18,670	95,753
Information technology department	8,902	140,880	149,782
State auditor	20,598	10,005	30,603
State treasurer	3,531		3,531
Attorney general	88,800	12,402	101,202
Tax commissioner	80,632		80,632
Administrative hearings office		4,708	4,708
Legislative council	19,364		19,364
Judicial branch	170,553	1,224	171,777
Retirement and investment office		9,986	9,986
Public employees retirement system		17,647	17,647
Department of public instruction	18,159	38,279	56,438
University system office	11,706		11,706
Board of university and school lands		10,595	10,595
Forest service	11,247		11,247
State library	16,496	589	17,085
School for the deaf	33,373		33,373
Vision services - school for the blind	14,567	2,650	17,217
Board for career and technical education	16,702	536	17,238
State department of health	63,274	121,949	185,223
Veterans' home	46,104	14,760	60,864
Indian affairs commission	1,766		1,766
Department of veterans' affairs	3,541	590	4,131
Children's services coordinating committee		589	589
Department of human services	832,841	429,485	1,262,326
Protection and advocacy project	6,871	8,435	15,306
Job service North Dakota	554	222,121	222,675

Page No. 1

30805.0306

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Dennis Mathern
Operator's Signature

10/23/03
Date

Insurance commissioner		27,663	27,663
Industrial commission	31,174	3,532	34,706
Labor commissioner	4,461	1,424	5,885
Public service commission	16,075	8,054	24,129
Aeronautics commission		3,531	3,531
Department of financial institutions		15,305	15,305
Securities commissioner	4,708		4,708
Bank of North Dakota		108,267	108,267
Housing finance agency		24,718	24,718
Workers compensation bureau		135,901	135,901
Highway patrol	75,506	34,335	109,841
Division of emergency management	4,561	7,210	11,771
Department of corrections and rehabilitation	396,630	34,139	430,769
Adjutant general	24,556	57,592	82,148
Department of commerce	24,723	8,785	33,508
Agriculture commissioner	17,189	16,955	34,144
Seed department		16,489	16,489
Upper great plains transportation institute	996	17,947	18,943
Branch research centers	49,863	12,493	62,356
NDSU extension service	121,896	91,308	213,204
Northern crops institute	2,560	2,755	5,315
Main research station	174,657	106,378	281,035
Agronomy seed farm		1,772	1,772
State historical society	34,137		34,137
Council on the arts	2,943		2,943
Game and fish department		81,804	81,804
Parks and recreation department	25,306	1,783	27,089
Water commission	49,230	795	50,025
Department of transportation		<u>616,753</u>	<u>616,753</u>
Total	\$2,633,127	\$2,503,788	\$5,136,915

SECTION 3. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-eighth legislative assembly that 2003-05 compensation adjustments for permanent state employees are to be increases of \$28 per month, beginning with the month of January 2004, to be paid in February 2004.

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 \$28 per month increase in January 2004 may be given to an employee whose salary exceeds or would exceed the salary range maximum."

Page 2, remove lines 1 through 27

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 110 - Office of Management and Budget

Page No. 2

30805.0306

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Operator's Signature

Date

10/23/03

This amendment provides funding for a \$28 per month state employee salary increase on January 1, 2004, and removes legislative intent language relating to state employee salary increases from pooled savings from state employee FTE position reductions.

Page No. 3

30805.0306

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Deanna Hall
Operator's Signature

10/23/03
Date

Date: 5-16-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2423

Senate Adopt Amendment Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number . 0306

Action Taken Do Pass (Amendment) ^{proposed by} Sen. Mathern

Motion Made By Mathern Seconded By Krauter

Senators	Yes	No		Yes	No
HOLMBERG		✓			
BOWMAN		✓			
GRINDBERG		✓			
ANDRIST		✓			
CHRISTMANN		✓			
KILZER		✓			
KRINGSTAD		✓			
KRAUTER	✓				
LINDAAS	✓				
MATHERN	✓				
ROBINSON	X				
SCHOBINGER		✓			
TALLACKSON	X				
THANE		✓			

Total (Yes) 3 No 9

Absent 2

Floor Assignment failed

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

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Deanna Tallackson
Operator's Signature

10/23/03
Date

Date: 3
Roll Call Vote #: 56-03

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2423

Senate _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number 30805.0307

Action Taken Do Pass as amended

Motion Made By Grindberg Seconded By Thane

Senators	Yes	No	Yes	No
HOLMBERG	✓			
BOWMAN	✓			
GRINDBERG	✓			
ANDRIST	✓			
CHRISTMANN	✓			
KILZER	✓			
KRINGSTAD	✓			
KRAUTER		✓		
LINDAAS		✓		
MATHERN		✓		
ROBINSON		A		
SCHOBINGER	✓			
TALLACKSON		A		
THANE	✓			

Total (Yes) 9 No 3

Absent 2

Floor Assignment Holmberg

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

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Deanna Tallackson
Operator's Signature

10/23/03
Date

REPORT OF STANDING COMMITTEE (410)
May 6, 2003 10:18 a.m.

Module No: SS-02-0054
Carrier: Holmberg
Insert LC: 30805.0307 Title: .0400

REPORT OF STANDING COMMITTEE

SB 2423: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). SB 2423 was placed on the Sixth order on the calendar.

Page 1, line 22, replace "may" with "shall"

Page 2, line 6, remove "primarily"

Page 2, line 7, after "positions" insert "and supplemented, if necessary, from accumulated savings from other vacant full-time equivalent positions"

Page 2, line 9, replace "July 1, 2003" with "January 1, 2004", replace "August 2003" with "February 2004", and remove "primarily"

Page 2, line 12, after the period insert "At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act."

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Page 2, line 25, after the period insert "At least seventy percent of the funding for the increases provided must be from pooled savings as provided in section 2 of this Act."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 110 - Office of Management and Budget - Senate Action

This amendment requires the Office of Management and Budget to establish state employee compensation pools, changes the dates for state employee salary increases from July 1, 2003, to January 1, 2004, for the up to 1 percent increase and from July 1, 2004, to January 1, 2005, for the up to 2 percent increase, and provides that at least 70 percent of the funding for the increases must be provided from the pooled savings resulting from reductions in FTE positions

SPECIAL SESSION
2003 HOUSE APPROPRIATIONS

SB 2423

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Deanna Talley
Operator's Signature

10/23/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2423

House Appropriations Committee

☐ Conference Committee

Hearing Date May 6, 2003

Tape Number	Side A	Side B	Meter #
1		xx	12-end
2	xx		
Committee Clerk Signature <i>Kelly Schmidt</i>			

Minutes:

Chairman Svedjan called the committee to order, all members of the Appropriations committee were in attendance. He announced the opening of the hearing on SB 2423.

Rep. Carlson explained SB 2423, This bill was an amendment to the OMB bill. We have attempted to add some flexibility. The key change: language line 13, pg. 2. states 70% of the funding for the increases must be from pooled savings as provided in Section 2.

Rep. Carlson moved a Do PASS on SB 2423, second by **Rep. Monson**

Rep. Guleson I have amendments I would like to offer

Rep. Carlson Mr. Chairman, I will withdraw my motion

Rep. Monson Mr. Chairman, I withdraw my second.

Rep. Guleson Thank you Rep. Carlson and Monson, I appreciate your consideration. This takes public employee compensation back to the beginning of the session. It is my thought and feeling that the language in 2423 will never become salary increases at the state level. We have a

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Deanna Thill
Operator's Signature

10/23/03
Date

Page 2
House Appropriations Committee
Bill/Resolution Number SB 2423
Hearing Date May 6, 2003

responsibility as employers to better by these people. They have obligations and commitment to meet just like we do. She then introduced amendment .0401. The goal is to always look for efficiencies and reductions. But, it is our job to look and sign off on those decreases and then write the appropriations for the salary increases.

Rep. Guleson moved a DO PASS on amendment .0401 second by Rep. Aarsvold

Rep. Timm where does the money come from?

Rep. Guleson we will work with the Governor's office and the Majority party to look for funding including the tobacco tax.

Rep. Timm where is your proposal for the tobacco tax then?

Rep. Guleson it's all part of the package

Rep. Timm is it in here?

Rep. Guleson not in this amendment

Rep. Carlisle if the tobacco tax is not there and this has to be pulled from the ending fund balance, we've already taken 1M for corrections. We can't do this under the current circumstances.

Rep. Guleson all this would have to be reconciled in the end

Rep. Carlisle at the end of what, we are in the 2nd day and are hoping to get done tomorrow

Rep. Guleson the budget will be reconciled at the end of the special session

Rep. Timm I don't think it's responsible to introduce something like this without the proper funding for it. We don't have anyway to fund this so if we passed it, how would we fund it?

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Deanna Guleson
Operator's Signature

10/23/03
Date

Page 3
House Appropriations Committee
Bill/Resolution Number SB 2423
Hearing Date May 6, 2003

Rep. Gulleson I think I've made myself clear, there has been an offer made from our caucus that we are willing to look at funding this and other services. That's up to you, if you are not interested in looking at other alternatives. That's all part of the discussion.

Rep. Timm what's being thrown at us here is, if we don't support this we aren't supporting employee increases and what your trying to say is, if we don't support your amendment we are not in support of our employees.

Rep. Skarphol was this brought to the delayed bills committee as a separate bill.

Rep. Kempenich I'm not going to support this, Rep. Gulleson talks about new ideas, this is an old idea. We're trying to do something different, we should reject this amendment and move on.

Rep. Kroeber just remember on the 8.5M total, 4.3M is for special funding. Whether we can run the state for 3 or 5 days will not make a difference as far as success of this session. The ending fund balance changed in the last hours of the session. If this is important I think we can work out the detail.

Rep. Wald without the tax increase, this would bring the ending fund balance down to 5.7M, the price tag here is 4.3M for both years of the biennium

Rep. Delzer I'm going to have to oppose this. I appreciate what state employees do and thank them for their service. We have to look at what we have done for them this session. We have about 80/month going out for health insurance. That's a pay raise the state is picking up. With the bill in front of us we have the opportunity to create some efficiencies and reducing some FTE's through retirements and vacancies to make the state even better and gain funds to allow future increases. We have to remember as a state we are higher staffed then most states.

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Deanna Hall
Operator's Signature

10/23/03
Date

Page 4
House Appropriations Committee
Bill/Resolution Number SB 2423
Hearing Date May 6, 2003

Rep. Kerzman we may be high in numbers as far as employees, but we are also high in the receipt of federal dollars. One way to recycle those dollars through the state is through employees. Those employees turn that money over many times into our economy. In the rural areas we are taking job development, here we are doing the opposite.

A Roll Call vote was taken 8 YES 15 NAY MOTION FAILS

Rep. Gulleason introduced amendment .0302, This would buy down student increases by using the student loan trust fund. I'm sure there will be questions regarding germaness and so on. I think it's important we don't leave the special session without addressing this. This is an opportunity to take some of the burden off the students.

Rep. Svedjan I do want to address the issue of germaneness, in the delayed bills committee the question was raised as to whether or not there were any plans for bill introductions on the bills that didn't directly relate to those vetoed. This would definitely fit outside of that category.

Rep. Gulleason I'm not going to try and make this a strong case to germaneness I think this should be addressed during this special session. Germaneness has always been in the eyes of those who address the bills, if it's important enough we will look at it.

Rep. Carlisle request a ruling of the chair on that point.

Rep. Svedjan I have a memo written in May by legislative council regarding germaneness, single subject and changes to subject matter constitutional requirements he noted those found in Section 13, Article 4 of the ND Constitution.

Rep. Gulleason is that the same ruling we use during regular session.

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Deanna Hall
Operator's Signature

10/23/03
Date

Page 5
House Appropriations Committee
Bill/Resolution Number SB 2423
Hearing Date May 6, 2003

Rep. Svedjan It is the object to have an omnibus bill. I'm talking of the OMB bill, that bill is used to correct oversights, mistakes it becomes a catch all. I have also heard in discussion we are walking on very thin ice because it the germanus questions

Rep. Wald I wouldn't object if she were allowed to introduce this by the wildest stretch. If she wants to make the motion and gets a second, we'll vote it down and move on.

Rep. Gulleeson moved a DO PASS on Amendment .0302, second by Rep. Kerzman.

Rep. Skarphol I would hope we would resist this. I think we do a great deal for Higher Education and the students of this state.

Rep. Brusegaard I would hope we would resist this, there are no assurances from Higher Education they wouldn't increase tuition, students have voted themselves fee increases for structures etc., i.e.. Wellness centers.

Rep. Aarsvold The Governor vetoed this bill and several others and expressed concern for many issues. One being Higher Education and the cost to students and their families. We are hear to address the Governors concerns and it germane.

Rep. Thoreson I agree with Rep. Brusegaard. Student in ND are paying about \$10/day, using a 365 day calendar, that is a good deal. We have a good job in this assemble for students, and I hope we would resist this motion.,

ROLL CALL vote was taken 7 YES 16 NAY MOTION FAILS

Rep. Carlson moved a DO PASS on SB 2423, second by Rep. Brusegaard

Rep. Carlson it is my understanding all employees will be treated the same whether general or special funded.

Deanna Hall
Operator's Signature

10/23/03
Date

Page 6

House Appropriations Committee

Bill/Resolution Number SB 2423

Hearing Date May 6, 2003

Rep. Svedjan This is a different bill with a similar concept. The target numbers are the same the numbers in SB 2423 are for flexible. 70% of the target numbers need to be achieved. Those then roll into a pool, time is allotted for the creation of the pool created by regular vacancies. The agencies don't have to give up any positions that money will be rolled into itself from unfilled positions.

Rep. Carlson vacant positions create dollars, we allowed some roll up money to supplement increases, this is a good combination of both ideas. Noone loses a job in this plan.

Rep. Svedjan the potential benefit is for employee long term, if successful, there will be a saving of 17M over the biennium to be used later for pay increases.

Roll Call was taken 17 YEAH 7 NAY 0 Absent and not voting

MOTION CARRIES

NOTE: A majority/minority report was requested by Rep. Gulleon

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Deanna Hall
Operator's Signature

10/23/03
Date

Date: 5-6-03
Roll Call Vote #: _____

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2423

House _____ Appropriations _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass on SB 2423

Motion Made By Carlson Seconded By Monson

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)			Rep. Bob Skarphol		
Rep. Mike Timm (Vice-Chair)			Rep. Blair Thoreson		
Rep. Bob Martinson			Rep. Eliot Glassheim		
Rep. Thomas Brusegaard			Rep. Joe Kroeber		
Rep. David Monson			Rep. John Warner		
Rep. Earl Rennerfeldt			Rep. Jeff Delzer		
Rep. Francis J. Wald			Rep. Amy Warnke		
Rep. Ole Aarsvold			Rep. Larry Bellew		
Rep. Pam Gulleeson			Rep. Keith Kempenich		
Rep. Ron Carlisle			Rep. James Kerzman		
Rep. Al Carlson			Rep. Ralph Metcalf		
Rep. Kim Koppelman					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

MOTION WITHDRAWN

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Deanna Hall
Operator's Signature

10/23/03
Date

30805.0401
Title

Prepared by the Legislative Council staff for
Representative Gulleson
May 6, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2423

Page 1, line 2, after "provide" insert "an appropriation"

Page 1, line 9, remove ", as follows:"

Page 1, remove lines 10 through 15

Page 1, line 16, remove "the remaining reductions by December 31, 2004"

Page 1, replace lines 21 through 24 with:

**"SECTION 2. APPROPRIATION - STATE EMPLOYEE COMPENSATION -
JANUARY 1, 2004.** The sums hereinafter listed, or so much thereof as may be necessary, are appropriated from the general fund and from special funds or moneys derived from federal funds or other income in the state treasury, not otherwise appropriated, as indicated to the agencies and institutions of state government for the purpose of providing compensation adjustments to employees of the various agencies and institutions in accordance with section 4 of this Act for the period beginning January 1, 2004, and ending June 30, 2005.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$13,572		\$13,572
Secretary of state	13,224		13,224
Office of management and budget	70,834	\$16,253	87,087
Information technology department	11,280	181,549	192,829
State auditor	25,958	11,890	37,848
State treasurer	3,899		3,899
Attorney general	103,892	12,083	115,975
Tax commissioner	81,319		81,319
Administrative hearings office		6,313	6,313
Legislative council	27,319		27,319
Judicial branch	185,145	1,492	186,637
Retirement and investment office		11,578	11,578
Public employees retirement system		16,439	16,439
Department of public instruction	21,665	39,170	60,835
University system office	21,712		21,712
Board of university and school lands		12,119	12,119
Forest service	10,904		10,904
State library	12,073	470	12,543
School for the deaf	29,682		29,682
Vision services - school for the blind	14,245	1,763	16,008
Board for career and technical education	18,854	424	19,278
State department of health	66,663	129,890	196,553
Veterans' home	30,591	13,013	43,604
Indian affairs commission	2,098		2,098
Department of veterans' affairs	2,507	204	2,711
Children's services coordinating committee		357	357
Department of human services	778,884	347,569	1,126,453
Protection and advocacy project	6,600	8,499	15,099
Job service North Dakota	571	213,139	213,710

Page No. 1

30805.0401

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Deanna Gulleson
Operator's Signature

10/23/03
Date

Insurance commissioner		31,107	31,107
Industrial commission	37,476	3,811	41,287
Labor commissioner	4,700	1,511	6,211
Public service commission	20,627	11,169	31,796
Aeronautics commission		4,256	4,256
Department of financial institutions		18,789	18,789
Securities commissioner	6,252		6,252
Bank of North Dakota		106,049	106,049
Housing finance agency		25,294	25,294
Workers compensation bureau		151,377	151,377
Highway patrol	86,856	37,777	124,633
Division of emergency management	4,702	7,206	11,908
Department of corrections and rehabilitation	345,529	30,933	376,462
Adjutant general	25,680	57,382	83,062
Department of commerce	34,170	11,300	45,470
Agriculture commissioner	19,545	16,281	35,826
Seed department		16,145	16,145
Upper great plains transportation institute	2,523	29,432	31,955
Branch research centers	44,713	9,356	54,069
NDSU extension service	112,216	70,775	182,991
Northern crops institute	3,830	3,051	6,881
Main research station	203,651	91,849	295,500
Agronomy seed farm		2,088	2,088
Historical society	31,843		31,843
Council on the arts	2,753		2,753
Game and fish department		99,070	99,070
Parks and recreation department	24,542	1,054	25,596
Water commission	58,829	1,107	59,936
Department of transportation		<u>617,865</u>	<u>617,865</u>
Total	\$2,623,928	\$2,480,248	\$5,104,176

SECTION 3. APPROPRIATION - STATE EMPLOYEE COMPENSATION - JANUARY 1, 2005. The sums hereinafter listed, or so much thereof as may be necessary, are appropriated from the general fund and from special funds or moneys derived from federal funds or other income in the state treasury, not otherwise appropriated, as indicated to the agencies and institutions of state government for the purpose of providing compensation adjustments to employees of the various agencies and institutions in accordance with section 4 of this Act for the period beginning January 1, 2005, and ending June 30, 2005.

AGENCY OR INSTITUTION	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$9,021		\$9,021
Secretary of state	8,757		8,757
Office of management and budget	46,955	\$10,763	57,718
Information technology department	7,471	120,273	127,744
State auditor	17,191	7,873	25,064
State treasurer	2,581		2,581
Attorney general	68,802	8,001	76,803
Tax commissioner	53,866		53,866
Administrative hearings office		4,181	4,181
Legislative council	18,199		18,199
Judicial branch	125,088	994	126,082
Retirement and investment office		7,712	7,712
Public employees retirement system		10,924	10,924
Department of public instruction	14,348	25,940	40,288

University system office	14,582		14,582
Board of university and school lands		8,025	8,025
Forest service	7,221		7,221
State library	7,996	311	8,307
School for the deaf	18,591		18,591
Vision services school for the blind	9,434	1,168	10,602
Board for career and technical education	12,485	281	12,766
State department of health	44,223	86,044	130,267
Veterans home	20,261	8,617	28,881
Indian affairs commission	1,389		1,389
Department of veterans' affairs	1,660	135	1,795
Children's services coordinating committee		237	237
Department of human services	516,164	230,273	746,437
Protection and advocacy project	4,371	5,628	9,999
Job service North Dakota	378	141,153	141,531
Insurance commissioner		20,601	20,601
Industrial commission	24,855	2,524	27,379
Labor commissioner	3,112	1,001	4,113
Public service commission	13,660	7,396	21,056
Aeronautics commission		2,819	2,819
Department of financial institutions		12,538	12,538
Securities commissioner	4,140		4,140
Bank of North Dakota		70,314	70,314
Housing finance agency		17,231	17,231
Workers compensation bureau		100,358	100,358
Highway patrol	57,521	25,018	82,539
Division of emergency management	3,114	4,772	7,886
Department of corrections and rehabilitation	228,828	20,485	249,313
Adjutant general	17,093	38,001	55,094
Department of commerce	22,707	7,483	30,190
Agriculture commissioner	12,943	10,783	23,726
Seed department		12,023	12,023
Upper great plains transportation institute	1,718	19,554	21,272
Branch research centers	24,957	6,196	31,153
NDSU extension service	74,225	46,897	121,122
Northern crops institute	2,570	2,021	4,591
Main research station	110,489	60,566	171,055
Agronomy seed farm		1,383	1,383
Historical society	21,088		21,088
Council on the arts	1,824		1,824
Game and fish department		65,609	65,609
Parks and recreation department	16,254	699	16,953
Water commission	38,959	734	39,693
Department of transportation		409,288	409,288
Total	\$1,711,094	\$1,644,827	\$3,355,921

SECTION 4. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-eighth legislative assembly that 2003-05 compensation adjustments for permanent state employees are to be increases of one percent, beginning with the month of January 2004, to be paid in February 2004, and two percent, beginning with the month of January 2005, to be paid in February 2005.

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 one percent in January 2004 and the two percent in January 2005 may be given to an employee whose salary exceeds or would exceed the salary range maximum."

Page 2, remove lines 1 through 30

Page 3, remove lines 1 through 4

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 110 - Office of Management and Budget

This amendment provides funding for a 1 percent state employee salary increase on January 1, 2004, and a 2 percent state employee salary increase on January 1, 2005. The amendment also removes legislative intent language relating to state employee salary increases from pooled savings from state employee FTE reductions.

Page No. 4

30805.0401

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Deanna Hall
Operator's Signature

10/23/03
Date

Date: 5-6-03
Roll Call Vote #: _____

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2423

House _____ Appropriations _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number .0401

Action Taken DO Pass on Amendment

Motion Made By Gulleson Seconded By Aarsvold

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)		✓	Rep. Bob Skarphol		✓
Rep. Mike Timm (Vice-Chair)		✓	Rep. Blair Thoreson		✓
Rep. Bob Martinson	✓		Rep. Eliot Glassheim	✓	
Rep. Thomas Brusegaard		✓	Rep. Joe Kroeber	✓	
Rep. David Monson		✓	Rep. John Warner	✓	
Rep. Earl Rennerfeldt		✓	Rep. Jeff Delzer		✓
Rep. Francis J. Wald		✓	Rep. Amy Warnke		✓
Rep. Ole Aarsvold	✓		Rep. Larry Bellew		✓
Rep. Pam Gulleson	✓		Rep. Keith Kempenich		✓
Rep. Ron Carlisle		✓	Rep. James Kerzman	✓	
Rep. Al Carlson		✓	Rep. Ralph Metcalf	✓	
Rep. Kim Koppelman		✓			✓

Total (Yes) 8 No 15

Absent 1

Floor Assignment _____

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

MOTION FAILS.

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Deanna Hallen
Operator's Signature

10/23/03
Date

30805.0302
Title.

Prepared by the Legislative Council staff for
Representative Guleson
May 5, 2003

PROPOSED AMENDMENTS TO SENATE BILL NO. 2423

Page 1, line 2, after the second semicolon insert "to provide an appropriation;"

Page 2, after line 27, insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the student loan trust fund, not otherwise appropriated, the sum of \$5,200,000, or so much of the sum as may be necessary, to the North Dakota university system for a campus operations pool to be allocated by the state board of higher education to higher education institutions to reduce tuition increases, for the biennium beginning July 1, 2003, and ending June 30, 2005, upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to the bill providing a \$5.2 million special funds appropriation from the student loan trust fund to the North Dakota University System for a campus operations pool to be allocated to higher education institutions to reduce tuition increases.

Date: _____
Roll Call Vote #: _____

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. **SB 2423**

House _____ Appropriations _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number . 0302

Action Taken Pass on Amendment

Motion Made By Gulleson Seconded By Kerzman

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)		✓	Rep. Bob Skarphol		✓
Rep. Mike Timm (Vice-Chair)		✓	Rep. Blair Thoreson		✓
Rep. Bob Martinson		✓	Rep. Eliot Glassheim	✓	
Rep. Thomas Brusegaard		✓	Rep. Joe Kroeber	✓	
Rep. David Monson		✓	Rep. John Warner	✓	
Rep. Earl Rennerfeldt		✓	Rep. Jeff Delzer		✓
Rep. Francis J. Wald		✓	Rep. Amy Warnke		✓
Rep. Ole Aarsvold	✓		Rep. Larry Bellew		✓
Rep. Pam Gulleson			Rep. Keith Kempenich		✓
Rep. Ron Carlisle		✓	Rep. James Kerzman	✓	
Rep. Al Carlson		✓	Rep. Ralph Metcalf	✓	
Rep. Kim Koppelman		✓			

Total (Yes) 7 No 16

Absent _____

Floor Assignment _____

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

**MOTION
FAILS**

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Deanna Haller
Operator's Signature

10/23/03
Date

Date: 5.6.03
Roll Call Vote #: _____

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2423

House _____ Appropriations _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass on SB 2423

Motion Made By Carlson Seconded By Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan (Chair)	✓		Rep. Bob Skarphol	✓	
Rep. Mike Timm (Vice-Chair)	✓		Rep. Blair Thoreson	✓	
Rep. Bob Martinson	✓		Rep. Eliot Glassheim		✓
Rep. Thomas Brusegaard	✓		Rep. Joe Kroeber		✓
Rep. David Monson	✓		Rep. John Warner		✓
Rep. Earl Rennerfeldt	✓		Rep. Jeff Delzer	✓	
Rep. Francis J. Wald	✓		Rep. Amy Warnke	✓	
Rep. Ole Aarsvold		✓	Rep. Larry Bellew	✓	
Rep. Pam Gulleon		✓	Rep. Keith Kempenich	✓	
Rep. Ron Carlisle	✓		Rep. James Kerzman		✓
Rep. Al Carlson	✓		Rep. Ralph Metcalf		✓
Rep. Kim Koppelman	✓			✓	

Total (Yes) 16 No 7

Absent _____

Floor Assignment Carlson

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

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10/23/03
Date

REPORT OF STANDING COMMITTEE-DIVIDED (430)
May 6, 2003 4:36 p.m.

Module No: HS-02-0083
Carrier: Carlson
Insert LC: 30805.0402 Title: .0500

REPORT OF STANDING COMMITTEE (MINORITY)

SB 2423, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) A MINORITY of your committee (Reps. Aarsvold, Gullason, Glasshelm, Kroeber, Warner, Kerzman, Metcalf) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after the second semicolon Insert "to provide an appropriation;"

Page 3, after line 4, Insert:

"SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the student loan trust fund, not otherwise appropriated, the sum of \$5,200,000, or so much of the sum as may be necessary, to the North Dakota university system for a campus operations pool to be allocated by the state board of higher education to higher education institutions to reduce tuition increases, for the biennium beginning July 1, 2003, and ending June 30, 2005, upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to the bill providing a \$5.2 million special funds appropriation from the student loan trust fund to the North Dakota University System for a campus operations pool to be allocated to higher education institutions to reduce tuition increases.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE-DIVIDED (430)
May 6, 2003 4:39 p.m.

Module No: HS-02-0084
Carrier: Carlson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE (MAJORITY)
SB 2423, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) A
MAJORITY of your committee (Reps. Svedjan, Timm, Martinson, Brusegaard, Monson,
Rennerfeldt, Wald, Carlisle, Carlson, Koppelman, Skarphol, Thoreson, Delzer, Warnke,
Bellew, Kempenich) recommends **DO PASS**.

(2) DESK, (2) COMM

Page No. 1

HS-02-0084

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Deanna Haller
Operator's Signature

10/23/03
Date