

**SENATE BILL NO. 2423**

Introduced by

Senator Stenehjem

Representative Berg

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to provide legislative intent regarding state employee reductions; to provide  
2 for a report to the budget section; to provide for state employee compensation increases; and to  
3 provide an effective date.

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

5 **SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE REDUCTIONS - BUDGET**

6 **SECTION REPORT.** It is the intent of the legislative assembly that the number of full-time  
7 equivalent state employees be reduced by employee retirements, employee turnover, and  
8 vacant employee positions during the biennium beginning July 1, 2003, and ending June 30,  
9 2005, as follows:

10 Executive branch agencies and the office of	155
11 the governor, excluding other offices of state	
12 elected officials and higher education	
13 State elected officials, excluding the governor	13
14 Judicial branch	8

15 It is the intent that one-half of this total reduction be accomplished by December 31, 2003, and  
16 the remaining reductions by December 31, 2004. Agencies shall report employee positions  
17 eliminated and projected salary and wages and fringe benefit savings for the remainder of the  
18 2003-05 biennium to the office of management and budget. The office of management and  
19 budget shall provide periodic reports on the employee positions eliminated by agencies and  
20 reported agency budgetary savings to the budget section of the legislative council.

21 **SECTION 2. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE**

22 **COMPENSATION POOLS.** The office of management and budget may establish a state  
23 employee compensation pool for executive branch agencies from agency savings resulting from  
24 employee reductions under section 1 of this Act and a state employee compensation pool for

1 the judicial branch from agency savings resulting from employee reductions within the judicial  
2 branch under section 1 of this Act.

3 **SECTION 3. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION**

4 **INCREASES - REPORT TO THE BUDGET SECTION.** It is the intent of the legislative  
5 assembly that funding for state employee salary increases for the biennium beginning July 1,  
6 2003, and ending June 30, 2005, be provided primarily from permanent savings resulting from  
7 reductions in full-time equivalent positions.

8 Executive branch agencies may provide state employee salary increases effective  
9 July 1, 2003, to be paid in August 2003 of up to one percent primarily from pooled savings as  
10 provided in section 2 of this Act and supplemented, if necessary, from accumulated savings  
11 from other vacant full-time equivalent positions of the agency, upon approval of the office of  
12 management and budget.

13 The judicial branch may provide state employee salary increases effective July 1, 2003,  
14 to be paid in August 2003 of up to one percent primarily from pooled savings as provided in  
15 section 2 of this Act and supplemented, if necessary, from accumulated savings from other  
16 vacant full-time equivalent positions of the judicial branch.

17 Executive branch agencies may provide state employee salary increases effective  
18 July 1, 2004, to be paid in August 2004 of up to two percent primarily from pooled savings as  
19 provided in section 2 of this Act and supplemented, if necessary, from accumulated savings  
20 from other vacant full-time equivalent positions of the agency, upon approval of the office of  
21 management and budget.

22 The judicial branch may provide state employee salary increases effective July 1, 2004,  
23 to be paid in August 2004 of up to two percent primarily from pooled savings as provided in  
24 section 2 of this Act and supplemented, if necessary, from accumulated savings from other  
25 vacant full-time equivalent positions of agencies of the judicial branch.

26 The office of management and budget and the judicial branch shall provide reports to  
27 the budget section relating to salary increases provided for each year of the 2003-05 biennium.

28 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on July 1, 2003.