

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1050

2005 HOUSE APPROPRIATIONS

HB 1050

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1050

House Government Performance Division

☐ Conference Committee

Hearing Date February 7, 2005

Tape Number
1

Side A
X

Side B

Meter #
1-4234

Committee Clerk Signature



Minutes:: **Chair Carlson** opened general discussion on rereferred HB 1050, relating to an appropriation for state employee compensation adjustments.

Rep. Ron Carlisle: Introduction of bill. (SEE HANDOUT)

Chair Carlson: There is no health insurance in this bill anywhere.

Rep Carlisle: We can check with council, it's in all the various budgets.

Chair Carlson: What's the dollar figure for the increase over last biennium with a 4% and 4% general funds?

Rep. Carlisle: It's roughly 20 and 20 between general and special funds. There will also be some adjustments to this bill, because when we put the bill in, we didn't know how many FTE's the Governor would have in his budget.

Chair Carlson: Is the 20 million the increase?

Allen Knudson, Legislative Council: Actually the total general fund will drop about a million dollars. Instead of 20.9 it will be 19.8 million.

Chair Carlson: 19.8 million would be the additional general funds for 4% and 4%?

Allen: That's the total cost of the 4% and 4%. The Governors recommendation has 4% and 3%.

Chair Carlson: Did the special funds go up then? When the general went down, did the special funds go up?

Allen: Right, the special funds total would be 21.7 million, and all funds would be 41.5 million.

Rep. Skarphol: On the distribution between general and special funds, will that change if we change the practice and go back to the practice we used last time, where all fund transfers are run through the general fund?

Allen: There would be a slight change in that. There isn't as many special funds this time.

Chair Carlson: How did you arrive at 4% and 4%? What's the rational behind it?

Rep. Carlisle: We had a series of meetings last summer, and we talked to groups. We looked at last session that we held on to the medical, and we looked at our preliminary budget numbers.

Chair Carlson: How does the 4% and 4% address equity?

Rep. Carlisle: We did not look at that part. We looked at some minimums, that sometimes effects the compression issue. A good point about the equity, we were looking at just a straight up 4% and 4%. We did not specifically address the equity issue.

Chair Carlson: If we were to tell you that we look at the money and say that the 19.7 or 19.8 million appears to be a number that we could live with, but we have different ideas of how to distribute it. What would your comment be on that?

Rep. Carlisle: We will wait and see what your committee does. Some of us are fairly committed on this issue.

Chair Carlson: Your committed on the money, or the 4% and 4%?

Rep. Carlisle: At this point the 4% and 4%, absolutely.

Rep. Skarphol: Were you aware when you introduced this that OMB was considering a 5 million dollar equity package?

Rep. Carlisle: Yes, I was. I'm on the State Employees Compensation Commission, and the motion for the 4% and 4% was mine.

Rep. Skarphol: The language in section 2, the three subsections, is that unique, or is that typical of a compensation package?

Rep. Carlisle: I think that's boiler plate language about the probationary employees.

Rep. Dave Weiler: I want to lend my full support for the bill. I'm committed to the 4% and 4%, and committed to the money, however if you do want to increase it that would be fine with me.

Chair Carlson: Do you think that all Realtors should be paid the same, or should performance be part of the package?

Rep. Weiler: Not at all, and performance is part of the package.

Margaret Sitte: I am also here in support of this bill. Although I have expressed my concerns about equity. I would like to see those at the bottom have some way of catching up.

Chris Runge: (SEE WRITTEN TESTIMONY)

Chair Carlson: How many people do you represent in your organization?

Chris: We represent approximately 1800 active members, and approximately 1100 to 1200 retiree members in our organization.

Chair Carlson: What's the difference in dollars if this 4% and 4% is 19.8, what's the Governors 4% and 3%. What's the number on that?

Allen: That's 18.1 million, 1.7 million difference.

Tom Tupa: (SEE WRITTEN TESTIMONY, ALSO SUPPLIED TESTIMONY FOR BOB EVANS)

Rep. Carlson: Is yours a fairly new organization?

Tom: Yes, we are when you compare it, we're only about 10 years old.

Chair Carlson: This bill doesn't do anything to address equity?

Tom: As I read it, I would agree.

Rep. Skarphol: Do you have difficulty with the implied equity pools out there? Do you think they're appropriate, or do you think those dollars should be rolled into the package in some fashion?

Tom: I think eventually it all becomes one lump sum that your dealing with. I think the equity pools are good for a couple of reasons. First of all, we know that in corrections there is a major issue going on. We also know from some of the survey information, and from talking to some of our members and agency and department people, that there is need for some other equity pool money just to deal with certain types of classifications of employees, such as engineers or environmental scientists. There are pockets of employees sought after in the private sector, and those are the ones that will hopefully be adjusted if you had an equity pool available to those agencies in departments that have those types of employees.

Chris: I pretty much agree. I think it's important to have the equity pool, because of how far behind some of our long term employees are. They've been working 15 to 20 years, and they haven't even made it to their midpoints yet. I think it is critical that there be an equity pool similar to what we had in 1999 and 2001.

Rep. Skarphol: At the end of last session, we went home thinking that the salary increases were going to be based on a reduction in state employees. Since that reduction didn't take place, we kind of expected to see a 0 % and 0%. Some of us were quite surprised to see 3600 state employees get a raise. Did you find that rather surprising, or did you anticipate that to be what would happen as a result of 0% and 0%?

Chris: We anticipated that the pay raise that the legislator gave was not going to be successful. We did not support it, we did not think it was going to be possible. I think we need to take a closer look at those numbers, because some of those numbers you'll have to extract out of there, were for legislatively approved pay raises.

Tom: I wasn't overly surprised with the number of adjustments that were made in the last biennium. Given the fact that some of them were unclassified, but there was also a big group of promotions, work force adjustments, those kind of things that are legitimate reasons for salary adjustments.

Chair Carlson: Did that help, or was that negative toward equity?

Tom: I think if agencies and departments were restricted from using roll up dollars, I think that might have a negative impact when you get to the equity issue.

Gary Feist, President of the ND Public Employees Association: For the bill. I'm the person who moved the 5 million dollar equity pool that was put into the Governors budget. There was a public employee survey asking employees how they felt about their jobs, and there future here as a state employee. In that survey we saw a lot of complaints about salaries, and while they were happy with their insurance benefits that they had, employees were concerned about falling further and further behind the market. So I think this 4% and 4% goes a long way.

Chair Carlson: Your solution on the equity pool would be to keep creating the pools like that?

Gary: I think it helps move people up from compression problems. It allows agencies to help move people up into their ranges who have been here for long periods of time.

Chair Carlson: Has your organization ever looked at the way that we have our categories and our pay schedule layout? Have you ever taken a look at that, and said the system is a little flawed, it doesn't allow enough movement between the system, and this would be our recommendation to change it?

Gary: I don't think there has ever been any money available to actually move people through the ranges.

Chair Carlson: If you wanted to get a raise, how are you going to move to the next one? You either have more job responsibility, or you have more skill, correct?

Gary: If there actually is a position open for you to move.

Chair Carlson: Then you would have to have a higher level of skill, would you not?

Gary: Right.

Chair Carlson: So is that a right or a wrong system? I mean if we're constantly talking about equity, then I would think that you would take a good hard look at the process of how people move within the ranges.

Gary: What could be done, is it could be a step system where you actually get to move through your pay ranges.

Chair Carlson: Right now the system is that you can stay where you're at, and we're going to give you a 4% raise, correct?

Chris: Right, we don't have a step system, we have put in a system of pay grades, and then there is a range within your pay grade. It's dependent upon the money that comes out of the legislator, as to what everybody gets based on performance.

Chair Carlson: How do you fix it?

Chris: My answer is that there has to be money attached to it.

Chair Carlson: If the system is flawed, even if we changed the system to make it more equitable, even if we didn't give you a raise, at least it would be equitable among the people working there.

Chris: I do believe that we can embark on a plan for the next number of legislators that does take into consideration a priority that we need to move state employees through their pay grades with their years of service, taking into consideration performance, and those kind of issues that you folks are valuing.

Dennis Fewless: (SEE WRITTEN TESTIMONY)

Chair Carlson: What value do you place on the other benefits you receive; healthcare, retirement, days off, vacation pay?

Dennis: We put a high value on our benefits package. I would never argue that there's shortfalls there.

Rep. Skarphol: With the turnover in new hires in state government, do you have any idea what percentage of them are getting their first job?

Ken Purde: I wouldn't have any way of tracking or identifying that.

Rep. Skarphol: You did a very substantial study of salary comparisons. What do you anticipate the cost of something like that would be, where you just hire a private firm to do that?

Page 8

House Government Performance Division

Bill/Resolution Number HB1050

Hearing Date February 7, 2005

Ken: There was one point about 15 years ago when we did ask that question, and actually contacted a couple of consultants for an estimate of what that sort of survey and product would be. It was tens of thousands of dollars to look at 150 or so job classes and 10 or more survey participants. I can't imagine a consultant could come in and do it for under 50,000 dollars.

Closed General Discussion Hearing.

Gov Performance
1050

General Discussion

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

Date February 14, 2005

Tape Number

1

Side A

X

B Side

Meter #

1-1730

Committee Clerk Signature

Stephanie Thomas

Minutes: **Chair Carlson** opened general discussion hearing on HB 1050, relating to an appropriation for state employee compensation adjustments.

Discussion of Amendment. (**SEE AMENDMENT 50263.0103**)

Rep. Skarphol: I would move 0103.

Rep. Monson: Second.

Rep. Glassheim: I got one or two e-mail's about longtime employees who still aren't up to the midpoint of their ranges. It seems to me a discouraging situation. Is that at all addressed in here?

1050

Chair Carlson: I think that this addresses that, because it falls under the equity part. It says equity increases to address the documented or serious internal agency and equity. That would be where they talk about compression, and where they talk about above or below the midpoint.

Rep. Glassheim: I was concerned with the people who are below the midpoint of their range, after 10, 15, and 20 years.

Chair Carlson: The midpoint or the range has to do with their market adjustments.

Pam, OMB: The problem is that people being at the top of their range and not moving up, because that hardly ever happens. Everytime a legislative salary increase was given, the range moves up as well. The problem is that everybody sits at the bottom of their range, because when they get their increase, the range moves up as well with the market.

Rep. Glassheim: Is there any way to address people below midpoint?

Pam: Yes, you just need more money.

Chair Carlson: Or you reallocate the money that you have, and address those that are the farthest from the midpoint, those that have the compression, or those that have an advance. That's the purpose of having a compensation pool, or to have the discretion and have some guidelines to do it. Could you list the 8,000 employees, and find somebody that didn't fit in one of these categories, I would guess you probably could.

Rep. Glassheim: There's something else floating around about raising 35 bucks, or 50 bucks at the bottom before you do the percentages. Would that bring people towards the midpoint more than percentage increases?

Pam: I think that deals with just percentages of the lower paid.

1050

Chair Carlson: Normally the 35 bucks has been up to those that are making below a certain level of income, then it drops off after that, or the number went from 35 to 50 bucks as the income levels went up. In essence, if you do it all the way across the board, again all you did was moved everybody up. I believe this gives you the flexibility to give someone a 6% adjustment, to get them away from that situation, that now you can only give them 2 or 35 dollars. What this bill does is makes the managers manage, and makes them be accountable for the raises they give them and why.

Rep. Glassheim: Does this replace the 5 million equity pool?

Chair Carlson: The amendments you'll see in the OMB bill, that will be removed.

Rep. Glassheim: Relative to the Governor's budget, what is the amount of the 2% equity?

Rep. Skarphol: 5 million, 2 ½ general fund.

Rep. Glassheim: This gives each department 2% even if they don't need it?

Chair Carlson: Well, they're getting 3 and 4. They're getting 3% and 4%, and they have to justify or give reasons why they're distributing the second two. Everybody's getting 3 and 4.

Rep. Glassheim: So under the equity you can get market, merit, and discretionary?

Chair Carlson: Yes.

Rep. Glassheim: So it's not just equity, it's anything?

Chair Carlson: No, it's those four points there that can be distributed, and you document how you do it.

Rep. Glassheim: So each department will find some way to use the extra 2%?

Chair Carlson: They're going to be budgeted to four, for the second year of the biennium.

Roll taken on Amendment 0103 to HB 1050.

General Discussion

Page 4

House Government Performance

February 14, 2005

1650

Rep. Skarphol: I move HB 1050 as amended.

Rep. Monson: Second.

HB 1050 is a do pass, as amended.

Closed General Discussion Hearing.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1050

House Appropriations Committee

☐ Conference Committee

Hearing Date Monday, February 14, 2005

Tape Number	Side A	Side B	Meter #
1	X		3.2-25.2

Committee Clerk Signature

WIT for Chris Alexander

Minutes:

Chairman Svedjan opened discussion on HB 1050 concerning state employee compensation adjustments. **Rep. Carlson** gave the Committee a handout (#1) "State Agency 2003-05 Biennium Salary Increases" to review. **Rep. Carlson** moved to approve Amendment .0103; **Rep. Skarphol** seconded.

Chairman Svedjan called for discussion. **Rep. Carlson** stated that the original bill sponsored by Representatives Carlisle, Martinson, Porter, and Senators Stenehjem, Nething & Schobinger, had increases for the State Employee Compensation 4% the first year and 4% the second year. He read the proposed Amendment .0103 into the record. He stated that the Amendment basically replaces the original bill.

The Government Performance subcommittee worked with the Director of Human Resources to consider issues, such as equity, compression, freezing within the market range, and switching pay grades. **Rep. Carlson** stated that numbers 1-4 in section one allow managers to manage.

Rep. Carlson also stated that the Governor's package had a general fund appropriation of \$18,074,042. The proposed package with 3% and 4%, not counting health care, is \$16,500,000 increase. This bill deals with salary issues only.

Rep. Arsvold asked about the price tag on 4% and 4% proposed on the original HB 1050. **Rep. Skarphol** said the full price tag was \$41.5 million, not including health care, general and special funds. The 3% and 4% is \$34.6 million, \$16.5 million in general funds and \$18.1 million on other funds. That's the total increase for the salaries for the biennium. **Rep. Carlise** added that the general fund amount under the 4% and 4% is \$19.8 million. **Rep. Skarphol** said \$21.7 special funds.

Rep. Kroeber asked if the last 2% would be found in Agency budgets and **Rep. Carlson** explained that if the 4 and 3 are reversed to a 3 and a 4, it's automatically going to be less because the number is not compounded.

Rep. Kempenich asked what the percentages were based on and **Ms. Roxanne Woeste, Legislative Council**, said the percentages are based on salaries that are currently on the agencies' pay plans that were submitted with their budget requests.

Rep. Glassheim said this plan is discouraging because the health benefits have been reduced from full family to single and that the equity pool has been diluted. He pointed out that Human Resources claims that there are problems with retention and recruitment and this will make matters worse over the long term. **Rep. Skarphol** responded that equity has been adequately addressed in this biennium and he noted that there are \$11 million of salary increases represented

in Handout #1. What is being proposed in 1050 is on top of this \$11 million. He would take issue with some of the raises proposed by Emergency Management, but he would do that later.

Rep. Glassheim noted that rather than \$11 million, what the Committee is talking about it \$3.9 million in general funds. It's \$11 million total with special funds. The increase over the biennium is \$4 million rather than \$11.

Chairman Svedjan called for a roll call vote (#1) on the motion to adopt Amendment .0103. to House Bill 1050. Motion carried 15-8-0.

Representative Carlson moved a DO PASS on HB 1050 as amended; **Rep. Skarphol** seconded. Hearing no further discussion, **Chairman Svedjan** called for a roll call vote (#2) on HB 1050 as amended. Motion carried 15-8.

Rep. Glassheim requested a minority report, which **Chairman Svedjan** noted.

Rep. Bellew requested that he not be included in the minority report even though he voted against the bill. **Chairman Svedjan** stated that **Rep. Bellew** voted on the minority side.

Rep. Delzer suggested that if it's the desire of the minority to have the original bill, instead of having a minority report, couldn't there be a discussion on the Amendment. **Rep. Glassheim** asked if the minority report could have more in it than the original bill. **Chairman Svedjan** reasoned it would be better to debate this issue on the sixth order and there was general agreement.

Chairman Svedjan closed discussion on HB 1050.

(Meter #25.2)

FISCAL NOTE
Requested by Legislative Council
04/13/2005

Amendment to: Engrossed
 HB 1050

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

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$19,778,545	\$21,746,630	\$0	\$0
Appropriations	\$0	\$0	\$3,289,683	\$3,634,968	\$0	\$0

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

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

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

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: Celeste Kubasta
Phone Number: 328-4947

Agency: OMB
Date Prepared: 04/13/2005

FISCAL NOTE
Requested by Legislative Council
02/16/2005

Amendment to: HB 1050

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

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$16,488,864	\$18,111,660	\$0	\$0
Appropriations	\$0	\$0	\$16,488,864	\$18,111,660	\$0	\$0

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

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

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

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: Celeste Kubasta
Phone Number: 328-4904

Agency: OMB
Date Prepared: 02/17/2005

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1050

Page 1, line 1, replace "an appropriation for" with "a statement of legislative intent regarding"

Page 1, replace lines 3 through 24 with:

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

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

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

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

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

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

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

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Renumber accordingly

Date: Feb 14, 2005
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1050

House

Government Performance

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number ~~5~~ 50263.0103

Action Taken DO PASS, AS Amended

Motion Made By Rep. Skarphol

Seconded By Rep Monson

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

Total (Yes) 3 No 1

Absent 0

Floor Assignment Chair Carlson

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

Date: 2-14-05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1050

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number .0103

Action Taken Approve Amendment .0103

Motion Made By Rep. Carlson Seconded By Rep. Skarphol

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

Total (Yes) 15 No 8

Absent 0

Floor Assignment

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

GP -

Date: 2/14/05
Roll Call Vote #: 2

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1050

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

DO PASS 1050 as amended

Action Taken

Motion Made By

Rep. Carlson

Seconded By

Rep. Skarphol

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

Total (Yes)

15

No

8

Absent

0

Floor Assignment

Rep. Carlson

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

Date: **February 14, 2005**
Roll Call Vote #: **2**

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1050

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

50263.0103

Action Taken **DO PASS AS AMENDED**

Motion Made By **Rep Carlson**

Seconded By **Rep Skarphol**

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

Total Yes **15** No **8**

Absent **0**

Floor Assignment **Rep Carlson**

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

REPORT OF STANDING COMMITTEE

HB 1050: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). HB 1050 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "an appropriation for" with "a statement of legislative intent regarding"

Page 1, replace lines 3 through 24 with:

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

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

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

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

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

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

SECTION 2. AGENCY SALARY INCREASE INFORMATION. State agencies shall report to the human resources management services division of the office of management and budget in the format developed by the division, information regarding the state employee salary increases provided pursuant to section 1 of this Act. The human resources management services division shall analyze the impact of the

increases on the classified employee system and include this analysis in the division's presentation to the appropriations committees of the sixtieth legislative assembly."

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 31

Renumber accordingly

2005 SENATE APPROPRIATIONS

HB 1050

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1050

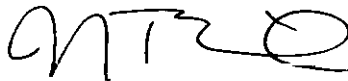
Senate Appropriations Committee

☐ Conference Committee

Hearing Date 03/07/05

Tape Number	Side A	Side B	Meter #
1		x	3256- end
2	x		0-556

Committee Clerk Signature



Minutes: **Chairman Holmberg** opened meeting on HB 1050.

Rep. Ron D. Carlisle, District 30 appeared in support of HB 1050. The ND State Employee Compensation Report was provided as his written testimony, see appendix I.

Sen. Dave Nething, District 12 appeared in support of HB 1050. Stating that he supports the Original form of the bill, the 4 and 4 increase. "This is the highest priority."

Rep. Lisa Meier, District 32 appeared in support of HB 1050 in its original form.

Rep. Andrew Maragos, District 3 appeared in support of HB 1050, in its original form.

Sen. Dick Dever, District 32 appeared in support of HB 1050 in its original form, asking the committee to now wait until the last minute to pass the bill out of committee.

Gary Fiest, President, NDPA appeared in support of HB 1010 in its original form. Written testimony was provided, which was read verbatim, see appendix II.

Tom Tupa appeared in support of HB 1010 in its original form. Written testimony was provided see appendix III.

Page 2

Senate Appropriations Committee

Bill/Resolution Number HB 1050

Hearing Date 03/07/05

Jeff Wald appeared to read the prepared testimony of **Ag Commissioner Roger Johnson**, see appendix IV for copy of testimony.

Sen Bowman: The decision we face is to try to find the money for the positions you want, or fund the other 1 percent. I want to do what is best for ND. What would you rather have?

Mr. Wald: Maintain base lever of programs.

Linda Haufed Human Resources, DOCR appeared in support of HB 1050 in its original form. Ms. Haufed provided a background and discussed problems hiring and retaining qualified employees due to the low pay.

Irish Leonard's, Human Resources, Department of Public Instruction appeared in support of the original version of HB 1050. She stated that it is hard to keep people, a large number of there employees are quitting.

Arty Path, Human Resource Director, Department of Information Technology appeared in support of the original version of HB 1050. Stating that the department is facing compression issues.

Chairman Holmberg closed meeting on HB 1050.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1050

Senate Appropriations Committee

☐ Conference Committee

Hearing Date April 1, 2005

Tape Number

1

Side A

a

Side B

Meter #

0 - 1260

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the discussion on HB 1050 regarding state employee salaries.

Senator Schobinger distributed amendments and **moved a DO PASS on the AMENDMENTS, Senator Christmann seconded. Discussion followed.**

Senator Krauter asked about the \$5 million equity pool and if there was intent to have the \$5 million in another bill.

Senator Holmberg indicated this bill is only for a straight 4 and 4 percent raise for state employees. The \$5 million equity pool will be in HB 1015 where it was originally or it might be discussed by the House. I don't know what the House is discussing that is why we are moving forward today.

Senator Krauter indicated that based on the comments on the floor the other day relating to the NDPEA letter and endorsing that and using this vehicle as the mechanism as the funding

mechanism for 4 and 4 and it makes reference to the \$5 million equity pool in that same sentence and we were led to believe that would be here with this.

Senator Holmberg indicated that is a separate issue and this is the vehicle for the 4 and 4.

Allen Knutson indicated the change in .0203 amendment is that it removes the phrase regarding 2 percent of the salary will be allocated differently.

A voice vote was taken and the motion carried.

Some discussion carried on about the \$5 million dollar equity fund, and whether the 4 and 4 percent was fully funded.

Senator Mathern indicated the intent was to have the equity adjustment for \$5 million and I so move that we add to this bill, the equity adjustment package of \$5 million. **Senator Krauter seconded. Discussion took place.**

Senator Andrist indicated he supports the 4 and 4 but I think it should not be distributed equally. I think part of that needs to go for equity and it should be skewed so that higher portions go to individuals in the lower end of the scale.

Senator Krauter clarified the \$5 million equity pool is only \$2.5 million general fund and \$2.5 million special funds. As we work through the Department of Corrections budget before crossover, this was an issue that kept coming up. All of the Senators have been told we are going to be addressing this. If we are going to keep addressing the issue of equity, we need to be sincere about what we are doing here. So I request a yes vote.

Senator Holmberg indicated the comment about we are going to address this and were told we would have an opportunity to vote on all of these issues. The primary issue that was presented over the past weeks has been the 4 and 4 fully funded and the other two issues that deal in

Page 3

Senate Appropriations Committee

Bill/Resolution Number 1050

Hearing Date April 1, 2005

salaries include the issue of equity vs. Merit and the other issue was the equity pool. We are addressing today the 4 and 4. We will be addressing the other issues.

Senator Bowman indicated he voted against the 4 and 4 and the equity issue has a bigger concern to him. When we have people we can't find replacements for, that seems more important to me. The other concern is not knowing the ending fund balance yet, how much of that is going to be built on the two trust funds.

A roll call vote was taken resulting in 6 yes, 8 no, and 1 absent. The motion failed.

Senator Schobinger moved a DO PASS with the AMENDMENT .0206, Senator Fischer seconded. A roll call vote was taken resulting in 12 yes, 2 no, and 1 absent. Senator Holmberg will carry the bill.

Chairman Holmberg closed the discussion on HB 1050.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1050

Page 1, line 2, after "adjustments" insert "; and to provide an appropriation for additional state employee compensation"

Page 1, line 7, replace "three" with "four"

Page 1, line 8, remove "Of the"

Page 1, remove lines 9 through 23

Page 2, line 6, replace "three" with "four"

Page 2, line 9, replace "three" with "four"

Page 2, after 18, insert:

"SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agencies listed below for the purpose of providing additional compensation to state employees of the various agencies, for the biennium beginning July 1, 2005, and ending June 30, 2007:

	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$18,647		\$18,647
Secretary of state	18,079	\$412	18,491
Office of management and budget	76,842	19,108	95,950
Information technology department	17,139	261,063	278,202
State auditor	37,752	17,374	55,126
State treasurer	5,283		5,283
Attorney general	119,265	42,774	162,039
Tax commissioner	108,832		108,832
Office of administrative hearings		8,792	8,792
Legislative council	38,169		38,169
Judicial branch	256,101	7,961	264,062
Retirement and investment office		16,207	16,207
Public employees retirement system		23,494	23,494
Department of public instruction	27,084	55,943	83,027
Land department		18,442	18,442
State library	15,857	2,099	17,956
School for the deaf	22,884	1,596	24,480
North Dakota vision services - school for the blind	7,578	2,999	10,577
Board for career and technical education	17,729	8,940	26,669
State department of health	96,462	175,470	271,932
Veterans' home	49,836		49,836
Indian affairs commission	2,832		2,832
Department of veterans' affairs	4,085		4,085

Department of human services	939,599	552,033	1,491,632
Protection and advocacy project	4,866	16,544	21,410
Job service	781	291,876	292,657
Insurance commissioner		42,621	42,621
Industrial commission	43,829	7,113	50,942
Labor commissioner	7,085	2,213	9,298
Public service commission	28,213	15,631	43,844
Aeronautics commission		5,797	5,797
Department of financial institutions		28,958	28,958
Securities department	9,430		9,430
Bank of North Dakota		149,018	149,018
Housing finance agency		36,355	36,355
Workforce safety and insurance		213,435	213,435
Highway patrol	168,909	5,461	174,370
Division of emergency management	25,495	22,988	48,483
Department of corrections and rehabilitation	438,759	38,484	477,243
Adjutant general	32,634	84,212	116,846
Department of commerce	43,228	19,289	62,517
Agriculture commissioner	29,656	22,767	52,423
Seed department		24,274	24,274
Upper great plains transportation institute	2,903	64,844	67,747
Branch research centers	58,568	18,264	76,832
NDSU extension service	153,847	107,685	261,532
Northern crops institute	5,663	4,071	9,734
Main research center	268,579	139,324	407,903
Agronomy seed farm		3,326	3,326
Historical society	38,629	4,827	43,456
Council on the arts	3,714		3,714
Game and fish department		143,043	143,043
Parks and recreation department	33,620	3,182	36,802
State water commission	11,220	69,208	80,428
Department of transportation		<u>835,451</u>	<u>835,451</u>
Total	\$3,289,683	\$3,634,968	\$6,924,651"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds \$6,924,651, of which \$3,289,683 is from the general fund, for state agencies to provide an additional 1 percent state employee salary increase for the first year of the 2005-07 biennium. The state employee compensation guidelines are changed to provide that state employees receive a 4 percent salary increase for the first year and a 4 percent salary increase for the second year of the 2005-07 biennium. Provisions designating that one-half of the second year increase be used for specific purposes are removed.

Date

Roll Call Vote #: 1

~~SB~~ 4/1/05

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1050

Senate SENATE APPROPRIATIONS

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By

Mather

Seconded By

Krauter

5

/ pool

Senators
CHAIRMAN HOLMBERG
VICE CHAIRMAN BOWMAN
VICE CHAIRMAN GRINDBERG
SENATOR ANDRIST
SENATOR CHRISTMANN
SENATOR FISCHER

Yes

No

Senators
SENATOR KRAUTER
SENATOR LINDAAS
SENATOR MATHERN
SENATOR ROBINSON
SEN. TALLACKSON

Yes

No

SENATOR KILZER
SENATOR KRINGSTAD
SENATOR SCHOBINGER
SENATOR THANE

Total (Yes)

6 ~~12~~ ~~13~~

No

~~12~~ ~~13~~ 8

Absent

Floor Assignment

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

Date

Roll Call Vote #:

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

1050

Senate SENATE APPROPRIATIONS

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Motion Made By

Seconded By

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

Total (Yes)

12

No

2

Absent

1

Floor Assignment

Holmberg

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

REPORT OF STANDING COMMITTEE

HB 1050, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1050 was placed on the Sixth order on the calendar.

Page 1, line 2, after "adjustments" insert "; and to provide an appropriation for additional state employee compensation"

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REPORT OF STANDING COMMITTEE (410)
April 1, 2005 2:08 p.m.

Module No: SR-60-7019
Carrier: Holmberg
Insert LC: 50263.0206 Title: .0300

Protection and advocacy project	4,866	16,544	21,410
Job service	781	291,876	292,657
Insurance commissioner		42,621	42,621
Industrial commission	43,829	7,113	50,942
Labor commissioner	7,085	2,213	9,298
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Department of transportation		<u>835,451</u>	<u>835,451</u>
Total	\$3,289,683	\$3,634,968	\$6,924,651"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds \$6,924,651, of which \$3,289,683 is from the general fund, for state agencies to provide an additional 1 percent state employee salary increase for the first year of the 2005-07 biennium. The state employee compensation guidelines are changed to provide that state employees receive a 4 percent salary increase for the first year and a 4 percent salary increase for the second year of the 2005-07 biennium. Provisions designating that one-half of the second year increase be used for specific purposes are removed.

2005 TESTIMONY

HB 1050

BILL PROVIDING FOR STATE EMPLOYEE SALARY INCREASE

The attached bill provides for salary increases for state employees for the 2005-07 biennium. The bill provides for salary increases of 4 percent effective July 2005 and 4 percent effective July 2006.

The amounts and funding sources included in the bill are based on 2003 pay plans and will need to be adjusted when 2005 agency pay plans are submitted with the executive budget. Statutory amendments will also be necessary for elected officials' salary increases.

The bill assumes that funding for the full cost of employee health insurance premiums will be included in the appropriation bills for the 2005-07 biennium to

be submitted by the Office of Management and Budget.

Funding for the University System and the University System office is not included since block grant appropriations are provided for University System institutions and the institutions have the flexibility of transferring funding and using tuition income for salary increases. Salary increase funding for these entities is requested separately as part of the University System office and each higher education institution's budget request.

ATTACH:1

December 2004

INFORMATION REGARDING STATE EMPLOYEES

This memorandum contains the following information regarding state employees:

- History of the number of employees.
- Statutory eligibility for health insurance and retirement benefits.
- State employee retirement history and potential future eligible state employee retirees.
- Other fringe benefits such as holidays, annual leave, sick leave, and family leave.
- Travel reimbursement.
- Status of health insurance costs.
- Cost of salary increases for a biennium.

HISTORY OF THE NUMBER OF EMPLOYEES

The following table summarizes full-time equivalent (FTE) positions for the 1987-89 through 2003-05 bienniums:

Authorized FTE Positions ¹				State Government Employees ²			
Biennium	Education	Other	Total	Calendar Year	Education	Other	Total
1987-89	4,205.26	7,769.72	11,974.98	1988	12,300	6,900	19,200
				1989	12,500	7,200	19,700
1989-91	4,272.38	7,834.64	12,107.02	1990	12,600	7,100	19,700
				1991	12,800	7,350	20,150
1991-93	4,293.71	7,865.79	12,159.50	1992	12,950	7,550	20,500
				1993	13,050	7,650	20,700
1993-95	4,235.35	7,914.63	12,149.98	1994	11,950	8,700	20,650
				1995	11,550	8,800	20,350
1995-97	3,562.51	7,728.02	11,290.53	1996	11,450	8,850	20,300
				1997	11,300	8,950	20,250
1997-99	3,609.84	7,931.16	11,541.00	1998	11,250	9,050	20,300
				1999	11,050	9,200	20,250
1999-2001	3,376.83	8,160.09	11,536.92	2000	11,400	9,150	20,550
				2001	11,350	9,450	20,800
2001-03	3,341.65	8,319.52	11,661.17	2002	11,700	9,450	21,150
				2003	12,100	9,650	21,750
2003-05	2,646.48 ³	8,145.25	10,791.73	2004	N/A	N/A	N/A
2005-07 (executive budget recommendation)	2,441.31	8,175.85	10,617.16				

¹Authorized FTE positions - The number of positions shown is the number authorized by legislative appropriations. Positions not reflected include higher education employees of auxiliary operations or research programs funded through grants, which are not subject to legislative appropriation. The positions shown for education include the Department of Public Instruction and the University System.

²State government employees - The number of employees is the annual average of employees based on information collected monthly by Job Service North Dakota. The numbers shown include employees of higher education auxiliary operations and research programs funded through grants, which are not subject to legislative appropriation. The number is not on an FTE basis.

³The FTE count for higher education was reduced by 688.17 FTE positions to reflect institutional reductions and to report only the number of FTE positions funded from the general fund.

STATUTORY ELIGIBILITY FOR HEALTH INSURANCE

North Dakota Century Code (NDCC) Chapter 54-52.1 provides that group medical insurance and group life insurance is available to employees who meet the eligibility requirements of being a permanent employee of the state. A permanent employee is one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least 17.5 hours per week at least five months each year or for those first employed after August 1, 2003, is employed at least 20 hours per week and at least 20 weeks each year of employment.

STATUTORY ELIGIBILITY FOR RETIREMENT

North Dakota Century Code Chapter 54-52 provides that employees who are 18 years old or older, whose services are not limited in duration and who are filling an approved and regularly funded position in an eligible governmental unit, and are employed at least 20 hours per week and at least 20 weeks each year of employment are eligible to participate in the defined benefit retirement plan administered by the Public Employees Retirement System Board. Chapter 54-52.6 allows certain employees to participate in a defined contribution retirement plan.

House Bill No. 1257 (1999) provided that a state employee, except an employee of the judicial branch or an employee of the State Board of Higher Education and state institutions under the jurisdiction of the board, who is eligible for retirement and is in a position not classified by Human Resource Management Services of the Office of Management and Budget may elect to participate in the defined contribution retirement plan. As of December 2004, there are 9,868 state employees enrolled in the defined benefit retirement plan, and 243 employees in the defined contribution retirement plan.

STATE EMPLOYEE RETIREMENTS - HISTORIC

The following table shows the number of state agency employees and higher education employees that have retired and that were eligible for retirement in the years from 1997 through 2003, based on "normal" and "Rule of 85" "defined benefit" retirement, and employees under the 401(a) defined contribution plan who were age 65 or older or whose age plus years of service equaled 85 or more, as provided by the Public Employees Retirement System:

	1997	1998	1999	2000	2001	2002	2003	Seven-Year Average
Retired	109	131	117	134	100	115	158	123
Eligible	227	291	325	408	473	633	780	448

POTENTIAL FUTURE ELIGIBLE STATE EMPLOYEE RETIREES

The following table shows the potential number of state employees eligible for retirement benefits under the state's "defined benefit" provisions, and the "401(a) defined contribution" plan, as provided by the Public Employees Retirement System. The amounts in the December 2004 column are the number of employees eligible for "normal" and "Rule of 85" retirement under the state's "defined benefit" provisions as of December 31, 2004, and the number of employees under the "401(a) defined contribution" plan who are age 65 or older or those whose age plus years of service equal 85 or above, as of December 31, 2004. The amounts in the December 2005 through December 2014 columns are the incremental number of eligible "normal" and "Rule of 85" retirees for each agency, including employees with either defined benefit or defined contribution plans, based on an additional year of service and age.

	December 2004	December 2005	December 2006	December 2007	December 2008	December 2009	December 2010	December 2011	December 2012	December 2013	December 2014	Total
State agencies (including higher education institutions)	812	277	255	286	332	352	369	345	400	411	382	4,221

OTHER FRINGE BENEFITS

Holidays

The following is a list of statutory holidays cited in NDCC Sections 1-03-01 through 1-03-02.1, attached as Appendix A, on which North Dakota state offices are closed:

- Every Sunday.
- January 1 - New Year's Day.
- The third Monday of January - Martin Luther King, Jr., Day.
- The third Monday of February - Recognition of the birthday of George Washington.
- The Friday preceding Easter Sunday - Good Friday.
- The last Monday of May - Memorial Day.
- July 4 - Independence Day.
- The first Monday of September - Labor Day.

- November 11 - Veterans Day.
- The fourth Thursday of November - Thanksgiving Day.
- December 25 - Christmas Day.
- Every day appointed by the President of the United States or by the Governor of this state for a public holiday.

If a holiday falls on Saturday or Sunday, the preceding Friday or following Monday, respectively, is considered the holiday. Also, state offices close at noon on December 24, but this is an office closure, not a holiday. The noon closure applies only on December 24 and is not moved to the preceding Friday or following Monday.

Annual Leave and Sick Leave

According to NDCC Section 54-06-14, annual leave and sick leave must be provided for all permanent employees of the state who are not employed under a written contract of hire.

According to North Dakota Administrative Code Chapter 4-07-12, all state and local government agencies, departments, institutions, and boards and commissions that employ individuals in positions classified by Human Resource Management Services are recommended to use the following annual leave schedule:

Years of Service	Hours Per Month	Hours Per Year
0-3	8	96
4-7	10	120
8-12	12	144
13-18	14	168
Over 18	16	192

According to North Dakota Administrative Code Chapter 4-07-13, all state and local government agencies, departments, institutions, and boards and commissions that employ individuals in positions classified by Human Resource Management Services are recommended to use the sick leave accumulation rate of eight hours per month.

Employees who are eligible for annual and sick leave begin to accrue leave from the day of hire. The accrual of annual leave is limited in that no more than 240 hours of annual leave may be carried forward from one year to the next, according to the cutoff date established by the agency. Any hours in excess of 240 will be lost. All accrued, unused sick leave may be carried over from one year to the next, and NDCC Section 54-06-14 provides for a lump sum payment equal to one-tenth of the pay attributed to an employee's unused sick leave accrued to an employee with at least 10 continuous years of state employment.

Family Leave - Family Sick Leave

North Dakota Century Code Chapter 54-52.4 provides family leave which is an unpaid leave of absence available to an employee for the birth, adoption, or foster placement of a child; or for the serious health condition of a parent, child, spouse, or employee to all state employees who have been employed by the employer for at least 12 months, and who has worked at least 1,250 hours for the employer over the previous 12 months.

North Dakota Century Code Chapter 54-52.4 also provides that an employer who offers compensated leave to its employees for illnesses or other medical or health reasons should allow an employee to use that leave as family sick leave when there is an illness or medical need in the employee's family. Employees are limited to using 40 hours of sick leave for this purpose in any 12-month period.

TRAVEL REIMBURSEMENT

North Dakota Century Code Section 44-08-04, attached as Appendix B, provides for meals and lodging reimbursement for state officials and employees. Section 54-06-09, attached as Appendix C, provides for mileage and travel expense of state officers and employees.

Meals and Lodging

Under NDCC Section 44-08-04, state officials and employees may claim reimbursement for meals and lodging while conducting work away from their normal working and living city of residence for all or any part of a day. Reimbursements are provided for each quarter of a day as follows:

Quarter	Allowance	In State	Out of State
6:00 a.m. - 12:00 noon	Meal ¹	\$4	20% of GSA ² daily rate
12:00 noon - 6:00 p.m.	Meal	\$6	30% of GSA ² daily rate
6:00 p.m. - 12:00 midnight	Meal	\$10	50% of GSA ² daily rate
12:00 midnight - 6:00 a.m.	Lodging	Actual - Up to \$45 plus any additional state or local taxes for a single room	Actual (single room)

¹An employee or officer may not be reimbursed for the first quarter meal allowance if travel begins after 7:00 a.m.

²General Services Administration (GSA) - The GSA daily rate is specific to each city in the United States and ranges from \$31 to \$51 per day.

The Office of Management and Budget also provides a policy for agencies to follow in reimbursement for meals and lodging, attached as Appendix D. The policy is based on NDCC Section 44-08-04.

Mileage

North Dakota Century Code Section 54-06-09, attached as Appendix C, provides that unless an exemption is provided, a state employee or officer, when required to travel by motor vehicle or truck in the performance of an official duty, use a state-owned vehicle whenever possible. When a personal motor vehicle is used, the section provides for a mileage reimbursement of 31 cents per mile actually and necessarily traveled in the performance of the official duty.

STATUS OF HEALTH INSURANCE COSTS

The executive budget recommendation anticipates health insurance costs to increase by \$14.3 million for the 2005-07 biennium, of which approximately 40 percent or \$5.8 million is from the general fund. The executive budget recommendation budgeted health insurance costs at \$559 per month per employee, which is a 14.4 percent increase over the 2003-05 biennium.

COST OF SALARY INCREASES FOR A BIENNIUM

The estimated cost of a 1 percent state employee salary increase per year, including fringe benefits, is \$3.4 million, of which \$1.7 million is from the general fund. The executive budget recommendation includes a 4 percent salary increase for state employees for the first year of the 2005-07 biennium and a 3 percent salary increase for the second year, for an estimated cost of approximately \$37.95 million, of which \$18.1 million is from the general fund. These estimates exclude higher education employees.

A schedule of annual state employee salary increases and inflation rates is attached as Appendix E.

ATTACH:5

CHAPTER 1-03 HOLIDAYS

1-03-01. Holidays. Holidays are as follows:

1. Every Sunday.
2. The first day of January, which is New Year's Day.
3. The third Monday of January, which is Martin Luther King Day, in recognition of the life, legacy, and dream of Martin Luther King, Jr.
4. The third Monday in February, in recognition of the birthday of George Washington.
5. The Friday next preceding Easter Sunday and commonly known as Good Friday.
6. The last Monday in May, which is Memorial Day.
7. The fourth day of July, which is the anniversary of the Declaration of Independence.
8. The first Monday in September, which is Labor Day.
9. The eleventh day of November, which is Veterans' Day.
10. The fourth Thursday in November, which is Thanksgiving Day.
11. The twenty-fifth day of December, which is Christmas Day.
12. Every day appointed by the President of the United States or by the governor of this state for a public holiday.

Nothing in this section may be construed to prevent the holding of legislative sessions or the taking of final action on any legislative matter upon any of such holidays other than Sunday. Any action heretofore taken upon any legislative matter upon any such holiday is valid and legal for all purposes.

1-03-01.1. Closing of state offices - Christmas Eve. State offices must be closed at twelve noon on December twenty-fourth, Christmas Eve day, unless it is a weekend or holiday pursuant to section 1-03-02.1.

1-03-02. When day following holiday shall be a holiday. If the first day of January, the fourth day of July, the eleventh day of November, or the twenty-fifth day of December falls upon a Sunday, the Monday following shall be the holiday.

1-03-02.1. When holiday falls on a Saturday. If any of the holidays enumerated in section 1-03-02 fall on a Saturday, the Friday immediately before shall be the holiday.

44-08-04. Expense account - Amount allowed - Verification.

1. Except as provided in section 44-08-04.1, each elective or appointive officer, employee, representative, or agent of this state, or of any of its subdivisions, agencies, bureaus, boards, or commissions, may make claim for meals and lodging while engaged in the discharge of a public duty away from the claimant's normal working and living residence for all or any part of any quarter of a day. Claims may also be made for meals that are included as part of a registration fee for a conference, seminar, or other meeting and for meals attended at the request of and on behalf of the state or any of its subdivisions, agencies, bureaus, boards, or commissions; however, if a meal is included in a registration fee, the applicable quarter allowance cannot be claimed for that meal. Claims for meals specifically included in a registration fee for a conference, seminar, or other meeting must be allowed even if the city at which the conference, seminar, or meeting is held or the meal is provided is the claimant's normal working and living residence. Reimbursement is allowed only for overnight travel or other travel, away from the normal place of employment, for four hours or more. Verification of expenses by receipt is required only for lodging expenses.
2. Expenses for travel within the state must be reimbursed at the following rates for each quarter of any twenty-four-hour period:
 - a. First quarter is from six a.m. to twelve noon and the sum must be four dollars. First quarter reimbursement may not be made if travel began after seven a.m.
 - b. Second quarter is from twelve noon to six p.m. and the sum must be six dollars.
 - c. Third quarter is from six p.m. to twelve midnight and the sum must be ten dollars.
 - d. Fourth quarter is from twelve midnight to six a.m. and the sum must be the actual lodging expenses not to exceed forty-five dollars plus any additional applicable state or local taxes. A political subdivision may reimburse an elective or appointive officer, employee, representative, or agent for actual lodging expenses.
3. The allowance for out-of-state meals, within the continental United States, is equal to the per diem meals rate in the city for which a claim is made on that day as established by rule for federal employees by the United States general services administration and must be allocated twenty percent to the first quarter, thirty percent to the second quarter, and fifty percent to the third quarter.
4. The allowance for meals in Canada, Alaska, and Hawaii may not exceed one and one-half times the current continental United States standard rate for federal employees established by the United States general services administration.
5. The allowance for meals outside the continental United States, Canada, Alaska, and Hawaii may not exceed two times the current continental United States standard rate for federal employees established by the United States general services administration.
6. The allowance for lodging outside the state must be the actual lodging expense.

7. A department, institution, or agency of this state may set a rate for travel expenses outside the state less than those set forth in this section. Verification of any other type of expense not prescribed by this section must be as prescribed by the office of the budget except no receipt may be required for taxi or cab fares of ten dollars or less. The office of management and budget shall disapprove any claim it determines to be in error or unlawful or not within the limits of legislative appropriations.

54-06-09. Mileage and travel expense of state officers and employees.

1. State officials, whether elective or appointive, and their deputies, assistants, and clerks, or other state employees, entitled by law to be reimbursed for mileage or travel expense, must be allowed and paid for mileage and travel expense the following amounts:
 - a. The sum of thirty-one cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when the travel is by motor vehicle or twenty-seven cents per mile [1.61 kilometers] if the travel is by truck, the use of which is required by the employing entity. The sum of seventy cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when the travel is by private airplane. Mileage by private aircraft must be computed by actual air mileage when only one state employee or official is traveling; if two or more state employees or officials are traveling by private aircraft, the actual mileage must be based on the road mileage between the geographical points. Reimbursement for private airplane travel must be calculated as follows:
 - (1) If reimbursement is for one properly authorized and reimbursable passenger, reimbursement must be paid on a per mile basis as provided in this subsection.
 - (2) If reimbursement is claimed for a chartered private aircraft, reimbursement may not exceed the cost of regular coach fare on a commercial flight, if one is scheduled between the point of departure, point of destination, and return, for each properly authorized and reimbursable passenger on the charter flight; or, where there is no such regularly scheduled commercial flight, the actual cost of the charter.
 - b. Except as provided in subdivision a, when travel is by rail or certificated air taxi commercial operator or other common carrier, including regularly scheduled flights by airlines, the amount actually and necessarily expended therefor in the performance of official duties.
2. No reimbursement may be paid for leased private aircraft, except for leased or rented private aircraft from a recognized fixed base aviation operator who is in the business of leasing and renting private aircraft and is located on an airport open for public use.
3. If only one person engages in such travel in a motor vehicle exceeding at any geographical point three hundred miles [482.80 kilometers] beyond the borders of this state, reimbursement is limited to eighteen cents per mile [1.61 kilometers] for Page No. 4 miles driven in excess of six hundred miles [965.60 kilometers] of round trip out-of-state travel.
4. An official, deputy, assistant, clerk, or other employee, when required to travel by motor vehicle or truck in the performance of official duty, shall use a state-owned vehicle whenever possible unless exempted under section 24-02-03.3. However, an agency, institution, department, board, bureau, or commission may allow use of an official's, deputy's, or employee's personal motor vehicle in circumstances authorized by the official, deputy, or the employee's supervisor. If personal motor vehicle use is authorized under this subsection, the agency may also allow mileage reimbursement at a rate less than that otherwise provided in this section. When official travel is by motor vehicle or airplane owned by the state or by any department or political subdivision of the state, no allowance may be

made or paid for such mileage, except that governmental entities may share expenses when officials or employees of those entities travel in the same motor vehicle or aircraft.

5. Notwithstanding the other provisions of this section, state employees permanently located outside the state or on assignments outside the state for an indefinite period of time, exceeding at least thirty consecutive days, must be allowed and paid thirty-one cents per mile [1.61 kilometers] for each mile [1.61 kilometers] actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle, and the three-hundred-mile [482.80-kilometer] restriction imposed by subsection 3 does not apply.
6. Before any allowance for any such mileage or travel expenses may be made, the official, deputy, assistant, clerk, or other employee shall file with the employee's department, institution, board, commission, or agency an itemized statement showing the mileage traveled, the hour of departure and return, the days when and how traveled, the purpose thereof, and such other information and documentation as may be prescribed by rule of the employee's department, institution, board, commission, or agency. The statement must be submitted to the employee's department, institution, board, commission, or agency for approval and must be paid only when approved by the employee's department, institution, board, commission, or agency.

Office of Management and Budget

Travel

August 1, 2003

Policy 505 - Reimbursement for Meals and Lodging

NDCC Chapter 44-08-04 provides for reimbursement of employee expenses for meals and lodging while an employee is away from their normal working and living residence.

If meals are included as part of a registration fee for a conference, seminar, or other meeting, the employee should be reimbursed for the entire registration fee, if paid by the employee. However, the employee cannot claim reimbursement for the applicable meal allowance for that quarter. An employee should be reimbursed for meals paid by the employee while attending a meeting at the request of, or on behalf of, the state or any of its subdivisions, agencies, bureaus, boards, or commissions.

Chapter 44-08-04 provides that reimbursement is allowed only for overnight travel and other travel while away from the normal place of employment for four hours or more. Employees will not be reimbursed for the first quarter if travel began after 7:00 a.m. In order to claim expenses for the second and third quarters, the employee must have been in travel status one hour before the start of the quarter being claimed, and travel status must extend at least one hour into the quarter being claimed. The expense allowance for each quarter of any 24-hour period is as follows:

Meal Allowance	<u>In-State</u>	<u>Out-of-State</u>
1. First quarter, 6 a.m. to 12 noon	\$4.00	20% at GSA daily rate
2. Second quarter, 12 noon to 6 p.m.	\$6.00	30% of GSA daily rate
3. Third quarter, 6 p.m. to 12 midnight	\$10.00	50% of GSA daily rate
4. Fourth quarter, 12 midnight to 6 a.m.		

In-State Lodging:

Maximum of \$45.00 plus any additional applicable state and local taxes on lodging. If the room is more than \$45.00, the individual may only be reimbursed for the additional taxes based on \$45.00, and the additional taxes must be pro-rated. For example; if the room is \$50.00 and taxes are \$5.00, the individual will be reimbursed \$45.00 plus $(45 / 50 \times 5) = \$4.50$.

Out-of-State Lodging:

Actual lodging expense.

(continued)

Office of Management and Budget

Travel

August 1, 2003

Policy 505 (continued)

Those persons engaged in travel outside of the continental United States shall be reimbursed for meals as follows:

- The allowance for meals in Canada, Alaska, and Hawaii may not exceed one and one-half times the current continental United States standard rate for federal employees established by the United States general services administration.
- The allowance for meals outside the continental United States, Canada, Alaska, and Hawaii may not exceed two times the current continental United States standard rate for federal employees established by the United States General Services Administration.
- The standard rate for the continental United States is \$31 effective October 1, 2003.

Verification of claims via receipt is not required for the first three quarters but is required for lodging (see Policy 513 also). Receipts are also required for each taxi fare in excess of \$10 and for other miscellaneous expenses in excess of \$10. Parking fees may be claimed only with a receipt from a hotel/motel or airport.

The head of any department, institution, or agency may set a rate for out-of-state travel which is less than that set forth by statute.

NOTE: Before any allowance for such mileage or travel expenses will be made, the official, deputy, assistant, clerk, or other employee will file with the agency, an itemized statement showing mileage traveled, the purpose thereof, and such other information and documentation as may be prescribed by the IRS, or an agency. Statements such as "to attend a meeting" etc., should not be accepted as sufficient documentation for purpose of travel.

If an employee is not claiming reimbursement for lodging, please indicate such on the Travel Expense Voucher. A fillable and printable Adobe (.pdf) Travel Expense Voucher can be found at: <http://www.state.nd.us/eforms/Doc/sfn52785.pdf>

If an employee is claiming reimbursement for meals for travel when no overnight stay is involved, the meal reimbursement is taxable. When completing the Travel Expense Voucher, taxable meals must be noted accordingly. The employee will receive the full meal reimbursement and the taxes will be withheld through the payroll system during the next payroll cycle.

See Out-of-State Meal Allowance Rates at <http://www.state.nd.us/fiscal>

ANALYSIS OF STATE EMPLOYEE SALARY INCREASES

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

Salary Increase Provided or Proposed

Annual Increase*

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

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

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

¹1 In addition, the 2001 Legislative Assembly provided:

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

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

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

¹2 In addition, the 2005 executive budget recommends:

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

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



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TESTIMONY IN SUPPORT OF HB 1050

**Before the Government Performance Subcommittee
House Appropriations Committee
February 7, 2005**

Chairman Carlson and members of the Government Performance Subcommittee, my name is Chris Runge and I am the Executive Director of the North Dakota Public Employees Association, American Federation of Teachers Local 4660. I am here to testify in support of HB 1050. First of all, I would like to thank the sponsors of the bill for submitting legislation to fully fund a 4% and 4% pay raise. This bill differs slightly from Governor Hoeven's compensation package submitted in HB 1015 as it fully funds the 4% pay raise in the second year of the biennium, a one percent difference.

We know that you have been given all the facts and figures of where the state employees stand in terms of their wages and that they lag behind the market ranging from 14% to over 30%. It is also important to note that as the baby boomers start retiring there will be an even larger impact on state employees and the need to recruit workers. We will

Quality Services from Quality People

Testimony

have more positions open and it is becoming harder and harder to recruit and retain qualified employees. And when a new employee is hired many times the agency have to pay more which creates a compression problem with long-term employees. It also creates a morale problem when a new employee starts at a salary close to an existing employee.

Turnover has also been dramatic during the first five years of employment, according to the State Employee Compensation report, almost 50%. We lose 27% of our state employees during their first two years on the job. The cost to recruit and retain employees would be less if we kept pace with market pay.

The quality of our state workforce is tremendous. They provide quality services to the citizens of North Dakota each and every day. We want you to know that we will continue to do our jobs for citizens but ask that you support the fully funded 4% and 4% pay raise contained in HB 1050 as well as the equity pools contained in HB 1015 and in the Corrections budget. We also ask that the State continue to fully fund the health insurance premium, allowing our state employees to not further lose ground.

We are cognizant of the balancing act that you must accomplish with the money that is available to you. We are equally cognizant of the competing need for funding for corrections, human services, higher education and other programs. We hope that you will see the needs of state employees as a priority this session and pass HB 1050, the equity pools in HB 1015 and the Corrections budget and fully fund the health insurance plan.

The majority of state employees did not receive any pay raise during the last session and a

pay raise is sorely needed. Once again, thank you to the sponsors of HB 1050 and we hope that you will give HB 1050 a DO PASS recommendation.

Thank you and I am available to answer any questions that you may have.

EXPLANATION OF 2003-05 BIENNIUM PAY RAISES

TOTAL CLASSIFIED EMPLOYEES	6409
TOTAL NON-CLASSIFIED EMPLOYEES	907

STATE EMPLOYEES RECEIVING PAY RAISES DURING 03-05 BIENNIUM: 3658

PAYRAISES TO CLASSIFIED AGENCIES THROUGH LEGISLATURE

ATTORNEY GENERAL OFFICE	78
PERS	25
DHS PROGRAM AND POLICY COUNCIL	??
DEPARTMENT OF FINANCIAL INSTITUTIONS	22
SCHOOL FOR THE BLIND	48
SCHOOL FOR THE DEAF	27
DOCR, JUVENILE SERVICES DIVISION	??
TOTAL	200+

PAYRAISES TO NON-CLASSIFIED AGENCIES THROUGH LEGISLATURE

LEGISLATIVE COUNCIL (NON CLASSIFIED)	30
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PAYRAISES BY NON-CLASSIFIED AGENCIES

WORKFORCE SAFETY AND INSURANCE	214
DEPARTMENT OF COMMERCE	19
JUDICIARY	289
MILL AND ELEVATOR (COLLECTIVE BARGAINING AGREEMENT)	120
ADJUTANT GENERALS OFFICE	75
TOTAL	717

REASONS FOR RAISES GIVEN BY ALL OTHER AGENCIES:

1. Equity
2. Workload Increases
3. Promotions
4. Merit
5. Reclassifications

Testimony
Government Performance Subcommittee
of the
House Appropriations Committee
2/7/05

Good morning Chairman Carlson and members of the committee. My name is Dennis Fewless. I am a long-time state employee and a member of the Independent North Dakota State Employee Association.

I am a director of a division of 33. Over the years, my staff and I have watched as our colleagues in energy companies, product manufacturing, and federal and local agencies have received better pay and continued cost-of-living and merit increases. And we have watched as our bills for electricity, heating, groceries, etc. continued to increase, greatly outpacing our abilities to pay.

We are encouraged by HB 1050, which can help correct some of these inequities. I believe HB 1050 is absolutely necessary to obtain and maintain a workforce that can ensure a high quality of life and environment for economic growth in North Dakota.

I encourage you to vote yes on HB 1050. Thank you, Chairman and committee members for your consideration and time.

TESTIMONY IN SUPPORT OF HB 1050

House Appropriations

February 7, 2005

2/6/05 5:53 PM

Mr. Chairman and Members of the Committee. My name is Bob Evans. I am a long time state employee with over 30 years of service to the state. Most of those years have been with the Department of Transportation. I currently serve as the Director of Human Resources with NDDOT. My testimony is on my own behalf and does not reflect the official position of NDDOT.

In that I am unable to appear in person, I request the committee accept my written testimony for the record. I had previously appeared before committee in support of HB 1015. My written testimony for HB 1050 largely parallels my previous testimony.

Throughout the many years of employment, there have been several cycles of employee pay market deficits and then catch-up raises. I have also experienced several creative changes in the way benefits were funded in order to maximize the effectiveness of employee expenditures.

The current salary deficit is the most severe deficit experienced. State employee salaries lag by very significant amounts the salaries that are paid to cities, counties, other states, and the major private sector employers in and out of North Dakota.

This deficit is creating a severe morale problem. NDDOT conducts a periodic survey of employees as a part of our department performance management system. In the most recent survey, March 2003, the second lowest rated questions was, "Among the DOT employees, morale is high." In other parts of the survey, employees report that they like the department, they like the work and mission of the organization, they like their supervisors and fellow employees. The only significant area of concern relates to concern about the level of salaries and prospects for competitive salaries in the future.

As a result of the very positive discussions about employee salary increases based on HB 1050, I sense a real relief from the salary doldrums. The prospect of up to 8% salary increases over the course of the upcoming biennium is having a very positive impact on morale.

I am well aware of the total compensation concept and am well aware of the importance of the benefits to my financial well-being. I would also add that we are all grateful for the creativity in creating the most cost effective benefit system anywhere. For the dollar spent, state employees have the best benefit package. I thank legislature for this great package.

I think many of you are aware that NDDOT has experienced difficult recruiting challenges for many of our technical career areas. As a result of important tools provided in past sessions, combined with a short term hiring pause for civil engineers, the department has been able to fill most of these positions. Now, our goal is to retain this valuable young talent.

Younger employees do not have the same appreciation for benefits that our more mature employees. Younger employees are concerned mostly about getting established, starting their families, and paying off their student loans. For them, concerns about retirement and health insurance are years off.

The state needs a balance. We do need benefits because we get such a big bang for our buck. We also need competitive salaries, because the value of benefits is not equal for all employees. Unless we have competitive salaries to match up with an excellent benefit program, I am concerned that the state's investment in these excellent young employees will be lost because they will feel forced to go where competitive salaries and largely similarly valued benefits is available.

I urge a Do Pass on HB 2050 and then quick action on the floor to maintain this very positive message regarding employee salaries.

TESTIMONY ON HB 1050
HOUSE APPROPRIATIONS COMMITTEE

February 6, 2005

Mr. Chairman and members of the committee, my name is Tom Tupa and I am representing the Independent ND State Employee's Association (INDSEA). I am here in urging your support for HB 1050.

One of the 2004 goals of INDSEA was to seek a "reasonable salary increase applied equitably to all State employees". We think HB 1050 will help achieve this goal.

In 2003, there was an attempt to provide a slight salary adjustment but that effort did not become a reality for many employees. While some employees did get their increases, not everyone was so fortunate. And, many of those employees who did get salary adjustments in the current biennium, got them as a result of a reclassification, promotion, or an increased workload.

We applaud those departments and agencies that were able to give adjustments. We also applaud the sponsors of 1050 who recognized the need to adequately compensate all State employees.

INDSEA believes HB 1050 needs support and passage. By now, most employees and legislators have seen or heard of the Compensation report put together by the ND Human Resource Management Services Office of OMB. The information contained in that report, shows ND state employee salaries far behind most other states and the private market. HB 1050 will help close the gap.

(OVER)

The report also identified a high turnover rate of State employees in the first five years of employment. We believe HB 1050 will also help reduce that turnover rate.

Mr. Chairman and committee members, I urge you to give serious consideration to HB 1050 and its request for the 4 % salary increase this year and another 4% in 2006. Please give HB 1050 a strong "do pass" recommendation.

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

January 2005

STATE AGENCY 2003-05 BIENNIAL SALARY INCREASES 11

Agency	2003-05 Authorized FTE Positions	Salary Increase Provided During 2003-05 Yes	Salary Increase Effective Date 10/03 to 1/05	Number of Employees Who Received Salary Increase	Average Percentage Salary Increase	Cost of Salary Increases for the 2003-05 Biennium		Total	Source of Funding	Amount of Funding Included in the 2003-05 Executive Budget to Continue 2003-05 Biennium		Total
						General Fund	Special Funds			General Fund	Special Funds	
101 Governor's Office Reason for increases	18.00	Yes	10/03 to 1/05	6	11.0%	\$38,880		\$38,880	Turnover savings	\$33,671		\$33,671
108 Secretary of State Reason for increases	27.00	Yes	10/04 to 6/05	23	2.0%	\$4,671		\$4,671	Turnover savings and less overtime	\$0		\$0
110 Office of Management and Budget Reason for increases	132.00	12	Yes	11/03 to 10/04	16	5.8%	\$8,559	\$8,559	Turnover savings	\$42,577	\$18,216	\$60,793
112 Information Technology Department Reason for increases	256.70	13	Yes	Various	97	4.0, 4.8%	\$8,924	\$238,408	Turnover and vacant FTE savings	\$14,563	\$356,652	\$371,205
117 State Auditor Reason for increases	55.00	Yes	Various	28	4.4%	\$38,375	\$28,838	\$63,213	Turnover savings	\$23,466	\$9,600	\$33,066
120 State Treasurer	6.00	No										
125 Attorney General Reason for increases	182.00	Yes	Various	78	7.0%	\$113,930	\$285,624	\$409,754	Authorized by 2003 Legislative Assembly, turnover, vacancies, and continuing appropriation	\$180,889	\$337,461	\$518,350
127 Office of State Tax Commissioner Reason for increases	137.00	Yes	7/03 to 2/05	120	3.1%	\$145,052		\$145,052	Turnover savings and savings resulting from a reduced need for temporary employees	\$259,434		\$259,434
140 Office of Administrative Hearings Reason for increases	8.00	Yes	7/03, 2/04, 7/04	4	4.4%		\$15,480	\$15,480	Turnover savings and efficiencies	\$20,989		\$20,989
160 Legislative Council Reason for increases	33.00	Yes	9/03	30	4.6%	\$150,000		\$150,000	Equity increases authorized by the 2003 Legislative Assembly	\$150,000		\$150,000

Three increases were the result of promotions and new job responsibilities and three were the result of workload increases.

NOTE: Although the amount included in the executive recommendation for the cost to continue the salary increases for the 2003-05 biennium is \$33,066, the total amount necessary is \$82,068. The agency will need to make up the general fund difference of \$49,000 from budget savings/efficiencies.

#1
1050
p.m.
3/14/05
H. App.
\$33,871
Total
\$33,871
CARLSON

Amount of Funding Included
in the 2003-07 Executive Budget
to Continue 2003-05 Biennium
Salary Increases
General Fund
Special Funds
Total
\$1,324,831
\$1,324,831

Agency	2003-05 Authorized FTE Positions	Salary Increases Provided 2003-05	Salary Increases Effective Date	Number of Employees Who Received Salary Increases	Average Percentage Salary Increase	Cost of Salary Increases for the 2003-05 Biennium General Fund Special Funds Total	Source of Funding Turnover savings and elimination of 4 positions	Amount of Funding Included in the 2003-07 Executive Budget to Continue 2003-05 Biennium Salary Increases General Fund Special Funds Total
180 Judicial Branch	336.00	Yes	Various	289	1%, 2.4%, 4%	\$742,600		\$1,324,831
Reason for increases							1% increase from savings due to eliminating 4 positions, implementing a new compensation plan in October 2004, and providing routine increases based on judicial compensation plan	
190 Retirement and Investment Office		Yes	2004, 7/03, 7/04	8	7.1%, 3%, 5.3%	\$40,668	Rollup funds from staff member on active military duty and lower-than-budgeted increases for unclassified FTEs	\$58,205
Reason for increases							Workload increases due to a staff member on active military duty and 2 increases given to the executive director based on national/regional market information	
192 Public Employees Retirement System	20.00	Yes	Various	25	8.4%, 5%, 2%, 6%	\$87,774	Equity funding of \$50,382 provided by the Legislative Assembly and the balance was funded from turnover savings	\$101,487
Reason for increases							Workload and equity	
201 Department of Public Instruction	92.75	Yes	Various	81	3.0%	\$107,803	\$164,356 Savings from turnover, early retirement savings, additional federal funding	\$25,588
Reason for increases							The department provided equity and market adjustments to remain competitive with salaries provided to other employees in state government. The department also addressed salaries for hard-to-fill classifications.	\$153,300
226 Land Department	17.75	Yes	Various	16	7.0%	\$45,300	Amounts within legislative appropriation	\$77,000
Reason for increases							Workload, promotion, and performance	
230 State Library	28.75	None						
232 School for the Deaf	51.85	Yes	08/03 03/04	10 38 48	1.0% 3.0%	\$17,257 41,332 \$58,589	Funding provided by legislature Savings from turnover and vacancies	\$17,257 59,508 \$76,765
Reason for increases							The salary increases provided in September 2003 were salary increases for teachers based on the 2003-05 salary compa schedule. The funding for the increases was appropriated by the 2003 Legislative Assembly. The salary increases provided in March 2004 were salary equity, workload, and responsibility adjustments.	
253 North Dakota Vision Services - School for the Blind	27.00	Yes	7/03 & 7/04 01/04	11 16 27	8.0% 2.0%	\$15,351 8,244 \$23,595	Funding provided by legislature Savings from turnover	\$20,481 15,969 \$36,450
Reason for increases							The salary increases provided in July 2003 and July 2004 were salary increases for teachers based on the 2003-05 salary compa schedule. The funding for the increases was appropriated by the 2003 Legislative Assembly. The salary increases provided in January 2004 were salary increases to move employees closer to their midpoints.	\$2,784 \$2,784 \$5,568

The increases were provided due to the reclassification of the investigator positions and to correct inequity among investigative staff.

Agency	2003-05 Authorized FTE Positions	Salary Increase Provided During 2003-05 Yes	Salary Increase Effective Date	Number of Employees Who Received Salary Increase	Average Percentage Salary Increase	Cost of Salary Increases for the 2003-05 Biennium		Total	Source of Funding	Amount of Funding Included In the 2005-07 Executive Budget to Continue 2003-05 Biennium		
						General Fund	Special Funds			General Fund	Special Funds	Total
408 Public Service Commission	41.00	Yes	7/04	8	5.3%	\$18,631	\$1,484	\$20,115	Turnover and reorganization at lower pay levels	\$37,282	\$2,968	\$40,250
Six equity adjustments for employees earning less than 45% of their pay range and two internal equity adjustments												
412 Aeronautics Commission	6.00	No										\$187,000
413 Department of Financial Institutions	25.00	Yes	1/04	22	7.0%		\$167,000	\$167,000	Special funds within legislative appropriation		\$167,000	\$187,000
Reclassification of the examiners class												
414 Securities Commissioner	8.00	No										
471 Bank of North Dakota	178.50	Yes	Various	86	6.8%		\$356,425	\$356,425	Service area reorganizations resulting in vacant positions and the voluntary early retirement incentive program		\$356,425	\$356,425
Workload/responsibility increase or market equity adjustment												
473 Housing Finance Agency	43.00	Yes	10/03	37	1.4%		\$33,600	\$33,600	Turnover savings		\$33,600	\$38,400
Merit increases												
475 Mill and Elevator Association	125.00	Yes	Various	120	2.0%		\$191,321	\$191,321	Internally generated special funds		\$191,321	\$191,321
Union contract called for increases on July 1 for each year of the biennium. Office employees and supervisors were given the same increases on August 1 of each year of the biennium.												
485 Workforce Safety and Insurance	227.00	Yes	Various	214	3.0%		\$449,228	\$449,228	Reductions in FTE, turnover, and operating efficiency		\$891,128	\$891,128
Pay for performance increases												
504 Highway Patrol	192.00	Yes	Various 2/04 to 12/04 Various	123 29 10	2.8% 1.7% 5.2%	\$98,441 14,900 19,460	\$52,809 5,688 7,361	\$151,250 20,676 28,841	Turnover savings Turnover savings Turnover savings	\$220,168 33,947 33,077	\$66,922 12,877 12,547	\$316,080 46,824 45,624
<div><div>\$296,182</div><div>\$112,346</div><div>\$408,528</div></div>												
Step increases based on merit, responsibility increases, promotions, and reclassifications												
508 State Radio Communications - Combined with Department 512	50.00	Yes	Various	48	21.9%		\$259,997	\$259,997	Federal homeland security funds		\$498,720	\$498,720
512 Division of Emergency Management												
Workload responsibility adjustments, equity, merit, reclassifications of positions to higher pay grades and promotions												
530 Department of Corrections and Rehabilitation	644.18	Yes	Various	191	5.5%		\$371,701	\$398,580	Within 2003-05 legislative appropriation	\$906,297	\$60,441	\$666,738
Promotion, workload/increased job responsibility, equity, and temporary adjustments												

Agency	2003-05 Authorized FTE Positions	Salary Increase Provided During 2003-05 Yes	Salary Increase Effective Date Various	Number of Employees Who Received Salary Increase	Average Percentage Salary Increase 4.5%, 10%, 11%	Cost of Salary Increases for the 2003-05 Biennium			Total	Amount of Funding Included In the 2005-07 Executive Budget to Continue 2003-05 Biennium Salary Increases		
						General Fund	Special Funds	General Fund		General Fund	Special Funds	Total

540 Adjutant General

Reason for Increases

Salary increases averaging 11% were provided to 35 nonclassified employees based on the federal General Schedule Pay Scale and 38 employees received merit increases based on a step program averaging 4.5%. Also, 2 FTEs were reclassified and received 10% increases.

601 Department of Commerce

Reason for Increases

Equity and performance increases. The department notes that its 2005-07 biennium salaries and wages request is less, in total, than its 2003-05 biennium salaries and wages budget.

602 Agriculture Department

Reason for Increases

Workload, equity, and merit

616 State Seed Department

Reason for Increases

Merit increases based on semiannual performance evaluations; approved by the State Seed Commission

701 Historical Society

Reason for Increases

Attempt to maintain some level of salary equity and cost of living

709 Council on the Arts

Reason for Increases

To correct inequities and make workload adjustments

720 Game and Fish Department

Reason for Increases

Equity, workload increase, and reclassification to bring to minimum of approved pay grade

750 Parks and Recreation Department

Reason for Increases

Reclassification (5), equity (17), and workload (1)

770 State Water Commission

Reason for Increases

Increases relate to equity, merit, reclassifications, and workload and responsibility changes

801 Department of Transportation

Reason for Increases

Increases relate to equity, merit, reclassifications, and workload and responsibility changes

Total

NOTE: This report does not include institutions under the control of the State Board of Higher Education and agriculture research and extension entities.

7,653.60

2,829,628

4,735,082

7,664,891

3,998,295

7,004,147

11,002,442

1,658,136

90,114

9,374

25,000

25,000

25,000

25,000

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11 The 2003 Legislative Assembly provided contingent salary increases for the executive and judicial branches up to 1 percent of salaries effective January 1, 2004, and up to 2 percent effective January 1, 2005. The increases were to be provided from savings resulting from the elimination of full-time equivalent positions within executive and judicial branch agencies. The savings realized from the eliminated positions and savings from other vacant positions are to be pooled and used for executive and judicial branch employee salary increases. At least 70 percent of the funding for the increases provided must be from pooled savings of the eliminated positions.

The Office of Management and Budget reported that the executive branch pool and the state elected officials pool did not include sufficient savings from eliminated or vacant positions to allow for state employee salary increases. The judicial branch eliminated 4 FTE positions prior to January 1, 2004, which generated adequate funding to provide judicial branch employees a 1 percent salary increase effective January 1, 2004.

The 2003 Legislative Assembly provided funding for the following salary equity adjustments:

	General Fund	Special Funds	Total
Attorney General's office for assistant attorney's general			\$241,024
Legislative Council		\$241,024	150,000
Public Employees Retirement System	\$150,000	80,362	80,362
Department of Human Services Program and Policy Division		131,784	131,784
Department of Financial Institutions		167,000	167,000
Department of Corrections and Rehabilitation/Juvenile Services Division	90,858		90,858
Total	\$240,858	\$620,170	\$870,028

12 The 2003-05 authorized FTE positions for the Office of Management and Budget and the Division of Emergency Management have been adjusted to reflect the transfer of 30 FTE positions relating to State Radio Communications from the Office of Management and Budget to the Division of Emergency Management.

13 Section 10 of House Bill No. 1505 provides that on November 1, 2003, 24 FTE positions relating to information services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services, must be reduced and transferred to the Information Technology Department. The project executive committee recommended the transfer of 8.5 FTE positions--7 full-time and .5 of five additional positions--to the Information Technology Department on November 1, 2003, and the exemption of the remaining 15.5 FTE positions. The 2003-05 FTE positions shown reflect the transfer of 8.5 FTE positions. The following is a summary of the project executive committee's recommendations:

	FTE Positions Identified in HB 1505	FTE Positions Recommended to Be Transferred	FTE Positions Exempted
Office of Management and Budget	1.00	0.00	1.00
Tax Department	1.00	0.00	1.00
Department of Public Instruction	1.00	0.50	0.50
State Department of Health	1.00	0.50	0.50
Department of Human Services	5.00	4.00	1.00
Job Service North Dakota	3.00	1.00	2.00
Industrial Commission	1.00	0.00	1.00
Bank of North Dakota	1.00	0.00	1.00
Housing Finance Agency	1.00	0.00	1.00
Workforce Safety and Insurance	2.00	1.00	1.00
Highway Patrol	1.00	0.00	1.00
Department of Corrections and Rehabilitation	2.00	0.00	2.00
Game and Fish Department	1.00	0.00	1.00
State Water Commission	1.00	0.00	1.00
Department of Transportation	2.00	1.50	0.50
Total	24.00	8.50	15.50

14 The 2003-05 FTE positions for the Department of Human Services have been adjusted. Section 7 of Senate Bill No. 2012 (2003) authorizes the department to transfer appropriation authority among the department's programs during the 2003-05 biennium.



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NORTH DAKOTA
PUBLIC EMPLOYEES ASSOCIATION

701-223-1964
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AMERICAN FEDERATION
OF TEACHERS LOCAL 4660 AFL-CIO



EMAIL: comments@ndpea.org
WEBSITE: www.ndpea.org

**TESTIMONY IN SUPPORT OF AMENDMENTS TO HB 1050 TO REINSTATE THE
4% AND 4% SALARY INCREASE AND THE \$5 MILLION EQUITY POOL
Before the Senate Appropriations Committee
Monday, March 7, 2005**

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee, my name is Gary Feist and I am president of the North Dakota Public Employees Association AFT 4660. I have been a state employee for the past 14 ½ years as an auditor in the Tax Department. I also currently represent classified employees on the State Employee Compensation Commission (SECC).

I am here today to ask you support and reinstate the SECC's recommendation of a 4% & 4% across the board salary increase in HB 1050 and the \$5 million dollar equity pool in HB 1015 for those employees who are furthest from their midpoints with the most years of service. I have heard some legislators and citizens of North Dakota say that the 4% and 4% is a too large of an increase. I believe the 4% and 4% is fair and reasonable considering that most state employees did not receive a salary increase during the last biennium. The 4% and 4% is really only a 2% increase for years 2003 through 2007. The 4% and 4% will only maintain the current purchasing power for an employee when considering that inflation has been 1.9 to 2.3% over the past couple of years.

North Dakota has quality public employees providing quality services to the citizens of North Dakota each and every day of the year. We have quality employees that maintain and plow the roads we drive, highway patrol and correctional officers that keep us safe, and auditors like me, which help collect the revenue for the state by administering the laws passed by the legislature. I believe this legislature

Quality Services from Quality People

Testimony

must pass the 4% and 4% salary proposal to remain competitive in recruiting and maintaining its quality employees. In the 2004 State Employee Compensation Report distributed by the North Dakota Human Resource Management Services division of OMB it is stated that currently the state loses 27% of its employees before their 2nd anniversary and that 50% of the turnover is attributable to employees with less than 5 years of service. Another important fact in the report states that in March of 2007 32% of state employees will be eligible for retirement. Passing the 4% and 4% and the \$5 million equity pool as recommended by the SECC and included in Governor Hoeven's budget will be a step in the right direction to achieving the state's goal of maintaining a quality workforce. In passing the 4% and 4% pay increase, the state will also be making an investment in its greatest asset, its people.

The 2004 North Dakota State Employee Compensation report released by NDHRMS states that the classified employees have fallen further behind the market over the last two years and now are 13.3% to 30.4% below market. The report also shows that to maintain the state's goal of keeping its pay ranges at 95% of market; the midpoints would have to be moved 10.5 % to 24%. If the ranges were moved, NDHRMS stated that it would cost \$2 million a year to bring employees to the new minimums and \$25 million to keep employees at their same position within their pay ranges. State employees realize that we cannot make up these differences over night, but the state must start to close the gap if it wants to be competitive in maintaining its quality workforce.

NDPEA and all state employees are appreciative of the state paying 100% of the premium of a family health insurance plan and we will continue that cost-sharing agreement. Maintaining the fully funded family plan is critical in keeping the state competitive. In the NDHRMS compensation report, it is also noted that in comparing total compensation North Dakota is 10.1% below the 10-state average.

Amending HB 1050 to fully fund the across the board 4% and 4% pay increase in HB 1050, providing for an equity pool of \$5 million in HB 1015, and maintaining the health insurance will go a

long way to improving the morale of public employees and providing a feeling to public employees that the quality services they provide to the citizens of ND are valued by this legislature and the citizens of North Dakota. NDPEA and all state employees request that this committee and the senate amend HB 1050 to include the fully funded 4% and 4% and amend HB 1015 to include the \$5 million dollar equity pool.

Thank you for this opportunity to testify today and I am available to answer any questions you may have.

711

PROPOSED AMENDMENT TO HOUSE BILL NO. 1050
Prepared by the North Dakota Public Employees Association AFT 4660, AFL-CIO
Submitted to the Senate Appropriations Committee
March 7, 2005

Page 1, line 1, after A BILL replace the remainder of the bill with "an Act to provide an appropriation for state employee compensation adjustments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION—STATE EMPLOYEE COMPENSATION. The sums hereinafter listed, or so much of the sums 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 compensations adjustments to employees of the various agencies and institutions in accordance with section 2 of the Act, for the biennium beginning July 1, 2005 and ending June 30, 2007.

AGENCY	GENERAL FUND	SPECIAL FUNDS	TOTAL
Governor	\$109,134		\$ 109,134
Secretary of state	106,491		106,491
Office of mgt and budget	570,234	\$ 130,870	701,104
Information tech. department	90,835	1,461,905	1,552,740
State auditor	209,039	95,744	304,783
State treasurer	31,391		31,391
Attorney general	836,635	97,299	933,934
Tax commissioner	654,684		654,684
Office of admin. hearings		50,841	50,841
Legislative council	230,363		230,363

Judicial branch	1,502,448	12,046	1,514,494
Retirement and investment office		93,240	93,240
Public employees retirement system		132,378	132,378
Department of public instruction	174,456	315,434	489,890
Board of university and school lands		97,588	97,588
Forest service	87,808		87,808
State library	97,215	3,786	101,001
School for the deaf	244,222		244,222
Vision services-school for the blind	114,718	14,201	128,919
Board for career and technical education	151,824	3,413	155,237
State department of health	536,827	1,045,990	1,582,817
Veterans' home	246,241	104,755	350,996
Indian affairs commission	16,895		16,895
Department of veterans' affairs	20,186	1,641	21,827
Department of human services	6,272,751	2,798,661	9,071,412
Protection and advocacy project	53,152	68,441	121,593
Job service	4,596	1,716,413	1,721,009
Insurance commissioner	250,505		250,505
Industrial commission	301,798	30,692	332,490
Labor commissioner	37,846	12,169	50,015
Public service commission	166,108	89,942	256,050
Aeronautics commission		34,277	34,277

Department of financial institutions		151,298	151,298
Securities	50,345		50,345
Bank of North Dakota		854,228	854,228
Housing finance agency		202,955	202,955
Workforce safety and insurance		1,219,017	1,219,017
Highway patrol	699,457	304,215	1,003,672
Division of emergency management	37,867	58,030	95,897
Department of corrections and rehabilitation	2,782,290	249,100	3,031,390
Adjutant general	206,802	462,094	668,896
Department of commerce	275,258	90,999	366,257
Agriculture commissioner	157,393	131,113	288,506
Seed department		135,337	135,337
Upper great plains transportation institute	20,443	237,189	257,632
Branch research centers	337,527	75,345	412,872
North Dakota state university extension service	904,830	569,890	1,474,720
Northern crops institute	30,936	24,572	55,508
Main research station	1,549,333	741,300	2,290,633
Agronomy seed farm		16,815	16,815
Historical society	256,430		256,430
Council on the arts	22,175		22,175

Game and fish department		797,809	797,809
Parks and recreation department	197,423	8,494	205,917
Water commission	473,745	8,920	482,665
Department of transportation		<u>4,975,516</u>	<u>4,975,516</u>
Total	\$20,870,151	\$19,976,467	\$40,846,618

SECTION 2. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION

ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-ninth legislative assembly that 2005-07 compensation adjustments for permanent state employees are to be increases of four percent, beginning with the month of July 2005, to be paid in August 2005, and four percent, beginning with the month of July 2006, to be paid in August 2006, subject to the following limitations:

1. Employees whose documented performance levels do not meet standards are not eligible for the general increases.
2. 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.
3. During the biennium, no salary increase other than the four percent in July 2005 and the four percent in July 2006 may be given to an employee whose salary exceeds or would exceed the salary range maximum."

Renumber accordingly.

Roger Johnson
Agriculture Commissioner
www.agdepartment.com



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

**Testimony of
Agriculture Commissioner Roger Johnson
HB1050
Senate Appropriations Committee
March 7, 2005**

Chairman Holmberg and members of the Appropriations Committee, I am Agriculture Commissioner Roger Johnson. I am here today in support of HB1050 which provides raises to state employees of three percent and four percent for the coming biennium..

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

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

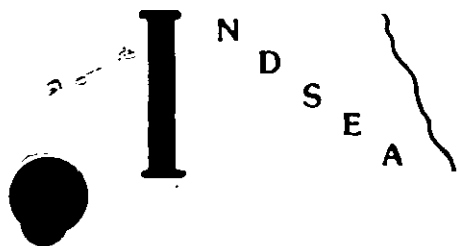
Losing a state employee represents not only the added cost of recruiting and filling a vacant position, it also represents a loss of investment in training, it represents a loss of valuable experience and it represents added costs of training a new employee.

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

Further, I request that you consider modifying the current pay package to the level recommended by the Employee Compensation Commission given the good news in the budget forecast. I respectfully request that you consider raises of four percent during each of the two years of the biennium with the reestablishment of the equity pool recommended by the commission and the governor.

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

IV



**Independent North Dakota
State Employees Association**

P.O. Box 1714 Bismarck, North Dakota 58502

TESTIMONY ON HB 1050

SENATE APPROPRIATIONS COMMITTEE

MARCH 7, 2005

Mr. Chairman and members of the committee, my name is Tom Tupa and I am representing the Independent ND State Employee's Association (INDSEA). I am here in urging your support for HB 1050.

In 2004 INDSEA had as one of its objectives in the 2005 Session a "reasonable salary increase applied equitably to all State employees". We think HB 1050 will help achieve this objective. But, we would like to see it go back to its original 4 and 4 and urge the committee to make that adjustment.

In 2003, there was an attempt to provide a slight salary adjustment but, that effort fell short. Higher Education and some other employees did get their increases, while others did not. Some increases were for reclassifications or promotions.

By now, legislators have seen or heard of the Compensation report put together by the ND Human Resource Management Services Office of OMB. The information contained in that report, shows ND state employee salaries far behind most other states and the private market.

I would like to make a couple of comments about the findings. The report shows a high employee turnover rate in the first 5 years of State employment. That tells me that State government has become a training ground for other employers. Those "other"

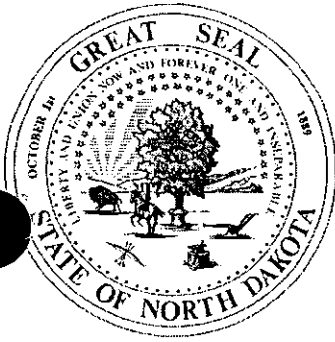
employers, be they in the public or the private sector, are getting the cream of the crop of our entry-level employees. We need to halt the State employee out migration to other employers and perhaps even out of State.

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

Regarding the adjustments, I would like to ask the committee to give detailed attention to the distribution formula for whatever the end result will be. Last session, the Legislature tried to provide for a small salary adjustment tied to the reduction in employee positions. But, I think, the lack of guidance and direction from the Legislature prevented some of the adjustments from happening. I ask that as legislators, you provide more direction on how to distribute the salary increases more equitably.

Mr. Chairman and committee members, I urge you to give serious consideration to HB 1050 and the request for salary adjustments in the next biennium. Please give the bill a strong "do pass" recommendation with the extra 1%.

Thank you Mr. Chairman and committee members.



DEPARTMENT OF CORRECTIONS AND REHABILITATION

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Senate Appropriations Committee

House Bill 1050

Mr. Chairman and members of the Committee, I am Linda Houfek and I am the Human Resources Director for the Department of Corrections and Rehabilitation. I am here today to talk about the \$5 million equity pool and pay raises for state employees.

The DOCR has approximately 650 authorized staff and on average about 40 temporary employees. We employ staff in several job categories including administrators/management, professional, para professional, protective service staff, administrative services staff, skilled craft and service/maintenance staff. DOCR staff are located in four separate facilities and in fourteen regional locations throughout the State.

It has been my good fortune to work for the DOCR for the last 20 years, first for the NDSP and now for the Central Office of our department. Our employees, as other state employees, are dedicated to the work that they do. Work where the primary responsibilities are public safety and the supervision of offenders who are placed in the care, custody and control of the DOCR. These are not glamorous jobs; they are jobs that if we are doing them well will not attract media and public attention. Many of our staff work shifts. Some of these shifts start early in the morning and others end late at night. In the community our juvenile corrections staff and parole and probation staff are called upon to work at all hours of the day and night. For the majority of our staff, their work takes no holidays or weekends and often finds our staff away from their families at times when normally families are spending time together. The potential for danger is great every working day.

The number of offenders that we supervise has increased tremendously (the inmate population, for example, has almost doubled in the last 10 years from 677 to 1329). The complexity of work done by the DOCR has also increased placing a strain on our budget and on the staff to ensure that in the institution and in the community we are meeting the legal, medical, treatment, education and safety needs of offenders, and at the same time maintaining staff and public safety.

The average salary for the DOCR is approximately \$29,000 a year and a large number of our staff earn well under that amount. An entry level Correctional Officer starts out as a temporary employee and earns \$1750 per month or \$21,000 a year and receives no benefits. In the last three years our overall turnover rates have exceeded the state average by about 2% and in some units within our divisions it has exceeded the state rate by as much as 4%. Turnover in our longer-term temporary positions, in some of the divisions, have at times been 70% to 80%. We struggle to retain staff in several positions.

Recruiting has also presented challenges to the DOCR. We find ourselves with more vacancies and often fewer applicants. On average it takes well over three months to fill many of our treatment position vacancies, and at times well over that to fill Registered Nurse vacancies.

In 1999 and again in 2001, the DOCR received over \$500,000 from the Market Equity dollars appropriated by the legislature through the Office of Management and Budget/HRMS. This was used to adjust staff salaries, under the midpoint of their salary ranges, based on years of service. In 1999, 79% of our staff received an average adjustment of a 2% equity increase and in 2001, 92% received an average of a 2% equity increase. By combining these increases along with the general increases, we begin to see staff move away from the bottom of their pay ranges.

Using the flexibility provided by the HRMS salary adjustment rules, administrators and supervisors have been able to provide increases for moving staff off probation, promotions, workload/responsibility adjustments on a limited basis and equity increases for a few crisis level staffing situations.

Our staff, as other State employees, did not go to work for the State expecting to become wealthy, but they do want to be compensated fairly for the work that they do.

2004

**North Dakota
State Employee
Compensation Report**

to the

**Joint House & Senate
Appropriations Committees**

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

Table of Contents

Introduction	1
#'s and Types of Employees	1
Classified Employee Information	
Average Employee	1
By Grade.....	2
Salary Distribution.....	3
Salary Range Quartile Distribution.....	3
Turnover Information	4
Retirement Projections	5
Salary Increase History	6
Salary Survey	7
Central States Compensation Association	7
Job Service (OES).....	7
Payline Comparisons.....	9
Benefit Survey	13
Observations/Conclusions.....	15
Appendix	
CSCA Data Table	17
JSND Data Table.....	22
1999 & 2001 Market/Equity Distribution Plan	24

INTRODUCTION

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

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

Generally, the 7,316 employees is comprised of:

6,409 Classified

Career or Civil Service employees under the jurisdiction of HRMS Personnel System

907 Unclassified

Includes State Officials (Elected, Appointed, Deputies); Legislative Council staff; ND Court System; Workforce Safety & Insurance; Dept of Commerce; Physicians; Teachers; and other miscellaneous categories

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

CLASSIFIED EMPLOYEE INFORMATION

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

AVERAGE CLASSIFIED STATE EMPLOYEE

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

6,409 Classified
Employees - Dec

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

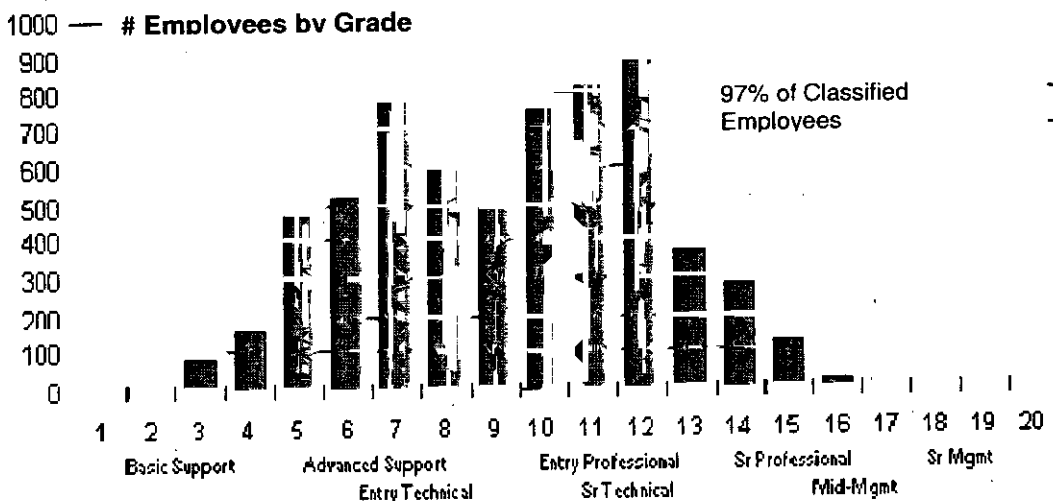
**Included authorization for agencies to "self-
fund" additional 1.0%

The following table details the averages by grade level.

EMPLOYEES AND AVERAGES BY GRADE

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

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



SALARY DISTRIBUTION

SALARY DISTRIBUTION

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

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

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

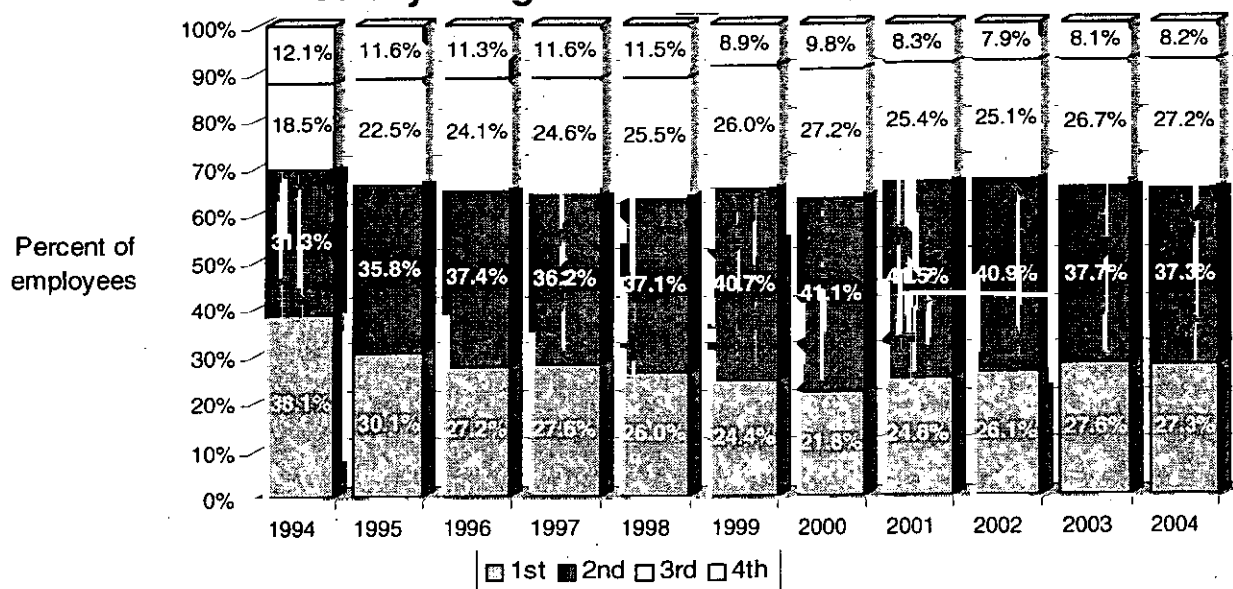
- 82% of Classified Employees have formal education or trade school beyond high school
- 54% of Classified Employees have a bachelors degree or higher

In the North Dakota general workforce:

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

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

Salary Range Quartile Distribution



TURNOVER INFORMATION

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

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

Turnover Rate Summaries

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

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

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

Percent of Total Turnover By Reason

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

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

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

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

Turnover Rate by Occupation

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

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

Especially noteworthy is the rate of 27% for employees with 1-2 years of service; in other words, **we lose over 1/4 of our employees between their 1 and 2 year anniversaries!**

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

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

Turnover Rate by Years of Service

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

RETIREMENT PROJECTIONS

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

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

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

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

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

* Mkt Increase data from annual surveys by World at Work

SALARY SURVEY

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

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

Colorado
Minnesota
Nebraska
Wyoming

Iowa
Missouri
Oklahoma

Kansas
Montana
South Dakota

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

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

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

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

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

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

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

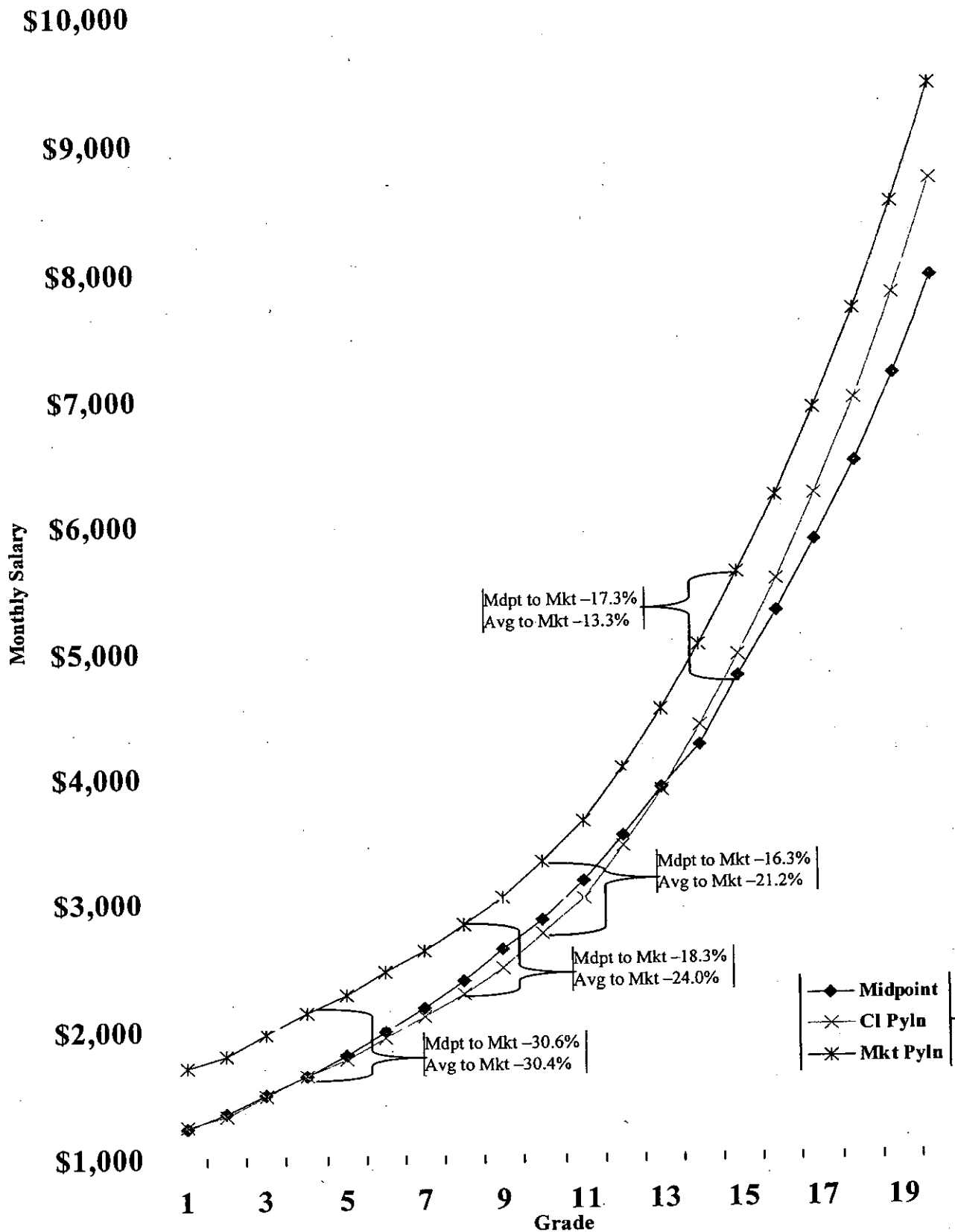
- Salary ranges need to be moved from 10 to 24%

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

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Classified & Market Paylines

1



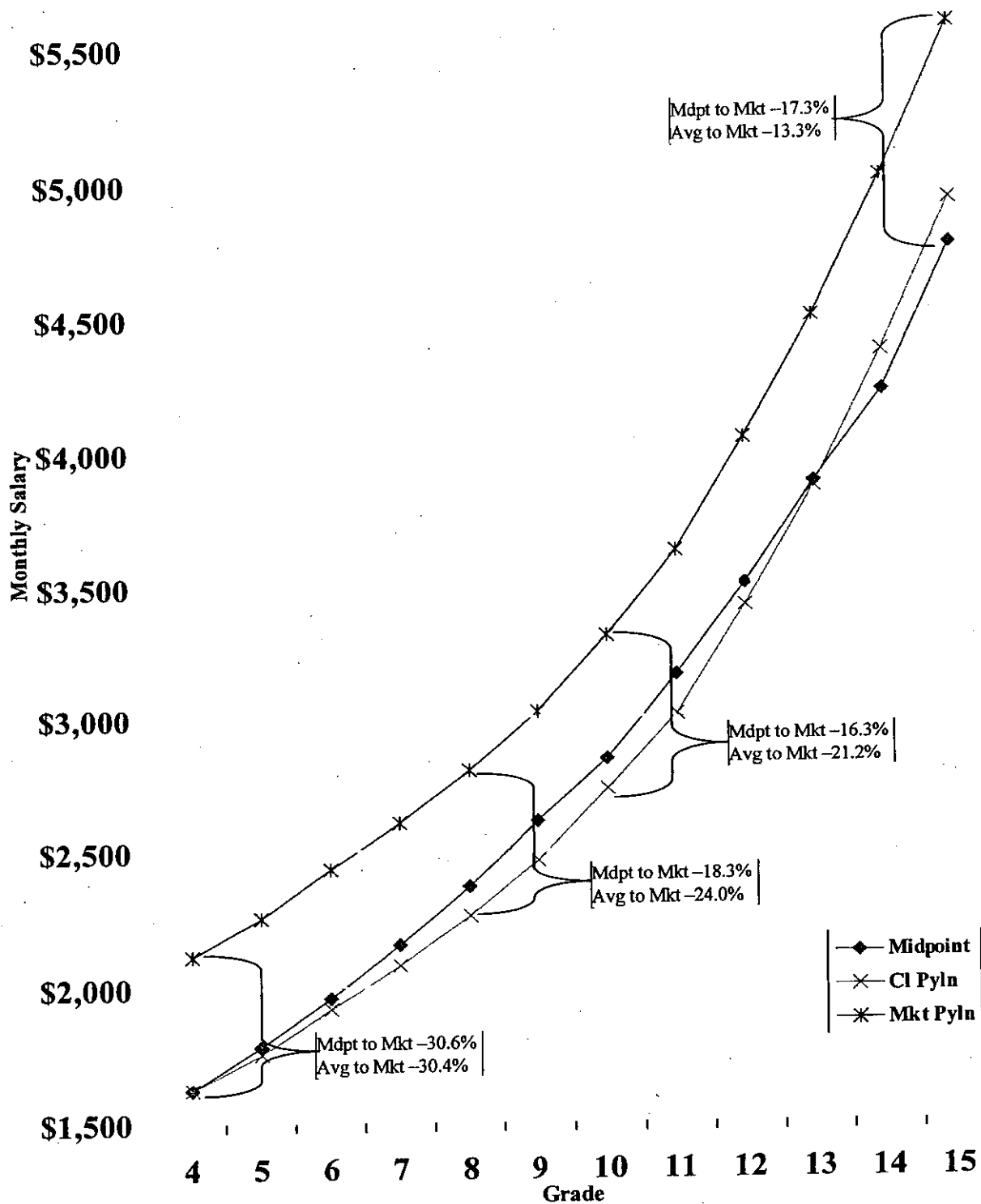
December 2004

Classified & Market Paylines

2

Grades 4 – 15

97% of Classified Employees

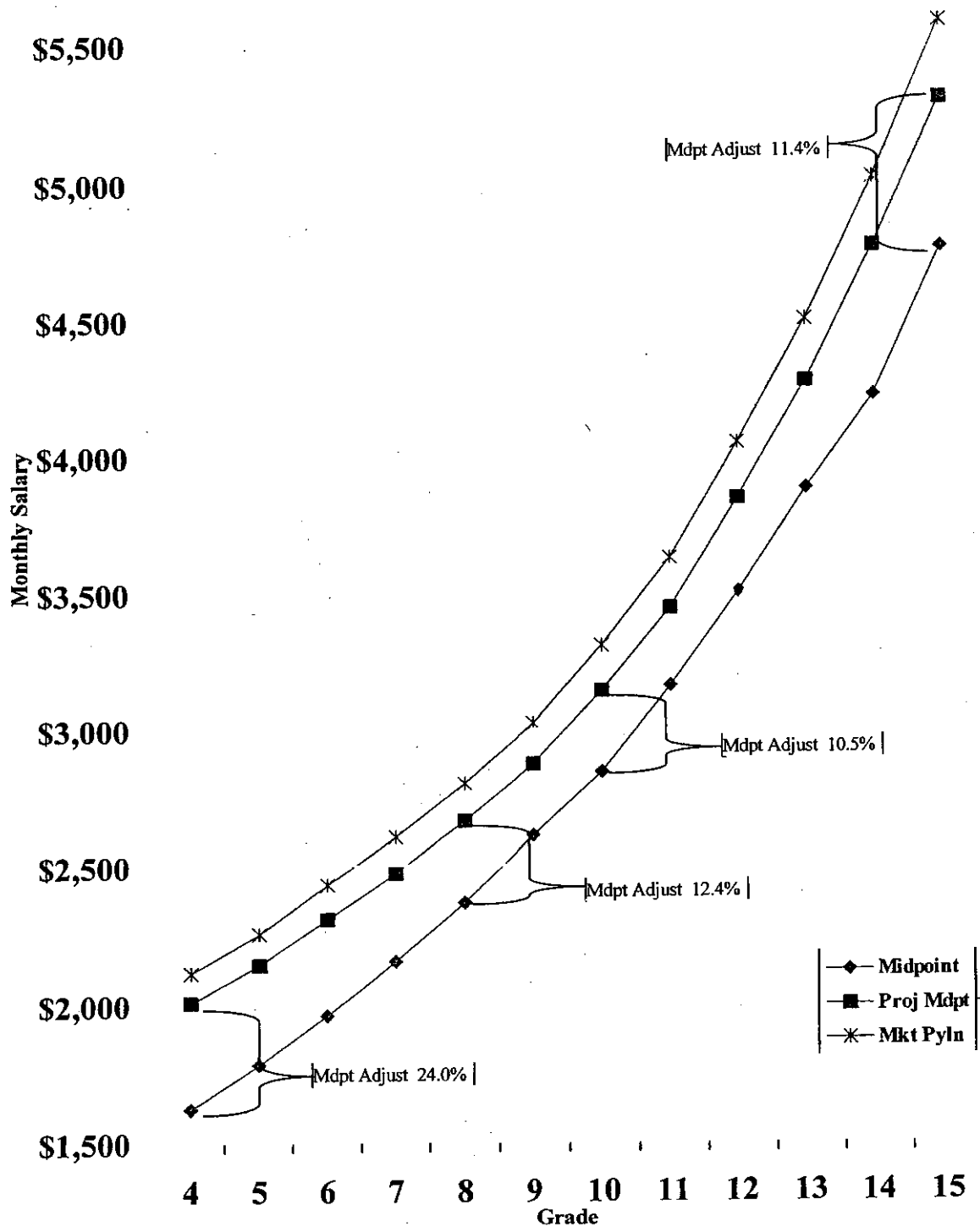


Classified & Market Paylines

3

Grades 4 – 15

97% of Classified Employees

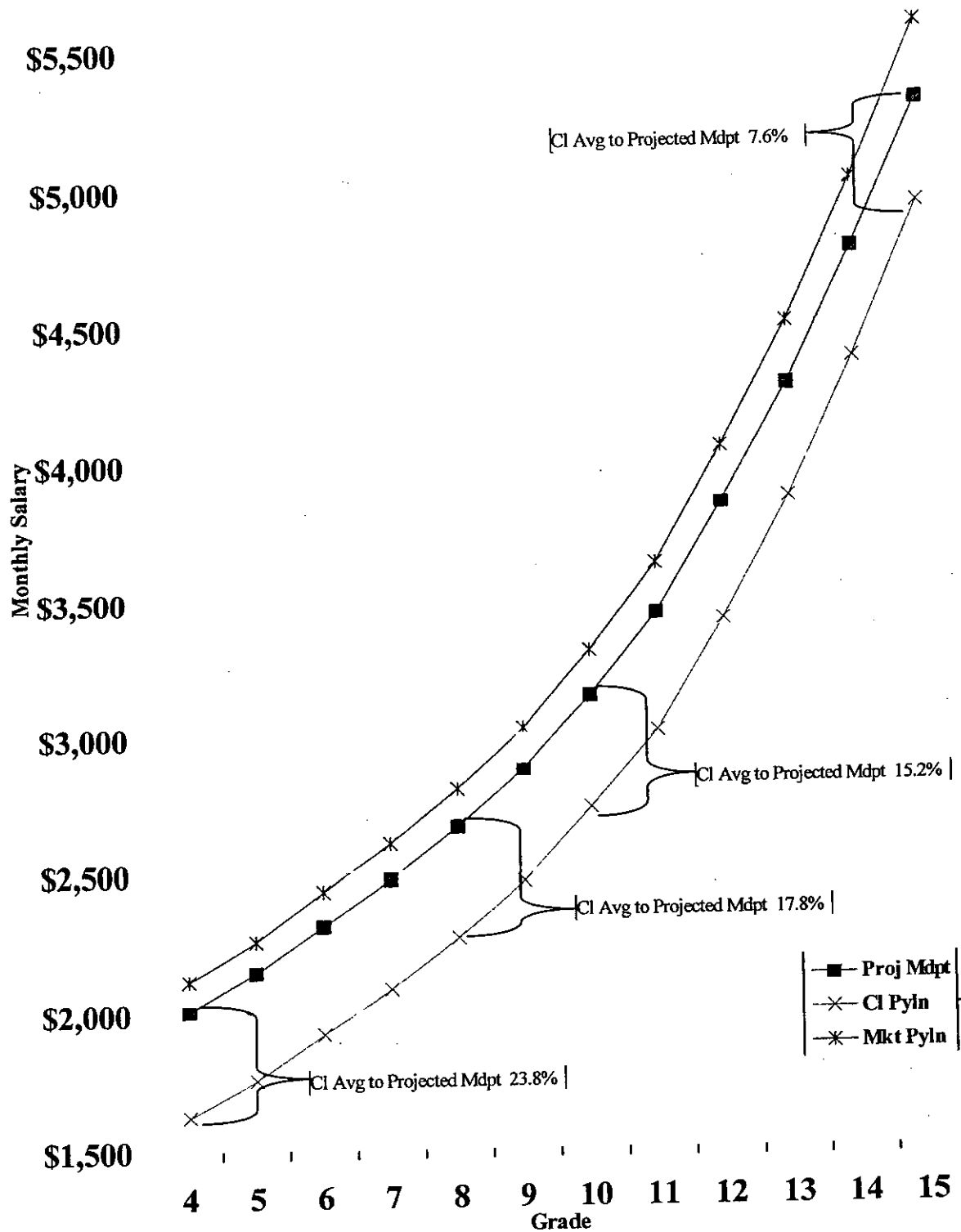


Classified & Market Paylines

4

Grades 4 – 15

97% of Classified Employees



December 2004

BENEFITS

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

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

State	Average Salary	Vacation Hours	Sick Hours	Holiday Hours	Health Insurance	Dental	Vision	Life	Retirement	Social Security	Total Benefit	% of Salary	Total Comp'n
COLORADO	\$45,425.00	120	80	80	\$326.46	\$16.26		\$0.14	10.15%				
per hour	\$21.84	\$1.26	\$0.84	\$0.84	\$1.88	\$0.09		\$0.03	\$2.22		\$7.17	32.82%	\$29.01
IOWA	\$45,545.00	120	144	88	\$687.86	\$20.19		\$0.23	5.75%	6.20%			
per hour	\$21.90	\$1.26	\$1.52	\$0.93	\$3.97	\$0.12		\$0.05	\$1.26	\$1.36	\$10.46	47.77%	\$32.36
KANSAS	\$32,139.00	120	96	80	\$513.57	\$21.72		\$0.42	4.87%	6.20%			
per hour	\$15.45	\$0.89	\$0.71	\$0.59	\$2.96	\$0.13		\$0.10	\$0.75	\$0.96	\$7.09	45.91%	\$22.55
MINNESOTA	\$44,621.00	130	104	88	\$848.39	\$19.10			4.00%	6.20%			
per hour	\$21.45	\$1.34	\$1.07	\$0.91	\$4.89	\$0.11			\$0.86	\$1.33	\$10.52	49.03%	\$31.97
MISSOURI	\$29,477.00	120	120	96	\$703.00			\$0.49	10.64%				
per hour	\$14.17	\$0.82	\$0.82	\$0.65	\$4.06			\$0.11	\$1.51		\$7.97	56.21%	\$22.14
MONTANA	\$32,524.00	120	96	84	\$511.00	\$28.60		\$0.23	6.90%				
per hour	\$15.64	\$0.90	\$0.72	\$0.63	\$2.95	\$0.17		\$0.05	\$1.08		\$6.50	41.57%	\$22.14
NEBRASKA	\$33,877.00	120	112	96	\$785.16			\$0.14	6.75%	6.20%			
per hour	\$16.29	\$0.94	\$0.88	\$0.75	\$4.53			\$0.03	\$1.10	\$1.01	\$9.24	56.73%	\$25.53
NORTH DAKOTA	\$32,600.00	120	96	84	\$489.00			\$0.19	4.12%				
per hour	\$15.67	\$0.90	\$0.72	\$0.63	\$2.82			\$0.04	\$0.65		\$5.77	36.82%	\$21.44
OKLAHOMA	\$29,963.00	144	120	80	\$858.74			\$0.24	10.00%	6.20%			
per hour	\$14.41	\$1.00	\$0.83	\$0.55	\$4.95			\$0.06	\$1.44	\$0.89	\$9.73	67.51%	\$24.13
SOUTH DAKOTA	\$31,424.00	120	112	92	\$407.32			\$0.21	6.00%				
per hour	\$15.11	\$0.87	\$0.81	\$0.67	\$2.35			\$0.05	\$0.91		\$5.66	37.45%	\$20.76
WYOMING	\$36,106.00	120	96	72	\$828.29	\$10.74		\$0.29	11.25%	6.20%			
per hour	\$17.36	\$1.00	\$0.80	\$0.60	\$4.78	\$0.06		\$0.07	\$1.95	\$1.08	\$10.34	59.57%	\$27.70
Avg per Hour =	\$17.21	\$1.02	\$0.88	\$0.71	\$3.65	\$0.11	0	\$0.06	\$1.25	\$1.10	\$8.22	\$0.48	\$25.43
		123	107	85	633	19	0	\$ 0.26	\$ 0.07				

For our standard 10-state employment market, the Total Compensation values range from \$20.76/hr in South Dakota to \$32.36/hr in Iowa. The overall average Total Compensation is \$25.43. North Dakota's value is \$21.44 (18.6% below the average). If we include the additional 1% retirement contribution for retiree health insurance, North Dakota's value increases to \$21.60 (17.7% below the average). If we further include the 4% contribution made by the State on behalf of the employee, the value is \$22.23 (14.4% below the average).

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

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

Observations:

Single Plan

- The average premium ranges from \$318-\$365; the lowest is a CO plan at \$261
- States average 91% of the premium with average employer cost ranging from \$305-\$331
- Employees average 9% of the premium with the average employee cost ranging from \$31-\$34
- ND pays \$230 per month for 100% of the premium; less than the average minimum of \$305 paid by states
- Only 2 states contribute less than ND for the minimum employee only plan; CO @ \$156 (57%) and NE @ \$221 (70%)

Family Plan

- The average premium ranges from \$803-\$957; the lowest is a MT plan at \$572
- ND is the only state paying 100% of the premium
- States average 76% of the premium with employer cost ranging from \$326-\$910
- Employees average 24% of the premium with the average employee cost ranging from \$198-\$268
- ND pays \$568 per month for 100% of the premium
- 4 states contribute less than ND for the minimum family plan

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

OBSERVATIONS/CONCLUSIONS

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

APPENDIX

CENTRAL STATES COMPENSATION ASSOCIATION 2004

Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Avg	Difference	
			Min	Mid	Max					Median	Mdpt-Avg
CL0032	Office Assistant II	6089	19,517	24,161	28,784	23,582	21,720	10-State			
		83	14,556	19,404	21,828	19,008	18,480	ND	-24.1%	-17.5%	-21.5%
CL0033	Office Assistant III	4094	18,779	23,214	27,628	22,681	21,180	10-State			
		167	16,008	21,348	26,688	20,408	19,884	ND	-11.1%	-6.5%	-6.2%
CL0041	Administrative Assistant I	1248	26,176	33,686	40,813	33,247	33,717	10-State			
		193	17,604	23,472	29,340	22,302	22,260	ND	-49.1%	-51.5%	-41.6%
CL0043	Administrative Assistant III	1417	28,717	36,245	43,662	37,087	31,848	10-State			
		74	21,300	28,404	35,508	30,048	30,534	ND	-23.4%	-4.3%	-30.6%
CL0115	Computer Prod Operator II	146	24,564	30,806	36,877	30,111	27,569	10-State			
		5	19,368	25,824	32,280	28,812	28,392	ND	-4.5%	2.9%	-16.6%
CL0125	Computer Operations Mgr	54	41,245	52,491	63,432	59,012	58,311	10-State			
		1	31,476	41,964	52,452	45,000	45,000	ND	-31.1%	-29.6%	-40.6%
CL0138	Directors, Software Dev/ Tele-comm/Cmptr Sys/Info Mgmt-DHS	74	61,468	76,876	92,083	82,206	80,589	10-State			
		4	47,364	63,156	78,948	70,632	70,128	ND	-16.4%	-14.9%	-30.2%
CL0142	Programmer Analyst II	1024	33,332	42,446	51,234	41,632	40,720	10-State			
		30	31,476	41,964	52,452	39,975	40,332	ND	-4.1%	-1.0%	0.8%
CL0143	Programmer Analyst III	813	42,584	53,579	64,371	56,154	55,361	10-State			
		55	34,884	46,512	58,140	46,874	46,944	ND	-19.8%	-17.9%	-20.7%
CL0144	Sr Programmer Analyst	296	48,420	61,472	74,321	65,722	64,235	10-State			
		32	37,920	50,556	63,192	53,585	53,712	ND	-22.7%	-19.6%	-30.0%
CL0150	DB Design Analyst III	800	45,811	58,346	70,610	61,666	60,642	10-State			
		4	37,920	50,556	63,192	55,476	55,698	ND	-11.2%	-8.9%	-22.0%
CL0157	Telecomm Tech II	169	30,085	36,985	43,651	36,943	39,362	10-State			
		5	25,572	34,092	42,612	36,780	35,280	ND	-0.4%	-11.6%	-8.4%
CL0162	Tech Support Spec II	1152	40,216	51,337	62,188	54,205	55,513	10-State			
		4	34,884	46,512	58,140	48,813	48,372	ND	-11.0%	-14.8%	-16.5%
CL0163	Tech Support Spec III	304	51,988	66,385	80,602	70,072	71,654	10-State			
		9	37,920	50,556	63,192	56,603	56,640	ND	-23.8%	-26.5%	-38.6%
CL0169	Telecomm Analyst II	840	36,191	46,413	56,350	46,763	45,343	10-State			
		15	31,476	41,964	52,452	43,308	44,604	ND	-8.0%	-1.7%	-11.4%
CL0174	Computer & Network Sp II	1265	35,862	45,562	54,967	45,434	44,502	10-State			
		20	28,368	37,824	47,280	34,798	33,536	ND	-30.6%	-32.7%	-20.1%
CL0175	Computer & Network Sp III	532	40,622	51,943	63,062	55,933	55,734	10-State			
		13	34,884	46,512	58,140	44,010	45,252	ND	-27.1%	-23.2%	-20.3%
CL0194	Info Sys Security Analyst	888	38,323	51,030	63,738	50,473	45,631	10-State			
		2	31,476	41,964	52,452	46,188	46,188	ND	-9.3%	1.2%	-20.3%
CL0211	Account Technician I	821	21,388	26,602	31,794	25,788	24,394	10-State			
		19	16,008	21,348	26,688	20,983	21,420	ND	-22.9%	-13.9%	-20.8%
CL0222	Accounting/Budget Specialist II	721	29,825	37,143	44,279	37,836	37,160	10-State			
		17	25,572	34,092	42,612	32,549	32,474	ND	-16.2%	-14.4%	-11.0%
CL0225	Accounting Manager II	163	52,134	66,086	81,196	68,677	66,490	10-State			
		16	42,792	57,060	71,328	60,140	60,468	ND	-14.2%	-10.0%	-20.4%
CL0242	Auditor II	309	31,902	40,101	48,025	38,147	36,438	10-State			
		33	28,368	37,824	47,280	34,150	33,516	ND	-11.7%	-8.7%	-0.9%
CL0243	Auditor III	291	33,012	41,743	50,167	41,071	41,377	10-State			
		33	31,476	41,964	52,452	39,461	38,460	ND	-4.1%	-7.6%	2.1%
CL0251	Asst Exec Budget Analyst	65	43,793	55,503	66,878	54,462	53,642	10-State			
		3	37,920	50,556	63,192	56,244	57,900	ND	3.2%	7.4%	-7.7%
CL0302	Collections Officer II	126	26,148	31,530	36,783	30,034	27,219	10-State			
		3	21,300	28,404	35,508	26,683	26,988	ND	-12.6%	-0.9%	-5.7%
CL0311	Compliance Officer I	608	26,309	32,888	39,402	31,651	31,340	10-State			
		4	25,572	34,092	42,612	35,279	35,388	ND	10.3%	11.4%	7.2%
CL0402	Financial Institutions Examiner II	108	35,033	45,992	56,629	44,529	42,598	10-State			
		4	31,476	41,964	52,452	37,095	36,960	ND	-20.0%	-15.3%	-6.1%
CL0410	Loss Control Analyst	123	32,948	42,541	51,786	41,006	38,147	10-State			
		2	31,476	41,964	52,452	35,232	35,232	ND	-16.4%	-8.3%	2.3%
CL0421	Grants & Contracts Officer I	749	32,247	41,617	50,987	41,794	38,303	10-State			
		5	25,572	34,092	42,612	31,881	32,892	ND	-31.1%	-16.5%	-22.6%
CL0442	Customer Service Spec	1278	26,224	32,896	39,414	31,882	29,145	10-State			
		86	25,572	34,092	42,612	29,142	28,494	ND	-9.4%	-2.3%	6.5%
CL0443	Customer Service Cons	589	28,251	35,615	42,838	34,958	32,394	10-State			
		57	28,368	37,824	47,280	34,183	33,816	ND	-2.3%	4.2%	7.6%
CL0446	Customer Service Mgr	220	35,685	45,172	54,372	45,262	43,448	10-State			
		9	37,920	50,556	63,192	46,276	44,328	ND	2.2%	2.0%	10.5%

CENTRAL STATES COMPENSATION ASSOCIATION 2004

Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Avq	Difference	
			Min	Mid	Max					Median	Mdpt-Avg
CL0455	Policyholder Clms Invest	63	34,499	44,420	54,014	43,612	41,240	10-State			
		1	21,300	28,404	35,508	32,329	32,329	ND	-34.9%	-27.6%	-53.5%
CL0460	Ins Co Financial Analyst	20	30,285	41,375	52,020	42,692	39,024	10-State			
		1	28,368	37,824	47,280	39,480	39,480	ND	-8.1%	1.2%	-12.9%
CL0462	Ins Co Examiner	61	35,687	46,069	60,061	50,671	50,899	10-State			
		1	25,572	34,092	42,612	35,700	35,700	ND	-41.9%	-42.6%	-48.6%
CL0556	Benefit Prog Admin	737	30,701	40,975	51,248	40,843	39,013	10-State			
		3	31,476	41,964	52,452	38,424	38,856	ND	-6.3%	-0.4%	2.7%
CL0606	State Procurement Officer II	820	33,189	42,049	50,611	41,521	40,322	10-State			
		1	31,476	41,964	52,452	42,864	42,864	ND	3.1%	5.9%	1.1%
CL0701	Legal Assistant I	1443	24,574	31,424	38,274	31,578	30,879	10-State			
		4	19,368	25,824	32,280	26,927	26,550	ND	-17.3%	-16.3%	-22.3%
CL0801	Human Resource Tech I	1447	23,908	30,715	37,288	30,687	29,075	10-State			
		6	21,300	28,404	35,508	25,802	25,842	ND	-18.9%	-12.5%	-8.0%
CL0803	Human Resource Ofcr I	967	30,767	38,971	46,878	40,363	37,565	10-State			
		6	28,368	37,824	47,280	37,699	36,298	ND	-7.1%	-3.5%	-6.7%
CL0804	Human Resource Ofcr II	741	38,030	49,669	60,939	51,092	51,563	10-State			
		13	34,884	46,512	58,140	42,862	42,732	ND	-19.2%	-20.7%	-9.8%
CL0806	Human Resource Director II	397	46,997	60,716	75,008	62,876	57,424	10-State			
		2	42,792	57,060	71,328	58,296	58,296	ND	-7.9%	1.5%	-10.2%
CL0807	Class & Comp Manager	213	49,651	63,335	78,050	67,110	66,789	10-State			
		1	37,920	50,556	63,192	56,016	56,016	ND	-19.8%	-19.2%	-32.7%
CL0818	Training Officer I	1041	30,724	38,744	46,570	40,107	39,095	10-State			
		1	25,572	34,092	42,612	31,920	31,920	ND	-25.6%	-22.5%	-17.6%
CL0823	Public Information Specialist III	900	33,587	42,791	51,689	42,681	40,801	10-State			
		12	28,368	37,824	47,280	39,352	38,154	ND	-8.5%	-6.4%	-12.8%
CL0835	Ins/Form Rate Analyst II	71	33,293	42,580	51,609	42,103	41,501	10-State			
		3	28,368	37,824	47,280	38,208	36,683	ND	-10.2%	-13.1%	-11.3%
CL0902	Research Analyst II	175	32,587	41,227	49,609	42,267	42,566	10-State			
		4	25,572	34,092	42,612	31,047	31,734	ND	-36.1%	-34.1%	-24.0%
CL1206	Library Associate II	242	23,539	28,741	33,944	29,513	28,049	10-State			
		2	19,368	25,824	32,280	25,332	25,332	ND	-16.5%	-10.7%	-14.3%
CL1212	Librarian II	816	30,603	38,642	46,499	38,351	37,153	10-State			
		4	28,368	37,824	47,280	31,524	31,524	ND	-21.7%	-17.9%	-1.4%
CL1213	Librarian III	560	39,176	49,746	60,317	54,022	57,928	10-State			
		3	34,884	46,512	58,140	37,008	36,636	ND	-46.0%	-58.1%	-16.1%
CL1232	Museum Specialist II	55	28,626	35,728	42,468	34,945	32,163	10-State			
		4	25,572	34,092	42,612	30,624	30,894	ND	-14.1%	-4.1%	-2.5%
CL1242	Historian II	62	30,575	38,654	46,515	38,358	36,105	10-State			
		2	25,572	34,092	42,612	31,332	31,332	ND	-22.4%	-15.2%	-12.5%
CL1604	Asst Dir, P/S Educ Prgrms	401	37,688	47,837	57,986	49,933	47,749	10-State			
		9	34,884	46,512	58,140	41,955	40,704	ND	-19.0%	-17.3%	-7.4%
CL2004	Engineering Tech IV	1581	26,272	32,763	39,050	33,732	29,524	10-State			
		69	25,572	34,092	42,612	35,652	35,676	ND	5.4%	17.2%	1.1%
CL2015	Transportation Project Manager	1199	30,282	37,932	45,336	39,945	36,307	10-State			
		29	28,368	37,824	47,280	38,220	39,240	ND	-4.5%	7.5%	-5.6%
CL2016	Transportation Project Sr Manago	579	33,847	43,293	52,739	46,788	43,691	10-State			
		28	31,476	41,964	52,452	45,493	45,840	ND	-2.8%	4.7%	-11.5%
CL2021	Transportation Engineer I	319	33,189	41,462	49,775	39,073	37,303	10-State			
		20	25,572	34,092	42,612	36,152	36,600	ND	-8.1%	-1.9%	-14.6%
CL2022	Transportation Engineer II	950	42,188	52,607	63,218	53,881	48,420	10-State			
		27	31,476	41,964	52,452	40,844	40,368	ND	-31.9%	-19.9%	-28.4%
CL2023	Transportation Engineer III	633	49,528	62,151	74,942	65,656	57,911	10-State			
		56	34,884	46,512	58,140	48,691	47,934	ND	-34.8%	-20.8%	-41.2%
CL2025	Admin Trans Engineer II	247	58,871	75,269	91,667	84,501	84,247	10-State			
		15	47,364	63,156	78,948	68,962	68,760	ND	-22.5%	-22.5%	-33.8%
CL2030	Chief Trans Engineer	175	67,021	83,614	105,314	96,262	100,124	10-State			
		1	64,128	85,500	106,872	84,660	84,660	ND	-13.7%	-18.3%	-12.6%
CL2043	Environmental Engineer III	530	47,598	60,224	72,680	62,853	58,676	10-State			
		14	34,884	46,512	58,140	44,055	45,276	ND	-42.7%	-29.6%	-35.1%
CL2057	Hydrologist II	374	37,270	47,682	57,774	48,228	45,457	10-State			
		1	31,476	41,964	52,452	37,452	37,452	ND	-28.8%	-21.4%	-14.9%
CL2058	Hydrologist III	203	42,735	53,891	64,588	55,548	53,168	10-State			
		5	34,884	46,512	58,140	44,218	42,960	ND	-25.6%	-23.8%	-19.4%

CENTRAL STATES COMPENSATION ASSOCIATION 2004

Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Difference		
			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL2059	Hydrologist Manager I	411	48,668	62,357	76,046	66,810	61,647	10-State			
		4	37,920	50,556	63,192	56,394	56,448	ND	-18.5%	-9.2%	-32.2%
CL2065	Facility Construction Engineer	471	48,413	60,923	73,229	63,805	58,418	10-State			
		1	37,920	50,556	63,192	52,848	52,848	ND	-20.7%	-10.5%	-26.2%
CL2082	Geologist II	201	33,544	43,093	52,275	42,549	39,800	10-State			
		1	34,884	46,512	58,140	38,496	38,496	ND	-10.5%	-3.4%	8.5%
CL2083	Geologist III	154	39,249	49,779	60,309	53,901	51,876	10-State			
		4	37,920	50,556	63,182	51,297	51,558	ND	-5.1%	-0.6%	-6.6%
CL2092	Petroleum Engineer II	179	31,094	39,820	48,546	40,445	41,453	10-State			
		7	31,476	41,964	52,452	38,389	37,380	ND	-5.4%	-10.9%	3.6%
CL2102	Planner II	936	32,100	40,668	49,019	41,391	40,810	10-State			
		3	25,572	34,092	42,612	36,476	38,460	ND	-13.5%	-6.1%	-21.4%
CL3018	Physician Assistant	170	50,501	64,598	78,695	65,374	65,750	10-State			
		1	42,792	57,060	71,328	65,856	65,856	ND	0.7%	0.2%	-14.6%
CL3020	Nurse Practitioner	207	49,432	62,493	75,555	63,458	64,596	10-State			
		5	42,792	57,060	71,328	57,526	56,736	ND	-10.3%	-13.9%	-11.2%
CL3030	Director of Nursing-NDSH	87	50,358	63,277	76,196	67,690	62,422	10-State			
		1	47,364	63,156	78,948	74,616	74,616	ND	9.3%	16.3%	-7.2%
CL3052	Licensed Prac Nurse I	1945	24,503	30,915	37,262	31,118	30,032	10-State			
		61	21,300	28,404	35,508	29,184	29,112	ND	-6.6%	-3.2%	-9.6%
CL3062	Registered Nurse II	1768	32,531	41,889	50,988	42,195	40,973	10-State			
		90	28,368	37,824	47,280	39,013	39,114	ND	-8.2%	-4.8%	-11.6%
CL3063	Registered Nurse III	888	37,813	47,739	57,491	50,464	47,596	10-State			
		33	31,476	41,964	52,452	43,233	44,720	ND	-16.7%	-6.4%	-20.3%
CL3075	Pub Hlth Nurse Cons I	267	39,170	49,320	59,471	51,493	55,343	10-State			
		4	25,572	34,092	42,612	32,220	32,592	ND	-59.8%	-69.8%	-51.0%
CL3103	Aud/Speech Lang Path II	88	35,116	44,622	53,851	46,002	46,244	10-State			
		3	28,368	37,824	47,280	36,264	38,196	ND	-26.9%	-21.1%	-21.6%
CL3123	Physical Therapist	27	39,344	50,541	61,738	58,967	53,703	10-State			
		2	37,920	50,556	63,192	54,581	54,581	ND	-8.0%	1.6%	-16.6%
CL3133	Occupational Therapist	61	36,821	46,859	56,624	49,700	50,408	10-State			
		8	34,884	46,512	58,140	40,796	40,776	ND	-21.8%	-23.6%	-6.9%
CL3172	Therapeutic Rec Spec II	267	27,925	35,032	42,012	36,056	34,195	10-State			
		5	25,572	34,092	42,612	32,446	32,604	ND	-11.1%	-4.9%	-5.8%
CL3201	Medical Lab Tech I	98	22,880	28,465	34,029	27,532	26,128	10-State			
		1	21,300	28,404	35,508	27,948	27,948	ND	1.5%	6.5%	3.1%
CL3225	Medical Technologist II	81	28,868	36,420	43,754	38,068	35,963	10-State			
		1	25,572	34,092	42,612	34,872	34,872	ND	-9.2%	-3.1%	-11.7%
CL3232	Chemist II	132	34,360	43,752	52,821	43,745	42,166	10-State			
		5	28,368	37,824	47,280	35,928	36,108	ND	-21.8%	-16.8%	-15.7%
CL3236	Forensic Scientist II	262	37,337	47,120	57,110	46,912	46,746	10-State			
		6	28,368	37,824	47,280	29,561	29,364	ND	-58.7%	-59.2%	-24.0%
CL3242	Microbiologist II	172	33,306	42,377	51,152	41,611	38,891	10-State			
		5	28,368	37,824	47,280	35,112	35,220	ND	-18.5%	-10.4%	-10.0%
CL3261	Pharmacist I	54	46,861	60,158	73,066	67,369	66,904	10-State			
		3	42,792	57,060	71,328	66,080	67,956	ND	-2.0%	1.5%	-18.1%
CL3326	Dental Hygienist	15	29,274	36,279	43,011	44,976	47,780	10-State			
		1	31,476	41,964	52,452	49,080	49,080	ND	8.4%	2.6%	-7.2%
CL3402	Env Hlth Practitioner II	323	32,335	41,328	49,952	41,924	38,506	10-State			
		4	25,572	34,092	42,612	30,843	30,540	ND	-35.9%	-26.1%	-23.0%
CL3412	Epidemiologist II	152	36,829	46,709	56,395	46,340	40,766	10-State			
		15	25,572	34,092	42,612	31,076	29,748	ND	-49.1%	-37.0%	-35.9%
CL3429	Health Education Spec II	321	32,482	40,969	49,260	39,490	38,205	10-State			
		2	25,572	34,092	42,612	33,696	33,696	ND	-17.2%	-13.4%	-15.8%
CL3512	Hlth Care Fac Surveyer II	331	34,199	43,353	52,289	43,319	41,266	10-State			
		15	28,368	37,824	47,280	33,789	32,856	ND	-28.2%	-25.6%	-14.5%
CL3544	Dietitian II	86	32,616	40,315	47,727	42,195	40,292	10-State			
		3	25,572	34,092	42,612	37,454	36,670	ND	-12.7%	-9.9%	-23.8%
CL3701	Veterinarian I	47	51,498	61,960	72,943	62,946	63,150	10-State			
		1	42,792	57,060	71,328	46,800	46,800	ND	-34.5%	-34.9%	-10.3%
CL4003	Eligibility Worker II	302	29,270	35,429	41,588	35,943	36,764	10-State			
		1	23,472	31,296	39,120	29,844	29,844	ND	-20.4%	-23.2%	-14.8%
CL4033	Human Service Prog Admin III	469	42,110	54,323	67,109	56,834	56,056	10-State			
		52	28,368	37,824	47,280	36,671	36,708	ND	-55.0%	-52.7%	-50.3%

CENTRAL STATES COMPENSATION ASSOCIATION 2004

Cls Code	Match Title	# Ee's	Salary Range			Average	Median	State	Difference		
			Min	Mid	Max				Avg	Median	Mdpt-Avg
CL4034	Human Service Prog Admin IV	249	39,737	50,371	60,738	52,360	46,706	10-State			
		62	31,476	41,964	52,452	41,443	41,022	ND	-26.3%	-13.9%	-24.8%
CL4037	Treatment Unit Director	93	57,252	72,289	87,430	76,596	73,668	10-State			
		2	42,792	57,060	71,328	70,356	70,356	ND	-8.9%	-4.7%	-34.2%
CL4101	Mental Health Care Spec I	5208	19,115	23,896	28,691	23,729	22,307	10-State			
		28	14,556	19,404	24,252	16,758	16,349	ND	-41.6%	-36.4%	-22.3%
CL4102	Mental Health Care Spec II	4825	23,264	29,046	34,717	28,500	25,833	10-State			
		126	17,604	23,472	29,340	20,652	20,412	ND	-38.0%	-26.6%	-21.4%
CL4111	Direct Training Tech II	1576	21,993	27,643	33,268	26,925	24,854	10-State			
		29	19,368	25,824	32,280	22,631	22,464	ND	-19.0%	-10.6%	-4.3%
CL4116	Unit Program Coordinator	310	33,510	42,158	50,531	43,031	39,099	10-State			
		11	28,368	37,824	47,280	35,619	36,924	ND	-20.8%	-5.9%	-13.8%
CL4120	Juv Inst Res Specialist I	1220	25,779	32,717	39,450	32,734	31,014	10-State			
		26	23,472	31,296	39,120	25,642	24,402	ND	-27.7%	-27.1%	-4.6%
CL4133	Addiction Counselor II	197	29,667	36,379	42,872	35,024	33,862	10-State			
		63	28,368	37,824	47,280	34,789	34,200	ND	-0.7%	1.0%	7.4%
CL4142	Human Relations Counselor	600	32,653	40,185	47,388	39,518	38,269	10-State			
		20	28,368	37,824	47,280	34,307	34,170	ND	-15.2%	-12.0%	-4.5%
CL4164	Licensed Psychologist I	206	43,272	54,621	65,711	56,844	57,087	10-State			
		12	42,792	57,060	71,328	57,673	58,650	ND	1.4%	2.7%	0.4%
CL4171	Chaplain	74	31,026	38,865	46,703	37,183	35,532	10-State			
		1	28,368	37,824	47,280	44,054	44,054	ND	15.6%	19.3%	1.7%
CL4213	Social Worker III	3927	29,096	36,557	43,817	35,169	33,429	10-State			
		45	28,368	37,824	47,280	35,164	35,148	ND	0.0%	4.9%	7.0%
CL4215	Supervisor/Clinician	620	34,537	43,776	52,797	43,194	42,167	10-State			
		6	31,476	41,964	52,452	45,030	44,748	ND	4.1%	5.8%	-2.9%
CL4222	Voc Rehab Couns II	526	30,665	38,688	46,711	38,190	36,967	10-State			
		23	25,572	34,092	42,612	31,013	31,140	ND	-23.1%	-18.7%	-12.0%
CL4226	Vision Rehab Spec II	232	31,293	39,026	46,436	38,396	35,499	10-State			
		5	28,368	37,824	47,280	33,029	32,760	ND	-16.2%	-8.4%	-1.5%
CL4252	Dis Claims Analyst II	1006	27,310	34,844	42,379	35,289	35,756	10-State			
		4	25,572	34,092	42,612	27,804	27,180	ND	-26.9%	-31.6%	-3.5%
CL4323	Job Service Prog Admin II	135	37,065	47,430	57,488	49,416	41,974	10-State			
		8	31,476	41,964	52,452	39,447	37,886	ND	-25.3%	-10.8%	-17.8%
CL4360	Appeals Referee	146	43,686	55,318	66,607	56,105	50,542	10-State			
		2	31,476	41,964	52,452	41,274	41,274	ND	-35.9%	-22.5%	-33.7%
CL4402	Human Service Aide II	406	18,410	23,393	28,376	21,124	22,116	10-State			
		15	17,604	23,472	29,340	21,910	20,604	ND	3.6%	-7.3%	10.0%
CL5022	Communications Spec II	434	24,628	30,728	36,670	29,971	28,851	10-State			
		15	21,300	28,404	35,508	28,457	27,648	ND	-5.3%	-4.4%	-5.5%
CL5035	Deputy Boiler Inspector	23	33,057	41,180	48,842	44,182	43,389	10-State			
		1	28,368	37,824	47,280	41,632	41,632	ND	-6.1%	-4.2%	-16.8%
CL5038	Compliance Investigator	750	31,004	39,397	47,791	40,518	38,950	10-State			
		6	28,368	37,824	47,280	35,098	35,196	ND	-15.4%	-10.7%	-7.1%
CL5050	Safety Officer	347	36,004	46,962	57,920	51,686	53,661	10-State			
		2	28,368	37,824	47,280	37,002	37,002	ND	-39.7%	-45.0%	-36.6%
CL5102	Parole & Prob Officer II	870	28,236	36,646	44,852	36,266	35,630	10-State			
		42	31,476	41,964	52,452	35,470	35,220	ND	-2.2%	-1.2%	13.6%
CL5103	Parole & Prob Officer III	323	38,866	48,993	58,753	49,480	41,454	10-State			
		6	34,884	46,512	58,140	38,998	38,820	ND	-26.9%	-6.8%	-6.4%
CL5108	Correctional Caseworker	980	30,196	38,172	45,930	38,569	36,192	10-State			
		36	23,472	31,296	39,120	27,204	26,688	ND	-41.8%	-35.6%	-23.2%
CL5112	Correctional Officer II	11947	24,998	30,940	36,771	30,283	27,883	10-State			
		173	23,472	31,296	39,120	25,947	25,152	ND	-16.7%	-10.9%	3.2%
CL5113	Correctional Officer III	2126	31,466	39,279	46,891	41,710	38,841	10-State			
		7	25,572	34,092	42,612	32,374	33,324	ND	-28.8%	-16.6%	-22.3%
CL5114	Correctional Officer IV	204	36,722	47,060	57,004	48,725	44,843	10-State			
		9	31,476	41,964	52,452	37,012	36,800	ND	-31.6%	-22.5%	-16.1%
CL5120	Dir, Prisons Div/Warden	269	54,078	71,664	89,653	75,791	75,604	10-State			
		1	52,416	69,888	87,360	67,572	67,572	ND	-12.2%	-11.9%	-8.4%
CL5212	Criminal Investigator II	410	41,073	50,723	60,372	49,963	47,241	10-State			
		8	31,476	41,964	52,452	35,102	35,124	ND	-42.3%	-34.5%	-19.1%
CL5242	Drivers License Exmnr II	526	23,568	29,451	35,220	29,163	27,276	10-State			
		26	21,300	28,404	35,508	26,090	25,590	ND	-11.8%	-6.6%	-2.7%

CENTRAL STATES COMPENSATION ASSOCIATION 2004

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

JOB SERVICE NORTH DAKOTA 2004

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

JOB SERVICE NORTH DAKOTA 2004

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

1999 & 2001 Market/Equity Distribution Plan

SALARY INCREASE MODEL - 2001 Special Market/Equity Increase

Prepared by ND Central Personnel Division
Office of Management & Budget

Increase Information

Total # Ees:	6,572
Ees Receiving Increases:	4,226
Total Market/Equity Salary Increase:	\$ 4,006,968
Total Market/Equity Cost:	\$ 4,676,383
Total General Fund Cost:	\$ 2,684,343
Total Special Fund Cost:	\$ 1,990,960

General Information

# Employees:	6,572
Current Avg Salary:	\$2,448
Now Avg Salary:	\$2,474
Avg Comp. Ratio:	0.92
Yrs Svc (7/1/01):	12.6
Yrs in Cts/Grd:	7.0
Avg Increase \$:	\$25.41
Avg Increase %:	1.1%

Salary Increase:	# Employees rcvg:
4.8%	65
3.4%	386
2.1%	2,058
0.9%	1,717

RANGE COMPRESSION MATRIX

8-tile	1	2	3	4	5
4.8%	3.4%	2.1%	0.9%	0.0%	0.0%
3.4%	2.1%	0.9%	0.0%	0.0%	0.0%
2.1%	0.9%	0.0%	0.0%	0.0%	0.0%

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

Og	Dept	Dv	Name	Class	Grade	Current Salary	Current C-Ratio	8-tile	Yrs Svc on 7/1/01	Yrs in Cts/Grd	Total Increase \$ Increase/mo	Cost with % Gen Benefits Fund	Gen Fund Cost	Spcl Fund Cost	Salary % Inc	New Salary	New C-Ratio
xxx	YYY	50%	a	33	5	767.00	0.88	3	1.9	1.9	0	100%	0.00	0.00	0.0%	767.00	0.88
xxx	YYY		b	33	5	1,262.00	0.72	1	0.7	0.7	1	\$ 27.00	31.50	100%	2.1%	1,289.00	0.74
xxx	YYY		c	32	5	1,463.00	0.84	2	1.7	1.7	1	\$ 13.00	15.20	100%	0.9%	1,476.00	0.85
xxx	YYY		d	3	5	1,555.00	0.89	3	1.8	1.8	0	100%	0.00	0.00	0.0%	1,555.00	0.89
xxx	YYY		e	33	5	1,533.00	0.88	3	3.1	3.1	0	100%	0.00	0.00	0.0%	1,533.00	0.88
xxx	YYY		f	42	7	1,547.00	0.73	1	0.7	0.7	1	\$ 32.00	37.30	100%	2.1%	1,579.00	0.75
xxx	YYY		g	42	7	1,635.00	0.77	1	1.8	1.8	1	\$ 34.00	39.70	100%	2.1%	1,669.00	0.79
xxx	YYY		h	33	5	1,731.00	0.99	4	7.2	7.2	0	100%	0.00	0.00	0.0%	1,731.00	0.99
xxx	YYY		i	41	6	1,943.00	1.01	5	13.3	13.3	0	100%	0.00	0.00	0.0%	1,943.00	1.01
xxx	YYY		j	42	7	2,042.00	0.97	4	13.0	13.1	1	\$ 18.00	21.00	100%	0.9%	2,060.00	0.98
xxx	YYY		k	212	7	2,042.00	0.97	4	13.9	13.9	1	\$ 18.00	21.00	100%	0.9%	2,060.00	0.98
xxx	YYY		l	33	5	2,014.00	1.15	5	20.2	20.2	0	100%	0.00	0.00	0.0%	2,014.00	1.15
xxx	YYY		m	43	8	2,260.00	0.97	4	15.6	15.3	1	\$ 20.00	23.30	100%	0.9%	2,280.00	0.98
xxx	YYY		n	43	8	2,065.00	0.89	3	10.5	10.8	1	\$ 19.00	22.20	100%	0.9%	2,084.00	0.90
xxx	YYY		o	33	5	2,122.00	1.22	5	22.9	22.9	0	100%	0.00	0.00	0.0%	2,122.00	1.22
xxx	YYY		p	43	8	2,364.00	1.02	5	14.4	14.4	0	100%	0.00	0.00	0.0%	2,364.00	1.02
xxx	YYY		q	181	8	2,448.00	1.05	5	15.6	15.3	0	100%	0.00	0.00	0.0%	2,448.00	1.05
xxx	YYY		r	221	8	2,529.00	1.09	5	22.9	21.6	0	100%	0.00	0.00	0.0%	2,529.00	1.09
xxx	YYY		s	911	8	2,620.00	1.13	5	24.1	24.1	0	100%	0.00	0.00	0.0%	2,620.00	1.13
xxx	YYY		t	912	10	2,857.00	1.03	5	21.8	21.8	0	100%	0.00	0.00	0.0%	2,857.00	1.03
xxx	YYY		u	912	10	3,228.00	1.16	5	27.6	27.6	0	100%	0.00	0.00	0.0%	3,228.00	1.16
xxx	Cc 21																
xxx	Total					2,001.19	0.97		12.1	12.1	\$ 22.63	211.20	211.20	0.00	0.5%	2,009.81	0.97
xxx	Average																

Explanation of Market/Equity Model

Employee List

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

Range Compression Matrix

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

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

An employee paid in the	1st eighth of the range with	0-7 yrs of service was identified for a	2.1% increase.
	↓	7-12	3.4%
		over 12	4.8%
	2nd	0-7	0.9%
	↓	7-12	2.1%
		over 12	3.4%
	3rd	0-7	0.0%
	↓	7-12	0.9%
		over 12	2.1%
	4th	0-7	0.0%
	↓	7-12	0.0%
		over 12	0.9%
	5th eighth of the range and above were not eligible for market/equity increases.		