

Fifty-ninth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1050

Introduced by

Representatives Carlisle, Martinson, Porter

Senators Stenehjem, Nething, Schobinger

1 A BILL for an Act to provide a statement of legislative intent regarding state employee  
2 compensation adjustments.

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

4 **SECTION 1. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION**

5 **ADJUSTMENTS - GUIDELINES.** It is the intent of the fifty-ninth legislative assembly that  
6 2005-07 biennium compensation adjustments for permanent state employees are to be  
7 increases of three percent beginning with the month of July 2005, to be paid in August 2005,  
8 and of four percent beginning with the month of July 2006, to be paid in August 2006. Of the  
9 four percent increase beginning with the month of July 2006, two percent is to be distributed for  
10 the following adjustments:

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

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

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

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

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

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