

October 2006

AGENCY COMPENSATION SYSTEM RECOMMENDATIONS AND STATISTICS - 2005-06 INTERIM

The schedule below summarizes selected agency suggestions to the Employee Benefits Programs Committee relating to state employee compensation.

Bank of North Dakota	Department of Corrections and Rehabilitation	State Department of Health	Department of Human Services	Information Technology Department	Job Service North Dakota	Department of Public Instruction	Department of Transportation
<p>Review the state's compensation system and practices, considering a more rigorous benchmarking of positions with a transition plan to bring salaries closer to market</p> <p>Provide above average salary increases to correct the current competitive shortfall</p>	<p>Address pay equity issues among employees in different agencies and increase salary levels to market prior to incorporating a pay for performance system</p> <p>Adjust pay range midpoints to 95% of market</p>	<p>Increase salary levels to market prior to implementing a pay for performance system</p>	<p>Determine the funding level for the compensation system by policy based in comparison to a specific market to provide consistency</p> <p>Adjust specific classes within a pay grade when making market adjustments rather than across-the-board increases</p> <p>Develop and provide funding to allow employees to move through their salary range, through a merit, step, or other system--allow flexible use of benefits to recruit employees</p>	<p>Increase salary levels to market by establishing a short- and long-term plan to commit funds to achieve this goal over three bienniums</p> <p>Adjust pay range midpoints to 95% of market</p>	<p>Provide for a consistent salary administration strategy from year to year</p>	<p>Provide for a compensation system that is competitive with the external market</p>	
<p>Incorporate pay for performance as a component of salary increase legislation</p>				<p>Once salaries are competitive with market, establish a pay for performance component to the compensation system</p>		<p>Incorporate a pay for performance component along with cost-of-living adjustments in compensation packages</p>	<p>Incorporate a pay for performance component to the compensation system</p>

Bank of North Dakota	Department of Corrections and Rehabilitation	State Department of Health	Department of Human Services	Information Technology Department	Job Service North Dakota	Department of Public Instruction	Department of Transportation
Increase the dollar amount and numbers of employees that qualify for performance bonuses							
Continue to fully fund the benefit package	Continue state funding of health insurance premiums	Continue state funding of health insurance premiums	Do not make any changes to the paid health insurance benefits	Continue state funding for health insurance premiums			Provide dental and vision insurance benefits
Send a message to employees that they are important, their work is meaningful, and that the Legislative Assembly supports their efforts	Provide for more internships, promotional opportunities, and public education and public relations efforts	Continue allowing agency flexibility relating to salary issues and support agency efforts to provide for advancement opportunities for employees					Improve the image/perception of state employment and use current technology

The schedule below lists turnover and retirement statistics for selected major state agencies.

	Bank of North Dakota	Department of Corrections and Rehabilitation	State Department of Health	Department of Human Services	Information Technology Department	Job Service North Dakota	Department of Public Instruction	Department of Transportation
Total turnover rate - Total number of employees leaving employment of the agency as a percentage of the agency's number of employees for the year								
Fiscal year 2004	7%	13% ¹	9.9%	12.5% ²	6.2%	9%	12%	5.5%
Fiscal year 2005	6%	11% ¹	12.8%	13.4% ²	6.6%	13%	7%	6.5%
Fiscal year 2006	9%	11% ¹	8.0%	8.0% ²	10.3%	18%	9%	6.6%
Turnover rate due to retirements - Number of employees who retired during the year as a percentage of the agency's average number of employees for the year								
Fiscal year 2004	2%	1%	2.5%	1.9% ²	.9%	3.5%	3%	2.3%
Fiscal year 2005	2%	1%	2.2%	2.2% ²	.9%	4.8%	3%	2.9%
Fiscal year 2006	1%	2%	1.3%	1.8% ²	.4%	5.4%	1%	2.4%
Estimated number of employees eligible for retirement by June 30								
2007	17	46	15	244	11	67	10	143
2008	19	52	16	315	14	82	12	167
2009	26	63	31	388	16	89	15	177

¹Includes turnover of temporary corrections officers and temporary juvenile institutional residential specialists.

²Information is provided for calendar years 2004 and 2005 and for the first six months of calendar year 2006.