

**Sixtieth Legislative Assembly of North Dakota
In Regular Session Commencing Wednesday, January 3, 2007**

SENATE BILL NO. 2189
(Senators Nething, Dever, Robinson)
(Representatives Delmore, Porter, Weiler)

AN ACT to provide an appropriation for state employee salary equity adjustments; to provide a statement of legislative intent regarding state employee compensation adjustments; and to provide a statement of legislative intent regarding state employee health insurance premiums.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATEWIDE SALARY EQUITY POOL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, and from special funds, derived from federal funds or other income, the sum of \$5,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing statewide salary equity adjustments for classified state employees in accordance with provisions of section 2 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 2. STATEWIDE SALARY EQUITY POOL FOR CLASSIFIED STATE EMPLOYEES. The statewide salary equity pool appropriation included in section 1 of this Act must be used for market equity compensation adjustments for classified state employees. The market equity adjustments are to begin with the month of July 2007, to be paid in August 2007. The market equity adjustments are independent of any general salary increase provided by the legislative assembly.

The market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints effective July 1, 2007.

Probationary employees are eligible for the market equity increases. Employees whose documented performance levels do not meet standards are not eligible for the market equity increases.

Human resource management services shall provide a model base plan to each agency. Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an alternative plan that meets the intent outlined in this section.

Upon adoption of an appropriate plan and application to human resource management services, the fiscal management division shall transfer to each eligible agency appropriated general fund or special fund spending authority from the statewide salary equity pool appropriation contained in section 1 of this Act.

SECTION 3. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixtieth legislative assembly that 2007-09 compensation adjustments for permanent state employees are to be based on documented performance and equity. General increases based on legislative appropriations are to be given beginning with the month of July 2007, to be paid in August 2007, and beginning with the month of July 2008, to be paid in August 2008. Each agency appropriation is increased by 4.0 percent for the first year of the 2007-09 biennium and 4.0 percent for the second year of the 2007-09 biennium.

Employees whose documented performance levels do not meet standards are not eligible for any salary increase. Each employee whose documented performance meets all standards is to receive a minimum monthly increase of \$75 on July 1, 2007, and \$75 on July 1, 2008.

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

During the biennium, no salary increase other than a temporary increase may be given to an employee whose salary exceeds or would exceed the salary range maximum.

SECTION 4. LEGISLATIVE INTENT - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. It is the intent of the sixtieth legislative assembly that state agency appropriations include the funding necessary to provide for health insurance premiums for eligible state employees at the monthly premium rate of \$658.08 for the biennium beginning July 1, 2007, and ending June 30, 2009.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2189.

Senate Vote: Yeas 45 Nays 0 Absent 2

House Vote: Yeas 90 Nays 0 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2007.

Approved at _____ M. on _____, 2007.

Governor

Filed in this office this _____ day of _____, 2007,

at _____ o'clock _____ M.

Secretary of State