

2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2311

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2311

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 1/29/08

Recorder Job Number: 8092

Committee Clerk Signature	<i>Kate Olive</i>
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Minutes:

Committee was called to Chairman Dever. The clerk called the role and all members were present.

**Dave Nething:** For the record my name is Dave Nething and I am a state senator from district 12 which is 5/6 of the city of Jamestown. SB 2311 is a bill that the governor talked about and it is my understand that it is covered in individual budgets. 2 years ago we isolated the state employee increases so that we could put on a faster track so that we could get issue resolved early in the session, it was very well accepted by the employees and the legislators were pleased that we have done that because it relieved a great deal of anxiety among the employees.

There is one situation that I would like to draw you attention to: during campaign in last election I talked to a variety of people that told me they were at top of pay scales and because of that their opportunity was limited to some of the salinary increases This particular bill is designed to deal with that problem though the flexibility of the agencies. It is identical to governor's proposal with the exception of the compression issue.

**Senator Dever:** Questions of the committee? How does this compare to the proposal from last session?

**Senator Nething:** I do not recall, I just took what governor had proposed and put in a separate bill.

**Gary Feist:** See attached testimony #1.

**Senator Nelson:** On line 12 of the bill it says "Employee's whose documented performance level do not meet standards are not eligible for any salary increases." Who is writing the standards and making sure they are met? Is it objective?

**Gary Feist:** Each agency is supposed to do Performance evaluation on their employees. If they are meeting expectations, you would receive a salary increase.

**Senator Nelson:** Line 13 the very last word "the employee must meet all standards" is that kind of harsh?

**Gary Feist:** From NDEA perspective, if meeting expectations, should be able to salary increase.

**Senator Dever:** Is this written the same as it was 2 years ago?

**Gary Feist:** The proposal last session was a 4% appropriation with a \$10,000,000 equity pool. Yes it is structured the same.

**Senator Dever:** OK, thank you. Who would like to testify next?

**Francis Ziegler:** See attached testimony #2.

**Senator Horne:** Equity money included in the proposed bill is \$23,000,000 how important is that for recruiting specialty employees?

**Francis Ziegler:** Equity is what we use to get some of our people up so we don't lose them.

**Senator Dever:** I know the equity pool has been an important tool for the retention of engineers in the past.

**Francis Ziegler:** There is a big swing coming, I am sure you are all aware of the economic stimulus package of 800 billion. The North Dakota Department of Transportation is in the

neighborhood of 200-230 million for what we are going to get. Right now we are pushing engineers as hard as we can they are cranking out those 200 million in project quickly. The stress level is as high as I have ever seen it and it is happening in every state. It would be pretty irresponsible to not put money to work if we get it, so we are pushing out engineers hard.

**Cory Fong:** Testimony #3.

**Senator Cook:** You mentioned longest average service at 18 yrs. What is a longest year of service?

**Cory Fong:** We had a sales tax auditor retire in December after 40 years. Many of our employees have been there for decades, Marcy Dickerson for exapmle. We don't want to be a training ground for the private sector. The workforce is changing, they are younger they have different needs.

**Stuart Savelkoul:** See attached testimony #4.

**Jeff Weispenning:** See attached testimony #5

**Katie Crowford:** Association of Public Employees. AFPE represents over 1,000 former and past public employees from across the state of North Dakota and we urge a do pass on SB2311.

**Senator Dever:** Anyone to testify on SB2311?

**Senator Cook:** The 23 million for equity, how is that divided up?

**Ken Purdy:** Classification and compensation manager with HR Management Services. The process went through a variety of stages in assigning dollars to the agencies based on agency request, market issues, and internal equity issues. It was also based on a boarder perspective of comparing agencies, looked at where and employees were in salaries agencies so some of the money was prioritized that way, so there was not set formula, a number of those factors

went into it to bring that amount. If you would like I can distribute the report that I shared with the joint appropriations committee a few weeks ago for reference.

**Senator Cook:** I am assuming that you looked at each agency, determined the number and came up with 23 million?

**Ken Purdy:** Yes it is.

**Senator Dever:** Since there is no fiscal note on this bill, although it appears to me that it is a pay bill that is puts it forward. I guess I am not clear on why there is no fiscal note but I am inclined to re refer it to appropriations anyway.

**Ken Purdy:** I believe that because the budget includes the dollar in each agency budget with the governor's executive budget proposal that would be the reason there is no specific fiscal note. It is not adding anything to the proposed budget.

**Senator Dever:** It just seems that when this bill passes that it will be in place and it is a matter of each agency reflecting that. OK, thank you. With that we will close the public hearing on SB2311.

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2311

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/29/09

Recorder Job Number: 8855

Committee Clerk Signature

*Katie Owsy*

Minutes:

Senator Cook moved a do pass a re referral to appropriations with a second by Senator Oehlke. The vote was taken and passed 5-0 with Senator Horne carrying.

Date: 2-5-06  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 23A

Carrier  
Horne

Senate Government and Veteran's Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass w/o Referral

Motion Made By Cook Seconded By Oehlke

Senators	Yes	No	Senators	Yes	No
Dick Dever	x		Dwight Cook	x	
Dave Oehlke	x		Carolyn Nelson	x	
Robert M. Horne	x				

Total Yes 5 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

2009 SENATE APPROPRIATIONS

SB 2311



## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2311

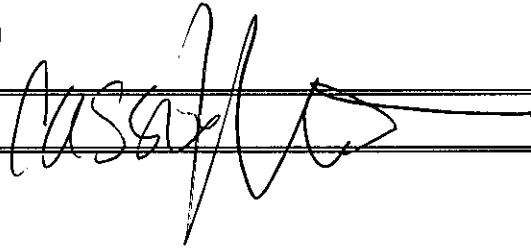
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-10-09

Recorder Job Number: 9090

Committee Clerk Signature



Minutes:

**Chairman Sen. Holmberg** called the committee hearing to order at 8:00 am in reference to SB 2311 in regards to providing statements of legislative intent regarding state employee compensation adjustments. Roll call was taken. All committee members were present.

**Ken Verty**, Compensation manager, testified in favor of the bill. Passed out a handout.

See attachment #1.

**Ken-** (Went over handout with committee)

**Sen. Christmann-** the first chart that you handed out would you say that most of the category I better here then in other base markets?

**Ken-** these are base salaries and it doesn't count the benefits. In ND there is a wide range of benefits offered and many small employers can not compete with a high level identical package. The larger employers provide a very competitive package.

**Sen. Holmberg-** but those numbers are state wide numbers for all state employees, and we have some agencies that I understand help push that up and others that are other stable?

**Ken-** there is definitely a variety depending on the occupations and employees.

**Francis Ziegler**, Director of the ND Department of Transportation, testified in favor of the bill.

See attachment #2.

**Gary Fiest**, President of the ND public employees association, testified in favor of the bill.

**Gary**- I am here to testify in support of this bill. (Goes over and explains the bill to committee and what exactly it does) If not now when will the state find it necessary to make the public employee salary competitive with the market? Please give this bill a do pass recommendation.

**Sen. Mathern**- On line 19-21 of page one there is a cap on salaries, I am just wondering are these ranges true with this bill?

**Gary**- I can't answer that.

**Sen. Holmberg** called **Ken** back to the podium.

**Ken**- the appropriation recommendation from the governor would be equity dollars and the general increase appropriation will give us flexibility to make a significant movement in the salary ranges and catch up to the market. Our goal at that point is to move our midpoints.

**Sen. Robinson**- we heard throughout the session through state government agencies that we had employees recruited away by others just because of the money. Is that something the legislature should maybe be concerned about is there something that we could be doing? I don't want to be in a situation where we are not allowing employees to grow, but if we are in a situation where we have one agency stealing employees from

others we have employees at a disadvantage simply because there is not any agency with special funds, how would you respond to that?

**Ken-** the equity funds in the agency budgets took into consideration the different factors and the flexibility left to the agencies to implement their plan for distributing that money, so that would provide them to do some balancing. I would be hesitant to recommend any action you limiting movement among agencies because very often there is opportunity for advancement also and we don't want to tie employees back from that opportunity. For the most part as we have talked to agencies they are very cautious, if they know that they are hiring somebody who is currently in a similar job in the other agency it is usually pretty level. I don't know how we would restrict that without damaging the flexibility the agencies have.

**Sen. Christmann-** how many people fall into the \$24,000 range where the \$100 minimum takes into effect? Just roughly?

**Gary-** I think around 500.

**Stuart Savelkoul**, Executive Director of the ND Public Employee Association, testified in favor of the bill. See attached testimony, attachment #3.

No opposition to the bill.

**Chairman Sen. Holmberg** closed the hearing.

**Sen. Wardner** motioned for a Do pass and was seconded by **Sen. Christmann**, roll call vote 12 yea, 0 nay, 2 absent. Floor assignment GVA.

Date: 2/10/09  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2311

Senate \_\_\_\_\_ Committee \_\_\_\_\_

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken dp

Motion Made By Wardner Seconded By Christmann

Representatives	Yes	No	Representatives	Yes	No
Senator Krebsbach	✓		Senator Seymour	✓	
Senator Fischer	A		Senator Lindaas	A	
Senator Wardner	✓		Senator Robinson	✓	
Senator Kilzer	✓		Senator Warner	✓	
V. Chair Bowman	✓		<del>Senator [unclear]</del>		
Senator Christmann	✓		Senator Krauter	✓	
V. Chair Grindberg	✓		Senator Mathern	✓	
Chairman Holmberg	✓				

Total Yes 12 No 0

Absent 2

Floor Assignment 2 A 1 B GVA

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

REPORT OF STANDING COMMITTEE (410)  
February 10, 2009 8:51 a.m.

Module No: SR-26-2226  
Carrier: Horne  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2311: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS**  
(12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2311 was placed on the  
Eleventh order on the calendar.

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2311

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2311

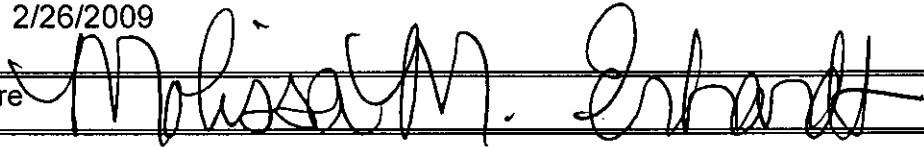
House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 2/26/2009

Recorder Job Number: 2/26/2009

Committee Clerk Signature



Minutes:

**Chairman Grande:** Open the hearing on SB 2311. Clerk read the title.

**Senator David Nething, District 12, which encompasses 5/6 of the city of**

**Jamestown:** This SB 2311 comes to you from the senate as a unanimous vote

and basically the bill is identical to what the Governor had proposed in his budget. We just wanted to put it in a single bill and let it move forward as rapidly as possible. We did it two years ago and it worked out well. That really tells you why the bill is here and there are people here that can tell you more. It is fairly straight forward, it has the same percentages that the Governor recommended, it has the other positions the Governor recommended, but it is all in a single bill form.

**Chairman Grande:** Any questions of the Senator? Anyone else who wishes to speak in favor of this bill?

**Roger Johnson, ND Agriculture Commissioner:** I know that you have a lot of folks here prepared to testify. I just wanted to officially that we support this bill very strongly and you know what is in the bill as Senator Nething has described. You may also know that as a result of House action on our budget we actually are left with a 1.7% raise times two years. So you need to be aware of that and in addition to that there were equity dollars that came from the Governor's budget that were in our budget that have been removed with new direction on how the funds should be dispersed. Testimony. See Attachment #1.

**Rep. Kasper:** What were the pay levels of the employees that you lost to the private sector?

**Roger Johnson:** I can provide that information for you. I don't have them off the top of my head. I think we have lost seven of the ten for pay reasons and they went for higher salaries somewhere else. I will be happy to get that information to you, who they were and what their pay levels were.

**Rep. Winrich:** Would the passage of this bill have any effect on your budget?

**Roger Johnson:** I hope so. I hope that if you passed the bill as a result that what you would do is pull all of the salaried dollars out of the respective agency budgets and they would just move in this bill. I suspect that is how it would work.



But I will let the experts handle that question. My goal is to end up with enough money to do five plus five and to do the health care. Which are the two main things that are in this bill.

**Rep. Kasper:** The way I understand HB 1009, is although it removes 2% of your salary line, it has jackpotted a lot of equity dollars in OMB, whereby, you could as the head of the department apply for those dollars for each employee and justify the need and receive the five plus five like you are asking for, is that not correct?

**Roger Johnson:** That is not my understanding. I can apply to OMB, but there are two different rules that apply to the equity money under the provision that has been adopted in the House as opposed to what was in our budget. Our budget allowed us to move up whole categories of inspection staff. The direction that is in that bill that is given to OMB is to adjust them from the midpoint of the range and so you may have a range that is stationary here and if you want to move people within that range, in our case we want to move whole ranges up because the ranges are out of whack. The 2% recission across the board, in effect what that did was it took the five plus five money out of our agency.

**Rep. Kasper:** Are you saying Commissioner Johnson that you want to increase your ranges higher than 5% or when you are saying you want to move them up you want to move everyone up 5%?

**Roger Johnson:** What I am saying is that in the Governor's budget that applied to our agency, the equity money that was provided applied to a couple classed of employees, primarily inspections staff, these are folks that are out in the field. Their range isn't right here. The language that was in our appropriation bill before it was removed would have allowed us to move that whole range up. That is the kind of language that we need in order to move ranges of inspections staff in this case, of certain employees who are out of whack, to move them up to where they need to be with the market.

**Rep. Kasper:** You have not answered what I asked though. Is this range that you are moving up, is that going to be higher than 5%? Are you trying to move somebody up a range or two in the pay scale and then give the 5% or as you are moving up is it a total of 5% for each employee?

**Roger Johnson:** Those are two different issues and two different decisions that we would typically make at different times. The first decision we would make is if we have the equity money where should it be applied. So you bring the employees in the ranges where they need to be and then the 5% money raises would be added to that.

**Rep. Kasper:** So what I understand is in your particular case you would be giving some employees a much greater raise than 5%?

**Roger Johnson:** Of course, that is the purpose of the equity pool.

**Chairman Grande:** Anyone else wishing to testify in favor?

**Francis Ziegler, Director, North Dakota Department of Transportation:**

Testimony. See Attachment #2. I was told this morning that we have tried on three occasions now to get a mechanic in one of our districts and we are not getting any applications. As we look outside today, the last thing we want is to have our trucks parked because we can't maintain them by our mechanics.

**Rep. Kasper:** A list of number of employees in the various departments, Statewide, for the last five years. What I am looking for is how many FTE's did your department have 5 years ago, 4 years ago, 3 years ago, and so on? So I can get a feel of what your FTE numbers are. Are they stagnant , are they growing and so on. Would that be a hard number for someone in your department to come up with?

**Francis Ziegler:** Not a problem at all, in fact we have a transportation booklet that has all that information in it. You should have received it by now but I will make sure that you get one.

**Chairman Grande:** Any other questions?

**Jim Collins Jr., State Employee Compensation Commission, State**

**Employee:** Testimony. See Attachment # 3. I appreciate you looking over the State Employee Compensation recommendation that was mailed out but I brought it again. The second page is actually the fiscal part of it that explains

how much money it would take to get us where we need to be. The reason it looks so big is because we have not addressed that issue in a long time. So all the while our salaries have been falling this way while the market goes up. That goes to support Commissioner Johnson's testimony on the inspector's. It is going to take, as you see on those pages, it's approximately 8.1%. Now that is not an even 8.1%, that is realizing that some pay ranges are 3% behind, some are approximately 14% to 15% behind the market. Under that proposal that was put forth some people would have gotten anywhere from 3% to 18% to 19% to get them close to the market and that was 95% of the market not the whole market.

**Chairman Grande:** Questions for Mr. Collins?

**Rep. Kasper:** What department do you work in?

**Jim Collins Jr:** I work in the Department of Health.

**Rep. Kasper:** In Fargo I have been told that the unemployment rate for this last month has doubled compared to a year ago. I am reading in our Fargo Forum that layoffs are occurring in the private sector quite a bit now. The people are without jobs, the raises are flat and yet your coming here saying that's okay, the private sector, we cannot compete with the private sector but we want more dollars now. Where is the equity when the private sector has tough times where

the State Employees have to say well maybe we can't have quite as much as we'd like.

**Jim Collins Jr:** The problem lies in that in the previous years we have been behind the private sector, when the times were good and the private sector was up here, we were down here. We have never ever caught up to that. So to answer your question, we are asking for it now because the State is doing well. We've lagged behind and we've taken zero percent in 2001, 2002, and maybe 2003, one percent if the agency could find it. In the private sector their wages were going up and the economy was skyrocketing while we took the zero and less than 1% and sometimes less than 2%. The cost of living was at 2% and 3%, so we were losing money there. So yes, that is why I am coming forth saying, yes, as a Senator said in the State Employee Compensation Commission, we promised the State Employees we would do right by them when the State came into some money and now it is time. I am proud to work with that individual. I will work with him any day.

**Rep. Kasper:** When you do your numbers, Mr. Collins, do you factor in the fact that in the private sector most employees share in the cost of health insurance, share in the cost of retirement benefits, and in some cases in the private sector some companies have no retirement benefits compared to how we as a State fund a 100% of the health costs and a good share of the retirement costs. I

would assume your numbers don't consider that to see where we are at with overall compensation because in my opinion health costs and retirement costs are part of compensation.

**Jim Collins Jr.:** Right now if you want to compare, we can compare States, ND sits right in the middle as far as benefit comparisons. One thing you have to keep in consideration, and I do as a State Employee, yes I appreciate the health benefits, I always have, but another thing that we have to remember is that ND, the health benefits that you pay is less than some of the surrounding States that don't pay for a full insurance policy. Some States are paying about \$1200 for an insurance policy that they split with the employees. The State pays \$1200 and the employee pays some too. We pay \$650 to \$700 right now anyway but it will go up. So yes I understand that and I do take into account for that, however, I also have several friends that work for private employers that have their insurance totally paid for and they get vision and dental. We do not get that, we can buy it. But to buy it, costs us more than it is actually worth.

**Rep. Kasper:** Mr. Collins, I happen to be in the area of employee benefits and I travel all over ND, I don't know of any employer group at this point in the private sector, I surely don't know all of them, that pays 100% of everything, and you might know someone who does. But if your calculations added 10 thousand dollars per year to each State employees salary because that's at least a

minimum cost of the benefit package, where would your numbers be with that additionally 10 thousand on top of everybody's employment salary status right now?

**Jim Collins Jr.:** To use an example, in the State of Oregon, I would be at their starting salary.

**Rep. Kasper:** I am not talking about Oregon, I am talking about ND. Where would you be at with your numbers in the private sector in your comparisons if you added 10 thousand dollars to every State Employees salary because of the benefit package we have?

**Jim Collins Jr.:** If we could add their benefits as well we would still be behind. I can go from off of my brother's work. They don't get full health insurance, they pay \$170 a month, but I am still approximately \$13,000 behind comparing an engineering field to an engineering field. My position I would probably be close to even if that.

**Rep. Wolf:** You may or may not be able to answer this, weren't State Employees at some time in the past given free health insurance in lieu of pay raises for a certain period of time as well as the full paid retirement in lieu of raises for a certain amount of time.

**Jim Collins Jr.:** Yes, I believe it was 1983 or 1984. I don't have that exact sheet with, it is probably the only sheet I don't have with.

**Chairman Grande:** Committee if you want I can bring in the benefit portfolios from TFFR and PERS but that is not the discussion at this moment.

**Rep. Nathe:** Just walk with me as far as the compensation commission and my being new here and helping me out. The commission that you sit on came up with a four and four. So how did you get to the five and five? Did the Governor just ask for that?

**Jim Collins Jr.:** The Governor did that after receiving our recommendation.

**Rep. Nathe:** So you were fine with the four and four?

**Jim Collins Jr.:** Yes. Then what we did was that we had a pool set aside to adjust the ranges so four and four was more than enough. The pool would adjust people up to get their pay range up and then it would also give the four and four which would have been on top of that.

**Rep. Nathe:** Okay. The four and four was sufficient.

**Jim Collins Jr.:** Yes.

**Rep. Nathe:** May I get a copy of the chart that you have? With the ranges?

**Jim Collins Jr.:** I am sure we can.

**Gary Feist, President, North Dakota Public Employees Association and State Employee, State Auditor's Office:** Testimony. See Attachment #4.

**Vice Chairman Randy Boehning:** On the second page of your testimony, in the second paragraph, you are talking about 23.7% of new hires move on to other



employment. Do you have any statistics in the private sector of what their numbers are or turnover rates?

**Gary Feist:** No, I do not.

**Vice Chairman Randy Boehning:** Is that something that you can find for us?

**Gary Feist:** Our turnover rates in ND within the first year of service and the first five years is extremely high.

**Vice Chairman Randy Boehning:** I am wondering how the State turnover rate is compared to the private industry. Is that something you can find?

**Gary Feist:** I can come up with something.

**Rep. Nathe:** Walk me through the process of going to the compensation commission of how you settled on the four and four? How did you get to the four and four, did you have discussions on maybe going to seven, going to eight percent? I would think that you would look higher than that, I would think that the Governor would be at 5% and you guys would be at 6% or 7%, so how did you get to that point? Was there any discussion about shooting higher than 5%?

**Gary Feist:** The commission was trying to figure out how we could get back to 95% of the market. That was the goal of the commission to get back to midpoint range just to get into 95% of the market. That is why there was a request for a 8.1% increase which was a 43 million dollar equity pool. As you see the

Governor's package includes 23 million dollars of equity and our plan had 4%

salary increase each year of the biennium and his has a 5%. His reduced the equity and provided more money in the salary line instead of moving all the ranges that we needed to go back to 95% of market. There was not enough money for that, that is the difference that you are seeing there. The commission looked at the other 4% was to make sure we are could maintain our 95% of market that we had. Looking at what the changes in what the market will be for 2010, estimating what we thought we would need to keep up with the markets and that is where we came up with that 4% increase.

**Ken Purdy, Classification Compensation Manager with Human Resource**

**Management Services:** Testimony. Attachment # 5.

**Chairman Grande:** Mr. Purdy, who are the ten states?

**Ken Purdy:** MT, CO, SD, KS, NE, IA, MN, MO, WY, and OK.

**Rep. Kasper:** Can you provide us a chart that takes out the farm income and give us the same data?

**Ken Purdy:** I don't think I can. I can check.

**Rep. Winrich:** Does this chart of personal income growth in ND include benefits or is it strictly wages and salary?

**Ken Purdy:** I am not sure how economy.com relates their information.

**Chairman Grande:** Any other questions?

**David Sprynczynatyk, Adjutant General, Director of Dept of Emergency**

**Services:** I am here this morning in support of SB 2311. I have had the opportunity to be the director of different agencies the last several years and in every instance I have found that State Employees are very professional, very dedicated, very loyal to serving the people of ND. But what I have also found in every instance is that State Employees have been paid below the market salary when you compare others here in the State. The others within political subdivisions in the State as well as the private sector and we appreciate greatly what the Legislature has done in the past but we think that we have an opportunity now to close that gap in terms of the inequity between what State Employees are paid and what others are paid across the State of ND in various professions. One of the things that I bring to you is a thank you for what you did two years ago in terms of a specific equity adjustment for employees within the division of State Radio, which is also a part of Emergency Services. As a result of providing additional for equity adjustments we have been able to reduce our turnover rate significantly and that is truly appreciated. I know that in Section 2 of the bill there is a provision for equity adjustments and that too is very vital to those of us that are agency directors to be able to manage our employees and to be able to address those inequity situations whether they be external or internal.

So Madam Chair and members of the committee I would be glad to try to answer any questions that you might have this afternoon.

**Chairman Grande:** Questions from the committee?

**Cory Fong, Tax Commissioner, State of North Dakota:** Testimony.

Attachment # 6.

**Tanya Stebbins, Wife of State Employee:** Testimony. Attachment # 7.

**Chairman Grande:** Any questions? Favor? Against? Neutral? Closed?

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2311


House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: March 13, 2009 (**Committee Work**)

Recorder Job Number: 10905

Committee Clerk Signature



Minutes:

**Chairman Grande:** SB 2311 is a language bill to go into code. The same language written in OMB's budget HB1015 deals with setting up a preference. We've always dealt with this type of ritual all through the appropriations portions of the legislation where the appropriations committee can match up numbers and amounts and budgets with each of the agencies. This bill sets it out differently here where the adjustments don't necessarily get made through the appropriations committee but it is in the language of HB 1015. We have that language in front of us. I don't see why we would want to set precedence by having it in policy vs. appropriation where it necessarily belongs.

**Vice Chairman Boehning:** I move without recommendation and rerefer to Appropriations.

**Representative Kasper:** Second

**Representative Winrich:** This strikes me as a very unusual procedure. The normal motion of Do Pass and Do Not Pass and we are moving directly to a No Recommendation.

**Chairman Grande:** It probably is a different procedure than normal. But for me this bill is different than norm, it doesn't even go into code. It referenced actually to a piece of appropriation so I think it needs to go to the appropriation for its reference.

**Representative Kasper:** If you look at line 1 of the bill, this is a do nothing bill. It says a "bill for an act to provide statements on legislative intent." We don't do legislative intent on appropriations and employee salaries. We budget them through the appropriations process. This is a bill that should never have been introduced in my opinion. That is why I think the motion for no recommendation is appropriate. Get it down to appropriations and let them do the appropriation for employee salary increases, equity pay, health insurance, etc.

**Representative Wolf:** Couldn't we just ask on the floor for this to be withdrawn from our committee and sent to appropriations?

**Chairman Grande:** We can't do that anymore.

**Representative Karls:** If we send it out with no recommendation, what happens to it then?

**Chairman Grande:** It goes right to appropriations for them to review and put into HB1015 which is OMB's budget where the salary lines are all listed.

**Representative Winrich:** We do legislative intent on all sorts of things. In my opinion I don't see any reason why we shouldn't do it with respect to state employees' compensation.

**Chairman Grande:** I have an issue with the intent language coming through a policy committee when it is noted as standard procedure that OMB's budget and the appropriation committee deals with the numbers and salaries vs. legislative or bills to policy committee.

**Representative Froseth:** I don't know how binding legislative intent is to OMB or appropriations but what I don't like about this, it binds the next biennium to the increases we have this year.

**Chairman Grande:** It appears it is going to, but it is each year of the biennium.

**Representative Froseth:** Whatever weight this legislative intent carries, it still calls for the five percent for the first year of the 2009-11 biennium and by five percent for the

second year of the 2009-11 biennium and \$100 minimum increase and equity pool. Maybe by the end of session that is all going to have to change.

**Chairman Grande:** I'm hoping they are adjusting equity pool issues. I think equity pool issues should deal with the lower paid people. That's where the budget committee comes in.

**Representative Meier:** Now this is the exact same language as in HB 1015? Last session is the first session that we brought forward a bill that addressed the state employee pay increases. In your knowledge has there ever been a situation where you don't deal with it \_\_\_\_\_?

**Chairman Grande:** Last session was the only time where that has been done.

**Representative Schneider:** If the consensus of the committee that this bill should not have been here in the first place, perhaps a Do Not Pass motion would be more appropriate.

**Chairman Grande:** For me a Do Not Pass would send the message. Maybe on the other side of that we want them to do something different. Whereas I think we are just telling them, "Deal with it." If we say "Do Not Pass", we will be telling the budget committee we want more or less than the 5 and 5.

**Representative Schneider:** I think we will have to make a vote on this on the floor eventually anyway on which way we feel. Perhaps we have an obligation to amend it.

**Representative Kasper:** How would we come to an amendment at this late date? That is not our job. Appropriations deals with these budgets. They've been doing it since the session started. "No recommendation" is saying this is a bill we don't want to deal with.

**Chairman Grande:** If we try to amend it, we don't know the dollar amounts. We don't know what budgets have.

**Representative Winrich:** This was done in the last session. In previous sessions there has been concern that the OMB budget which deals with state employees' salaries is usually one

of the last pieces of legislation to be considered. Any shortfall gets dumped on state employees. This is an attempt to avoid that situation. It is not binding on either the appropriations committee or the legislature. It does express an intent to try to compensate the employees fairly.

A Roll Call vote was taken on motion without recommendation and rerefer to Appropriations.

**Yes: 7, No: 6, Absent: 0, (Representative ).**

**Representative Kasper will carry the bill.**



Date: 3/13/19

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2311

House Government and Veterans Affairs Committee

Check here for Conference Committee without Recamobas

Legislative Council Amendment Number PR Approp

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Boehning Seconded By KASPER

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman		✓
Vice Chairman Boehning	✓		Rep. Conklin		✓
Rep. Dahl	✓		Rep. Schneider		✓
Rep. Froseth	✓		Rep. Winrich		✓
Rep. Karls		✓	Rep. Wolf		✓
Rep. Kasper	✓				
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 7 No 6

Absent 0

Floor Assignment REP. KASPER

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

**REPORT OF STANDING COMMITTEE**

**SB 2311: Government and Veterans Affairs Committee (Rep. Grande, Chairman) recommends BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION and BE REREFERRED to the Appropriations Committee (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). SB 2311 was rereferred to the Appropriations Committee.**

2009 HOUSE APPROPRIATIONS

SB 2311

# 2009 HOUSE STANDING COMMITTEE MINUTES

SB 2311

House Appropriations Committee

Check here for Conference Committee

Hearing Date: April 9, 2009

Recorder Job Number: 11811

Committee Clerk Signature

*Holly N. Sand*

Minutes:

**Chm. Svedjan** turned the Committee's attention to SB 2311 which was referred to Appropriations by the Government and Veterans' Affairs Committee.

**Chm. Svedjan** briefly reviewed the bill. This bill specifies the salary increases for the next biennium. It puts a minimum increase of \$100 effective July 1, 2009 and 2010. Equity

adjustments are independent of general salary increases. It specifies how market equity funds are to be used. Probationary employees are eligible for market equity increases. Agencies may transfer appropriation authority between items as it relates to equity increases authorized by Section 2 of this act for the biennium.

**Rep. Delzer:** Could Legislative Council explain Section 3 of the bill? When would there ever be a time that you would need a line item transfer for equity? (3:08)

**Allen Knudson, Legislative Council:** Maybe OMB would like to explain it too since it deals with salary equity funds that the Governor recommended in each of the agency budgets. I believe in some instances they provided those just in the salaries and wages line item and there might be employees in special line items that need equity increases and this would allow those agencies to transfer the funds from salaries and wages down to a special line item if necessary to provide those increases.

**Tammy Dolan, OMB:** That's exactly it.

**Rep. Wald:** On line 6, they use the word "permanent" state employee. I would hope that not everyone on the payroll is permanent until they go . . . Shouldn't that be "Full-Time" state employee? (4:11)

**Chm. Svedjan:** I think "permanent" refers to "permanent" or "temporary." Those terms are regularly used.

**Rep. Kroeber:** If I remember correctly, this is the same bill we had last year. We passed it at that time. Is there an appropriation in here? (4:43)

**Chm. Svedjan:** I see that Rep. Grande has arrived.

**Bette Grande, District 41** approached the podium.

**Chm. Svedjan:** This came to us from your Committee.

**Rep. Grande:** Correct. This bill came to us and our Committee felt that these things were so split up in so many budgets and so many areas that we felt it should come down here without recommendation since you were dealing with it. It did not seem like a policy issue for us to take care of. (5:13)

**Rep. Carlson:** I have some suggested amendments. Do you want me to give them all at one time? (6:03)

**Chm. Svedjan:** Take them in order.

**Rep. Carlson:** Do you want to vote on them and have me wait and then give the rest of them? How do you want to do it?

**Chm. Svedjan:** If they are interrelated, maybe it would be good to explain what you have, but we will take them one by one.

**Rep. Carlson** distributed and explained amendment .0101 (Attachment A).

**Rep. Carlson:** During the first half of the session as you passed budgets out of Committee you had an underfunding mechanism that you used to compensate for the unfilled positions; saying

that by underfunding them that money will not be available but we assume you are going to have enough empty spots that your payroll is going to be fine. That had some inherent problems and sometimes they have unintended consequences. This amendment is a version of that but it does not underfund anybody. Whatever the pay package ends up being out of this assembly, all the members will be eligible for whatever that pay package is. It says that the head of each Executive Branch agency department and institution shall report each month to the OMB the number of vacant FTEs and the related salary and fringe benefit savings. The OMB shall report at each budget section meeting on the cumulative savings resulting from the vacant positions. Agencies, departments, and institutions reporting vacant positions under this section may not spend the related savings without prior approval of the emergency commission and the budget section. It doesn't say they can't spend them. If they can come with a logical reason to do that they could. It says that if you have an FTE spot that's empty for six months out of the year, you're going to turn the six months of money back. You're not going to be penalized in any way. If you don't have anybody sitting in the chair, the cost of the salary and benefits that are attached will go back. The estimated savings will be about a \$14.8 million savings to state government. This would apply to federal and General Fund dollars. Both of them would be set aside. If they're not there, they're not going to be used. Most federal dollars come with stipulations that are to be used for salaries anyway. (7:20)

**Rep. Hawken:** Would this lead to filling positions just so you wouldn't lose the money? (9:47)

**Rep. Carlson:** If you look at the pay system, every time the dollars are rolled up and used for a purpose outside of the salary that we as a legislature appropriate, it skews the system and part of it leads to inequity where one secretary in one department is paid differently than another. If we fund the position they should try to fill them. I don't know that it should speed it

up or slow it down. All this says is that if someone is not sitting in the chair we shouldn't be sending that money out to the agency.

**Rep. Onstad:** the reporting is going to be each month. Let's assume it's a hard to fill position and it probably takes three or four months to fill that position. If it's reported in the first of June as being vacant, but then in July they get that person, but if I read this right, if they report the vacant position they can't spend that related savings because they have already turned it back without prior approval. With the budget only meeting quarterly, are they going to miss out on two months? (11:01)

**Rep. Carlson:** They shouldn't miss out on anything because they don't have anybody sitting in the chair. It's just saying you can't spend the money where nobody is there. I don't think it penalizes anyone. Whether that money is turned back at the end of the biennium or if the money is turned back quarterly at the end of the year, you could clarify that the intent is that if you are not there, you shouldn't spend the money on something else. Otherwise our budgeting process means nothing because they are taking that money and using it somewhere else. Then why do we bother to budget our line items?

**Rep. Skarphol:** Let's say that in June a position becomes vacant. In August they decide to advertise that position. There is nothing that prevents them from advertising that position. There's nothing that prevents them from moving forward to hire someone. The only thing this prevents is the utilization of those dollars that would normally be paid to the person in that position having to be held and not spent on salary increases or anything else within that agency. Is that . . . (12:30)

**Rep. Carlson:** If he's hired six months into the biennium, his pay is going to be for a year and a half of the biennium will be paid and appropriated for. The six months we appropriated when he wasn't there aren't going to be sent out. They are going to be turned back in.

**Rep. Skarphol:** Agency X hires someone after six months, so there's six months of savings, and that six months of savings will accumulate so that at the end of the biennium they'll turn that six months in. (13:31)

**Rep. Carlson:** Correct. There are some agencies that are already turning back unfilled position money, but it's not system wide that that's happening. To say they are all culprits. This isn't meant to be culprits. This is good management and trying to establish a solid and consistent pay system for our FTEs.

**Rep. Ekstrom:** You sat at this table for a number of years and you know FTEs are scrutinized within an inch of its life. Any new FTE is particularly scrutinized and frequently thrown back out. We have positions like geologists. They simply can't hold on to those people. We've got oil production. We can't get geologists. I can't in all honesty say to those agencies, "You've just got to do better. You've just got to recruit harder." We are not giving them the money to be at parity with the industry and we know what's going on. I want special provisions for things that are very hard to fill. This is going to automatically generate deficiency appropriation requests. We also know how hard those are to get through. (14:15)

**Rep. Carlson:** I'm not sure how they generate deficiency appropriation requests. (15:20)

**Rep. Ekstrom:** By allowing them to cash flow extra money from unfilled positions, they are covering all manner of things. I don't think they are wasting that money. I can certainly find places where I'm not happy with them. Frequently when they come back here, and they have cash flowed the money, they've taken those vacant FTEs and they've plugged holes in their budgets from someplace else and that money is not available, they are going to be back here for deficiencies. You know they are.

**Rep. Carlson:** The point is, if we did our job when we were budgeting, and of course it's our responsibility to budget, they should not be deficient if we funded them X amount of dollars in a



line item and that's what they have to spend, they shouldn't spend any more. They shouldn't be thinking that rolled up FTEs are the place to get the money. As far as the equity side, there's going to be an equity pool established. There's something coming with the equity pool that addresses your very issue. We had, and you addressed it in this committee, where there was hardly a budget that didn't have some type of equity pool in it. We need to fill the hardest of the hard positions and make sure they get targeted and they have the money to pay the salary to keep them. That's what we need a pool for. I'm in favor of that and there's money that should be set aside for that. It is a debate about whether or not you should allow them to use that money when somebody isn't in the chair and use it for something else. We have all these empty positions but we always seem to provide the government services that we've asked them to provide. You could ask yourself the question "Is it too many that we funded?" Or "How could you function for a whole biennium without that person?" But the money's gone. I don't pay for five carpenters but only have four show up for work. It's simple mathematics. You could argue whether or not they should have that money at their disposal but they are not like a private business. They are state government that are funded with taxpayer dollars and they should be accountable. (16:07)

**Rep. Ekstrom:** We are on a biennial budget and inherently that causes problems. Any number of times we have said, "We need a budget section meeting every year." We try really hard and the agencies work really hard to put together a good budget. Not pad it. Not have phantom FTEs. Not hire people they don't need. The point is that on a biennial budget, and because of that biennial budget, they can't always tell us. How could we have possibly known that gas would be at \$4.99 and then now to \$2\*? You don't know – and you can't know. (17:49)

**Rep. Carlson:** That is the purpose of a deficiency appropriation in that example. It's not saying that you have salary dollars to pay for a line item. We could have that debate but that is not the

intent of those salary dollars. Because what do you do when that price of gas is still at \$4 and everybody's filled in the chair. Then you have to go to deficiency appropriation. That is the function of that. What was our deficiency appropriation this time -- \$12, \$13, \$14 million dollars? To cover various things just like that. (18:38)

**Rep. Glassheim:** Something's wrong. This almost seems like it's not too bad to me. I must be missing something. I do think that if you do this it will require the legislature to be more astute in providing larger amounts of equity money because to the extent that people are rolling up some of those when they happen for recruitment or retention, the managers who know what they need to get that, they will have to rely on us to make available to them more money for equity, i.e. competitive salaries the next year. I'm not sure we are going to save a penny on this because they are going to have to rely on us to replace what now is roll-up money, maybe, but it's needed to get competitive employees, and we're going to have to make that available the next session. On federal positions, I'm not clear on what happens either now if there are empty funds or under this plan. (19:10)

**Allen Knudson:** The federal funds just don't get spent. They remain in the federal program that they're received under. They might get spent the next biennium.

**Rep. Glassheim:** But they can't be rolled into something else, right? They can't be put in a pool somewhere.

**Chm. Svedjan:** They are just unspent. That would be true for as long as that position is vacant. Once it's hired and filled then the federal share of that salary is utilized. Otherwise it's not spent. It's not rolled up and used somewhere else.

**Rep. Glassheim:** What happens now if a federal position is unspent? Do they have the discretion to put it into operations or put it into somebody else's salary?

**Mr. Knudson:** I think it would vary by agency. If the position is not filled, the dollars are not spent. They use them later for some other purpose or another position.

**Rep. Glassheim:** So they could use it now in other positions is your understanding in most agencies?

**Mr. Knudson:** Like I said, it depends on the agency. In some instances that would be the case.

**Rep. Glassheim:** I hate to see federal money not spent if it can be. A slight loss in flexibility for our managers. Whether that's a good idea to have us CEOs taking more and more out of the hands of our managers. My understanding is it's about 1 percent of positions are vacant. We are not talking about a huge problem. The list has about 400 employees on it right now. We have over 6,000 employees. I'm not sure it's a huge problem. If you can't fill a position that you want to fill, some agencies have put that into part-time help to get the job done but they can't get a full-time person. I guess they could come to the budget section and get approval for that. That seems like a useful thing to spend it to the purpose of the job but you are not able to hire somebody full-time because there is nobody qualified at that amount. Would that be allowed?

**Rep. Carlson:** I think you have to read the last sentence where it talks about agencies, departments and institutions reporting vacant positions on this section may not spend the unrelated savings without prior approval. Which means they could go back and say, "I have to have that in my line because my motor pool gas money is way off." And we can say there is no reason to roll it back if you're going to come for deficiency appropriation or give it to you. If I was on the Budget Section and they justified their case I'd vote to do that.

**Rep. Skarphol moved to adopt amendment .0101. Rep. Kempenich seconded the motion.**

**Rep. Skarphol:** Rep. Glassheim, 400 out of 6,000 is 6.5 percent, not one.

**Rep. Wald:** Would there be a conflict between Executive Branch agencies and elected office agencies? (24:49)

**Rep. Carlson:** I don't see that that has any effect.

**Mr. Knudson:** This would apply to elected officials and other Executive Branch agencies.

Each agency needs to report to OMB and then any agency could come to the Budget Section Emergency Commission for approval to spend additional money.

**Rep. Hawken:** The Budget Section meets 4 times per year. Is there any other procedure in place if something needed to happen in a more timely manner? I could see that being a major problem. (25:38)

**Rep. Carlson:** If you had eight empty positions and you were paying those positions \$3,000 a month, each of those has \$24,000 for the month and you take that times three months you are not talking enough to keep any agency afloat when you look at the normal, what the money would be that they are rolling up month by month by month. So I don't believe it would but I don't know the answer to that. I don't believe it should be a burden on these agencies. We have in most cases the line item transfer authority which allows them to react to those types of things that happen within their budgets. It lets the manager manage.

**Rep. Ekstrom:** Did you talk to Carol Olson or any agency heads with regard to how this might function and how it might work for them? (26:45)

**Rep. Carlson:** They are one of the best agencies for turning back for unfilled positions. No. I did not. But if you are looking at the list they are one of the best.

**The motion to adopt amendment .0101 carried by a voice vote and the amendment was adopted.**

**Rep. Carlson** distributed and explained amendment .0104 (Attachment B).

**Rep. Carlson:** This amendment deals with the compensation for the FTEs for the state. This takes the five and five to a four and four. Rep. Carlson read the language for Section 2 of the amendment. Basically we are funding a four and a five, but they are saying that that second 1 percent in the second year of the biennium will not be released if our revenues fall short of projections. If you've read the papers across the state, various companies are laying off people. The Creighton University Economic Report for the region says that North Dakota is officially in a recession. I think this proposal for a five and five is generous and was prepared a long time ago. Things have dramatically changed in the North Dakota landscape. Who would have dreamt that oil would go for from \$140 to \$35 dollars per barrel? Or that we would be laying off totals into the thousands of North Dakotans that now do not have a job? We have a recession that national and global. This is a big deal. There's nothing more important to us than our state employees but the reality has set in that our revenues are probably not going to be the same as we anticipated. This amendment is a reduction for four and five and it is a reduction if our revenues aren't there. There are some people who might say there are a lot of North Dakotans that are getting 0 and 0. There are a lot of North Dakotans who are working 35 hours per week instead of 40 because instead of laying them off their employers are shortening their hours. Those are the people that are paying for that. A 4 and 4 is a very good package with a full health premium that amounts to \$9,900 per year of costs to the state per employee. I had a little survey done. I asked, "What is the average salary of a North Dakota state employee?" The average was about \$38,900. When we added all of the benefits in, that compensation amounts to about \$59,000 per FTE. I don't want to use that as justification for saying it should be less, but the justification is that I am concerned – and I bring this before you not to slap a public employee in the face – I bring it before you because I believe our economy

is very soft and our revenues have a good chance from \$10 corn to \$3 corn, the commodities are very soft compared to where they were. The oil prices are not rebounding very quickly and we have established a very rich spending habit of 24 percent, 25 percent increase in this biennium which I believe if we're not cautious, the raises might be 0 and 0. I bring this forward. I know that this is a controversial issue. I do believe, though, that before all these bills get run through this is a worthy discussion as to what level that should be. I am just telling you that I represent a whole lot of taxpayers and a lot of them are telling me that that is a rich package to put together when a lot of people are not getting anything extra in their salaries. I propose this as a 4 and a 5 with the second one percent contingent on our revenues. I hope I am way wrong on our revenues. I hope they are stronger than we projected them to be, but if they're not we should look at our spending level with regard to that.

**Chm. Svedjan:** In the event the revenues come in shorter than what has been projected, this would be a 4 and 4. It would be a 4 and 5 if the revenues are at or above what has been projected. (34:08)

**Rep. Carlson:** This isn't a tremendous amount of savings. It's about \$4.8 million. It is something that you have to sustain. The largest number is in the second year not the first year.

**Rep. Glassheim:** That's what I wanted to know. The \$4.8 million, is that at 4 and 4? (34:41)

**Rep. Carlson:** That's with the 4 and 5. That's assuming we are going to fund the second year at 5.

**Rep. Glassheim:** If it were at 4 and 4 what would the savings be?

**Mr. Knudson:** It would be \$7.2 million.

**Rep. Glassheim:** So if we didn't move MRCC (Missouri River Correctional Center) we could fund this.

**Rep. Kroeber:** How would this build in with our budget stabilization fund which also goes to work when we have reduced revenues and this type of thing? (35:19)

**Rep. Carlson:** It calls for an allotment. First, half of it from the agency. . . If our bill holds and you pass it out of here, it used to be that it was allotted from the agency, I mean totally from the . . . Rep. Berg will have to help me with this. How is it allotted out of . . . The Budget Stabilization Fund with our new bill we passed takes half and half, but I can't explain it.

**Rep. Berg:** The new bill is sitting in the Senate with a Do Not Pass.

**Rep. Carlson:** Well let's go back to the old bill and tell remind me how it works.

**Rep. Berg:** When there's an allotment?

**Rep. Carlson:** Yes.

**Rep. Berg:** The first 2.5 percent would come from agencies. So every agency, there would be an automatic allotment by 2.5 percent. Any reduction beyond that would come out of the Budget Stabilization Fund.

**Chm. Svedjan:** But isn't it true that those two matters are independent of one another.

**Rep. Carlson:** Absolutely.

**Chm. Svedjan:** This amendment ties it specifically to salary and the additional 1 percent in the second year would be allowed if revenues are at or above what is projected. It's really independent of any consideration of the Budget Stabilization Fund. (36:23)

**Rep. Ekstrom:** Was there any consideration to instead of saying, "If the revenues are down by any amount" rather say, "If we are off by 5 percent," or "If revenues are down in aggregate by 5 percent" then this would kick in? Rather than, . . . , I can see a scenario where you might be down only \$100,000 and that would still kick this in. (36:54)

**Rep. Carlson:** Yes it would. The way it's written it would. I can't argue the fact that it would say that. I believe we have more serious problems than the \$4.8 million if our revenues are down

because trying to build a sustainable budget is really what this is all about, to make sure that next time we can fund those things. This Committee has a good shot at \$370 million of one-time funding. You could make the argument that you shouldn't do some of that and have it set aside and trigger that to this process, because then if you have the money you spend it because most of those aren't life or death projects. So you could easily make the argument should it go to some of our one-time spending because that then would stop an allotment and it would keep our ending fund balance in a position where we're o.k. I understand your point. I did not look at what a percentage would do. I never thought about being \$20,000 short.

**Rep. Skarphol moved amendment .0104. Rep. Kempenich seconded the motion.**

**Rep. Kroeber:** On the estimated General Fund revenues for the period, is that the Executive Recommendation? Is that Economy.com's recommendation in February? Or is it our recommendation we place considerably under Economy.com's? What recommendation is it?

(38:40)

**Rep. Carlson:** In the first place it was not significantly under the revenue of Economy.com. Theirs came in at 7.2 percent. Ours came in at 4 percent increase. You could make the argument that if we have a 4 percent increase in revenue this time we would be dancing in the streets because we would be increasing revenue when most people say it will be flat or less. It is the one approved by this Committee and the one approved by the Committee in the Senate which you all approved, is the one that these numbers would relate to.



**Chm. Svedjan ruled that the motion to adopt amendment .0104 carried by voice vote. A division was requested. The motion to adopt amendment .0104 failed by a roll call vote of 12 yeas, 13 nays and 0 absent and not voting.**

**Rep. Carlson:** That will only fall an "I told you so" if our revenues fall short. And you're all taking a chance with that but that's the way it is.

**Rep. Hawken:** On the first one we passed, on the vacant FTEs, what's going to happen this year when we needed overtime for the drivers? Would that be a deficiency? Would that go back to what Mary (Ekstrom) was talking about? (41:31)

**Rep. Carlson** asked Rep. Hawken to repeat the question.

**Rep. Hawken:** Overtime like for this year with the floods and the snow removal and that kind of thing, which happens, we don't need a disaster to have required overtime. Since we don't have the roll-up dollars anymore, how do they deal with that? Do they budget for a certain amount of overtime?

**Rep. Carlson:** That's when you get into the emergency requests and we fund that in our deficiency appropriation the way we've always done it. Those two should not be in any way tied together.

There was some confusion about the amendments that were distributed.

**Mr. Knudson:** Amendment .0103 is the one we are looking for.

**Rep. Carlson** asked Mr. Knudson to explain amendment .0103 (Attachment C).

**Mr. Knudson:** This amendment adds a section to provide that OMB, subject to emergency commission and budget section approval, may authorize up to a total of 44 additional FTE

positions for executive branch agencies during the next biennium in addition to those authorized by the legislative assembly. Only positions that are determined to be critical to the mission of the agency may be authorized. At a later point there would be a pool added to the OMB bill with the 44 FTE positions and the funding that OMB could approve and with the budget section and the emergency commission approval and transfer to the agencies that would be authorized these additional positions. (44:44)

**Rep. Carlson:** I need to clarify one thing with Council. In essence, this would require by the Appropriations Committee that any new positions that have been authorized over the 07-09 level, which I believe was 8,828, would be the level of the FTEs that would be established for the next biennium. It basically is freezing the FTEs. What it does say is that we realize that there are agencies that are going to need extra people in various areas. It would require that those that have been added be removed and this would be the language in this bill that would add in it the opportunity to get 44 FTEs that they would have to come in and ask for that are mission critical FTEs for their agencies. The money would come in a later bill – which bill that would go on . . . (46:20)

**Mr. Knudson:** The OMB bill.

**Rep Carlson:** . . .that would fully fund those 44 positions. It's about \$2.5 million of General Funds, \$2.5 million Special Funds. The money is in another place. The language is in this bill. It does require other action on other bills and I know you have done a pretty good job of taking FTEs out of budgets. I believe the latest count we were up, instead of 168, we were in the 90 range of people that have been added. This basically says we are freezing the number as of the last biennium but we are allowing mission critical agencies to have 44 more and we are including the funding for those. That funding would be based on whatever level that pay package was compensated at.

**Chm. Svedjan:** When I read Section 4, it says that these 44 additional FTEs would be in addition to those authorized by the legislative assembly. (48:13)

**Rep. Carlson:** For the beginning of 09-11.

**Chm. Svedjan:** No.

**Rep. Glassheim:** It doesn't freeze it. It doesn't freeze positions.

**Chm. Svedjan:** That is my point. This does not look like it accomplishes what you said.

**Mr. Knudson:** What this is based on is that the Appropriations Committees as part of the agency budget reviews would need to remove the FTEs from various agencies to get to that 8,828 FTE level. That would be the number of FTEs that would be authorized by the legislative assembly that's referred to in this section.

**Chm. Svedjan:** So would that require another action in another bill?

**Mr. Knudson:** Right. In the various agency bills where FTEs are being authorized, the new positions would be taken out in order to get to that 8,800 level. As Rep. Carlson indicated, right now there are about 158 new positions in the Governor's budget. Right now you're around 90 new positions in the budget. That would require taking out another 90 FTEs in various agency budgets to get to that level.

**Chm. Svedjan:** If that action is taken, then we're back to the FTE level of the current biennium and then there would be allowed 44 mission critical allowances for additional hires. (49:45)

**Rep. Nelson:** Let's use the Department of Health budget for example. We did allow in our deliberations an increase in FTEs, especially in the areas where federal sources were a source of funding. Are they included in these numbers? (50:06)

**Mr. Knudson:** They would be included in the legislative authorized level for 09-11.

**Rep. Nelson:** They would?

**Mr. Knudson:** They would.

**Rep. Nelson:** During the interim the emergency commission approved several areas additional FTEs. Are they subject to these provisions as well?

**Mr. Knudson:** During the interim if some additional federal funds became available for a new position, this does not preclude the emergency commission and budget section from approving those FTE positions through that process if there were new federal monies or other sources of funds available.

**Rep. Nelson:** How about General Fund money?

**Mr. Knudson:** No. That could not be approved other than these 44 that are here.

**Rep. Bellew:** This past biennium the Emergency Commission did approve new employees. Are they included in this or are they in the authorized amount? (51:20)

**Chm. Svedjan:** In my view, they would be part of the number you stated earlier. It's the employment level that is authorized for the current biennium.

**Rep. Hawken:** So we just approved in the first amendment or the second amendment a new person. So that person we would now have to go back in and take out. Is that correct?

Because all we've done all this . . . every person we have looked at all session long and added – like we added a wheat rust person – we would have to go in to each of those budgets and take those people out just like we would have to take out the person that's going to help with the budgeting for the Legislative Council. (51:55)

**Chm. Svedjan:** That is correct. For any of those positions that are added back they would need to be determined to be mission critical.

**Rep. Glassheim:** Could you go over it again. For 07-09, how many FTEs are authorized? 8,828? How many have we approved in addition to that so far in the Senate and the House for 09-11? (52:48)

**Chm. Svedjan:** About 90 . . .

**Mr. Knudson:** About 90 more than that.

**Chm. Svedjan:** About 90 more than that.

**Rep. Glassheim:** 90 more. So all of those . . .

**Chm. Svedjan:** All of those, there would be separate actions . . .

**Rep. Glassheim:** There would be another bill somewhere.

**Chm. Svedjan:** There would be separate actions that would take those positions out of each of the respective budgets and then there is allowance here for 44 to be added back that are considered to be mission critical. Effectively what is happening is that there is an employment freeze being put into place with the allowance for 44 positions to be added back that are considered to be mission critical.

**Rep. Kreidt:** Explain now, today we passed the Veterans' Home on the floor. Because of the additional beds they need 28 employees to be able to service those residents. Those 28 employees would be gone now? (54:05)

**Chm. Svedjan:** Mr. Carlson?

**Rep. Carlson:** Mr. Knudson?

**Mr. Knudson:** The Committee's would need to take the action to remove those positions because with the new form of the appropriations bills the FTEs are listed in each bill so they would have to be taken out of the various bills by Committee action before the end of the session.

**Rep. Carlson:** And if they are not taken out quite obviously we will not get to the 44. I think you've done a good job to get from the 168 down to 98. The only reason I bring these forward is not to say that we don't need people in certain instances, but I am not at all confident in our economy. I'm also not confident in the fact that for each new citizen in North Dakota in the last year we have hired one new FTE. I think that that growth has to be managed. We need to at

some point in time address at what level are we satisfied with the number of . . . government is basically people and programs. That's where your costs are. If we continually keep adding we are going to have a problem at some time. I think that is a very satisfactory level.

**Rep. Skarphol:** I'm trying to define in my mind what this means. It has some implications. It could be an interesting discussion between now and the end of the session.

**Rep. Skarphol moved amendment .0103. Rep. Kempenich seconded the motion.**

**Rep. Kempenich:** It brings up a good dilemma. I'd just as soon, like yesterday, we had the Racing, their two new FTEs that got added in. But if it came to that or well site inspectors, the Racing Commission goes bye-bye as fast as I can say it. I'd just as soon have the well inspectors than two new FTEs in the Racing Commission but that means the Racing Commission disappears too. If you've got to pick and choose, . . . , because we are going to have to find 46 more if you take 44, we are going to have to find 46 more to cut or to decrease out. I just want to understand what's going on. (56:12)

**Rep. Carlson:** It's a matter of priorities.

**Rep. Glassheim:** Do we have a rough idea of how much these 46 fewer employees than we've already approved would save? What kind of amount are we talking about? (57:01)

**Mr. Knudson:** There were 212 new positions in the Governor's budget. The total of that was about \$16 million General Fund for the 212 new FTEs.

**Chm. Svedjan:** That's calculated on the average salary of state employees. So if you were to take this number as a percentage, you could get to that number.

**Rep. Glassheim:** I'm just saying it's 46 employees we have to now cut. I don't know why you went back to the Governor's budget because we don't have the 212 do we? Are we talking about the 212? (58:31)

**Chm. Svedjan:** No. That would be to give you an idea, the 212 were worth about \$16 million General Fund.

**Rep. Glassheim:** I see.

**Chm. Svedjan:** So whatever percentage this is of the 212 that can get you to a number of what the potential savings would be for those positions.

**Rep. Glassheim:** So maybe 25 percent, 46 would be 20 percent of 212. So maybe \$4 million.

**Chm. Svedjan:** Take a little time and work the numbers out and then we'll talk about them.

**Rep. Delzer:** Logistically this might be a little hard, but one of the things that happens to us when we deal with these budgets with our current budget plan, is the FTEs we look at are the new ones that are being added. We never go in and justify all the current FTEs. We just assume that because they are there they are justified. Maybe they are. Maybe they aren't, but that's one of the problems with our current budgeting system. It's easy a lot of times to justify a new FTE when in essence – and you would hope the departments do this – and I expect they are probably pretty good at it, but this would make them look internally in reallocating some of the work and doing things that way, if we did in effect have a cap on FTEs with a critical pool. (59:22)

**Rep. Ekstrom:** I've looked at these budgets too and I've thought, "How many of these people do we really need?" There are creative solutions to this that are used in private industry all the time. You do it by attrition. You come back to the HR Department and say, "How critical is this person?" Now, with the notion of "If you can't justify it then it goes away," doing this seems very ham-handed rather than saying "We're going to do it right." We have retirement. We've

got unfilled positions that go on for way too long and we said, "Hey look. If you can't fill that position, how badly do you need it?" There are a lot of ways to approach this problem without this kind of thing, without the input of the agencies and that's the other part I still don't like.

(60:23)

**Rep. Carlson:** If it had been my first preference it would have been a number that was frozen like they are doing in most every state in the country. They are freezing and even cutting salaries on their public employees because of short budgets. I thought, "That probably won't sell. So I'll add a percentage, a half of 1 percent so they have some room if they do have these mission critical individuals that they can add them." But I can't disagree that we could have said, "You can put all the people you want in but your total number we're funding is 8,828."

And then, I bet they would have found some imaginative ways for these long-term vacancies and some of those things to get within that number. If I picked the wrong methodology that's fine but there are other ways to do it. I opted to say this is the baseline and we're going to need a few more in some areas. That's where those numbers should be. I can tell you for a fact that if you went to Central Personnel and asked when an agency has come and asked to refill a position how many have you turned down when you asked the question, "Is it mission critical?" and the answer will be "Zero." We do not as an institution eliminate those positions. In the private sector you would. You would reevaluate in tough times and you would do it but it does not happen in state government. It's not that we don't value what they do. I can tell you that this is meant to put a benchmark out there saying this is where we should be at for a level for the amount of people in our state and the amount of government we provide and have the manager's manage and have some of these positions to not grow at 200 every biennium when our population just flat out is not growing. That's the only reason I put it forward. That's a

legitimate point. (61:13)



**Rep. Thoreson:** I was looking the other day at a piece of history about our state capitol building. It said "When the capitol was constructed, there was plenty of space for years to come figured, but because of the size of government expanding greatly we had to buy or build new buildings all over." That was in the 1930s. We had 40,000 more people in our state back than we do now and the number of FTEs just continues to grow and grow and grow. I value what they do but I think it's time to take a pause and say, "Let's try something different."

(63:09)

**The motion to adopt amendment .0103 carried by a roll call vote of 13 yeas, 12 nays and 0 absent and not voting and the amendment was adopted.**

**Patrick Hatlestad, District 1,** approached the podium to explain amendment .0107

(Attachment D)

Rep. Hatlestad: I merely offered this amendment following in what I have been hearing in some of the discussion that there is a need to reduce numbers of employees – that our numbers were growing faster than our population and I offered amendment that over the next two year period we would be able to reduce the numbers by 275 employees. (65:40)

**Rep. Bellew moved amendment .0107. Rep. Wald seconded the motion.**

**Rep. Skarphol:** I'm a little uncertain how you are going to accomplish this. Is it your intention to take, . . . , are we taking vacant positions as well that can be eliminated or taken out of the agency budgets to reach this 275 number? Or are we talking about positions that are currently filled? Let me explain. In our previous conversation we talked about the fact that there are

8,828 employees in state government today. Would you anticipate then that your number would be somewhere in the area of 8,650?

**Rep. Hatlestad:** Yes I would.

**Rep. Skarphol:** So there's an actual reduction in personnel. (66:18)

**Rep. Hatlestad:** In numbers.

**Rep. Delzer:** This is the first time I've seen this and I applaud the idea behind it. I'm afraid the number may be a little large to go at in one biennium. I know we are out of time and I don't have an amendment to offer with it. (67:50)

**Rep. Skarphol:** Based on the discussion we just had on .0103 and the vote on .0103, I suspect I know what the consequences of making a motion on this would be so I'm not going to make a motion on it. I think we will have to see what can be accomplished with .0103 and move from there if in fact this could be doable. If someone else wants to make a motion, but I'm not.

**Chm. Svedjan:** The amendment has been moved.

**The motion to adopt amendment .0107 failed by voice vote and the amendment was defeated.**

**Chm. Svedjan:** We have the amended bill.

**Rep. Skarphol:** Based on the equity things we have been doing with all of the budgets, I would move that we take out sections 2 and 3 to be consistent. It is my understanding that equity will be addressed in another bill and that these sections are not needed or wanted at this point in time. (69:28)

**Rep. Skarphol moved to further amend by removing Sections 2 and 3 of SB 2311. Rep. Bellew seconded the motion.**

**Rep. Skarphol:** This is going to be addressed in another bill. I hope the Committee would support removing them.

**Rep. Kaldor:** Which bill would that be? (70:30)

Mr. Knudson: If you recall, before crossover you put the salary equity pool in the OMB bill, HB 1015. You have similar language in that bill for this.

**The motion to further amend by removing Sections 2 and 3 from SB 2311 carried by voice vote and the amendment was adopted.**

**Rep. Skarphol moved a Do Pass as Amended to SB 2311. Rep. Wald seconded the motion.**

**Rep. Glassheim:** I would urge a No vote on this. These bunch of amendments show a few things. First of all they show how inept the management of this session has been to come in on the last day before we have to go home and make major changes that no one has ever seen, to have no testimony, had no discussion with OMB or anybody else who knows anything and these are the people you want to run and manage your interim budget. People who don't know how to get anything done correctly. Have had us sitting here for three and a half months or whatever it's been and come in and totally change whatever we have been doing. O.K. So this is not smart to begin with. Secondly, just my opinion, I know nothing. If you think the Senate is going to put up with any of this nonsense, I think you've got another thing coming. Which leads

me to point number three. If you want to go home before May 15, I think we've got to stop fooling around with this kind of out of the box stuff and surprises, surprises – total change of everything. With no agreement from anybody in advance. And fourthly, if you think that when you pass these things or even talk about them the way you talk about them, if you think that this is a nice place to work, for the state of North Dakota, and that this is the stuff that makes it . . . people will stay around because they want the paycheck. But if you think putting these things in at the last moment after three months makes this a nice place to work I don't think you've ever worked for a living. (71:26)

**The Do Pass as Amended motion to SB 2311 carried by a roll call vote of 17 yeas, 8 nays and 0 absent and not voting. Rep. Skarphol will carry the bill.**

Rep. Skarphol: The Majority Leader walked over to me and said, "Make sure your Committee stays here and finished its work." (74:48)

Chm. Svedjan: We are going to recess to have our picture taken.

Chm. Svedjan recessed the Committee.

90725.0101  
Title.

Prepared by the Legislative Council staff for  
Representative Carlson  
March 14, 2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2311

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to vacant state employee positions;"

Page 2, after line 8, insert:

**"SECTION 3.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Vacant state employee positions salary savings - Emergency commission and budget section review and approval.** The head of each executive branch agency, department, and institution shall report each month to the office of management and budget the number of vacant full-time equivalent employee positions and related salary and fringe benefit savings. The office of management and budget shall report at each budget section meeting on the cumulative savings resulting from the vacant positions. Agencies, departments, and institutions reporting vacant positions under this section may not spend the related savings without prior approval of the emergency commission and the budget section.

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment creates a new section to North Dakota Century Code Chapter 54-27 relating to vacant state employee positions salary savings.

Date: 4/9/09  
 Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2311

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number . 0101

Action Taken Adopt Amendment . 0101

Motion Made By Skarphol Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Bill Site - VV - carries

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

PROPOSED AMENDMENTS TO SENATE BILL NO. 2311

Page 1, line 1, after "provide" insert "for a contingent additional state employee compensation adjustment; and to provide"

Page 1, line 2, remove "and state employee equity adjustments; and to provide for transfers"

Page 1, line 10, replace the first "five" with "four" and replace the second "five" with "four"

Page 1, line 11, after the period insert "Each agency appropriation is increased by an additional one percent available on a contingent basis for the second year of the 2009-11 biennium in accordance with section 2 of this Act."

Page 1, replace lines 22 through 24 with:

**"SECTION 2. ADDITIONAL SECOND YEAR STATE EMPLOYEE COMPENSATION ADJUSTMENTS - CONTINGENCY.** Each agency appropriation is increased by an additional one percent for the second year of the 2009-11 biennium; however, agencies may spend the funding only if actual general fund revenues for the fiscal year ending June 30, 2010, are equal to or exceed the estimated general fund revenues for that period, as determined by the office of management and budget based on the legislative estimates made at the close of the 2009 legislative session. If actual general fund revenues for the fiscal year ending June 30, 2010, as determined by the office of management and budget are less than estimated, agencies may not spend the funding related to the additional one percent and shall provide documentation to the office of management and budget that this funding is included as part of the agency's unspent appropriation authority for the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 2, remove lines 1 through 13

Renumber accordingly

Date: 4/9/09  
 Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2311

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number 90725.0104

*Failed*

Action Taken Adopt Amendment

Motion Made By Skarphol Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken		✓	Rep. Williams		✓
Rep. Klein		✓			
Rep. Martinson		✓			
Rep. Delzer	✓		Rep. Glasheim		✓
Rep. Thoreson	✓		Rep. Kaldor		✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch		✓			
Rep. Pollert	✓		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 12 No 13

Absent 0

Floor Assignment Vois Vote - carries

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



90725.0103  
Title.

Prepared by the Legislative Council staff for  
Representative Carlson  
March 18, 2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2311

Page 1, line 2, remove the second "and" and after "transfers" insert "; and to provide authorization for additional full-time equivalent positions"

Page 2, after line 13, insert:

**"SECTION 4. ADDITIONAL FULL-TIME EQUIVALENT POSITION AUTHORIZATION - BUDGET SECTION APPROVAL.** The office of management and budget, subject to emergency commission and budget section approval, may authorize up to a total of forty-four additional full-time equivalent positions for executive branch agencies in addition to those authorized by the legislative assembly for the biennium beginning July 1, 2009, and ending June 30, 2011. Only positions that are determined to be critical to the mission of the agency may be authorized under this section."

Renumber accordingly

Date: 4/9/09  
 Roll Call Vote #: 3

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2311**

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number .0103

Action Taken Adopt Amendment .0103

Motion Made By Skarphol Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken		✓	Rep. Williams		✓
Rep. Klein		✓			
Rep. Martinson		✓			
Rep. Delzer	✓		Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor		✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 13 No 12

Absent 0

Floor Assignment \_\_\_\_\_

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

90725.0107  
Title.

Prepared by the Legislative Council staff for  
Representative Hatlestad  
April 3, 2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2311

Page 1, line 2, after the semicolon insert "to provide for a review of vacant full-time equivalent positions;"

Page 2, after line 8, insert:

**"SECTION 3. VACANT FULL-TIME EQUIVALENT POSITIONS - REVIEW - AUTHORIZATION.** The head of each executive branch agency, department, and institution shall request authorization from the office of management and budget prior to filling any vacant full-time equivalent employee position, for the biennium beginning July 1, 2009, and ending June 30, 2011. The office of management and budget shall review each request and approve only those employee positions that are critical to the mission of the executive branch agency, department, or institution. During the 2009-11 biennium, the office of management and budget shall deny a sufficient number of requests to result in a reduction of two hundred seventy-five full-time equivalent employee positions. The office of management and budget shall report at each budget section meeting on the number of positions eliminated."

Renumber accordingly

Date: 4/9/09  
 Roll Call Vote #: 54

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2311**

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number 0107

*Failed*

Action Taken *Adopt* 0107

Motion Made By *Bellew* Seconded By *Wald*

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment *Voice Vote - failed*

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

PROPOSED AMENDMENTS TO SENATE BILL NO. 2311

Page 1, line 2, replace "and state employee equity adjustments; and to provide for transfers" with "; to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to vacant state employee positions; and to provide authorization for additional full-time equivalent positions"

Page 1, replace lines 22 through 24 with:

"**SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Vacant state employee positions salary savings - Emergency commission and budget section review and approval.** The head of each executive branch agency, department, and institution shall report each month to the office of management and budget the number of vacant full-time equivalent employee positions and related salary and fringe benefit savings. The office of management and budget shall report at each budget section meeting on the cumulative savings resulting from the vacant positions. Agencies, departments, and institutions reporting vacant positions under this section may not spend the related savings without prior approval of the emergency commission and the budget section.

**SECTION 3. ADDITIONAL FULL-TIME EQUIVALENT POSITION AUTHORIZATION - BUDGET SECTION APPROVAL.** The office of management and budget, subject to emergency commission and budget section approval, may authorize up to a total of forty-four additional full-time equivalent positions for executive branch agencies in addition to those authorized by the legislative assembly for the biennium beginning July 1, 2009, and ending June 30, 2011. Only positions that are determined to be critical to the mission of the agency may be authorized under this section."

Page 2, remove lines 1 through 13

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Creates a new section to North Dakota Century Code Chapter 54-27 relating to vacant state employee position salary savings.
- Authorizes the Office of Management and Budget to authorize additional mission-critical FTE positions for state agencies.
- Removes Sections 2 and 3 relating to salary equity funding.

Date: 4/9/09  
 Roll Call Vote #: 5

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2311

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number 7B

*Further Amended*

Action Taken Remove Sections 2 + 3

Motion Made By Skarphol Seconded By Bellew

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Voice Vote - Carries

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

Date: 4/9/09  
 Roll Call Vote #: 6

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2311**

**Full House Appropriations Committee**

Check here for Conference Committee

Legislative Council Amendment Number TBD

Action Taken No Pass as Amended

Motion Made By Skarphol Seconded By Wald

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken	✓		Rep. Williams		✓
Rep. Klein		✓			
Rep. Martinson	✓				
Rep. Delzer	✓		Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor	✓	
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		✓
Rep. Kreidt	✓		Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 17 No 8

Absent 0

Floor Assignment Rep. Skarphol

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

**REPORT OF STANDING COMMITTEE**

**SB 2311: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (17 YEAS, 8 NAYS, 0 ABSENT AND NOT VOTING). SB 2311 was placed on the Sixth order on the calendar.**

Page 1, line 2, replace "and state employee equity adjustments; and to provide for transfers" with "; to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to vacant state employee positions; and to provide authorization for additional full-time equivalent positions"

Page 1, replace lines 22 through 24 with:

**"SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Vacant state employee positions salary savings - Emergency commission and budget section review and approval.** The head of each executive branch agency, department, and institution shall report each month to the office of management and budget the number of vacant full-time equivalent employee positions and related salary and fringe benefit savings. The office of management and budget shall report at each budget section meeting on the cumulative savings resulting from the vacant positions. Agencies, departments, and institutions reporting vacant positions under this section may not spend the related savings without prior approval of the emergency commission and the budget section.

**SECTION 3. ADDITIONAL FULL-TIME EQUIVALENT POSITION AUTHORIZATION - BUDGET SECTION APPROVAL.** The office of management and budget, subject to emergency commission and budget section approval, may authorize up to a total of forty-four additional full-time equivalent positions for executive branch agencies in addition to those authorized by the legislative assembly for the biennium beginning July 1, 2009, and ending June 30, 2011. Only positions that are determined to be critical to the mission of the agency may be authorized under this section."

Page 2, remove lines 1 through 13

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Creates a new section to North Dakota Century Code Chapter 54-27 relating to vacant state employee position salary savings.
- Authorizes the Office of Management and Budget to authorize additional mission-critical FTE positions for state agencies.
- Removes Sections 2 and 3 relating to salary equity funding.



2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

CONFERENCE COMMITTEE

SB 2311

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2311

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 04/21/09

Recorder Job Number: 12063

Committee Clerk Signature

*Kate Oliver*

Minutes:

Chairman Dever called meeting to order roll was taken, & all were present

Representative Skarphol explained the changes that the House made to the bill.

**Senator Dever:** Section 2 in 0100 version was state employees' equity guidelines. Section 3 was funding transfers.

**Senator Cook:** I will print copies.

**Representative Skarphol:** For the moment that is the change that the House has made to the Senate bill.

**Senator Dever:** It looks like the deletion was the deletion of sections 2 and 3.

**Representative Carlson:** Every budget bill the House had they removed the equity therefore this language was no longer necessary. Our concepts were to pool equity money and provide by assembly and provide market issues.

**Senator Dever:** What has the Senate been doing on each of the budgets that it has gotten?

**Representative Carlson:** The Senate has put the equity back in that we took out, reinstated it in the House budget. That is an area that needs to be resolved and I do believe that after talking to your leader today that we are close to doing that.

**Senator Dever:** He said that too but has not showed up yet. I would be interested in knowing what we are doing with Section 3.

**Representative Carlson:** Section 3 deals with equity in line item transfer.

**Senator Dever:** This bill might be pivotal in those discussions. I would be interested in the equity issue; pending the conversation with my leader it may not be necessary.

**Representative Carlson:** Until we resolve it we don't need to discuss it here.

**Senator Dever:** Might be the discussion for the next meeting. Any additional info needed for the next time.

Chairman Dever closed the conference committee on SB2311

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.2311

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 04/21/09

Recorder Job Number: 12144

Committee Clerk Signature

*Kate Oliver*

Minutes:

Chairman Dever opened the conference committee on SB2311, roll was taken, and all members were present

**Senator Dever:** It appears to me that we had 3 points of discussion; the equity point has been decided. I do have one question regarding equity and that is, I understand it, the pool will run through OMB, but I am wondering how that affects non classified agencies?

**Representative Carlson:** There was a suggestion and take out the word classified out of the amendments so it would open to those who are not. I got a list of those who are and are not classified the majority are classified. Our intent is to address the issue in the amendment.

**Senator Dever:** NDUS correspondence (see attachment #1). Does anybody want to bring up anything before we have discussion? If not, I would appreciate a conversation on section 2 and how you perceive that would work.

**Representative Carlson:** The 0108 version of the bill that would be the Senate bill with House amendments. The way it was established is when we sent the budgets over to the Senate we used a 2% underfunding on salaries. The intent was with all the vacant positions 2% underfunding would bring them up to zero during the course of the interim and as they filled them they would still have plenty of salaries to fund the five and five. We found that there was

some problems with that in the small agencies, there were 100% were underfunded by 2% on their salaries and it was not functional for them. This is version 2 of the same concept; it is no secret that if someone is not in the chair then you should not be paying them. What this says is that you can't use this savings and you have to turn that money back at the end of the biennium; the money has been used in many other sources over the years. When we went back and analyzed the budget is that they took roll up dollars from unfilled positions. I do not believe that was the intent to fund the budget. The money may not be spent without prior approval is a key line in this process because if, in fact, they had sick leave or retirement and comp time that they had to pay, they could go through this process and say that they had a legitimate use for this money and they could spend it. Otherwise, without the approval of OMB they will have to roll back the money at the end of the biennium.

**Senator Dever:** We would feel more comfortable with more conversation.

**Senator Cook:** Can we just take that out?

**Representative Carlson:** I would say no.

**Representative Skarphol:** I would like you to explain why you think the philosophy is incorrect?

**Senator Cook:** We have addressed many issues as to how they pay bonuses and have incentives. How many leave the state it is tough to fill positions, I think that the issue of not allowing any of these incentives to be implemented without budget approval would basically bring it to a halt. If you have someone, and you find someone who is willing to take employment and you put the package together that you have been able to do so legally within the laws that we have here and you come up with the incentive and you say that now I can't do

this and we get approval, frankly I think that it is unworkable. I think that if you really want to

get a handle on it maybe a reporting mechanism to know where the money is going. I think what they are doing is keeping qualified people working for the state of North Dakota.

**Representative Skarphol:** The potential that there are dollars used for a purpose other than we intend does not bother you?

**Senator Cook:** I think that we have had that happen. I believe that it showed up in an audit, I think that we have all the mechanism to put the guidelines in place.

**Senator Horne:** I cannot support section 2 I would encourage us to remove it. The state agencies do well with the money that they are given. There are abuses but they will be uncovered in the audit process. I think that this would be cumbersome processed, hard to handle, and hard to inflict. I don't think that it is a good idea.

**Representative Carlson:** I would like to see the section of law where it says that we authorize our managers to take unfilled salary positions and offer bonuses and signing incentives. If we firmly believe that there should be money set aside to cover leave and to cover vacation and sick pay, and I understand there are costs, then put a line item in their budget and if they don't use it all, then that is fine, but don't use unfilled position dollars to do that. If you want to move to accede to our amendments, take it to the floor of the Senate, and kill it I would be one happy camper. If you make that motion I will be there with you.

**Senator Cook:** I would be happy to make that motion, but I think that first off, to make sure I didn't over speak, I know all the bills that we have seen here and maybe I used the wrong word when I said bonuses, but I think that Representative Carlson needs to see all sections in law that define how this money is spent.

**Representative Skarphol:** Maybe we have too many people funded. But if you think that you have an obligation to signing bonuses and to sick leave and all those things to cover, put a line item in the budget and have the person justify at the end what he used it for and if he didn't

spend it all, then give it back. But don't do it with unfilled positions, it doesn't make any sense; it is a cost of business. Report to the end what you used it for. I would be the first guy to do that.

**Senator Dever:** Would it be useful for a summary from OMB?

**Representative Carlson:** Not that way.

**Senator Dever:** I have an appreciation for the concept that you are putting forward.

**Representative Skarphol:** No other business would do it that way, if we have needs that can't fill then there

Senator Cook made a motion that the Senate accede to the House amendments with a second by Representative Carlson. There was no further discussion, roll was taken, and the motion passed 6-0 with Chairman Dever carrying the bill to the floor.

**REPORT OF CONFERENCE COMMITTEE  
(ACCEDE/RECEDE)**

Bill Number 2311 (, as (re)engrossed):

Date: 4-23

Your Conference Committee Govt + Vet Affairs

For the Senate:

For the House:

	YES / NO			YES / NO	
Sen DeScha	X		Rep Skarphol	X	
Sen Cook	X		Rep Carlson	X	
Sen Horne	X		Rep Williams	X	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) \_\_\_\_\_

\_\_\_\_\_, and place \_\_\_\_\_ on the Seventh order.

\_\_\_\_\_, adopt (further) amendments as follows, and place \_\_\_\_\_ on the Seventh order:

\_\_\_\_\_, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar.

DATE: 4-23-09

CARRIER: Dever

LC NO. _____	of amendment
LC NO. _____	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Cook

SECONDED BY: Carlson

VOTE COUNT 6 YES 0 NO 0 ABSENT



**REPORT OF CONFERENCE COMMITTEE**

**SB 2311:** Your conference committee (Sens. Dever, Cook, Horne and Reps. Skarphol, Carlson, Williams) recommends that the **SENATE ACCEDE** to the House amendments on SJ pages 1351-1352 and place SB 2311 on the Seventh order.

2009 TESTIMONY

SB 2311



NORTH DAKOTA  
PUBLIC EMPLOYEES ASSOCIATION

AMERICAN FEDERATION  
OF TEACHERS LOCAL 4660 AFL-CIO



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EMAIL: [comments@ndpea.org](mailto:comments@ndpea.org)  
WEBSITE: [www.ndpea.org](http://www.ndpea.org)

Good morning Chairman Dever and members of the Senate Government and Veterans Affairs Committee, my name is Gary Feist and I am President of the North Dakota Public Employees Association. I have been a state employee for the past 17 years working as an auditor in the Office of State Tax Commissioners Office. I am also a member of the State Employee Compensation Commission. I am here today to testify in support of Senate Bill 2311 which provides for an appropriation of 5% for state employee salaries for each year of the biennium. The bill will provide a minimum \$100 salary increase per month for those employees meeting performance standards. The \$100 minimum will provide for a meaningful salary increase for the employees in the lower pay grades and will provide a 3% cost of living adjustment for employees making \$40,000. The remaining appropriation will be used by agencies to reward employees for their performance and to address salary equity issues.

The 5% appropriation for each year is a continuation of the great strides the state has made during the last two legislative sessions when state employees' salaries were made a priority and there was an effort to make the salaries competitive with salaries in the private and public sectors in North Dakota and throughout the region. In the 1990's the state set a goal of trying to have the salary midpoints of its pay grades at 95% of market. With the growing economy in North Dakota and the demand for workers the state has seen its salary midpoints range from 85% to 91% of market, resulting in the state struggling to recruit and retain its quality employees. The cities and counties that the state must

*Quality Services from Quality People*

# Testimony

compete with for employees have set their salaries at 100% of market. Several years ago the state was able to attract employees from cities and counties, but now the trend is the going the other way. In a recent pay study commissioned by Burleigh County the following salary differences were noted in comparing similar jobs:

<u>Burleigh County</u>		<u>North Dakota State</u>	<u>Diff</u>
Highway Maintenance Worker	\$37,715	Transportation Technician II	\$29,553 26.7%
Highway Sign Technician	\$36,915	Highway Traffic Control Specialist	\$32,662 13%
Detention Officer	\$32,948	Correction Officer I	\$24,326 35.4%

In comparing similar job titles to the private sector using North Dakota Job Service data you can see that the state employee salaries are also lagging the private sector. The following job titles show the rates at which state employee salaries lag the private sector in ND.

Account Budget Specialist II	13.5%
Administrative Assistant II	17.9%
Programmer	32.6%

These same job titles lag the Central States Compensation Associations pay study by 7.1% to 16.4%. The comparison show that not only do state employee salaries lag the market in the public sector in other states but state employee salaries also lag the market here in North Dakota. If the state is going to be successful in recruiting and retaining its quality employees the state must continue to make state employee salaries a priority by passing a this bill which provides for a 5% appropriation each year of the biennium just to keep up with the many of the cities and counties that the state is competing with for workers in similar job titles. The city of Bismarck, for example, provided an appropriation of 5% for its employees for 2008.

By making state employee salaries a priority, the state will not be a training ground for the private and public sector in North Dakota or surrounding states. In the Compensation Report presented by Ken Purdy from Human Resource Management Services Division of OMB, to the Joint Appropriations Committee on January 7, 2009, it was noted that the state in 2008 lost 23.7% of its new hires within the first year of employment. Employees with less than 5 years of experience have a turnover rate of 15.2%. The cost of recruiting and training new employees is expensive to the state and also reduces the productivity of the staff, who are consequently required to continually spend their time training new employees. For example in the tax department we spend more than six months training a new corporate income tax auditor on the issues of combination and allocable income only to see them leave within the first few years of their employment and before they have gained enough experience to complete an audit on one of the larger corporations that files in North Dakota.

The 5% appropriation is only one part of the compensation package for state employees, which was included in the budget presented by Governor Hoeven. The continuation of the fully funded family health care premium is also critical to recruiting and retaining employees. During the SECC meetings held in June and September we were told that the health insurance was currently the most important tool the state had in its tool chest for recruiting new employees. The third part of the package is the \$23 million equity pool that is included in each agencies budget that will allow agencies to address the competitive employment market, salary issues in targeted occupations, and internal agency and inter-agency salary equity issues. All three components of the salary package recommended by Governor Hoeven are critical to moving state employee salaries forward and making the state competitive in the job market.

Over the past several months I have heard people ask, "Why should state employees get a 5% salary increase when other employees around the state will not be seeing the same kind of increase?" I believe that there is strong support for the 5% appropriation, the continuation of the health insurance, and the equity pool when you look at how far state employee salaries lag the market. In prior years state employees have received salary increases that were less than the rate of inflation and less than the increases that employees in the private sector were receiving based on budget constraints the state was experiencing. We were told, "When times are good we will take care of you." Well , the good times have come to North Dakota and now is the time for the state to do the things that are necessary to hang on to one of its greatest assets, its quality public employees. If not now, when will that state take to steps necessary to make its public employees salaries competitive with the market? I ask you consider the information that I presented and after careful consideration to please give SB 2311 a do pass recommendation.

Thank you for you time and I'm willing to answer any questions.

Gary Feist

NDPEA President



NORTH DAKOTA  
PUBLIC EMPLOYEES ASSOCIATION

*Same given  
to Senate Approp.*

AMERICAN FEDERATION  
OF TEACHERS LOCAL 4660 AFL-CIO



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WEBSITE: [www.ndpea.org](http://www.ndpea.org)

Good morning Chairman Dever and members of the Senate Government and Veterans Affairs Committee. My name is Stuart Savelkoul and I am the Executive Director of the North Dakota Public Employee Association. I am also here to testify in support of Senate Bill 2311. I would like to begin by thanking the sponsors of this bill. It is my understanding that there is no shortage of bills containing substantial fiscal notes this session. The fact that the sponsors of this bill wanted to ensure a fair and equitable salary increase for our public employees demonstrates that the necessity of recruiting and retaining quality public employees is a priority for this 61<sup>st</sup> Legislative Assembly.

I feel as though previous testimony has done a commendable job of demonstrating the disparities between the compensation of our state employees and their peer professionals in our state's private sector and in our region's public sector. There is nothing I could say on that matter that has not already been said more eloquently by people smarter than I. However, I would like to take this opportunity to remind the legislature that our state's supposed low cost of living is rapidly becoming more fiction than fact.

Our state's reputation for having a low cost of living has quite a bit to do with our state's smaller towns and communities. However, very few state employees are able to realize this benefit, because our state agencies are primarily located in North Dakota's more populated areas. According to a report by the North Dakota Housing Finance Agency, owning a home in our state's larger cities, where most of our state employees work, has become harder and harder with each passing year. The same report went on to detail that apartment rental rates have also skyrocketed over the last few years.

*Quality Services from Quality People*

# Testimony

Rising costs for groceries, gas, and property taxes also contribute to the harsh reality that living in North Dakota simply is not as cheap as it used to be. Nor does it compare as favorably as it once did to other states. In short, I merely wanted to address the widely believed yet wildly wrong assumption that North Dakota's state employees enjoy a low cost of living.

The decisions that you must make during this session are daunting, to say the least. We simply ask you to remember that your public employees have done more with less over the years. They have learned to tighten their belts, taken on more duties, and still they have provided quality services to the public they serve. If we are to grow our state, we must make sure that the employees that do valuable work for the state of North Dakota receive a fair wage. The state employees will continue to do the quality work that you ask them to do. All they are asking is that they not continue to fall behind, forcing them to look outside of state government for employment, or worse, outside the state altogether.

Thank you for your time and I will stand for any questions that you might have.

Respectfully submitted,

Stuart Savelkoul  
Executive Director  
NDPEA, AFT Local 4660



**SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE**

**January 29, 2009**

**9:00 a.m. –Missouri River Room**

**North Dakota Department of Transportation  
Francis Ziegler, P.E., Director**

**Senate Bill 2311**

---

Good morning, Mr. Chairman and members of the committee. I'm Francis Ziegler, Director of the North Dakota Department of Transportation (NDDOT).

Thank you for the opportunity to address the committee today and discuss Senate Bill 2311.

The NDDOT supports the Governor's proposed five percent per year general salary increase for the 2009-2011 biennium, and full funding for health insurance, as outlined in Senate Bill 2311. The Department appreciates the effort and support shown in this bill for employees.

NDDOT utilizes various means to recruit and retain quality employees. However, recruitment and retention of Engineering Technicians, Transportation Engineers, and Transportation Technicians continues to be a challenge for the department. At this time, our department is short a total of five Engineering Technicians, three Transportation Engineers, and seven Transportation Technicians (Equipment Operators). Filling these vacancies poses a challenge as we do not have many applicants for these positions. Non-competitive wages are often cited as reasons the applicants turn us down.

In our most recent salary study, using Job Service data and Central States survey data, which are also utilized by HRMS, we find that 80 NDDOT maintenance supervisors' salaries are more than 15 percent behind market. HRMS recently presented information to the Joint Appropriations Committee showing 236 of our transportation technicians (equipment operators) salaries being more than 20 percent behind a local county salary study. Our production and managing engineers' salaries range from 12 to 20 percent behind market, and our salaries for license specialists are 10 to 15 percent behind market.

Factors such as the numerous winter storms, customer expectations for clear roads, the proposed increase in the number of new projects, due to the proposed economic stimulus package, and the increase in federal aid requirements, have put a high level of demand on all of our employees.

Again, the Department would like to express full support for SB 2311. Thank you.



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
Cory Fong, Commissioner

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**SENATE GOVERNMENT & VETERANS AFFAIRS COMMITTEE**  
**Senator Dick Dever, Chairman**  
**Testimony from Tax Commissioner Cory Fong Re: Senate Bill 2311**  
**January 29, 2009**

I am here to speak in support of the Governor's recommended pay package for state employees, Senate Bill 2311.

I have had the opportunity, privilege really, to work in several different state agencies in my career. No matter where I have been, I am always impressed by the work ethic of state employees. In the Tax Department, we have a number of positions that require degrees in accounting or business. The competition we face in filling those vacancies is pretty aggressive.

The majority of our positions have unique qualifications, from either a degree requirement or experience gained from on-the-job training. We rarely find recruits who have experience or knowledge of the various tax types. Tax Department employees become experts in their tax type based on the length of time in their jobs. For many of our jobs there is a steep learning curve and we want to keep the good employees we have.

The Tax Department, along with all of state government, needs to remain competitive with salaries and other benefits in order to:

- maintain the experienced workforce we have now,
- and to attract new and well qualified employees.

The Governor's recommendation of five percent each of the next two years and the equity package goes a long way toward addressing employee compression issues confronting the Tax Department and other agencies.

I believe the state employee pay package in Senate Bill 2311 is a good plan. I commend the Legislature and the Governor for proposing a plan that will go a long way in addressing appropriate increases and equity for state employees.



**Testimony of Roger Johnson  
Agriculture Commissioner  
Senate Bill 2311  
Senate Government and  
Veterans Affairs Committee  
Missouri River Room  
January 29, 2009**

Chairman Dever and members of the Senate Government and Veterans Affairs Committee, I am Jeff Weispfenning, Deputy Agriculture Commissioner, and I am here today on behalf of Agriculture Commissioner Roger Johnson. I stand in support of SB 2311, which provides raises to state employees of five percent for each year of the coming biennium and establishes a market equity pool for additional salary adjustments.

We are a small state agency—the 2007 Legislature authorized us for 67.5 FTEs. During the 2007-09 biennium, we have lost eleven employees to date: three to retirement, seven to other jobs and one to disciplinary action.

These pay increases are important in order to retain and motivate current employees. All seven employees that went to other jobs went to the private sector, including the oil fields. The pay increases of five percent will allow us to better compete with the private sector and other potential employers who seek to hire our skilled employees.

We support the continuation of the state payment of the entire health insurance premium for state employees. This allows us to compete with other employers, especially the private sector, and the health insurance benefit remains a strong inducement for retaining experienced staff, especially those nearing retirement.

We support the market equity funds that are provided in the Governor's budget. In our case, four of the seven people that we lost to other employers were regulatory field inspectors. 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. Our equity funds would be used to make adjustments to this group of employees and bring them nearer the average of similar positions in other states.

The salary adjustments included in SB2311 and the continued payment of the entire health insurance premium by the state will send a positive signal to state employees about the value of the work they all do every day. Chairman Dever and committee members, I urge your "do pass" on SB 2311. I would be happy to answer any questions you may have.

● ●

# North Dakota State Employee Compensation Report

61<sup>st</sup> Legislative Assembly  
Joint Appropriations Committee

January 7, 2009

Human Resource Management Services Division  
of the  
Office of Management & Budget

# Average Classified Employee

	Years of Age	Years of Service	Annual Salary	Actual Increase	Appropriated	Compa-Ratio	Notes
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	(1)
August-00	44.4	12.3	29,993	3.9%	2.0%	0.97	(2)
August-01	44.8	12.5	31,467	4.9%	3.0%	0.96	(1)
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	
December-05	46.1	13.6	34,158	4.8%	4.0%	0.96	(3)
December-06	46.2	13.4	35,640	4.3%	4.0%	0.96	
December-07	46.2	13.2	37,834	6.2%	4.0%	0.95	(4)
<b>August-08</b>	<b>46.4</b>	<b>13.2</b>	<b>39,622</b>	<b>4.7%</b>	<b>4.0%</b>	<b>0.96</b>	

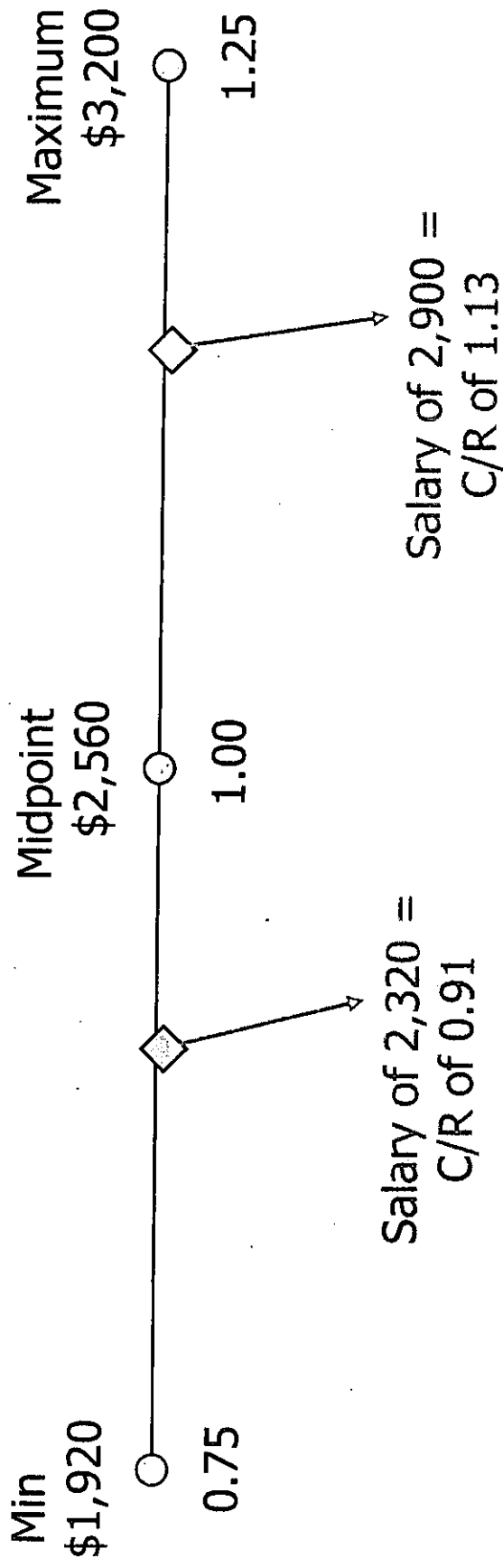
(1) Included 1999 & 2001 Market/Equity Fund Increases (\$5.4 & \$5.0 mill respectively)

(2) Included authorization for agencies to "self-fund" additional 1.0%

(3) 2005 Leg approp equity sal inc's of \$1.5 mill for DOCR & \$413,000 for Hwy Patrol

(4) Included Market/Equity Fund (\$10 mill)

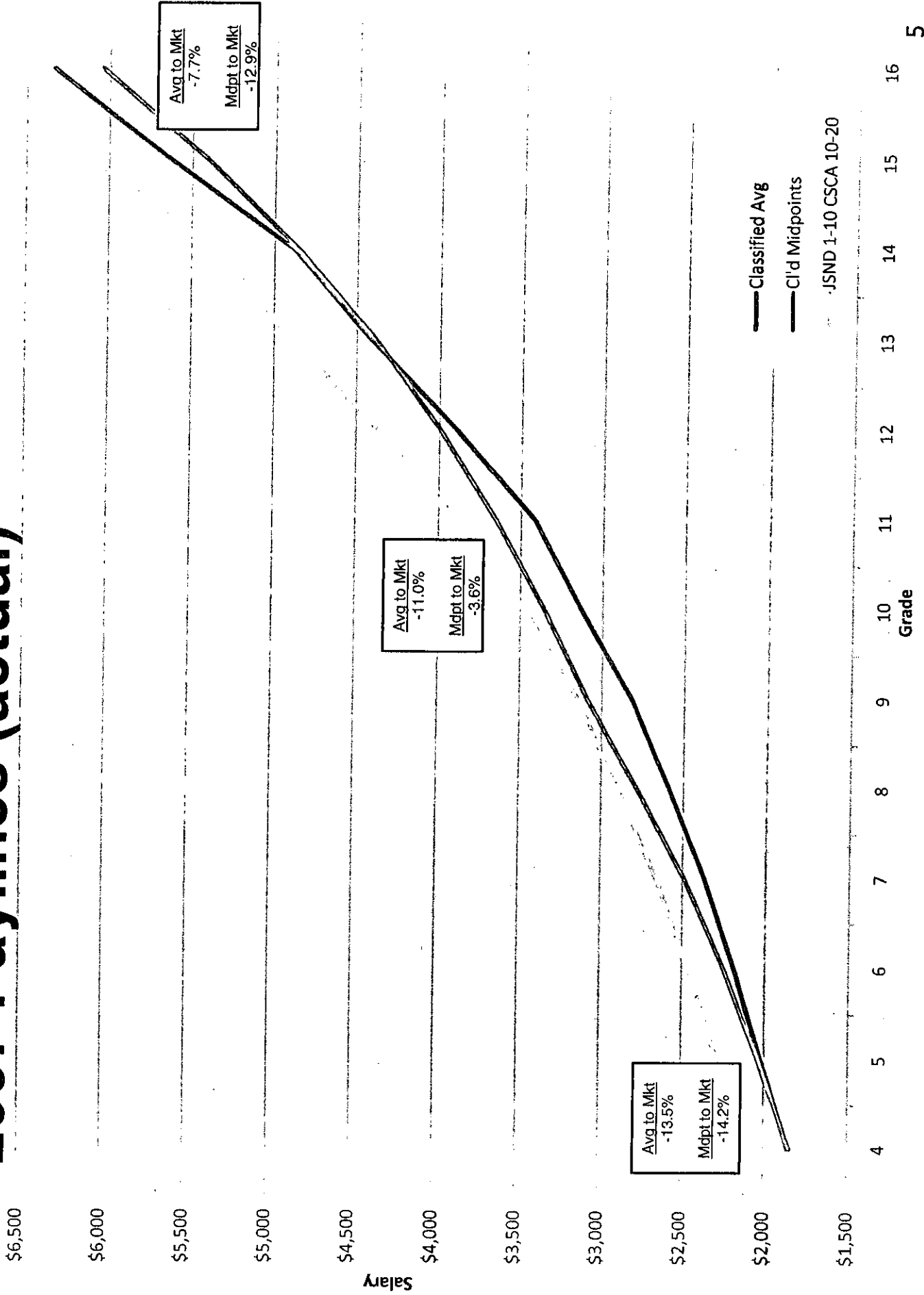
# Compa-Ratio = Salary / Midpoint



# ● ● ● Employment Market

- Job Service ND Labor Market Information
  - ND Salary Data
  - 2007-8
  - Grades 1 – 10
- Central States Compensation Association
  - CO, IA, KS, MN, MO, MT, NE, OK, SD, WY
  - 2008
  - Grades 11 – 20

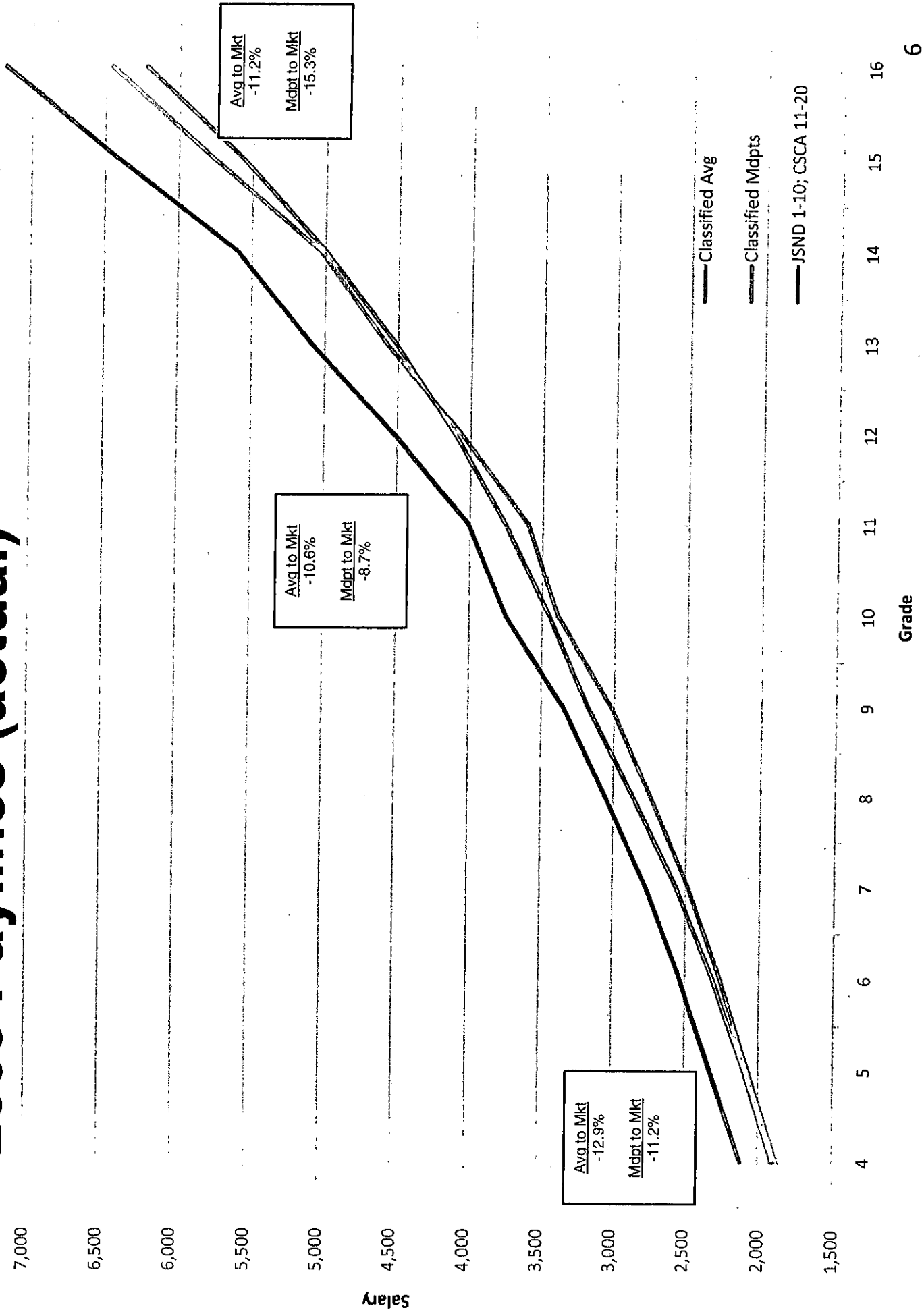
# 2007 Paylines (actual)



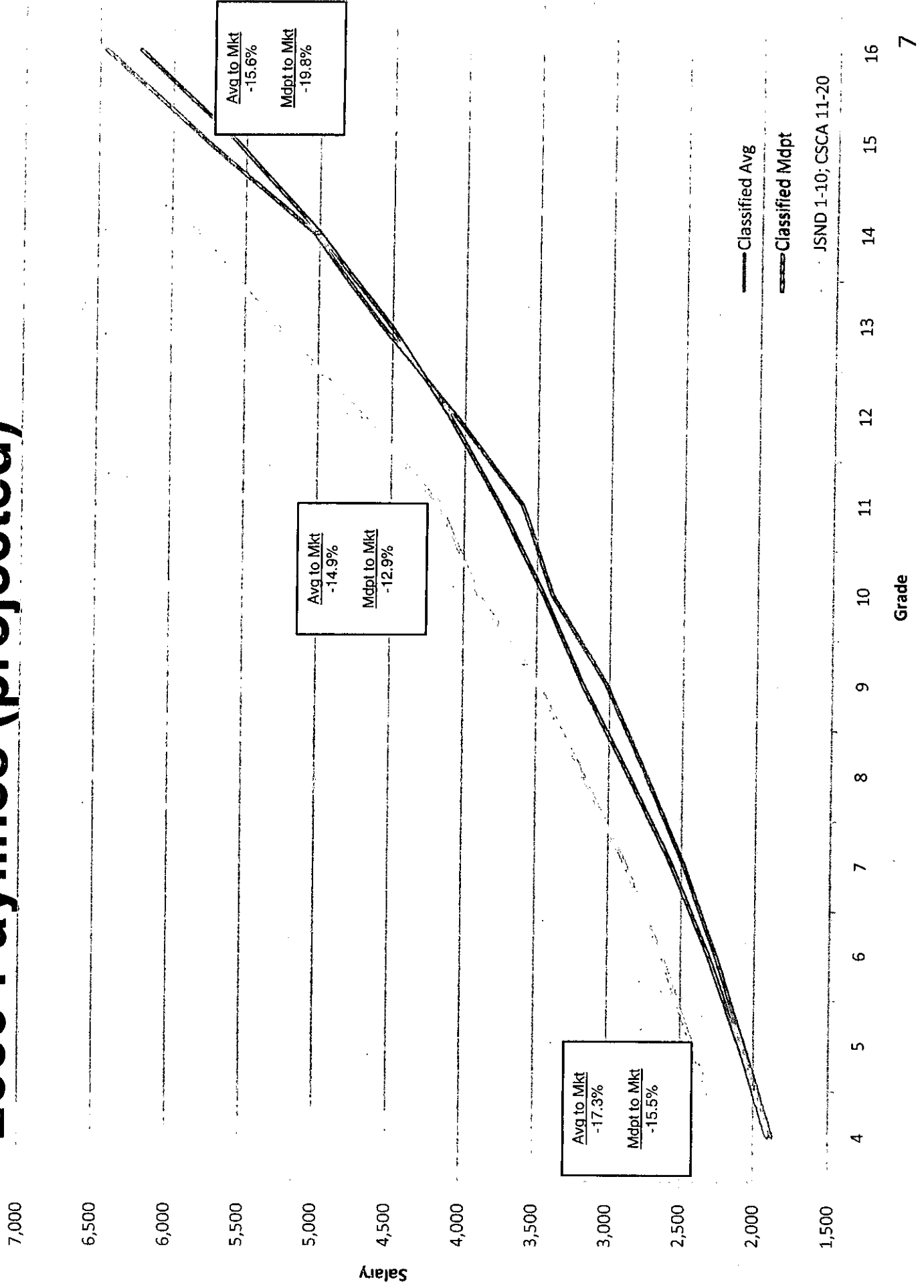
JSND 1-10 CSCA 10-20



# 2008 Paylines (actual)



# 2009 Paylines (projected)



JSND 1-10; CSCA 11-20

Grade

# Central States Compensation Association - 2008

Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
1100	Engineering Technician IV (2004)	48		34,728	42,087	50,340	ND	14.2%
1105	Transportation Project Manager (2015)	9	1,313	32,545	36,861	41,480		
1110	Transportation Senior Manager (2016)	9	1,243	42,624	46,043	51,708	ND	6.0%
1115	Transportation Engineer I (2021)	7	468	45,432	53,365	59,508	ND	-0.3%
1120	Transportation Engineer II (2022)	10	310	40,200	43,228	45,672	ND	-4.9%
1125	Transportation Engineer III (2023)	10	911	41,347	45,468	52,299		
1135	Facility Construction Engineer (2065)	26		48,252	51,044	56,088	ND	-16.0%
1140	Environmental Engineer II (2042)	10	911	51,465	60,744	69,395		
1145	Environmental Engineer III (2043)	57		50,664	60,087	67,752	ND	-18.5%
1155	Hydrologist Manager I (2059)	10	699	62,915	73,711	80,002		
1160	Admin. Transportation Engineer II (2025)	1		62,652	62,652	62,652	ND	-15.8%
1165	Chief Transportation Engineer (2030)	8	461	64,862	74,399	79,221		
1175	Geologist III (2083)	10	787	37,680	49,348	53,772	ND	-18.7%
		14		50,631	60,678	68,441		
		10	510	51,144	57,146	64,128	ND	-23.9%
		5	368	64,912	75,058	80,365		
		5	368	60,132	67,286	72,108	ND	-12.1%
		16		66,562	76,525	81,246		
		10	105	82,536	84,137	85,980	ND	-11.3%
		1		90,992	94,859	98,415		
		9	12	105,096	105,096	105,096	ND	-8.9%
		5		115,377	115,377	115,377		
		7	225	45,000	54,108	62,280	ND	-10.7%
				51,828	60,566	66,340		

Red = More than 5.0% behind Market Average      107 of 191 Survey Classes  
Green = 0 to 5.0% behind Market Average      35 of 191  
 = above Market Average      49 of 191

# Job Service ND Labor Market

SOC Code	Match Title	ND Grade	# Inc	Average	Ann Avg	State	Var
439061	Office Assistant II	4	61	1,938	23,256	ND	5.5%
439061	Office Assistant III	5	167	2,012	24,144	ND	-4.3%
436011	Administrative Assistant II	7	138	2,503	30,036	ND	-17.9%
436011	Administrative Assistant III	8	79	2,953	35,436	ND	-13.6%
151021	Programmer	9	3	2,903	34,836	ND	-32.6%
151051	Programmer/Analyst II	12	30	3,969	47,628	ND	-10.7%
151051	Programmer/Analyst III	13	56	4,600	55,200	ND	-9.8%
151071	Computer & Network Support Analyst II	11	24	3,393	40,716	ND	-22.4%
151071	Computer & Network Support Analyst III	13	7	4,376	52,512	ND	-7.9%
132011	Accounting/Budget Specialist II	10	15	3,302	39,624	ND	-13.5%
			2,980	3,748	44,976	In-St Mkt	

Red

= More than 5.0% behind Market Average

28 of 35 Survey Classes

Green

= 0 to 5.0% behind Market Average

4 of 35

= above Market Average

3 of 35

# Burleigh County Pay Study

NO.	County BENCHMARK TITLE	State of North Dakota		State of ND Response		Variance ND to Burleigh Mkt Median
		Title	# Ee's	Actual Avg		
3	Highway Maintenance Worker II	Transportation Technician II	236	\$29,553	37,715	-27.6%
4	Highway Maintenance Worker III	Transportation Services Supervisor	73	\$37,086	43,160	-16.4%
5	Shop Maintenance Worker II	Fleet and Equipment Technician III	24	\$36,341	40,218	-10.7%
6	Shop Maintenance Worker III	Fleet and Equipment Service Supervisor	9	\$44,061	46,407	-5.3%
7	Highway Sign Technician	Highway Traffic Control Specialist II	12	\$32,662	36,915	-13.0%
8	Engineer Technician	Engineer Technician IV	50	\$39,696	42,142	-6.3%
9	Court Security	Security Officer I	16	\$25,729	26,354	-2.4%
10	Deputy Sheriff I	Highway Patrol Officer I *	8	\$38,316	39,519	-3.1%
11	Deputy Sheriff II	Highway Patrol Officer II *	92	\$45,018	45,084	-0.1%
14	Deputy Sheriff Sergeant	Highway Patrol Sergeant	15	\$53,377	55,138	-3.8%
15	Deputy Sheriff Lieutenant	Highway Patrol District Commander	12	\$60,995	60,966	0.0%
16	Deputy Sheriff Major	Highway Patrol Field Ops Commander	1	\$71,004	70,782	0.3%
17	Detention Officer I	Correctional Officer I *	6	\$24,326	32,948	-35.4%
18	Detention Officer II	Correctional Officer II *	164	\$30,516	33,592	-10.1%
20	Detention Officer Corporal	Correctional Supervisor I	12	\$37,216	37,216	0.0%

Red = More than 5.0% behind Market Average  
 Green = 0 to 5.0% behind Market Average  
 = above Market Average

16 of 26 Survey Classes  
 6 of 26  
 4 of 26

**Table 27 Benefit Value Comparison**

**Average Salary**

annual = \$44,134 based on overall survey average for all 26 CSCA states

hourly = \$21.22

State	Vacation Hours 5-9 yrs	Sick Hours	Holiday Hours	Health Insurance Employer Cost	Dental Insurance	Vision Insurance	Life Insurance	Retirement	Social Security	Total Benefit	% of Salary	Benefit Value at average hourly salary	Rank out of 11
Colorado	120	80	80	\$783.00	\$47.46			11.75%		\$10.14	47.79%	\$31.36	7
per hour	\$1.22	\$0.82	\$0.82	\$4.52	\$0.27		\$0.980	\$2.49					
Iowa	120	144	88	\$1,613.00	\$34.02		\$0.057	6.35%		\$14.50	68.32%	\$35.71	3
per hour	\$1.22	\$1.47	\$0.90	\$9.31	\$0.20		\$0.057	\$1.35					
Kansas	120	104	88	\$416.00	\$52.50			6.97%	6.20%	\$8.68	40.91%	\$29.90	11
per hour	\$1.22	\$1.06	\$0.90	\$2.40	\$0.30			\$1.48	\$1.32				
Minnesota	130	104	88	\$1,145.00	\$46.50			4.50%	6.20%	\$12.43	58.60%	\$33.65	6
per hour	\$1.33	\$1.06	\$0.90	\$6.61	\$0.27			\$0.95	\$1.32				
Missouri	120	120	96	\$1,310.00	\$5.98			12.53%	6.20%	\$14.99	70.67%	\$36.21	2
per hour	\$1.22	\$1.22	\$0.98	\$7.56	\$0.03		\$0.000	\$2.66	\$1.32				
Montana	120	96	84	\$590.00	\$63.20		\$1.900	6.90%	6.20%	\$9.70	45.73%	\$30.92	9
per hour	\$1.22	\$0.98	\$0.86	\$3.40	\$0.31		\$0.153	\$1.46	\$1.32				
Nebraska	120	96	96	\$1,349.00			\$0.140	7.49%	6.20%	\$13.89	65.45%	\$35.10	4
per hour	\$1.22	\$0.98	\$0.98	\$7.78			\$0.016	\$1.59	\$1.32				
Oklahoma	144	120	80	\$1,443.00				14.50%	6.20%	\$16.23	76.47%	\$37.44	1
per hour	\$1.47	\$1.22	\$0.82	\$8.33			\$0.000	\$3.08	\$1.32				
South Dakota	120	112	92	\$481.00			\$0.206	6.00%	6.20%	\$8.70	41.00%	\$29.92	10
per hour	\$1.22	\$1.14	\$0.94	\$2.78			\$0.030	\$1.27	\$1.32				
Wyoming	120	96	72	\$1,109.00	\$24.57		\$0.290	11.25%	6.20%	\$13.26	62.51%	\$34.48	5
per hour	\$1.22	\$0.98	\$0.73	\$6.40	\$0.14		\$0.084	\$2.39	\$1.32				
Average #s	123	107	86	\$ 1,023.90	\$ 37.75		\$ 0.70	8.8%	6.2%	\$12.25	57.7%	\$33.47	
Average/hr	\$1.26	\$1.09	\$0.88	\$5.91	\$0.22		\$0.05	\$1.87	\$1.32				
North Dakota	120	96	84	\$658.00			\$0.185	9.12%	6.20%	\$10.11	47.64%	\$31.33	8
per hour	\$1.22	\$0.98	\$0.86	\$3.80			\$0.001	\$1.94	\$1.32				

NOTE: - This analysis shows the value of benefits using a constant dollar amount; comparing the value of each state's benefits to other states.  
 - When variable rates or ranges were given for annual, sick, or holidays, an average was used. (5 years of service).  
 - This Value Analysis was calculated using the Classified Average Salary from Table 1.  
 - When variable rates or ranges were given for life insurance an average was used.  
 - Health, dental, and vision insurance used the largest enrollment and the highest state contribution for combined employee only and employee + family coverage.  
 - ND Retirement includes 4.12% paid by the state; 4.0% paid 'on behalf' of the employee by the state; and 1.0% for pre-paid retiree health insurance contribution.

**-6.8%**

**Table 29 - Central States Regional Total Compensation Analysis (Classified Only)**

State	Average		Vacation		Sick		Holiday		Insurance				Life	Retirement	Social Security	Total Benefit	% of Salary	Total Compensation	Rank out of 11	
	Salary	Hours	Hours	Hours	Hours	Hours	Dental	Vision	Health	Dental	Vision	Health								
COLORADO	\$52,017	120	80	80	\$783.00	\$47.46							11.75%	0.00%						
per hour	\$25.01	\$1.44	\$0.96	\$0.96	\$4.52	\$0.27							\$2.94			\$11.10	44.37%	\$36.10	3	
IOWA	\$49,762	120	144	88	\$1,613.00	\$34.02							6.35%	0.00%						
per hour	\$23.92	\$1.38	\$1.66	\$1.01	\$9.31	\$0.20							\$1.52			\$15.10	63.13%	\$39.03	1	
KANSAS	\$36,664	120	104	88	\$416.00	\$52.50							6.97%	6.20%						
per hour	\$17.63	\$1.02	\$0.88	\$0.75	\$2.40	\$0.30							\$1.23	\$1.09	\$7.67	43.50%	\$25.30	10		
MINNESOTA	\$50,279	130	104	88	\$1,145.00	\$46.50							4.50%	6.20%						
per hour	\$24.17	\$1.52	\$1.21	\$1.02	\$6.61	\$0.27							\$1.09	\$1.50	\$13.21	54.64%	\$37.38	2		
MISSOURI	\$32,479	120	120	96	\$1,310.00	\$5.98							12.53%	6.20%						
per hour	\$15.61	\$0.90	\$0.90	\$0.72	\$7.56	\$0.03							\$1.96	\$0.97	\$13.04	83.51%	\$28.65	8		
MONTANA	\$45,956	120	96	84	\$590.00	\$53.20							6.90%	6.20%						
per hour	\$22.09	\$1.27	\$1.02	\$0.89	\$3.40	\$0.31							\$1.52	\$1.37	\$9.95	45.01%	\$32.04	6		
NEBRASKA	\$39,657	120	96	96	\$1,349.00								7.49%	6.20%						
per hour	\$19.07	\$1.10	\$0.88	\$0.88	\$7.78								\$1.43	\$1.18	\$13.27	69.59%	\$32.33	5		
OKLAHOMA	\$34,686	144	120	80	\$1,443.00								14.50%	6.20%						
per hour	\$16.68	\$1.15	\$0.96	\$0.64	\$8.33								\$2.42	\$1.03	\$14.53	87.16%	\$31.21	7		
SOUTH DAKOTA	\$34,452	120	112	92	\$481.00								6.00%	6.20%						
per hour	\$16.56	\$0.96	\$0.89	\$0.73	\$2.78								\$0.99	\$1.03	\$7.41	44.71%	\$23.97	11		
WYOMING	\$43,686	120	96	72	\$1,109.00	\$24.57							11.25%	6.20%						
per hour	\$21.00	\$1.21	\$0.97	\$0.73	\$6.40	\$0.14							\$2.36	\$1.30	\$13.20	62.83%	\$34.20	4		
<b>AVERAGES</b>	<b>\$41,964</b>	<b>123</b>	<b>107</b>	<b>86</b>	<b>\$1,024</b>	<b>\$38</b>							<b>\$0.62</b>	<b>4.96%</b>	<b>\$11.85</b>	<b>59.85%</b>	<b>\$32.02</b>			
	\$20.17	\$1.20	\$1.03	\$0.83	\$5.91	\$0.22							\$0.05	\$1.18	\$9.47	49.67%	\$28.53	9		
North Dakota	\$39,648	120	96	84	\$658.00								9.12%	6.20%	\$9.47	49.67%	\$28.53			
per hour	\$19.06	\$1.10	\$0.88	\$0.77	\$3.80								\$1.74	\$1.18						

NOTE: - When variable rates or ranges were given for annual, sick or holidays, an average was used.  
 - Average Salary: Classified salary was not reported by Nebraska in Table 1, the Average Salary for Classified and Unclassified was used in this Table.  
 - Dental: If included in medical plan or left blank in Table 17 it was left blank in this Table.  
 - Vision: If included in medical plan or left blank in Table 18 it was left blank in this Table.  
 - Life: Monthly premium rate for \$1,000 multiplied by amount of coverage shown in table 22. If included in medical plan cost not shown left blank in this Table.  
 - Health, dental, and vision insurance used the largest enrollment and the highest state contribution for combined employee only and employee + family coverage.  
 - ND Retirement includes 4.12% paid by the state; 4.0% paid 'on behalf' of the employee by the state; and 1.0% for pre-paid retiree health insurance contribution.

**-12.2%**

# Job Service ND Labor Market Information

## North Dakota Benefits Guide

### Leave Benefits

- 67% Provide Paid Vacation to Full-Time Employees
  - Most provide between 5 & 15 days/yr based on years of employment
- 40% Provide Paid Sick Leave to Full-Time Employees
  - Most provide between 5 & 10 days/yr based on years of employment
- 24% Provide Paid Time Off or Personal Leave to Full-Time Employees
  - Most provide between 5 & 10 days/yr based on years of employment
- 66% Provide Paid Holidays to Full-Time Employees
- 20% Provide Paid Family Leave to full-Time Employees



# Job Service ND Labor Market Information

## North Dakota Benefits Guide

### Insurance Coverages

- Medical Plan Premiums
  - Single Plan – 58% Provide between 76-100% of premium – overall average 76%
  - Family Plan – 32% Provide between 76-100% of premium – overall average 55%
- Dental Plan Premiums
  - 37% Provide between 76-100% of premium – overall average 54%
- Vision Plan Premiums
  - 37% Provide between 76-100% of premium – overall average 48%
- Life Insurance Plan Premiums
  - 75% Provide between 76-100% of premium – overall average 78%
- Short Term Disability Plan Premium
  - 50% Provide between 76-100% of premium – overall average 55%
- Long Term Disability Plan Premium
  - 63% Provide between 76-100% of premium – overall average 67%

# Job Service ND Labor Market Information

## North Dakota Benefits Guide

### Retirement Programs

- 53% of Employers provide a Defined Contribution Retirement Plan for employees
  - 79% of Employers contribute to the Employee's Plan
- 11% of Employers provide a Defined Benefit Retirement Plan for Employees
  - 95% of Employers contribute to the Employee's Plan
  - 48% of Employers with more than 250 offered a Defined Benefit Pension Plan

### Salary Policy

- 71% of Employers Review Salaries Annually
  - 70% of Employers Gave Raises in the Past Year Averaging 5.1%
  - 65% of Employers Plan on Giving Raises in the Next Year Averaging 4.6%
- Types of Increases Given
  - Merit 31.5%
  - Combination – 27.0%
  - Cost of Living – 13.8%
  - Longevity – 7.3%

# Turnover

	2001	2002	2003	2004	2005	2006	2007	2008
# Employees	6,333	6,587	6,333	6,408	6,434	6,420	6,494	6,750
# Separations	571	509	535	480	593	682	602	613
<b>Turnover Rate</b>	<b>9.0%</b>	<b>7.7%</b>	<b>8.4%</b>	<b>7.5%</b>	<b>9.2%</b>	<b>10.6%</b>	<b>9.3%</b>	<b>9.1%</b>

(Note: 2003 & later excludes inter-agency transfers)

Turnover Rate by Occupation								
Occupation	2001	2002	2003	2004	2005	2006	2007	2008
Admin Support	9.1%	8.2%	9.7%	6.1%	7.2%	7.4%	7.4%	8.8%
Info Tech	7.8%	6.0%	6.0%	3.7%	7.6%	6.9%	6.5%	6.6%
Misc Admin	7.6%	7.6%	6.6%	6.3%	8.0%	11.6%	7.1%	8.0%
Education	9.6%	13.2%	9.3%	9.1%	5.6%	8.3%	7.3%	12.9%
Engineering	5.3%	3.6%	4.7%	6.6%	9.2%	7.5%	7.9%	5.8%
Medical/Health	9.1%	10.7%	13.6%	10.5%	12.7%	16.5%	13.8%	9.6%
Social Services	11.6%	9.9%	10.1%	9.7%	11.9%	14.5%	12.4%	11.5%
Public Safety	10.2%	7.3%	8.3%	8.0%	7.8%	10.2%	9.2%	8.1%
Natl Res/Agric	5.3%	2.5%	4.3%	6.3%	5.1%	5.6%	6.0%	7.4%
Custodial & Food Svc	12.4%	6.6%	20.7%	10.7%	17.4%	9.7%	12.8%	11.3%
Labor/Trades	6.5%	5.2%	6.0%	4.8%	7.4%	6.9%	6.1%	8.7%

# Turnover

## Percent of Total Turnover By Reason

Reason	2001	2002	2003	2004	2005	2006	2007	2008
Involuntary	10.5%	9.4%	12.1%	9.8%	11.6%	14.5%	11.8%	11.6%
Retirement	14.4%	17.5%	22.2%	19.8%	19.9%	21.8%	25.3%	21.5%
Other Employment/Personal	66.9%	66.4%	44.7%	63.3%	64.1%	61.7%	60.6%	64.0%
Health or No Reason	8.2%	6.7%	20.9%	7.1%	4.4%	1.9%	2.3%	2.9%

## Turnover Rate by Years of Service

Yrs	2003	2004	2005	2006	2007	2008
Less than 1	7.7%	22.3%	27.0%	24.4%	23.1%	23.7%
1 - 1.9	27.1%	4.7%	21.7%	15.9%	16.0%	17.4%
2 - 2.9	14.2%	14.3%	17.7%	16.7%	11.3%	16.2%
3 - 3.9	14.2%	8.8%	13.0%	11.2%	12.0%	9.6%
4 - 4.9	11.8%	10.6%	10.8%	13.5%	8.3%	10.5%
<b>Less than 5 yrs</b>	<b>14.6%</b>	<b>12.1%</b>	<b>13.1%</b>	<b>17.5%</b>	<b>15.1%</b>	<b>15.2%</b>
5 - 9.9	7.5%	5.3%	6.8%	8.8%	8.3%	7.7%
10 - 14.9	5.2%	4.6%	5.3%	9.3%	5.5%	4.2%
15 - 19.9	5.1%	5.1%	3.7%	5.7%	4.6%	5.6%
20 - 29.9	5.0%	3.8%	4.3%	6.4%	5.3%	4.8%
30 - 39.9	14.6%	8.6%	10.4%	11.5%	11.5%	7.4%
Over 40	26.0%	26.9%	20.4%	25.5%	38.1%	21.3%

# Turnover

## Turnover Rate by Agency

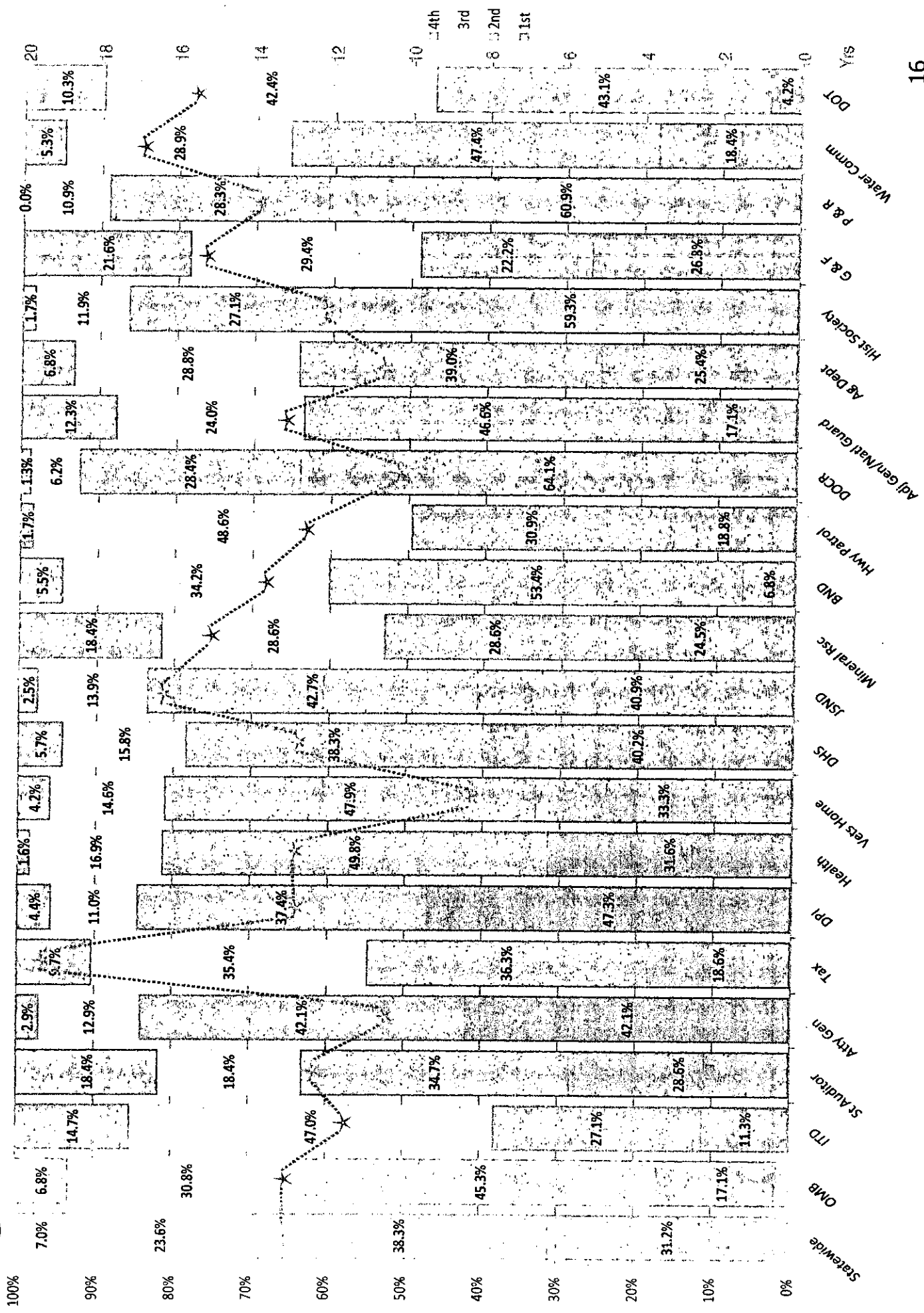
Agencies with more than 25 employees (excludes inter-agency transfers)

Agency	2005	2006	2008
OMB	6.0%	10.3%	6.8%
ITD	7.5%	5.9%	7.2%
St Auditor	10.4%	11.8%	19.6%
Attorney General	7.3%	5.7%	4.7%
Tax Dept	5.7%	6.6%	3.2%
NDPERS	7.1%	6.9%	9.1%
DPI	2.2%	5.4%	12.5%
St Library	10.3%	17.2%	13.3%
Sch for the Deaf	16.7%	20.0%	18.2%
Health Dept	10.2%	8.9%	7.4%
Vets Home	25.8%	17.7%	17.6%
DHS	11.7%	14.0%	10.9%
Job Service	11.2%	20.9%	12.9%
Insurance Dept	10.8%	13.5%	14.3%

Agency	2005	2006	2008
Mineral Resources	10.6%	6.0%	9.8%
PSC	0.0%	14.3%	5.6%
Bank of ND	6.7%	8.8%	5.5%
Highway Patrol	9.3%	10.1%	5.3%
Homeland Security	0.0%	9.6%	*
DOCR	8.3%	10.5%	8.6%
Adj Gen/Natl Guard	5.2%	10.6%	6.4%
Ag Dept	1.9%	10.5%	10.2%
Historical Society	5.3%	3.6%	6.8%
Game & Fish	2.0%	2.7%	4.0%
Parks & Rec	15.6%	8.7%	14.6%
Water Comm	7.9%	5.1%	3.7%
DOT	7.0%	5.9%	7.6%

\* Included w/Adjutant General

# Employees by Quarter - Selected Agencies



# Executive Budget Compensation Proposal

- General Increase
  - 5% Appropriation Each Year – Documented Performance & Equity
  - Minimum \$100/mo increase – If Performance Meets Standards
- Equity Funding
  - \$13 million general fund; \$10 million non-general fund
  - Based on Budget Requests, Occupational Market Issues, Intra & Inter Agency Equity Issues
- Salary Plan (Grades/Ranges)
  - Adjust Range Midpoints = 95% of *Projected* July 2009 Market Pay

# QUESTIONS?

**Office of Management & Budget**  
Human Resource Management Services  
328-3290

Laurie Sterioti Hammeren, Director  
328-4735

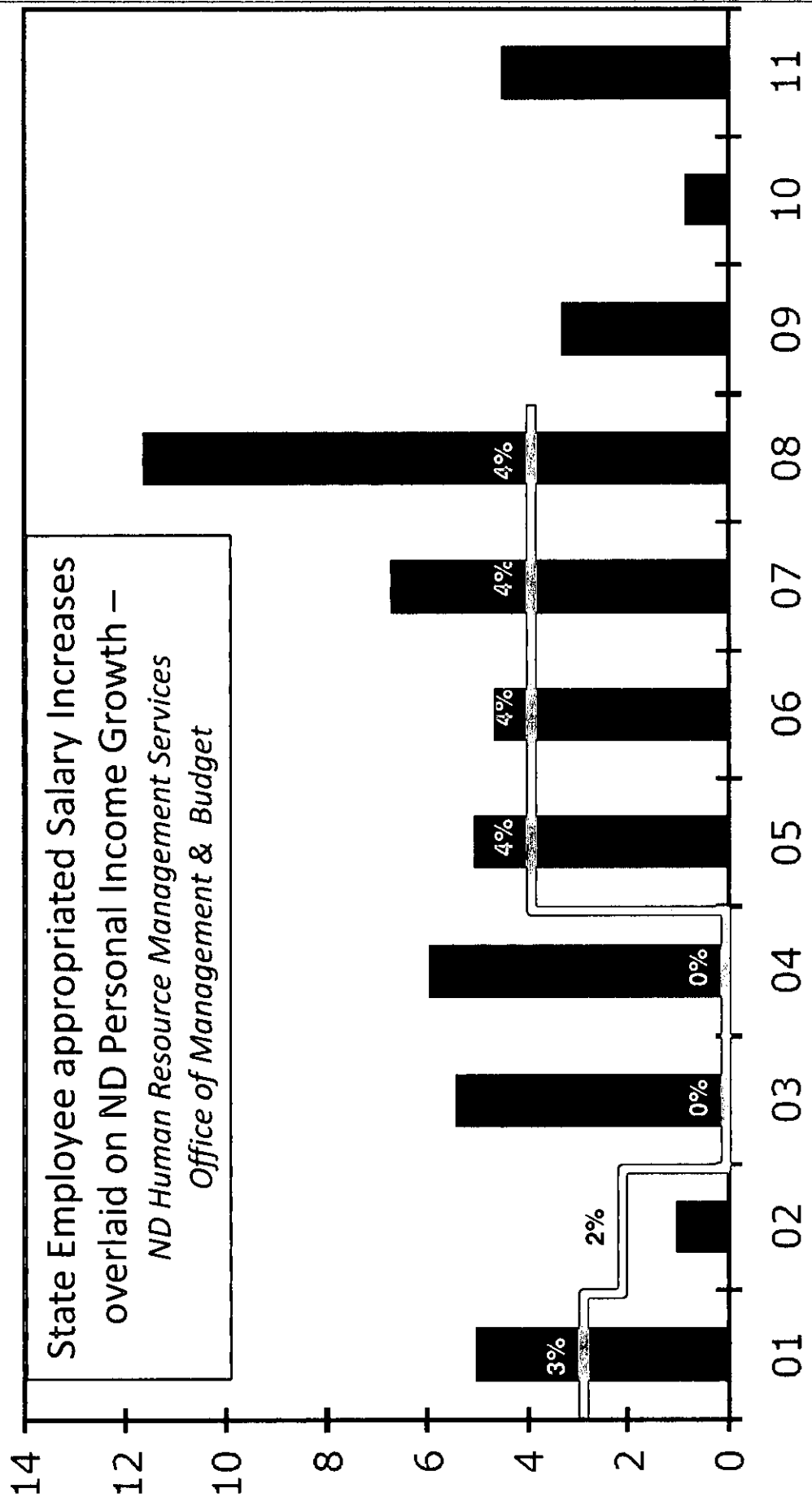
Ken Purdy, Compensation Manager  
328-4739

<http://www.nd.gov/hrms/docs/presentations/090107jac.pdf>



# North Dakota Income Growth to Slow

## Total personal income, fiscal years, % change



**SENATE APPROPRIATIONS COMMITTEE**

**February 10, 2009**

**8:00 a.m. – Harvest Room**

**North Dakota Department of Transportation**

**Francis Ziegler, P.E., Director**

**Senate Bill 2311**

---

Good morning, Mr. Chairman and members of the committee. I'm Francis Ziegler, Director of the North Dakota Department of Transportation (NDDOT).

Thank you for the opportunity to address the committee today and discuss Senate Bill 2311.

The NDDOT supports the Governor's proposed five percent per year general salary increase for the 2009-2011 biennium, and full funding for health insurance, as outlined in Senate Bill 2311. The Department appreciates the effort and support shown in this bill for employees.

NDDOT utilizes various means to recruit and retain quality employees. However, recruitment and retention of Engineering Technicians, Transportation Engineers, and Transportation Technicians continues to be a challenge for the department. At this time, our department is short a total of five Engineering Technicians, three Transportation Engineers, and seven Transportation Technicians (Equipment Operators). Filling these vacancies poses a challenge as we do not have many applicants for these positions. Non-competitive wages are often cited as reasons the applicants turn us down.

In our most recent salary study, using Job Service data and Central States survey data, which are also utilized by HRMS, we find that 80 NDDOT maintenance supervisors' salaries are more than 15 percent behind market. HRMS recently presented information to the Joint Appropriations Committee showing 236 of our transportation technicians (equipment operators) salaries being more than 20 percent behind a local county salary study. Our salaries for license specialists are 10 to 15 percent behind market and our production and transportation engineers' salaries range from 20 to 25 percent behind in state markets. These groups make up approximately 50 percent of our organization's workforce.

The newly released Job Service data shows that the salary gap for engineers has grown significantly over the last year, which makes NDDOT non-competitive both in-state and out-of-state for qualified candidates.

The salary differentiation is a critical finding due to factors that impact our state, such as numerous winter storms, expectations for clear roads, an increase in the number of new projects due to the economic stimulus package, and increases in federal aid requirements. These factors have placed additional competitive employment pressures upon the NDDOT, making it increasingly more difficult to attract and retain a quality workforce.

Again, the Department would like to express full support for SB 2311. Thank you.

Roger Johnson  
Agriculture Commissioner  
www.agdepartment.com



Attachment #1  
Phone (701) 328-2231  
Toll Free (800) 242-7535  
Fax (701) 328-4567

**Testimony of Roger Johnson  
Agriculture Commissioner  
Senate Bill 2311  
House Government and  
Veterans Affairs Committee  
Missouri River Room  
February 26, 2009**

Chairman Grande and members of the House Government and Veterans Affairs Committee, I am Agriculture Commissioner Roger Johnson. I stand in support of SB 2311, which provides raises to state employees of five percent for each year of the coming biennium and establishes a market equity pool for additional salary adjustments.

We are a small state agency, authorized 67.5 FTEs by the 2007 Legislature. During the 2007-09 biennium, we have lost eleven employees to date: three to retirement, seven to other jobs and one to disciplinary action.

These pay increases are important in order to retain and motivate current employees. All seven employees that went to other jobs went to the private sector, including the oil fields. The proposed pay increases of five percent each year of the biennium will allow us to better compete with the private sector and other potential employers who seek to hire our skilled employees.

We support the continuation of the state payment of the entire health insurance premium for state employees. This allows us to compete with other employers, especially the private sector, and the health insurance benefit remains a strong inducement for retaining experienced staff, especially those nearing retirement.

We support the market equity funds that are provided in the Governor's budget. In our case, four of the seven people that we lost to other employers were regulatory field inspectors. 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. Our equity funds would be used to make adjustments to field inspectors and bring them nearer the average of similar positions in other states.

I do, however, need to point to the problems with the current House version of state employee raises. Our budget bill, HB 1009, contains significant adjustments to the Governor's pay package. The most onerous change was the removal of 2% of our salary line. For our agency, the net effect will be to leave only enough funds to provide our employees with 1.7% raises each year of the biennium, instead of the 5% authorized by this bill. The OMB budget bill, HB 1015,

provides for funding for a "critical salary funding pool" a new bureaucracy for filling vacant positions. According to press reports, this new bureaucracy is connected to the 2% reduction of our salary line. The net result of this is that our employees will not receive the pay raises recommended by the Governor and that we may be stuck with a slow and cumbersome process when we try to hire someone.

The salary adjustments included in SB 2311 and the continued payment of the entire health insurance premium by the state will send a positive signal to state employees about the value of the work they all do every day. Chairman Grande and committee members, I urge your "do pass" on SB 2311. I would be happy to answer any questions you may have.

Attachment  
#1

# SECC State Employees Compensation Commission

State Capitol, 600 East Boulevard Dept 110, Bismarck, ND 58505-0400

Telephone 328-4904

October 3, 2008

TO: State Legislators  
FROM: Pam Sharp, Chair  
SUBJECT: What the SECC Proposed to the Governor

Pursuant to North Dakota Century Code 54-06-25, the State Employees Compensation Commission (SECC) hereby forwards to you its recommendation for state employee salary increases for the 2009-11 biennium.

1. That the total salary dollars be increased by 8.1% for the purpose of a base salary range adjustment, based on current market analysis, to restore the midpoint of salary ranges to 95% of market, for agencies in the classified system.
2. That agencies will be given a 4% salary increase the first year of the biennium (July 2009) and a 4% salary increase the second year of the biennium (July 2010) to give employee raises based on performance and equity with a minimum of \$75 per employee per year of the biennium.
3. That fully funded family health insurance be provided with no changes to the current plan, with no increases in deductibles or copays, for the biennium.

Phone numbers of the members are as follows if you wish to contact them:

Pam Sharp	328-4904
Senator Lindaas	786-3064
Senator Wardner	483-6918
Representative Klemin	222-2577
Representative Kroeber	252-3931
Gary Feist	328-1881
Patricia Hanson	777-4228
Steve Foster	328-6204
Jim Collins, Jr.	328-5161

*Pam Sharp, Chair  
Gary Feist, Member  
Patricia Hanson, Member*

*Steve Foster, Member  
Jim Collins, Jr., Member  
Senator Elroy Lindaas, Member*

*Senator Rich Wardner, Member  
Representative Lawrence Klemin, Member  
Representative Joe Kroeber, Member*

Attachment  
#2

**HOUSE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE**  
**February 26, 2009**  
**11:30 a.m. -Fort Union Room**

**North Dakota Department of Transportation**  
**Francis Ziegler, P.E., Director**

**Senate Bill 2311**

---

Good morning, Mr. Chairman and members of the committee. I'm Francis Ziegler, Director of the North Dakota Department of Transportation (NDDOT).

Thank you for the opportunity to address the committee today and discuss Senate Bill 2311.

The NDDOT supports the Governor's proposed five percent general salary increase in 2009 and 2010, and full funding for health insurance, as outlined in Senate Bill 2311. The Department appreciates the effort and support shown in this bill for employees.

NDDOT utilizes various means to recruit and retain quality employees. However, recruitment and retention of Engineering Technicians, Transportation Engineers, and Transportation Technicians continues to be a challenge for the department. At this time, our department is short a total of five Engineering Technicians, three Transportation Engineers, and seven Transportation Technicians (Equipment Operators). Filling these vacancies poses a challenge as we do not have many applicants for these positions. Non-competitive wages are often cited as reasons the applicants turn us down.

In our most recent salary study, using Job Service data and Central States survey data, which are also utilized by HRMS, we find that 80 NDDOT maintenance supervisors' salaries are more than 15 percent behind market. At the beginning of the session, HRMS presented information to the Joint Appropriations Committee showing 236 of our transportation technicians (equipment operators) salaries being more than 20 percent behind a local county salary study. Our production and managing engineers' salaries range from 12 to 20 percent behind market, and our salaries for license specialists are 10 to 15 percent behind market.

Factors such as the numerous winter storms, customer expectations for clear roads, the proposed increase in the number of new projects - due to the proposed economic stimulus package, and the increase in federal aid requirements, have put a high level of demand on all of our employees.

Again, the Department would like to express full support for SB 2311. Thank you.

**Chairperson Grande – Members of the Committee**

Attachment #3  
[Handwritten scribble]

My name is Jim Collins Jr., I am a state employee and have taken annual leave to visit with you this morning.

I am here to testify in favor of Senate Bill 2311. Please understand this is not the perfect bill but it helps.

I have put before you the recommendation from the State Employee Compensation Commission. It addressed the overwhelming need to raise the pay ranges of employees to make them closer to the market.

We have a problem keeping employees. Currently, in the agency where I work, we are advertising for an Engineer II. We have had three people fully qualify, one of those did not have an engineering degree. Additionally, one works for another agency and is already making \$600 more per month as an Engineer I. The position that is being filled was vacated because the person left for another agency that offered him approximately \$8000 a year more.

In my program, we have finally quit trying to fill a position in Dickinson because we have already lost three employees to other higher paying jobs – The US Forest Service, teaching, and the coal industry.

You may say that is no problem, but think of the cost of training for each of the individuals and who paid for it, the taxpayers. To illustrate, we have a position within the department that takes approximately \$13,000 dollars of training to get them ready to perform the job duties – we have gone through two changes there in the last few years. \$26,000 of taxpayer money.

**Environmental Engineer II** - average state employee salary is \$49,344, while others in-state average \$59,160. These are the folks that design your highways, water projects, approve wastewater treatment plants, reclaim our mines, etc. They are paid 19.9% less than others who don't work for the state.

**Correctional Officer I** – average state employee salary is \$24,326, while the Burleigh County average is \$32,948. So these state employees that try to keep peace in our prison system are paid 35.4% less than those employees who work at the county jail.

In closing,

After last week's actions by the House of Representatives, employee morale has taken a dramatic downturn. With the reduction of agency budgets by removing equity and health insurance funds and using the money meant for the 5% raise, the raise for a state employee amounts to approximately 1.7%. This follows the previous sessions recommendation of up to a 4% raise and 10 million for equity, but only allocating 5 million of state funds.

I am a state employee and have been, proudly, for 16 years. I have worked to keep our states lakes, rivers, and streams in a condition where we can all use them. Currently, my salary is 19.6% less than others working in the same field. I am not looking to get rich, just be paid fairly for the work I do.

Thank you for your time.

Respectfully,



NORTH DAKOTA  
PUBLIC EMPLOYEES ASSOCIATION

Attachment  
#A 

AMERICAN FEDERATION  
OF TEACHERS LOCAL 4660 AFL-CIO

3333 EAST BROADWAY AVE, SUITE 1220  
BISMARCK, NORTH DAKOTA 58501-3396

701-223-1964  
1-800-472-2698

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

Testimony on Senate Bill 2311  
Before the House Government and Veterans Affairs Committee  
Gary Feist, President, NDPEA  
February 26, 2009

Good morning Chairman Grande and members of the House Government and Veterans Affairs Committee, my name is Gary Feist and I am President of the North Dakota Public Employees Association. I have been a state employee for the past 17 years, working as an auditor in the Office of State Tax Commissioners Office. I am also a member of the State Employee Compensation Commission. I am here today to testify in support of Senate Bill 2311 which provides for an appropriation of 5% for state employee salaries for each year of the biennium. The bill will provide a minimum \$100 salary increase per month for those employees meeting performance standards. The \$100 minimum will provide for a meaningful salary increase for the employees in the lower pay grades and will provide a 3% cost of living adjustment for employees making \$40,000. The remaining appropriation will be used by agencies to reward employees for their performance and to address salary equity issues.

The 5% appropriation for each year is a continuation of the great strides the state has made during the last two legislative sessions when state employees salaries were made a priority and there was an effort to make the salaries competitive with salaries in the private and public sector in North Dakota and throughout the region. In the 1990's the state set a goal of trying to have the salary midpoints of its pay grades at 95% of market. With the growing economy in North Dakota and the demand for workers the state has seen its salary midpoints fall to 85% to 91% of market, resulting in the state struggling to recruit and retain its quality employees. The cities and counties that the state must compete with for employees have set their salaries at 100% of market. Several years ago the state was able to attract employees from cities and counties but now the trend is the going the other way. In a recent pay study commissioned by Burleigh County the following salary differences were noted in comparing similar jobs:

<u>Burleigh County</u>		<u>North Dakota State</u>	<u>Diff</u>
Highway Maintenance Worker	\$37,715	Transportation Technician II	\$29,553 26.7%
Highway Sign Technician	\$36,915	Highway Traffic Control Specialist	\$32,662 13%
Detention Officer	\$32,948	Correction Officer I	\$24,326 35.4%

In comparing similar job titles to the private sector using North Dakota Job Service data you can see that the state employee salaries are also lagging the private sector. The following job titles show the rates at which state employee salaries lag the private sector in ND.

*Quality Services from Quality People*

ANCH OFFICES

Minot: NDPEA, AFT  
21 S Main ST, Suite 203  
Minot, ND 58701  
701/852-2320  
1-800-272-0640

Fargo: NDPEA, AFT  
3002 1st Ave N, Office #1  
Fargo, ND 58102  
701/232-8307  
1-800-422-0236

Grand Forks: NDPEA, AFT  
311 4th ST S, Suite 202  
Grand Forks, ND 58203  
701/775-2061  
1-800-422-0075



Account Budget Specialist II	13.5%
Administrative Assistant II	17.9%
Programmer	32.6%

These same job titles lag the Central States Compensation Associations pay study by 7.1% to 16.4%. The comparison show that not only do state employee salaries lag the market in the public sector in other states but state employee salaries also lag the market here in North Dakota. If the state is going to be successful in recruiting and retaining its quality employees the state must continue to make state employee salaries a priority by passing a this bill which provides for a 5% appropriation each year of the biennium just to keep up with the many of the cities and counties that the state is competing with for workers in similar job titles. For example the city of Bismarck provided an appropriation of 5% for its employees for 2009. Burleigh County provided an across board 4% increase and a step increase with each employee receiving a minimum of \$200 a month.

By making state employee salaries a priority, the state will not be a training ground for the private and public sector in North Dakota or surrounding states. In the Compensation Report presented by Ken Purdy from Human Resource Management Services Division of OMB, to the Joint Appropriations Committee on January 7, 2009, it's noted that the state in 2008 lost 23.7% of its new hires within the first year of employment and with employees with less than 5 years of experience that turnover rate was 15.2%. The cost to recruiting and training new employees is expensive to the state and also reduces the productivity of the staff that are required to continually spend their time training new employees. For example in the tax department we spend more than six months training a new corporate income tax auditor on the issues of combination and allocable income only to see them leave within the first few years of their employment and before they have gained enough experience to complete an audit on one of the larger corporations that files in North Dakota.

The 5% appropriation is only one part of the compensation package for state employees' that was included in the budget presented by Governor Hoeven. The continuation of the fully funded family health care premium is critical to recruiting and retaining employees. During the SECC meetings held in June and September we were told that the health insurance currently was the most important tool the state had in its tool chest in recruiting new employees. The third part of the package is the \$23 million equity pool that is included in each agencies budget that will allow agencies to address the competitive employment market, salary issues in targeted occupations, and internal agency and inter-agency salary equity issues. All three components of the salary package recommended by Governor Hoeven are critical to moving state employee salaries forward and making the state competitive in the job market.

Over the past several months I have heard people ask, "Why should state employees get a 5% salary increase when other employees around the state will not be seeing the same kind of increase?" I believe that there is strong support for the 5% appropriation, the continuation of the health insurance, and the equity pool when you look at how far state employee salaries lag the market. In prior years state employees have received salary increases that were less than the rate of inflation and less than the increases that employees in the private sector were receiving based on budget constraints the state was experiencing. We were told, "When times are good we will take care of you." Well , the good times have come to North Dakota and now is the time for the state to do the things that are necessary to hang on to one of its greatest assets, its quality public employees. If not now, when will that state take to steps necessary to make its public employees salaries competitive with the market? I ask you consider the information that I presented and to please give SB 2311 a "do pass" recommendation.

Thank you for you time and I'm willing to answer any questions.

### Estimated Cost for restoring Midpoints to 95% of Market

Target date is July 1, 2009

#### Steps:

- » Classified Salaries as of August 2008 (includes 7/1/08 increases)
- » Starting point based on Market Data for July 2007<sup>1</sup>
  - > Actual Market Data as of July 2008
  - > Aged Market Data 3.9%<sup>2</sup> to project the market as of July 2009
  - > Calculated 95% of Market to establish July 2009 Midpoint goals
  - > Projected salary goal by maintaining current Compa-Ratio with projected Midpoints
  - > Current total monthly salaries is \$21.9 million
  - > Projected total monthly salaries would be ~~\$23.5~~ \$23.7 million
  - > Total increase required - ~~\$1.6~~ \$1.8 million/month; ~~\$38.4~~ \$43.2 million/biennium; ~~7.4%~~ 8.1%<sup>3</sup>

#### Notes:

- <sup>1</sup> July 2008 market data is currently being compiled; may be available by SECC mtg on 9/15.
- <sup>2</sup> Based on annual Salary Budget Survey conducted by World at Work (actuals reported for 2008, projected for 2009)
- <sup>3</sup> ONLY includes 6,600 classified employees; does NOT address compression issues

Originally provided with projected market data; updated with actual market data (in red) for SECC presentation.

**Classified to Market Survey Data Tables  
July 2008 Data**

*Attachment  
#5*

The tables on the following pages show direct job to job comparisons of state classified jobs. This data represents the basis for the market paylines presented to the Joint Appropriation Committee meeting January 7, 2009

<http://www.nd.gov/hrms/docs/presentations/090107jac.pdf>

**Job Service ND Labor Market**

35 Survey Job Classes:

- 28 Jobs more than 5.0% behind Market Average
- 4 Jobs between 0 & 5.0% behind Market Average
- 3 Jobs above Market Average

**Central States Compensation Association (10-State Regional Market)**

191 Survey Job Classes:

- 107 Jobs more than 5.0% behind Market Average
- 35 Jobs between 0 & 5.0% behind Market Average
- 49 Jobs above Market Average

**Combined Market Comparisons Samples**

ND income growth in the past few years have resulted in ND wages moving past regional state governments in many jobs. This table hi-lites a few sample jobs in a 3-way comparison.

Job Class	# Employees	Annual Average	ND Lag	Segment
Programmer Analyst II	30	47,628		ND Classified
	770	52,728	-10.7%	Job Svc ND
	847	48,959	-2.8%	CSCA 10-State
Computer & Network Spec II	24	40,716		ND Classified
	510	49,848	-22.4%	Job Svc ND
	1,119	49,904	-22.6%	CSCA 10-State
Transportation Engineer II	26	51,048		ND Classified
	520	63,648	-24.7%	Job Svc ND
	911	60,744	-19.0%	CSCA 10-State
Accounting/Budget Spec II	15	39,624		ND Classified
	2,980	44,976	-13.5%	Job Svc ND
	759	42,647	-7.6%	CSCA 10-State
Registered Nurse II	96	45,000		ND Classified
	6,900	53,616	-19.1%	Job Svc ND
	1,829	50,505	-12.2%	CSCA 10-State
Chemist II	7	39,324		ND Classified
	130	59,568	-51.5%	Job Svc ND
	145	48,159	-22.5%	CSCA 10-State
Social Worker III	27	41,952		ND Classified
	630	45,528	-8.5%	Job Svc ND
	2936	40,355	3.8%	CSCA 10-State
Addiction Counselor II	74	39,816		ND Classified
	220	42,660	-7.1%	Job Svc ND
	223	39,105	1.8%	CSCA 10-State

## Job Service ND Labor Market

5.0%  
 -5.0%  
 -10.0%

3 jobs above Job Svc Market Average  
 4 jobs from 0 to 5.0% below Job Svc Market Average  
 28 jobs more than 5.0% below Job Svc Market Average

SOC Code	Match Title	ND Grade	# Inc	Average	Ann Avg	State	Var
439061	Office Assistant II	4	61	1,938	23,256	ND	
			9,690	1,832	21,984	In-St Mkt	5.5%
439061	Office Assistant III	5	167	2,012	24,144	ND	
			9,690	2,099	25,188	In-St Mkt	-4.3%
436011	Administrative Assistant II	7	138	2,503	30,036	ND	
			3,560	2,952	35,424	In-St Mkt	-17.9%
436011	Administrative Assistant III	8	79	2,953	35,436	ND	
			3,560	3,355	40,260	In-St Mkt	-13.6%
151021	Programmer	9	3	2,903	34,836	ND	
			690	3,849	46,188	In-St Mkt	-32.6%
151051	Programmer/Analyst II	12	30	3,969	47,628	ND	
			770	4,394	52,728	In-St Mkt	-10.7%
151051	Programmer/Analyst III	13	56	4,600	55,200	ND	
			770	5,052	60,624	In-St Mkt	-9.8%
151071	Computer & Network Support Analyst II	11	24	3,393	40,716	ND	
			510	4,154	49,848	In-St Mkt	-22.4%
151071	Computer & Network Support Analyst III	13	7	4,376	52,512	ND	
			510	4,720	56,640	In-St Mkt	-7.9%
132011	Accounting/Budget Specialist II	10	15	3,302	39,624	ND	
			2,980	3,748	44,976	In-St Mkt	-13.5%
132011	Accounting/Budget Specialist III	12	36	4,066	48,792	ND	
			2,980	4,346	52,152	In-St Mkt	-6.9%
231011	Attorney II	14	15	5,014	60,168	ND	
			670	7,129	85,548	In-St Mkt	-42.2%
231011	Attorney III	16	10	6,017	72,204	ND	
			670	8,691	104,292	In-St Mkt	-44.4%
173031	Engineer Technician II	7	9	2,585	31,020	ND	
			280	3,405	40,860	In-St Mkt	-31.7%
173022	Engineer Technician III	8	37	2,962	35,544	ND	
			280	3,464	41,568	In-St Mkt	-16.9%
173022	Engineer Technician IV	10	48	3,507	42,084	ND	
			280	3,919	47,028	In-St Mkt	-11.7%
172051	Transportation Engineer II	12	26	4,254	51,048	ND	
			520	5,304	63,648	In-St Mkt	-24.7%
172051	Transportation Engineer III	13	59	5,031	60,372	ND	
			520	6,012	72,144	In-St Mkt	-19.5%
172081	Environmental Engineer II	12	10	4,112	49,344	ND	
			90	4,930	59,160	In-St Mkt	-19.9%
172081	Environmental Engineer III	13	14	4,762	57,144	ND	
			90	5,741	68,892	In-St Mkt	-20.6%
292061	LPN I	7	4	2,785	33,420	ND	
			2,920	2,822	33,864	In-St Mkt	-1.3%
292061	LPN II	8	54	2,941	35,292	ND	
			2,920	3,061	36,732	In-St Mkt	-4.1%
291111	RN II	11	96	3,750	45,000	ND	
			6,900	4,468	53,616	In-St Mkt	-19.1%
291111	RN III	12	38	4,371	52,452	ND	
			6,900	4,994	59,928	In-St Mkt	-14.3%
92031	Chemist II	11	7	3,277	39,324	ND	
			130	4,964	59,568	In-St Mkt	-51.5%

## Job Service ND Labor Market

SOC Code	Match Title	ND Grade	# Inc	Average	Ann Avg	State	Var
192031	Chemist III	12	16	4,054	48,648	ND	
			130	5,793	69,516	In-St Mkt	-42.9%
211011	Addiction Counselor II	11	76	3,318	39,816	ND	
			220	3,555	42,660	In-St Mkt	-7.1%
211011	Addiction Counselor III	12	16	4,054	48,648	ND	
			220	3,950	47,400	In-St Mkt	2.6%
211011	Social Worker II	10	29	3,048	36,576	ND	
			630	3,375	40,500	In-St Mkt	-10.7%
211021	Social Worker III	11	27	3,496	41,952	ND	
			630	3,794	45,528	In-St Mkt	-8.5%
333012	Correctional Officer II	9	156	2,642	31,704	ND	
			650	2,608	31,296	In-St Mkt	1.3%
333012	Correctional Officer III	10	32	2,852	34,224	ND	
			650	2,920	35,040	In-St Mkt	-2.4%
191023	Biologist II	12	28	4,251	51,012	ND	
			90	4,662	55,944	In-St Mkt	-9.7%
191023	Biologist III	13	7	4,684	56,208	ND	
			90	5,179	62,148	In-St Mkt	-10.6%
372011	Custodian	3	50	1,671	20,052	ND	
			6,760	1,804	21,648	In-St Mkt	-8.0%

## Central States Compensation Association - 2008

5.0%

-5.0%

-10.0%

49 jobs above CSCA 10-State Market Average

35 jobs from 0 to 5.0% below CSCA 10-State Market Average

107 jobs more than 5.0% below CSCA 10-State Market Average

Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
1100	Engineering Technician IV (2004)	9	48	34,728	42,087	50,340	ND	14.2%
			1,313	32,545	36,861	41,480		
1105	Transportation Project Manager (2015)	9	42	42,624	46,043	51,708	ND	6.0%
			1,243	38,530	43,429	48,154		
1110	Transportation Senior Manager (2016)	7	21	45,432	53,365	59,508	ND	-0.3%
			468	47,621	53,503	58,431		
1115	Transportation Engineer I (2021)	10	27	40,200	43,228	45,672	ND	-4.9%
			310	41,347	45,468	52,299		
1120	Transportation Engineer II (2022)	10	26	48,252	51,044	56,088	ND	-16.0%
			911	51,465	60,744	69,395		
1125	Transportation Engineer III (2023)	10	57	50,664	60,087	67,752	ND	-18.5%
			699	62,915	73,711	80,002		
1135	Facility Construction Engineer (2065)	8	1	62,652	62,652	62,652	ND	-15.8%
			461	64,862	74,399	79,221		
1140	Environmental Engineer II (2042)	10	10	37,680	49,348	53,772	ND	-18.7%
			787	50,631	60,678	68,441		
1145	Environmental Engineer III (2043)	10	14	51,144	57,146	64,128	ND	-23.9%
			510	64,912	75,058	80,365		
1155	Hydrologist Manager I (2059)	5	5	60,132	67,286	72,108	ND	-12.1%
			368	66,562	76,525	81,246		
1160	Admin. Transportation Engineer II (2025)	10	16	82,536	84,137	85,980	ND	-11.3%
			105	90,992	94,859	98,415		
1165	Chief Transportation Engineer (2030)	9	1	105,096	105,096	105,096	ND	-8.9%
			12	115,377	115,377	115,377		
1175	Geologist III (2083)	7	5	45,000	54,108	62,280	ND	-10.7%
			225	51,828	60,566	66,340		
1195	Engineering Technician IV (2004)	10	48	34,728	42,087	50,340	ND	-25.9%
			77	52,206	56,806	59,631		
2100	State Procurement Officer II (0606)	10	4	42,732	45,702	52,308	ND	-4.1%
			1,117	41,465	47,676	53,958		
2110	Account/Budget Specialist II (0222)	10	15	32,940	39,627	45,316	ND	-7.1%
			759	35,138	42,647	51,755		
2120	Accounting Manager II (0225)	10	15	56,220	73,566	83,472	ND	-3.4%
			169	66,363	76,133	88,118		
2125	Asst Executive Budget Analyst (0251)	10	4	65,808	67,974	69,564	ND	-19.9%
			103	50,414	56,687	64,584		
2130	Financial Institutions Examiner II (0402)	7	2	50,400	51,300	52,200	ND	-9.4%
			137	43,732	56,605	73,842		
2135	Compliance Officer I (0311)	9	4	35,333	39,371	43,092	ND	6.2%
			452	33,028	37,087	43,215		
2145	Auditor III (0243)	10	41	37,320	45,842	55,920	ND	1.6%
			397	38,027	45,102	52,737		
2150	Public Utility Analyst II (5331)	8	1	51,469	51,469	51,469	ND	-11.1%
			67	53,093	57,891	64,950		
2155	Agricultural Marketing Specialist II (6306)	7	2	40,780	42,219	43,658	ND	-24.3%
			746	51,737	55,773	59,487		
2160	Insurance Form/Rate Analyst II (0835)	8	2	40,000	42,607	45,215	ND	-10.0%
			54	40,769	47,317	55,775		
2165	Insurance Company Financial Analyst (0460)	6	1	52,066	52,066	52,066	ND	2.9%
			40	46,099	50,593	56,732		
2175	Loss Control Analyst (0410)	6	1	44,803	44,803	44,803	ND	-4.8%
			1,032	42,281	47,076	51,103		
2180	Auditor II (0242)	10	21	34,020	38,712	51,516	ND	-7.0%
			533	35,729	41,634	46,306		
2190	Grants & Contracts Officer I (0421)	5	3	32,628	36,616	40,236	ND	-22.5%
			1,058	40,481	47,218	44,527		
2200	Account Technician I (0211)	10	16	19,822	25,212	30,014	ND	-13.6%
			1,003	24,880	29,180	33,173		
2115	Classification & Compensation Mgr (0807)	10	1	69,912	69,912	69,912	ND	-7.7%
			303	69,021	75,748	79,723		
3120	Customer Service Specialist (0442)	10	61	32,940	35,606	45,300	ND	-4.2%
			1,211	31,688	37,150	43,453		

## Central States Compensation Association - 2008

Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
3125	Customer Service Consultant (0443)		24	35,856	40,409	48,912	ND	
		10	1,027	33,493	39,524	45,995		2.2%
3130	Job Service Program Administrator II (4323)		10	41,880	46,880	50,928	ND	
		10	149	48,764	53,666	59,266		-12.6%
3135	Customer Service Office Manager (0445)		5	44,928	51,802	60,012	ND	
		8	214	47,116	53,541	58,903		-3.2%
3150	Compliance Investigator II (5038)		5	38,844	41,890	45,000	ND	
		8	1,052	42,003	45,915	49,399		-8.8%
3160	Benefit Programs Administrator - PERS (0556)		3	46,896	50,592	55,056	ND	
		5	23	43,102	45,951	51,444		10.1%
3165	Human Resource Technician I (0801)		7	31,212	34,236	36,648	ND	
		8	2,165	27,687	33,830	39,859		1.2%
3170	Human Resource Officer I (0803)		9	33,816	44,896	54,432	ND	
		10	1,334	36,453	45,243	54,010		-0.8%
3175	Human Resource Officer II (0804)		13	47,940	53,651	60,480	ND	
		9	934	48,225	57,687	65,149		-7.0%
3180	Human Resource Director II (0806)		4	61,584	70,017	77,292	ND	
		8	544	62,372	72,562	80,961		-3.5%
4115	Juvenile Institutional Residence Spec I (4120)		23	28,608	31,965	37,788	ND	
		10	1,147	32,855	37,915	45,235		-15.7%
4120	Direct Training Technician II (4111)		33	23,076	27,222	33,420	ND	
		7	1,443	25,588	30,222	35,715		-9.9%
4125	Eligibility Worker I (4002)		2	28,704	31,224	33,744	ND	
		8	6,294	29,409	34,692	43,958		-10.0%
4130	Eligibility Worker II (4003)		1	36,084	36,084	36,084	ND	
		8	843	34,386	39,791	45,556		-9.3%
4140	Social Worker III (4213)		27	34,500	41,956	52,128	ND	
		10	2,936	35,161	40,355	50,402		4.0%
4145	Supervisor-Clinician (4215)		7	43,176	50,625	57,912	ND	
		8	596	43,071	50,960	58,181		-0.7%
4150	Correctional Caseworker (5108)		38	31,368	34,089	38,784	ND	
		9	836	36,283	43,631	50,007		-21.9%
4155	Human Relations Counselor (4142)		30	33,816	38,342	46,800	ND	
		8	702	41,071	47,443	52,652		-19.2%
4160	Addiction Counselor II (4133)		74	33,816	40,074	55,656	ND	
		9	223	33,860	39,105	45,839		2.5%
4165	Vocational Rehabilitation Counselor II (4222)		20	31,056	35,678	40,752	ND	
		9	508	37,013	43,338	52,486		-17.7%
4170	Vision Rehabilitation Specialist II (4226)		8	35,856	38,535	48,096	ND	
		9	335	37,226	42,302	49,648		-8.9%
4180	Regional Child Supt Prog Adm (4201)		5	44,580	53,076	61,632	ND	
		8	324	42,788	47,047	51,264		12.8%
4190	Human Service Prog Adm III (4033)		60	35,112	42,197	56,352	ND	
		6	253	51,150	57,168	66,953		-26.2%
4195	Child Support Investigator (4205)		47	30,036	37,106	47,688	ND	
		7	1,885	31,411	34,930	41,766		6.2%
4205	Unit Program Coordinator (4116)		12	36,996	43,658	48,072	ND	
		9	281	38,008	43,950	50,647		-0.7%
4215	Behavioral Health Technician I (4101)		40	19,224	20,834	25,704	ND	
		10	4,697	26,386	29,804	35,167		-30.1%
4225	Chaplain (4171)		2	36,600	40,428	44,256	ND	
		8	72	41,287	44,576	49,703		-9.3%
4230	Disability Claims Analyst II (4252)		5	32,964	33,703	34,548	ND	
		8	239	37,441	41,634	48,301		-19.0%
4235	Human Service Prog Adm IV (4034)		66	38,832	48,280	56,304	ND	
		9	177	50,521	55,469	59,570		-13.0%
4250	Health Facility Surveyor II (3512)		12	38,832	43,347	50,244	ND	
		9	368	43,175	49,338	56,793		-12.1%
4255	Licensed Practical Nurse II (3052)		54	28,512	35,294	42,369	ND	
		10	1,955	29,100	35,745	40,924		-1.3%
4260	Registered Nurse II (3062)		95	33,816	44,862	55,728	ND	
		10	1,829	42,460	50,505	58,833		11.2%
4265	Registered Nurse III (3063)		38	42,252	52,457	59,452	ND	
		10	736	50,617	59,309	65,636		-11.6%
4270	Director of Nursing - NDSH (3030)		1	87,816	87,816	87,816	ND	
		9	58	74,230	78,898	83,536		11.3%

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Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
4280	Physician Assistant (3018)		1	83,472	83,472	83,472	ND	
		8	187	63,549	72,808	80,785		14.6%
4290	Licensed Psychologist I (4164)		12	56,028	66,997	78,216	ND	
		9	149	58,355	67,466	75,756		-0.7%
4310	Medical Laboratory Technician II (3202)		3	35,520	36,168	36,936	ND	
		9	85	29,786	31,758	34,990		13.9%
4315	Physical Therapist (3123)		2	56,220	63,188	70,155	ND	
		6	29	64,747	68,681	72,250		-8.0%
4321	Therapeutic Recreation Specialist II (3172)		3	36,744	39,216	41,880	ND	
		9	230	33,923	40,503	45,648		-3.2%
4325	Occupational Therapist (3133)		7	43,272	50,973	59,496	ND	
		9	70	55,271	60,073	65,141		-15.1%
4330	Pharmacist I (3261)		4	74,652	79,644	84,732	ND	
		7	62	80,610	87,877	94,089		-9.4%
4335	Dental Hygienist (3326)		1	57,420	57,420	57,420	ND	
		8	23	49,470	51,466	52,325		11.6%
4345	Dietitian II (3544)		3	39,072	43,916	49,788	ND	
		10	87	41,544	47,407	52,080		-7.4%
4350	Nurse Practitioner (3020)		6	69,456	74,576	83,208	ND	
		10	223	65,012	72,725	77,255		2.5%
4360	Chief Radiological Tech (3276)		1	41,520	41,520	41,520	ND	
		6	23	42,061	43,039	44,948		-3.5%
5100	Telecomm Analyst II (0169)		9	44,232	52,376	57,456	ND	
		10	1,010	48,751	54,642	62,319		-4.1%
5105	Cust Tech Support Spec II (0135)		3	36,528	37,292	38,580	ND	
		10	427	33,801	39,112	45,705		-4.7%
5110	Programmer Analyst II (0142)		30	42,780	47,633	56,400	ND	
		10	847	42,606	48,959	56,842		-2.7%
5115	Programmer Analyst III (0143)		55	43,092	55,582	62,496	ND	
		10	986	55,138	65,739	76,573		-15.5%
5120	Computer & Network Specialist II (0174)		24	34,800	40,718	52,056	ND	
		10	1,119	43,269	49,904	58,791		-18.4%
5125	Computer & Network Specialist III (0175)		7	44,388	52,507	62,436	ND	
		9	751	60,738	69,299	78,535		-24.2%
5130	Tech Support Specialist II (0162)		15	43,632	54,052	58,968	ND	
		10	1,615	49,420	60,128	70,032		-10.1%
5135	D B Design Analyst III (0150)		5	62,412	67,068	69,924	ND	
		10	1,090	57,913	68,840	77,835		-2.6%
5140	Computer Operator II (0115)		4	33,060	35,553	37,548	ND	
		10	182	29,990	35,373	40,878		0.5%
5145	Computer Operations Mgr (0125)		1	60,936	60,936	60,936	ND	
		8	98	56,421	63,167	71,997		-3.5%
5150	Sr Programmer Analyst (0144)		41	54,588	66,268	74,520	ND	
		10	514	61,473	74,605	81,034		-11.2%
5155	Tech Support Specialist III (0163)		10	52,416	64,528	69,396	ND	
		9	419	67,453	79,765	87,120		-10.1%
5160	Several (CL0138, 0176, 0177, 0186)		3	78,744	86,092	93,336	ND	
		9	109	81,556	89,279	94,099		-3.6%
5170	Info Sys Security Analyst (0194)		1	58,812	58,812	58,812	ND	
		7	1,260	50,145	57,293	65,131		2.7%
6105	Research Analyst II (0902)		5	35,089	38,004	41,904	ND	
		10	178	39,593	45,089	51,469		-15.7%
6115	Planner II (2102)		3	33,913	40,024	43,260	ND	
		7	1,227	39,911	46,943	57,434		-14.7%
6125	Attorney II (0712)		14	46,800	58,754	73,932	ND	
		7	383	58,072	71,475	93,150		-17.8%
6130	Appeals Referee (4360)		2	49,116	49,386	49,656	ND	
		10	133	55,171	63,628	68,499		-22.4%
6135	Graphic Artist II (8625)		1	39,012	39,012	39,012	ND	
		9	137	35,304	39,870	43,886		-2.2%
6141	Public Info Specialist III (0823)		10	36,000	42,825	51,329	ND	
		9	162	34,497	41,369	49,144		3.5%
6150	Env Health Practitioner II (3402)		4	38,148	41,244	44,904	ND	
		7	216	41,165	47,327	52,466		-12.9%



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Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
6160	Physical Plant Director III (8133)	8	88	53,580	60,188	66,828	ND	-3.3%
6165	Pilot (8422)	6	40	39,852	52,341	60,408	ND	-14.7%
6175	Realty Officer II (2202)	9	679	39,384	42,256	47,688	ND	-7.6%
6185	Drivers License Examiner II (5242)	10	554	27,468	31,204	35,652	ND	-3.0%
6195	Food Service Director II (7163)	9	61	28,262	32,172	36,262	ND	-16.9%
6205	Public Info Specialist III (0823)	10	1,226	46,642	52,852	56,886	ND	-7.1%
6215	Asst Dir, P/S Education Prgms (1604)	6	441	38,279	46,112	53,181	ND	-12.7%
6220	Library Associate II (1206)	7	307	44,328	49,641	54,960	ND	-16.6%
6225	Librarian II (1212)	10	1,081	23,304	27,888	31,560	ND	-9.6%
6235	Librarian III (1213)	9	725	35,868	38,526	41,184	ND	-28.9%
6240	Historic Site Supervisor III (1227)	6	120	41,052	42,990	43,896	ND	-29.5%
6245	Historic Preservation Prgm Spec II (1240)	8	68	56,932	60,448	63,915	ND	-1.1%
6250	Exhibit Specialist II (1232)	5	50	38,857	42,880	47,154	ND	-18.1%
6260	Museum Specialist (1233)	4	26	32,952	32,952	32,952	ND	7.4%
6270	Policyholder Clms Investigator (0455)	7	70	30,080	35,010	39,588	ND	-28.1%
7100	Environmental Scientist II (5272)	10	758	41,783	48,714	58,414	ND	-19.6%
7105	Hydrologist II (2057)	7	293	39,849	47,388	55,366	ND	-15.3%
7115	Chemist II (3232)	9	145	47,568	47,568	47,568	ND	-18.3%
7120	Microbiologist II (3242)	10	175	35,856	39,322	46,140	ND	-14.7%
7130	Biologist II (6072)	9	567	42,508	48,159	54,778	ND	-10.0%
7145	Forensic Scientist II (3236)	10	303	37,500	40,016	44,376	ND	-28.5%
7160	Hydrologist III (2058)	8	200	40,894	46,909	52,446	ND	-9.6%
7170	Veterinarian I (3701)	8	46	52,757	59,809	65,565	ND	-16.5%
7180	Park Interpreter (6039)	7	90	59,760	60,594	61,428	ND	-16.4%
7185	Petroleum Engineer II (2092)	8	213	67,358	72,567	77,199	ND	-3.5%
7195	Ag Program Inspector II (6222)	8	338	32,148	36,041	41,292	ND	-6.5%
8100	Hwy Patrol Officer II (5706)	10	3,070	34,392	38,562	44,583	ND	-8.5%
8110	Park Ranger (6040)	7	236	41,292	47,662	55,260	ND	-14.7%
8115	District Game Warden II (6012)	9	852	43,434	52,113	60,254	ND	3.3%
8120	Hwy Patrol Sergeant (5707)	10	798	32,916	36,107	40,436	ND	-19.1%
8125	Correctional Officer II (5112)	10	13,642	36,787	42,346	48,846	ND	-8.0%
8135	Parole & Probation Officer II (5102)	9	1,947	39,216	50,076	61,632	ND	0.6%

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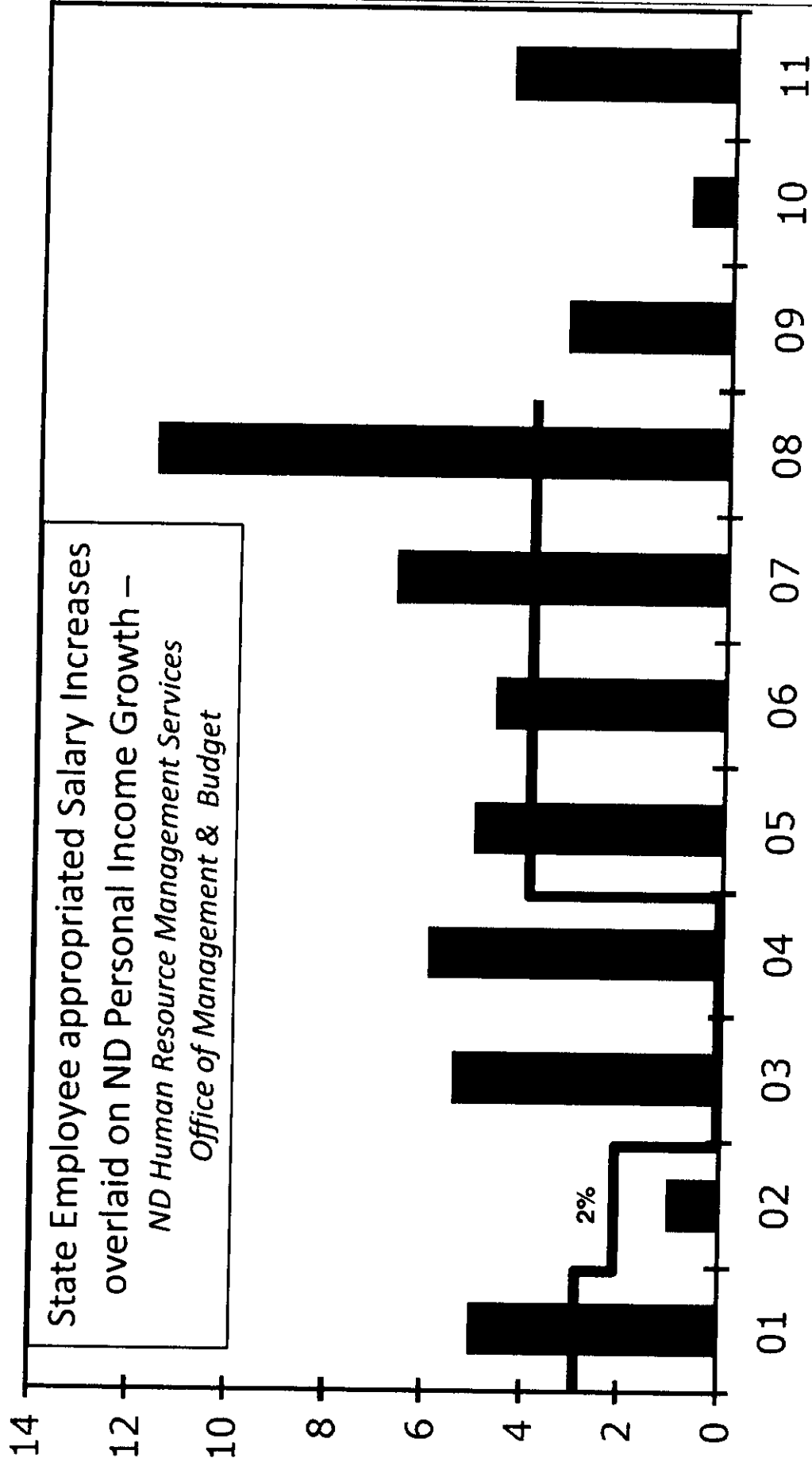
Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
8140	Parole & Probation Officer III (5103)		22	41,808	46,419	49,944	ND	
		9	272	49,260	55,279	58,847	ND	-16.0%
8145	Correctional Supervisor I (5131)		12	34,596	38,705	43,608	ND	
		10	2,224	38,289	45,854	51,654	ND	-15.6%
8150	Park Manager II (6046)		6	43,200	51,996	61,750	ND	
		10	163	41,332	47,639	53,870	ND	9.1%
8165	Commercial Motor Carrier Insp (5702)		9	36,828	38,628	39,096	ND	
		9	575	35,518	40,135	45,238	ND	-3.8%
8170	Criminal Investigator II (5212)		7	44,976	46,116	47,052	ND	
		8	530	49,223	59,208	66,436	ND	-22.1%
8175	Safety Officer (5050)		4	35,172	43,044	52,644	ND	
		6	1,074	36,536	43,176	48,124	ND	-0.3%
8185	Correctional Supervisor II (5132)		9	40,608	45,983	49,704	ND	
		10	277	49,378	56,184	60,258	ND	-18.2%
8190	Identification Technician III (5014)		4	27,288	29,946	35,952	ND	
		9	68	35,059	37,932	39,573	ND	-21.1%
8195	Communications Specialist II (5022)		12	33,840	41,267	46,668	ND	
		9	471	30,871	35,731	40,834	ND	15.5%
9010	Office Assistant III (0033)		165	18,864	24,012	31,416	ND	
		10	3,227	22,096	26,039	33,235	ND	-7.8%
9020	Telecommunications Tech II (0157)		2	38,892	43,386	47,880	ND	
		8	227	35,377	42,637	48,954	ND	1.8%
9125	Office Assistant II (0032)		60	18,384	23,161	28,428	ND	
		10	5,429	22,387	26,862	33,763	ND	-13.8%
9130	Legal Assistant I (0701)		4	30,876	32,556	36,026	ND	
		9	3,009	29,584	34,768	40,631	ND	-6.4%
9150	Genl Trades Mtc Wkr II (8210)		5	31,404	33,170	36,288	ND	
		10	1,117	27,420	31,700	36,827	ND	4.6%
9155	Transportation Technician II (8432)		235	26,232	32,169	38,460	ND	
		10	5,501	30,883	34,669	39,734	ND	-7.2%
9160	Hwy Mtc Foreman (8055)		1	46,548	46,548	46,548	ND	
		10	985	42,057	47,907	52,428	ND	-2.8%
9210	Administrative Asst II (0042)		138	23,076	30,034	38,460	ND	
		8	1,405	29,278	35,909	46,990	ND	-16.4%
9305	Custodian (7010)		50	16,536	20,050	25,872	ND	
		10	3,169	19,718	23,353	28,404	ND	-14.1%
9310	Plumber II (8232)		3	39,060	41,172	42,852	ND	
		10	333	34,115	38,078	42,276	ND	8.1%
9315	Carpenter II (8222)		8	27,456	32,763	36,504	ND	
		10	613	31,611	35,686	40,575	ND	-8.2%
9320	Systems Mechanic II (8262)		5	34,080	40,584	43,848	ND	
		9	331	33,469	38,773	43,328	ND	4.7%
9325	Electrician II (8242)		6	33,600	41,262	46,728	ND	
		10	272	34,240	39,655	44,399	ND	4.1%
9335	Security Officer I (5531)		16	24,132	26,755	34,068	ND	
		9	240	25,096	27,644	32,301	ND	-3.2%
9360	Epidemiologist II (3412)		15	32,400	36,174	44,928	ND	
		9	158	48,362	53,694	59,165	ND	-32.6%
9380	Administrative Asst III (0043)		79	26,016	35,438	42,948	ND	
		10	1,916	32,993	41,048	50,013	ND	-13.7%
9385	Public Hlth Nurse Cons I (3075)		1	38,604	38,604	38,604	ND	
		7	240	54,785	59,772	64,763	ND	-35.4%
9425	Deputy Boiler Insp (5035)		2	48,834	50,538	52,241	ND	
		7	29	44,895	47,742	49,464	ND	5.9%
9470	Public Utility Analyst II (5331)		1	51,469	51,469	51,469	ND	
		8	45	49,463	53,115	57,397	ND	-3.1%
9480	Weights & Meas Inspector (5250)		4	30,118	31,802	33,659	ND	
		9	449	34,869	41,107	46,066	ND	-22.6%
9485	Chief Inspector-PSC (5254)		1	47,205	47,205	47,205	ND	
		6	1,034	46,847	49,555	52,198	ND	-4.7%
9495	Human Service Aide II (4402)		20	21,320	24,712	27,228	ND	
		5	464	21,741	23,956	27,923	ND	3.2%
9500	District Game Warden I (6011)		1	30,000	30,000	30,000	ND	
		3	14	29,005	29,813	31,419	ND	0.6%

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Benchmark	Match Title	# States	# Inc	Actual Low	Average	Actual High	State	Var
9505	Biologist I (6071)		23	35,452	40,328	50,436	ND	
		8	215	34,801	38,417	43,145	ND	5.0%
9510	Industries Specialist II (5128)		2	38,640	40,044	41,448	ND	
		10	142	36,311	41,119	46,142	ND	-2.6%
9525	Biologist III (6073)		7	44,724	56,208	64,932	ND	
		7	218	53,864	60,830	69,301	ND	-7.6%
9530	Ag Program Specialist II (6203)		4	36,396	40,659	46,452	ND	
		6	72	42,186	45,624	50,741	ND	-10.9%
9545	Storekeeper II (0632)		9	32,748	34,647	37,080	ND	
		8	304	25,407	29,305	34,282	ND	18.2%
9550	Cook I (7122)		37	19,739	22,594	27,180	ND	
		9	970	23,028	26,483	31,395	ND	-14.7%
9585	Reg Pharmacy Tech (3263)		3	25,417	28,496	30,648	ND	
		7	83	25,976	30,334	32,926	ND	-6.1%
9595	UI Claims Cntr Spec (0482)		6	37,116	38,804	39,564	ND	
		10	669	32,464	37,529	43,441	ND	3.4%
9615	Security Supv (5535)		1	40,332	40,332	40,332	ND	
		6	41	32,544	34,172	35,487	ND	18.0%
9635	Property Tax Spec (0351)		2	43,464	44,388	45,312	ND	
		8	135	42,357	46,116	51,194	ND	-3.7%
9645	Asst Dir, Child Nutr Prgm (1613)		1	57,060	57,060	57,060	ND	
		7	157	46,153	51,956	55,625	ND	9.8%
9650	Sr Ag Program Insp (6223)		5	36,468	42,101	51,264	ND	
		7	1,163	42,785	47,753	53,500	ND	-11.8%
9665	Sr Ag Program Insp (6223)		5	36,468	42,101	51,264	ND	
		7	249	33,213	37,654	41,470	ND	11.8%
9685	Emergency Prog Spec III (5047)		4	46,080	48,216	51,876	ND	
		7	1,066	40,311	45,428	51,457	ND	6.1%
9690	Collections Ofcr II (0302)		2	29,616	30,678	31,740	ND	
		5	284	30,890	33,622	40,703	ND	-8.8%
9695	Project Manager III (0893)		7	55,200	62,866	68,736	ND	
		8	775	67,193	78,112	88,526	ND	-19.5%
9705	Account Tech I (0211)		16	19,822	25,212	30,014	ND	
		10	884	24,730	28,783	34,865	ND	-12.4%
9715	Lottery Customer Svc Spec (0862)		2	44,244	44,244	44,244	ND	
		7	176	36,949	42,969	46,352	ND	3.0%
9740	Corrections Prog Adm (5139)		6	39,216	43,596	50,976	ND	
		5	1,023	41,623	46,176	49,188	ND	-5.6%
9755	Accounting Mgr I (0224)		12	55,524	63,254	74,952	ND	
		10	335	52,433	62,810	70,053	ND	0.7%
9760	Auditor IV (0244)		30	49,080	59,658	72,804	ND	
		9	311	48,901	55,459	63,872	ND	7.6%
9803	Division Director, Insurance (0464)		3	68,642	71,191	73,888	ND	
		7	7	85,267	85,267	85,267	ND	-16.5%
9805	Social Worker III (4213)		27	34,500	41,956	52,128	ND	
		8	3,562	33,592	38,671	49,119	ND	8.5%
9807	Unit Program Coordinator (4116)		12	36,996	43,658	48,072	ND	
		7	228	39,601	43,454	49,555	ND	0.5%
9808	Maintenance Supervisor II (8204)		20	30,413	35,862	45,028	ND	
		9	528	26,265	30,456	34,721	ND	17.7%
9811	Licensing Clerk (0015)		36	22,200	26,939	31,440	ND	
		4	170	27,731	32,565	38,376	ND	17.3%
9812	Archivist I (1244)		3	30,360	30,500	30,780	ND	
		6	64	35,805	39,205	44,399	ND	-22.2%
9813	Arts Programs Administrator (1270)		2	45,936	46,140	46,344	ND	
		6	43	42,844	47,967	50,759	ND	-3.8%
9814	Vocational Rehabilitation Counselor II (4222)		20	31,056	35,678	40,752	ND	
		8	472	37,087	43,711	52,640	ND	18.4%
9817	Archaeologist II (1253)		5	39,444	46,997	55,056	ND	
		5	34	38,240	41,479	44,844	ND	13.3%
9818	Archivist I (1244)		3	30,360	30,500	30,780	ND	
		3	24	41,850	46,366	49,162	ND	-34.2%

# North Dakota Income Growth to Slow

## Total personal income, fiscal years, % change



## Classified Employment Increase History

	Annual Salary	Actual Increase	Base Appropriation Increase	Additional Appropriation	Comp-Ratio
January-97	26,273	3.1%	3.0%		
January-98	27,034	2.9%	3.0%	\$30/mo Minimum Increase	0.98
August-98	27,963	3.4%	3.0%	\$30/mo Minimum Increase	0.97
November-99	28,860	3.2%	2.0%	\$35/mo Minimum Increase + \$5.4 mill Mkt Eqty	0.96
August-00	29,993	3.9%	2.0%	+ Authority for 1% self-funded	0.97
August-01	31,467	4.9%	3.0%	+ \$5.0 mill Mkt Eqty	0.96
December-02	32,262	2.5%	2.0%	\$35/mo Minimum Increase	0.96
December-03	32,627	1.1%	0.0%		0.96
December-04	32,604	0.0%	0.0%		0.96
December-05	34,158	4.8%	4.0%	+\$1.5 mill Equity Approp for DOCR & Hwy Patrol	0.96
December-06	35,640	4.3%	4.0%		0.96
December-07	37,834	6.2%	4.0%	\$75/mo Minimum Increase + \$10 mill Mkt Eqty	0.95
August-08	39,622	4.7%	4.0%	\$75/mo Minimum Increase	0.96



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
Cory Fong, Commissioner

Attachments  
#6

**HOUSE GOVERNMENT & VETERANS AFFAIRS COMMITTEE**  
**Representative Bette Grande, Chair**  
**Testimony from Tax Commissioner Cory Fong Re: Senate Bill 2311**  
**February 26, 2009**

I am here to speak in support of the Governor's recommended pay package for state employees, Senate Bill 2311.

I have had the opportunity, privilege really, to work in several different state agencies in my career. No matter where I have been, I am always impressed by the work ethic of state employees. In the Tax Department, we have a number of positions that require degrees in accounting or business and the competition we face in filling those positions is pretty aggressive.

The majority of our positions have unique qualifications, either from a degree requirement or experience gained from on-the-job training. We rarely find recruits who have experience or knowledge of the various tax types. Tax Department employees become experts in their tax type based on the length of time in their jobs. For many of our jobs there is a steep learning curve. That is why we want to keep the good employees we have.

The Tax Department, along with all of state government, needs to remain competitive with salaries and other benefits in order to:

- maintain the experienced workforce we have now,
- and to attract new and well qualified employees.

The Governor's recommendation of five percent each of the next two years along with the equity package goes a long way toward addressing equity and employee compression issues confronting the Tax Department and other agencies.

The state employee pay package in Senate Bill 2311 is a good plan and I commend the Legislature and the Governor for proposing a plan that will go a long way in addressing appropriate increases and equity for state employees.

#17

This is the testimony of Tanya Stebbins, presented on 2-26-09 before the House Committee of Government and Veteran's Affairs, RE: Bill 2311

Good Morning Chairman Grande and members of the house committee for Government and Veterans Affairs. Thank you for the awesome privilege of testifying here today in support of Bill 2311 and thank you for your service to the people of North Dakota.

My name is Tanya Stebbins and I am the wife of a state employee. My family has struggled to make ends meet since 1989 when my husband accepted his position as a public servant. I have worked most of that time out of necessity, not boredom. We have raised 2 children on our limited budget. We watched as our neighbors purchased cars, snowmobiles, motorcycles, video games, and name brand clothes for their kids. We have explained time and time again why we don't have toys, take trips, go to the movies and spend Christmas together because Dad works for the state, and he has to keep the roads safe so other families can be together. We told our kids the only way we can afford to put gas in another vehicle, is if they get jobs to pay for it, and assured them that getting a job in high school will also give them life skills that will lead to bright futures. We have qualified for reduced price meals at school and grants for college based on the salary provided by the state of North Dakota.

Even as my husband's salary has lagged 20, 30 and is now approaching 50% less than his peers with similar responsibilities working in the private sectors of our area, we have reasoned to one another that somehow it is worth remaining in our present situation because the benefits help make up for the lack of salary, and the job is an important one that he truly takes pride in and enjoys. We have believed the state of North Dakota is one worth serving. Year after year, we've taken our legislators at their word when they told us we would be financially rewarded in good times, if we just hang tough during the lean ones.

We now look to you to fulfill your promises, to repay his loyal service, to reward the dedication of time, and to recognize the good roads you traverse this winter don't happen magically. In that snow plow you've seen operating fifteen hours a day for 30, 40, even 60 days in a row without complaint, is a dad, a husband, a public servant - your employee. You are responsible for the well being, safety, and viability of the families that work for you. Their health care, pensions, and pay all rest on your decisions. Their performance, thank God, does not reflect the salaries provided them or we would be living in a state resembling a third world country. Companies come from all over this great nation seeking our work ethic. Your fiscal responsibility starts with your employees. If we can not sustain a budget that properly compensates our employees; the cuts **must come from somewhere else.**

Without good employees, the state does not function and nothing else you do here in this building matters, nothing! Employee pay is not a liability line item, it is a building block for the greatest asset the state of North Dakota has. Economic stimulus equals good paying jobs, it is your responsibility to set the example, not to legislate it to someone else and go home to your real paycheck. Please make the 61<sup>st</sup> Legislative Assembly, of the great state of North Dakota historic, by following the example of your fellow legislators in the senate, and show these United States of America how fiscal responsibility works, by unanimously passing a fully funded state employee benefits package and a 5 & 5 percent increase in pay.

I'd be happy to try to answer any questions you may have.

# Table 27 Benefit Value Comparison

Average Salary = \$41,346 (Table 1)

per hour = \$19.88

State	Vacation		Sick	Holiday	Health Insurance	Dental	Vision	Life	Retirement	Social	Total	% of	Total Salary &
	Hours	5-9 yrs											
Colorado	120	80	80		\$567.42	\$41.40			11.50%				\$28.35
per hour	\$1.15	\$0.76	\$0.76		\$3.27	\$0.24			\$2.29				\$8.47
Iowa	120	144	88		\$1,091.00	\$33.09		\$0.23	6.05%	6.20%			\$32.18
per hour	\$1.15	\$1.38	\$0.84		\$6.29	\$0.19	\$0.01	\$0.20	\$1.20	\$1.23			\$12.30
Kansas	120	96	80		\$266.00	\$47.74			5.77%	6.20%			\$26.90
per hour	\$1.15	\$0.92	\$0.76		\$1.53	\$0.28			\$1.15	\$1.23			\$7.02
Minnesota	130	104	88		\$1,073.00	\$46.50			4.00%	6.20%			\$31.45
per hour	\$1.25	\$0.99	\$0.84		\$6.19	\$0.27			\$0.80	\$1.23			\$11.57
Missouri	120	120	96		\$980.00	\$5.62		\$0.33	12.84%	6.20%			\$32.62
per hour	\$1.15	\$1.15	\$0.92		\$5.65	\$0.03		\$0.06	\$2.55	\$1.23			\$12.74
Montana	120	96	84		\$557.00	\$45.80		\$1.76	6.90%	6.20%			\$28.97
per hour	\$1.15	\$0.92	\$0.80		\$3.21	\$0.26		\$0.14	\$1.37	\$1.23			\$9.09
Nebraska	120	96	96		\$1,171.83				7.49%	6.20%			\$32.36
per hour	\$1.15	\$0.92	\$0.92		\$6.76			\$0.02	\$1.49	\$1.23			\$12.48
Oklahoma	144	120	80		\$475.56			\$0.20	12.50%	6.20%			\$29.65
per hour	\$1.38	\$1.15	\$0.76		\$2.74			\$0.02	\$2.48	\$1.23			\$9.77
South Dakota	120	112	92		\$450.00			\$0.21	6.00%	6.20%			\$28.03
per hour	\$1.15	\$1.07	\$0.88		\$2.60			\$0.03	\$1.19	\$1.23			\$8.15
Wyoming	120	96	72		\$1,133.00	\$24.57		\$0.29	11.25%	6.20%			\$32.86
per hour	\$1.15	\$0.92	\$0.69		\$6.54	\$0.14		\$0.08	\$2.24	\$1.23			\$12.98
North Dakota*	120	96	84		\$658.08			\$0.19	9.12%	6.20%			\$29.59
per hour	\$1.15	\$0.92	\$0.80		\$3.80			\$0.00	\$1.81	\$1.23			\$9.71
<b>Average =</b>	<b>\$1.18</b>	<b>\$1.02</b>	<b>\$0.82</b>		<b>\$4.48</b>	<b>\$0.20</b>	<b>n/a</b>	<b>\$0.05</b>	<b>\$1.68</b>	<b>\$1.23</b>	<b>\$10.46</b>	<b>52.6%</b>	<b>\$30.33</b>

NOTE: - This analysis shows the value of benefits using a constant dollar amount. By using a "Relative Dollar Value", states can compare the value of their benefits.

- When variable rates or ranges were given for annual, sick, or holidays, an average was used. (5 years of service).

- This Value Analysis was calculated using the Classified Average Salary from Table 1.

- When variable rates or ranges were given for life insurance an average was used.

- Health, dental, and vision insurance used the largest enrollment and the highest state contribution for combined employee only and employee + family coverage.

\* North Dakota Retirement includes 4.12% paid by the state; 4.0% paid 'on behalf' of the employee by the state; and 1.0% for pre-paid retiree health insurance contribution