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Comments Concerning State Compensation Philosophy
Before the Government Services Committee
Stuart Savelkoul, Executive Director, NDPEA
September 30, 2010

Good afternoon Chairman Svedjan and members of the committee. My name is Stuart Savelkoul and I am the Executive Director of the North Dakota Public Employee Association. I would like to thank the committee for devoting so much attention to the development of a compensation philosophy that makes sense for the state employees of North Dakota. NDPEA believes that North Dakota's state employees deserve to be paid in competitively with our competing job markets.

We are especially encouraged by the following aspects of this philosophy:

- Basing the philosophy on the principles of fairness and equity (#2)
- The definition of "Relevant labor markets" (#4)
 - If we do not consider the Minnesota and Colorado job markets as competition to our state workforce, we will never be effective in preventing our high quality state workers from leaving the state altogether.
- The identification of cost-of-living adjustments as a factor for compensation increases (#5)
- The recognition of the need for annual compensation adjustments as important (final paragraph)

NDPEA has some reservations with a few aspects of the philosophy as well, including:

- Setting the external competitiveness target for salary range midpoints at 95% of market (#4)
 - Putting that in statute may prove to be a deterrent to prospective employees. NDPEA has a preference for a more general statement similar to the one proposed by Representative Wieland at an earlier meeting. "Set the external competitiveness target for salary range midpoints to a point that neither leads nor lags the market."
- Prohibiting increases in percentage format (#6)
 - We believe this will conflict with efforts to make adjustments based on an increase in the cost-of-living as supported by #5.

Overall, we view this documented philosophy as an improvement over the status quo. While I sincerely hope that you will take our concerns under consideration, I would like to thank the committee, again, for their attention to this matter.

Thank you for your time. And I would like to especially thank you, Chairman Svedjan, for your leadership and your clear and focused dedication to progress on this subject.

Quality Services from Quality People

Testimony