

STATE EMPLOYEES - OVERVIEW

SALARY INCREASE

The 2001-03 legislative appropriations provide funding in agency budgets for state employee salary increases averaging three percent of salaries for the first year of the biennium and two percent for the second year of the biennium. Annual increases are to be at a minimum of \$35 per month for each permanent employee with any additional increases being based on merit and equity. Specific language regarding the salary increases is included in Section 6 of House Bill No. 1015, the appropriations bill for the Office of Management and Budget.

SPECIAL MARKET EQUITY ADJUSTMENTS

The legislative appropriations include a \$5 million statewide compensation plan line item in House Bill No. 1015, the appropriations bill for the Office of Management and Budget, to be used for market equity compensation adjustments for classified state employees. Of the \$5 million, \$2.7 million is from the general fund and \$2.3 million is special funds.

Section 5 of the bill provides that agencies may apply to the Central Personnel Division for a transfer of general fund or special funds appropriation authority from this line item to provide market equity increases to their employees whose salaries are furthest from their respective salary range midpoints.

HIGHER EDUCATION

The Legislative Assembly provided a general fund appropriation of \$4,628,824 within Subdivision 2 of Section 1 of Senate Bill No. 2003, the appropriations bill for the University System, for an equity and special needs funding pool to be distributed by the State Board of Higher Education. A portion of the equity and special needs funding pool may be used for salary increases to address equity issues at the institutions of higher education, except the North Dakota University System office.

The Legislative Assembly provided in Section 9 of Senate Bill No. 2003, the higher education appropriations bill, that the State Board of Higher Education may adjust or increase FTE positions for each institution of higher education as needed, subject to the availability of funds. The State Board of Higher Education is to report any adjustments to the Office of Management and Budget prior to the submission of the 2003-05 budget request. The number of FTE positions for the University System office may not be increased above the level employed as of April 28, 2001.

The Legislative Assembly provided in Section 4 of Senate Bill No. 2021, the Experiment Station/Extension Service appropriations bill, that the State Board of Higher Education may adjust or increase FTE positions as needed, subject to the availability of funds. The State Board of Higher Education is to report any adjustments to the Office of Management and Budget prior to the submission of the 2003-05 budget request.

ELECTED AND APPOINTED OFFICIALS

In addition to salary increases of three percent for the first year of the biennium and two percent for the second year, the Legislative Assembly provided \$178,233, \$142,697 of which is from the general fund for salary equity adjustments for select elected and appointed officials effective January 1, 2002.

JUDICIAL BRANCH

The judicial branch appropriation includes funding to provide salary increases of approximately eight percent for the first year of the biennium and seven percent for the second year of the biennium for Supreme Court justices. The legislative appropriation includes salary increases of approximately seven percent for each year of the biennium for district judges. Salary increases for other employees of the judicial branch are included at the same level as provided for other state employees, or averaging three percent for the first year and two percent for the second year of the biennium, as explained in the **SALARY INCREASE** section.

HEALTH INSURANCE

The legislative appropriation continues funding for the cost of health insurance premiums for state employees. The appropriation provides \$409.09 per month for employee health insurance (an increase of \$59.37 compared to the 1999-2001 premium). A health insurance plan with benefits similar to the plan provided during the 1999-2001 biennium was projected to have required monthly premium payments of approximately \$427 per month. A recent history of monthly health insurance premiums provided for each employee is listed below:

1995-97	\$265
1997-99	\$301
1999-2001	\$350
2001-03	\$409

TOTAL COMPENSATION CHANGES COST

The schedule below provides the total cost of major compensation changes in the 2001-03 legislative appropriation:

	General Fund	Special Funds	Total
Salary increase - 3%/2% per year	\$27,043,178	\$12,493,632	\$39,536,810
Health insurance increase	11,182,551	6,001,252	17,183,803
Equity adjustments - Classified employees	2,700,000	2,300,000	5,000,000
Pay grade minimum adjustments - Classified employees	360,797	131,505	492,302
Equity adjustments - Elected and appointed officials	142,697	35,536	178,233
Equity adjustments - Supreme Court and district court judges	724,451		724,451
Equity adjustments - Department of Corrections and Rehabilitation	422,528		422,528
Equity adjustments - Department of Transportation		1,200,000	1,200,000
Total	\$42,576,202	\$22,161,925	\$64,738,127

FTE POSITIONS

The legislative appropriation for the 2001-03 biennium includes a total of 11,616.78 FTE positions, 79.86 FTE positions more than the 1999-2001 authorized level and 14.30 FTE positions fewer than the executive recommendation.

The schedule below lists the authorized FTE positions for each biennium since 1991-93:

Biennium	FTE	Increase (Decrease) From Previous Biennium	Percentage Increase (Decrease) From Previous Biennium
1991-93	12,159.50	51.48	0.4%
1993-95	12,149.98	(9.52)	(0.1%)
1995-97	11,290.53 ¹	(859.45) ¹	(7.1%)
1997-99	11,541.00	250.47	2.2%
1999-2001	11,536.92	(4.08)	(0.0%)
2001-03	11,616.78	79.86	0.7%

¹ Reflects the sale of the UND Rehabilitation Hospital (a reduction of 286.20 FTE positions) and the change in the method of assigning higher education FTE positions due to the conversion to the statewide integrated budget and reporting system (a reduction of 415.85 FTE positions).