

STATE EMPLOYEES - OVERVIEW

SALARY INCREASE

The 2005 Legislative Assembly provided funding in House Bill No. 1050 and in each agency's appropriations bill for state employee salary increases of 4 percent, effective July 1, 2005, and 4 percent, effective July 1, 2006. (The executive recommendation was for an increase of 4 percent the first year, 3 percent the second year, and an additional 1 percent the second year from existing agency resources.) Specific language regarding the salary increases is included in House Bill No. 1050.

SPECIAL MARKET EQUITY ADJUSTMENTS

The 2005 Legislative Assembly provided \$1.5 million from the general fund to the Department of Corrections and Rehabilitation, \$1 million for correctional officers, and \$500,000 for all department employees for market equity adjustments. In addition, Section 10 of Senate Bill No. 2015 includes legislative intent that the Department of Corrections and Rehabilitation may provide up to \$250,000 in market equity adjustments for employees in the Field Services Division to the extent general fund savings can be identified from within the department's existing budget.

The Legislative Assembly provided \$194,467, \$166,258 of which is from the general fund and \$28,209 from the highway tax distribution fund, for market equity adjustments for Highway Patrol troopers and sergeants. The Highway Patrol may provide up to \$219,000 in additional market equity adjustments for these employee groups to the extent savings can be realized from the department's existing budget.

The 2005-07 appropriations for the Labor Department provides \$6,000 from the general fund for a market equity adjustment to be provided to the Deputy Labor Commissioner.

HIGHER EDUCATION

The Legislative Assembly did not provide higher education institutions specific funding for salary or health insurance increases with the intent that funding for any increases is to be provided within the total funding provided for the University System and other resources.

The State Board of Higher Education is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for

institutions under its control. The State Board of Higher Education is to report any adjustments to the Office of Management and Budget prior to submission of the 2007-09 budget request.

ELECTED OFFICIALS

The Legislative Assembly approved a 4 percent salary increase for elected officials for each year of the biennium, the same as state employees.

JUDICIAL BRANCH

The Legislative Assembly approved a 4 percent salary increase for Supreme Court and district court judges for each year of the biennium, the same as state employees.

HEALTH INSURANCE

The legislative appropriation continues funding for the cost of health insurance premiums for state employees. The appropriation provides \$553.95 per month for employee health insurance (an increase of \$65.25 compared to the 2003-05 premium). The executive recommendation included \$559.15 per month. A recent history of monthly health insurance premiums provided for each eligible employee is listed below:

1995-97	\$265
1997-99	\$301
1999-2001	\$350
2001-03	\$409
2003-05	\$489
2005-07	\$554

EMPLOYEE ASSISTANCE PROGRAM

The monthly rate for the employee assistance program increased from \$1.35 to \$1.42 per month. This is the first rate adjustment since the program began in 1997.

TOTAL COMPENSATION CHANGES COST

The schedule below provides the total cost of major compensation changes for the 2005-07 biennium:

	General Fund	Special Funds	Total
Salary increase - 4% July 2005 and 4% July 2006	\$19,778,486	\$21,746,666	\$41,525,152
Health insurance and employee assistance program increase	5,335,798	7,903,870	13,239,668
Equity adjustment - Department of Corrections and Rehabilitation	1,500,000		1,500,000
Equity adjustment - Highway Patrol	166,258	28,209	194,467
Total	\$26,780,542	\$29,678,745	\$56,459,287

FTE POSITIONS

The legislative appropriations for the 2005-07 biennium include funding for a total of 10,631.95 FTE positions, including higher education institutions, 154.48 FTE positions fewer than the 2003-05 authorized level and 17.05 FTE positions more than the executive recommendation.

The schedule below lists the number of 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	(7.6%)
1997-99	11,541.00	250.47	2.2%
1999-2001	11,536.92	(4.08)	(0.0%)
2001-03	11,661.17	124.25	1.1%
2003-05	10,786.43 ²	(874.74) ²	(7.5%)
2005-07	10,631.95	(154.48)	(1.5%)

¹Reflects 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).

²The FTE count for Higher Education was reduced by 688.17 FTE positions to reflect institutional reductions and to report only the number of FTE positions funded from the general fund.