

FISCAL NOTE
Requested by Legislative Council
02/06/2019

Amendment to: SB 2128

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$75,500,000	\$97,500,000		
Appropriations			\$75,500,000	\$97,500,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill as amended provides intent that state employee salary increases for the 2019-21 biennium be the greater of \$100 per month or 3% for the first year and 3% per employee for the second year and that state employee health benefits be continued with no change to the benefits structure.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The amounts shown in 1A total \$173.0 million for the 2019-21 biennium. Of that total, \$102.5 million (\$44.3 million from the general fund and \$58.2 million from other funds) is the total cost of the proposed salary increase based on all positions funded in the executive budget recommendation. The total includes all state agencies and institutions of higher education.

Also included in the total fiscal impact is \$70.5 million (\$31.2 million from the general fund and \$39.3 million from other funds) for the cost of continuing state employee health insurance benefits using the same benefits structure as the 2017-19 biennium.

The estimated cost to continue the proposed salary increases is \$137.7 million for the 2021-23 biennium. No estimate is available for the cost to continue health insurance benefits for the 2021-23 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The proposed salary increases will increase expenditures by \$102.5 million for the 2019-21 biennium for all state agencies and institutions of higher education. The requirement to continue state employee health insurance benefits with no change to the benefits structure will increase expenditures by \$70.5 million for the 2019-21 biennium.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$102.5 million required to fund the proposed salary increases is \$9.6 million less than the amount included in the 2019-21 executive budget recommendation, which proposes funding for salary increases averaging 4% the first year and 2% the second year, distributed on the basis of performance.

The \$70.5 million to continue the existing health insurance benefits structure is \$11.9 million more than the amount included in the executive budget recommendation.

Name: Joe Morrissette

Agency: OMB

Telephone: 701-328-4606

Date Prepared: 02/07/2019

FISCAL NOTE
Requested by Legislative Council
01/04/2019

Revised
 Bill/Resolution No.: SB 2128

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$103,600,000	\$134,000,000		
Appropriations			\$103,600,000	\$134,000,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides legislative intent that state employee salary increases for the 2019-21 biennium be \$300 per month per employee for the first year and 3% per employee for the second year and that state employee health benefits be continued with no change to the benefits structure.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The amounts shown in 1A total \$237.6 million for the 2019-21 biennium. Of that total, \$167.1 million (\$72.4 million from the general fund and \$94.7 million from other funds) is the total cost of the proposed salary increase based on all positions funded in the executive budget recommendation. The total includes all state agencies and institutions of higher education. The estimated cost of \$202.3 million for the 2021-23 biennium is the cost to continue the proposed salary increases for a full biennium, assuming no other changes in authorized FTE. Also included in the total fiscal impact is \$70.5 million (\$31.2 million from the general fund and \$39.3 million from other funds) for the cost of continuing state employee health insurance benefits using the same benefits structure as the 2017-19 biennium.

The estimated cost to continue the proposed salary increases is \$202.3 million for the 2021-23 biennium. No estimate is available for the cost to continue health insurance benefits for the 2021-23 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The proposed salary increases will increase expenditures by \$167.1 million for the 2019-21 biennium for all state agencies and institutions of higher education. The requirement to continue state employee health insurance benefits with no change to the benefits structure will increase expenditures by \$70.5 million for the 2019-21 biennium.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$167.1 million required to fund the proposed increases is \$55 million more than the amount included in the 2019-21 executive budget recommendation, which proposes funding for salary increases averaging 4% the first year and 2% the second year, distributed on the basis of performance. The \$70.5 million to continue the existing health insurance benefits structure is \$11.9 million more than the amount included in the executive budget recommendation.

Name: Joe Morrissette

Agency: OMB

Telephone: 701-328-4606

Date Prepared: 01/20/2019

FISCAL NOTE
Requested by Legislative Council
01/04/2019

Bill/Resolution No.: SB 2128

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$72,400,000	\$94,700,000	\$87,700,000	\$114,600,000
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides legislative intent that state employee salary increases be uniformly provided to all employees for the 2019-21 biennium at \$300 per month per employee for the first year and 3% per employee for the second year.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The amounts shown in 1A total \$167.1 million for the 2019-21 biennium, which is the total cost of the proposed increase based on all positions funded in the executive budget recommendation. The total includes all state agencies and institutions of higher education. The estimated cost of \$202.3 million for the 2021-23 biennium is the cost to continue the proposed salary increases for a full biennium, assuming no other changes in authorized FTE.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The proposed salary increases will increase expenditures by \$167.1 million for the 2019-21 biennium for all state agencies and institutions of higher education.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$167.1 million required to fund the proposed increases is \$55 million more than the amount included in the 2019-21 executive budget recommendation, which proposes funding for salary increases averaging 4% the first year and 2% the second year, distributed on the basis of performance.

Name: Joe Morrissette

Agency: OMB

Telephone: 701-328-4606

Date Prepared: 01/09/2019

2019 SENATE APPROPRIATIONS

SB 2128

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2128
1/22/2019
JOB # 31160

- Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer / Carie Winings

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide a statement of legislative intent regarding state employee compensation adjustments.

Minutes:

1. Testimony of Sen. John Grabinger, Sponsor
2. Testimony of Nick Archuleta, ND United

Chairman Holmberg: Called the Committee to order on SB 2128. Roll call was taken. All committee members were present. Alex Cronquist, Legislative Council and Becky Deichert, OMB were also present.

Senator Grabinger, District 12: See Attachment #1 for testimony in favor of SB 2128.

(4:20) Senator Dever: Thank you for acknowledging the efforts we have made in another bill. In order to understand some of the questions that have come about regarding the \$300.00 a month increase and what that represents as a percentage, it is \$3600 a year. The percentage does vary quite a bit depending on what the employee is currently making. The average of all salaries is \$56,000 and this is 6.4%. The scope of this is within the Governor's proposal of 4+2+2. The other proposal with 1% in the second year would make the cost to continue going into the next session relatively insignificant in relation to that. My feeling is, from what I have heard from state employees, generally the employees that make more than \$100,000 or are in the management positions, and of greater concern than their own salary increase is the moral of the employees that they work with. I think that is a lot of the benefit of your proposal and our proposal. I think it makes it all worthy of consideration. Do you agree?

Senator Grabinger: I agree with that. I also believe that many of those, when you talk about the increase and what this does, at the bottom end receiving a 2 or 3 percent increase is minimal. But on the top end that 2 or 3 percent is a good raise. There is a big difference in that and that is what we have been doing time and again. My argument is that we need to compensate the bottom ones too.

(7:35) Senator Mathern, District 11: Testified in favor of SB 2128. What I wanted to note is the news coverage that we have been receiving regarding the impact of the government shut down in our state capitol which has spread across the entire country. In that shut down is a major consequence in terms of individual's eligibility for SNAP (Supplemental Nutrition Assistance Program) benefits. While a number of those people will be receiving those

benefits January and February, there is some question about those benefits going forward based on the timing of the shutdown. The point that I wanted to make is how that relates to this bill. Many public employees are actually eligible for those benefits. I don't know if we could determine that from our work with the Department of Human Service budgets and bills like this, but it would be interesting to see how many employees qualify for those benefits. That brings me to the major support for this bill, it has not only the consequence of a higher salary for the lower income worker but it has an effect on the public assistance programs to the degree that we bring the bottom up then they have less need to go to the public assistance programs to feed themselves and their families. I believe an across the board increase of income for the lower income works is appropriate and I think it also helps us on the other end of our social services benefits.

Chairman Holmberg: Do you have a number as far as the state employees receiving these benefits you mentioned?

Senator Mathern: I don't have the number, but I can delve into it, and get that info to you.

(10:56) Nick Archuleta, President, North Dakota United: See Attachment #2 for testimony in favor of SB 2128.

(12:35) Senator Dever: One of the rationales for the \$300 in the first year of the biennium was to front load the pay increase in an effort to mitigate the concerns of not having a pay raise in the last session. Are you hearing from your members that is a good thing?

Nick Archuleta: Yes, that is what I am hearing.

Senator Mathern: Do you have any data about how many state employees are receiving public benefits?

Nick Archuleta: I do not have that data, but I can certainly follow up and see if I can find it.

Senator Poolman: Out of your 11,500 members, how many of them are teachers, and how many of them are state employees?

Nick Archuleta: Roughly 90% of our members come from the education realm and the rest are from public service.

Senator Poolman: Are there any districts out there that are looking at giving a \$300 a month raise for teachers?

Nick Archuleta: No, but we would certainly welcome that.

Chairman Holmberg: I have a question regarding the fiscal note.

Joe Morrisette, Director, OMB: I did prepare the fiscal note, but it was revised.

Chairman Holmberg: When you say revised, the date on the one we have is the 4th of January. Is there a newer addition?

(15:05) Joe Morrisette: there was one that was revised over the weekend and the date should be the 20th of January. It was revised because it was pointed out to me that the fiscal note that was prepared did not address the last sentence in the bill which would require no change to the state employee health insurance benefit structure for the new biennium. There is a cost to that. That was added in. The revision added a total of \$70 million to the cost, which is the total cost of the increase in the state employee health insurance plan with no changes to the benefits. It is about \$31 million general fund and \$39 million from other funds. Then in the last paragraph of Section C, I indicate how that relates to what was included in the executive budget for continuing those benefit increases; which was about \$55 million.

Senator Mathern: What is the actual difference between this bill and the executive budget in terms of the health benefits. What does the public employee lose by the executive budget over this bill?

Joe Morrisette: The difference that would come out of the state employee pockets potentially, would be that difference from the executive budget. So, it would be that total of about \$12 million. It would be cumulative value over a biennium of that \$28 per month contribution to the main plan. Or the proposal was to offer a new fully paid health plan that had a lower premium that was \$28. Either way the state costs were \$28 lower.

Senator Mathern: If this bill doesn't pass, and the executive budget passes, each employee would have to pay \$28 per month more, or not receive benefits by going into a high deductible plan?

Joe Morrisette: The options would be correct; to pay \$28 to stay in the main plan, or elect to take the non-grandfathered plan which would have some additional benefits but a higher co-pays and deductibles and it would cost the state \$28 less.

Chairman Holmberg: Is the \$12 million general fund or both?

Joe Morrisette: It is a mix. It would be about roughly 55% other funds and 45% general.

Senator Dever: To be clear, that cost is there, the issue is whether it is paid by the state or paid by the employee?

Joe Morrisette: The cost would be there if there were no changes to the benefit structure, so the executive budget proposed the change to the benefit structure by offering a new plan and that would lower the state cost and give the employee an option to take a new plan with no cost or pay the \$28 to stay in the existing plan. The reason I had to revise the fiscal note is because in the last sentence it says that there would be no change to the benefit structure. So, that is the cost.

(20:35) Chairman Holmberg: It would shift from the state to the employee for the \$28.

Joe Morrisette: I would say that it is a shift in the event that the employee stays in the main plan, and it is a change in the benefit structure if the employee opts for the non-grandfathered plan.

Chairman Holmberg: Did you have a sense of how state employees are breaking on this?

Joe Morrisette: No, it is hard to say. I know there is an interest in the benefits that are in the non-grandfathered plan, but I think each person has to weigh that for their own situation.

(21:37) Senator Robinson: I think most of us would agree that it was refreshing that before we even got here that both political parties were talking about the need to respond to state employees' salaries and benefits. The last time we had increases in our situation at Valley City, our cabinet chose not to take any increases at all so that we could pass those dollars down to those on the lower end. The other issue is that we can't forget about the cost of training, recruitment, marketing, and so forth. In any entity it is important to have new people. But too many new people can create a cost as well. We often hear about hard working North Dakotans, and that includes our state employees. I am pleased that we have this issue before us. I would hope that we would not dip into the benefit package. That benefit package has been one of the issues that help determine whether the employee stays in state employment. They do important work for the state. I applaud this bill and the bill Senator Dever referenced.

Chairman Holmberg: In September, the benefits committee made a recommendation of 2 and 2 and leave the benefits alone.

Senator Dever: It was not the state employee benefits committee but the state employee compensation.

V. Chairman Krebsbach: If the employee chooses to go out of the grandfather plan, is it strictly deductibles that will increase or are there other benefits changes with that plan?

Joe Morrisette: The non-grandfather plan has a list of benefits that are required to be included in the plan under the Affordable Care Act. I can get you that as a comparison to the existing plan as to what would be required to be offered as changes.

Senator Dever: In the OMB budget we had discussion of those two, and the chair asked that be considered as policy, and I submitted a bill involving those three. They were submitted in employee benefits and now will be reported back with a report from PERS regarding the implications of making those changes.

Senator Gary Lee: If you just wanted to compare the \$300 and the 3%, would we just look at the first fiscal note?

Joe Morrisette: Yes, it is broken out in the narrative. \$167 million is related to the salary change. That is \$55 million more than what is in the executive budget. It is broken out in the narrative in the revised one.

Chairman Holmberg: No further testimony. The subcommittee that has OMB will also have this bill. (Chairman Holmberg, Senator Bekkedahl and Senator Robinson) Closed the hearing on SB 2128.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2128
2/6/2019
JOB 32240

- Subcommittee
 Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL regarding state employee compensation adjustments (DNPA)

Minutes:

Amendment 19.0458.01002

Chairman Holmberg: called the Committee to order on SB 2128. All committee members were present. Adam Mathiak, Legislative Council and Stephanie Gullickson, OMB were also present.

Senator Grabinger: Moved the adopt amendment 19.0458.01002.

Senator Mathern: Seconded the motion.

Voice vote carried.

Senator Hogue: moved Do Not Pass as Amended on SB 2128.

Senator Mathern: Seconded the motion.

Chairman Holmberg: Call the roll on Do Not Pass as Amended on SB 2128.

A Roll Call vote was taken. Yea: 10; Nay 4; Absent: 0.

Chairman Holmberg: will carry the bill.

The hearing was closed on SB 2128.

SK
1501

PROPOSED AMENDMENTS TO SENATE BILL NO. 2128

Page 1, line 7, replace "\$300" with "the greater of an average of three percent or \$100"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides legislative intent that state employee salary increases be 3 percent with a \$100 minimum for the first year of the biennium and 3 percent for the second year rather than \$300 per month for the first year and 3 percent for the second year.

Date: 2-6-2019

Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2128

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 19.0458.01002

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Grabinger Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Senator Holmberg			Senator Mathern		
Senator Krebsbach			Senator Grabinger		
Senator Wanzek			Senator Robinson		
Senator Erbele					
Senator Poolman					
Senator Bekkedahl					
Senator G. Lee					
Senator Dever					
Senator Sorvaag					
Senator Oehlke					
Senator Hogue					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice Vote Carried

Date: 2-6-2019

Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2128

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
- Other Actions: Reconsider _____

Motion Made By Hogue Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mather		✓
Senator Krebsbach	✓		Senator Grabinger		✓
Senator Wanzek	✓		Senator Robinson		✓
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever		✓			
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 10 No 4

Absent 0

Floor Assignment Holmberg

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

REPORT OF STANDING COMMITTEE

SB 2128: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). SB 2128 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "\$300" with "the greater of an average of three percent or \$100"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides legislative intent that state employee salary increases be 3 percent with a \$100 minimum for the first year of the biennium and 3 percent for the second year rather than \$300 per month for the first year and 3 percent for the second year.

2019 TESTIMONY

SB 2128

SB 2128
1-22-19
1
P 1

SB 2128
Senate Appropriations Committee
January 22, 2019
Testimony by Sen. John Grabinger

Chairman Holmberg and fellow committee members, I come before you today to introduce and ask for your support of Senate Bill 2128. I will keep this as brief as possible, but I certainly don't want to lessen the importance of properly funding the benefits and salaries of our incredibly dedicated state employees.

I'm pretty sure everyone of us in this room knows and recognizes that we have left our state employees behind the past two bienniums, when it comes to salaries. We must take care of them this session and that is exactly what this bill tries to accomplish.

We have all seen the large number of employees taking advantage of the buyout and even more of our departments are losing our best to private entities because we have become non-competitive with our current pay structure.

I would first like to applaud our Governor for his position on salary increases, as well as Sen. Dever and his colleagues in support of their efforts with their bill.

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1-22-19
#1
p2

Secondly, I'd like to explain the difference with our bill and what I understand of the other proposals. Our bill earmarks a 300 a month salary increase for all of our state employee's, entry-level to the top and across the board. This is to prevent some from being left out through the merit system now in place.

If I were still a state employee today, as I was quite some time ago, I seriously doubt that given the option of advancing my salary or not, my AND at the time would not have given me a raise. Simply because our personalities clashed, not from anything else as I would consistently receive good eval's from my immediate supervisors.

As for the second year of the biennium, we are suggesting a 3% increase that would be across the board also.

That last difference in our proposal is the request that we leave the benefits package as is now, with the state covering a nearly 11 million dollar increase suggested by OMB. The fiscal note attached with this bill is not correct, as OMB has sent out two messages suggesting the amount may be somewhat higher than they originally stated.

In closing, I must be straightforward with you and offer somewhat of a disclaimer. My wife is a long time state employee and therefore you could suggest I have a personal fiduciary

p2

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1-22-19
#1
P3

benefit if she were to be compensated more. But I also represent a rather large number of state employee's in my community and I must advocate for their best interest.

Finally, I would offer that the numbers in this bill may not end up being what we decide to put forward as a committee. Although, I would hope that we do our level best to treat all our state employees fairly by removing the merit increase game from the equation and making sure we step up to the plate for our remaining dedicated staff.

Thank you for your consideration and I will attempt to answer any questions you may have.

1-22-19 SB 2128
2
P1



Great Public Schools

Great Public Service

**Testimony Before the Senate Appropriations Committee
SB 2128
Tuesday, January 22, 2019**

Chairman Holmberg and members of the Committee. For the record, my name is Nick Archuleta and I am the president of North Dakota United. On behalf of our 11,500 members, I appear before you today to urge a DO PASS recommendation for SB 2128.

Mr. Chairman, state employees work diligently day in and day out to provide the vital public services that North Dakotans expect and deserve. They work across the state and on our college and university campuses. And for the last two years, they have worked without an increase in their salaries. This has created difficult times in the households of a great many public employees. They have had to stretch every dollar to sustain their families even though the costs of things like food, medicine, and healthcare – unlike their salaries – have continued to increase.

In addition, Chairman Holmberg and members of the Committee, our recent economic realities have led to many state employees being let go and many vacant positions to remain unfilled. The result has been that state employees have been doing more work with less help. It is no wonder that state employees have felt frustrated even while doing the important work that they love.

The legislation outlined in SB 2128 will go a long way in easing the burden the families of state employees have endured these past two years. This proposed legislation seeks to increase salaries by three hundred dollars per month in the first year of the biennium and by three percent in the second year. If we are to continue to recruit and retain high quality, hard-working employees to serve the citizens of North Dakota, we need to raise salaries and make public service an attractive option for those seeking employment. SB 2128 is a welcome step in that direction. Mr. Chairman and members of the Committee, please render a DO PASS recommendation for SB 2128. I am happy to stand for questions.

P1

19.0458.01002
Title.

Prepared by the Legislative Council staff for
Senator Grabinger
February 4, 2019

#1
SB 2128
2-6-2019
pg 1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2128

Page 1, line 7, replace "\$300" with "the greater of an average of three percent or \$100"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides legislative intent that state employee salary increases be 3 percent with a \$100 minimum for the first year of the biennium and 3 percent for the second year rather than \$300 per month for the first year and 3 percent for the second year.