

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Tuesday, February 24, 2015
Prairie Room, State Capitol
Bismarck, North Dakota

Senator Dick Dever, Chairman, called the meeting to order at 10:05 a.m.

Members present: Senators Dick Dever, Nicole Poolman; Representatives Randy Boehning, Roger Brabandt, Jason Dockter, Jessica Haak, Scott Louser, Kenton Onstad, Don Vigesaa

Members absent: Senators Ralph Kilzer, Karen K. Krebsbach, David O'Connell, Connie Triplett

Others present: See [Appendix A](#)

It was moved by Representative Vigesaa, seconded by Representative Boehning, and carried on a voice vote that the minutes of the January 6, 2015, meeting be approved as distributed.

Chairman Dever explained to the committee that as he became aware of the activities of the House Government and Veterans Affairs Committee and the amendments that committee recommended to House Bill No. 1080 which appear to impact the Public Employees Retirement System (PERS) retirement plan, he made a request to PERS for an actuarial report. House Bill No. 1080 was passed out of committee with a do pass as amended recommendation and is currently on the sixth order on the floor of the House. He said under North Dakota Century Code Section 54-35-02.4, he called a meeting of the Employee Benefits Programs Committee so the committee can take jurisdiction over the bill and receive the actuarial report, related technical comments, and comments by interested persons.

Chairman Dever called on Mr. Sparb Collins, Executive Director, Public Employees Retirement System, to comment regarding the proposed engrossed version of House Bill No. 1080 [[15.0137.02002](#)], which amends the law relating to the PERS hybrid retirement plan and the defined contribution plan. Mr. Collins distributed technical comments ([Appendix B](#)) on the bill with proposed amendments which was prepared by PERS consultant, Segal Consulting.

Mr. Collins noted PERS is in the process of preparing the fiscal note for the bill with the proposed amendments and he expects there will be no fiscal impact during the 2015-17 biennium.

Mr. Collins noted the amendment language relating to Section 54-52-17(4)(a) could be improved by referring to "employees" instead of "retirees", and if the proposed amendments are passed by the House, he would be happy to present those simple amendments to the Senate standing committee that hears the bill.

In response to a question from Chairman Dever, Mr. Collins said under the proposed amendments new hires would make the same retirement contribution as existing employees but would have decreased benefits upon retirement.

In response to a question from Representative Onstad, Mr. Collins said with the proposed amendments, the fund will recognize a benefit, but it does not substantially alter the status of the plan.

It was moved by Representative Vigesaa, seconded by Representative Boehning, and carried on a voice vote that the committee take jurisdiction over House Bill No. 1080 for purposes of Section 54-35-02.4.

Chairman Dever said having taken jurisdiction over House Bill No. 1080, the committee's charge is to make a recommendation on House Bill No. 1080 with the proposed amendments.

Representative Onstad said he supports an unfavorable recommendation, as the bill would not significantly alter the retirement plan, but it would negatively impact the state's ability to recruit and retain a quality workforce.

It was moved by Representative Onstad, seconded by Representative Haak, and failed on a roll call vote that the committee forward an unfavorable recommendation on House Bill No. 1080 with proposed amendments. Senators Dever and Poolman and Representatives Haak and Onstad voted "aye." Representatives Vigesaa, Boehning, Brabandt, Dockter, and Louser voted "nay." **The motion failed.**

It was moved by Representative Vigesaa, seconded by Representative Brabandt, and carried on a roll call vote that the committee forward a favorable recommendation on House Bill No. 1080 with proposed amendments. Representatives Vigesaa, Boehning, Brabandt, Dockter, and Louser voted "aye." Senators Dever and Poolman and Representatives Haak and Onstad voted "nay."

Committee Counsel stated she will prepare a committee report and deliver it to the House desk force today.

No further business appearing, Chairman Dever adjourned the meeting at 10:25 a.m.

Jennifer S. N. Clark
Counsel

ATTACH:2