

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Thursday, September 21, 2017
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives Mike Lefor, Randy Boehning, Jason Dockter, Vernon Laning, Alisa Mitskog, Roscoe Streyle; Senators Brad Bekkedahl, Dick Dever, Oley Larsen, Gary A. Lee, Carolyn C. Nelson

Members absent: Representative Mark S. Owens and Senator Karen K. Krebsbach

Others present: See [Appendix A](#)

It was moved by Senator Dever, seconded by Senator Nelson, and carried on a voice vote that the minutes of the March 23, 2017, meeting be approved as distributed.

Chairman Lefor said one goal he has as Chairman is to help strengthen the relationship between the Legislative Assembly and the Public Employees Retirement System (PERS) Board, and as a first step, he reached out to the PERS Board members and invited them to attend this meeting.

Chairman Lefor called on Mr. Sparb Collins, Executive Director, Public Employees Retirement System, to introduce the PERS Board members present. Mr. Collins distributed a list of PERS Board members ([Appendix B](#)). The following PERS Board members were present--Ms. Yvonne Smith, elected by retirees; Mr. Dirk Wilke, representing the State Health Officer; Mr. Adam Miller, elected by active members; Mr. Troy Siebel, the Attorney General's appointee; Ms. Casey Goodhouse, elected by active members; Ms. Kim Wassim, elected by active members; and Senator Dick Dever, the Legislative Management appointee. Mr. Collins said Mr. Mark A. Dosch, Chairman of the board, and Representative Pamela Anderson are not in attendance today.

In response to a question from Chairman Lefor, Mr. Collins said the PERS Board regular meetings are held monthly, and several times each year the board meets for special meetings. He said the PERS Board meetings are open meetings and members of the public are welcome to attend.

Chairman Lefor said he looks forward to attending some of the PERS Board meetings to increase his knowledge and understanding of PERS-related issues.

Chairman Lefor called on the Legislative Council staff to review the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#) and a memorandum entitled [Employee Benefits Programs Committee - Statutory Responsibilities and Assigned Studies - Background Memorandum](#).

It was moved by Senator Dever, seconded by Senator Nelson, and carried on a roll call vote that the committee accept for review legislative proposals that affect retirement programs from legislators, Legislative Management interim committees, and state agencies with bill introduction privileges and such proposals must be submitted to the committee in bill draft form before April 1, 2018, except for Legislative Management interim committee recommendations, which must be submitted before the November 14-15, 2018, Legislative Management meeting at which interim committee reports are made. Representatives Lefor, Boehning, Dockter, Laning, Mitskog and Streyle and Senators Bekkedahl, Dever, Larsen, Lee, Nelson voted "aye." No negative votes were cast.

HUMAN RESOURCE MANAGEMENT SERVICES

Chairman Lefor called on Ms. Becky Sible, Interim Director, Human Resource Management Services, Office of Management and Budget, to provide a report, as required under North Dakota Century Code Section 54-06-31, on the implementation, progress, and bonuses provided by state agency programs to provide bonuses to recruit or retain employees in hard-to-fill positions, and to provide biennial reports, as required under Sections 54-06-32, 54-06-33, and 54-06-34, summarizing reports of state agencies providing service awards to employees in classified

service, providing employer-paid costs of training or educational courses to employees in classified service, and paying employee membership dues for professional organizations and membership dues for service clubs when required to do business or if the membership is primarily for the benefit of the state. Ms. Sicble provided written testimony ([Appendix C](#)).

In response to a question from Representative Laning, Ms. Sicble said the payback requirements relating to bonuses to recruit or retain employees in hard-to-fill positions vary based on the policy of the agency.

In response to a question from Representative Lefor, Ms. Sicble said the criteria used to identify a position as hard-to-fill varies based on the agency.

In response to a question from Senator Larsen, Ms. Sicble said she will forward to committee members more details regarding the funding sources for inspector positions, such as air quality inspectors. She said she always is interested to learn about changes in the market and when positions are volatile.

OVERVIEW OF RETIREMENT, INSURANCE, AND RETIREE HEALTH INSURANCE PROGRAMS

Chairman Lefor called on Mr. Collins and Ms. Sharon Schiermeister, Chief Operating Officer and Finance Manager, Public Employees Retirement System, to provide an overview ([Appendix D](#)) of PERS.

In response to a question from Representative Boehning, Mr. Collins said for each of the retirement funds a portion of the contribution is paid by the state. He said if a state trooper dies, the surviving spouse will receive survivor benefits, and if that surviving spouse paid into the Social Security retirement system, that surviving spouse will be eligible to also receive social security retirement benefits.

In response to a question from Representative Streyle, Mr. Collins said he will provide the committee members with information regarding the historic returns on the PERS retirement funds.

In response to a question from Chairman Lefor, Mr. Collins said the defined contribution plan now is only available only to nonclassified state employees.

In response to a question from Representative Streyle, Mr. Collins said there is a risk-based capital component to the PERS health benefit plan. With the newest contract renewal for the 2017-19 biennium, he said, the requirement was increased from 200 to 300 percent.

In response to a question from Representative Boehning, Mr. Collins said in comparing the cost to the state for the high-deductible health plan and the traditional health plan, there is no difference. He said the difference in premium price between the two plans goes into a health savings account for the high-deductible plan policyholder. He said at the next meeting he will provide the committee with additional information regarding the high-deductible plan.

Chairman Lefor said Thursday, October 26, 2017, is the tentative date for the next meeting of the committee.

No further business appearing, Chairman Lefor adjourned the meeting at 3:00 p.m.

Jennifer S. N. Clark
Counsel

ATTACH: 4