

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Wednesday, September 8, 2004
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Karen K. Krebsbach, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Karen K. Krebsbach, Richard Brown, Ralph L. Kilzer, Carolyn Nelson; Representatives Bill Amerman, Al Carlson, Jim Kasper, Francis J. Wald

Member absent: Representative Mike Grosz

Others present: See Appendix A

It was moved by Representative Carlson, seconded by Senator Brown, and carried on a voice vote that the minutes of the June 4, 2004, meeting be approved as distributed.

EMPLOYEE BENEFITS PROGRAMS COMMITTEE BILLS

At the request of Chairman Krebsbach, committee counsel presented a memorandum entitled *Employee Benefits Programs Committee Bills* describing the statutory responsibilities of the committee and summarizing the bill drafts that had been submitted to the committee for review.

STATE INVESTMENT BOARD

Chairman Krebsbach called on Mr. Steve Cochrane, Executive Director, Retirement and Investment Office, who reviewed Employee Benefits Programs Committee Bill No. 51 [50051.0200] and the actuarial analysis for the bill draft. A copy of the actuarial analysis is attached as Appendix B and a copy of Mr. Cochrane's written comments is attached as Appendix C. Mr. Cochrane said the bill draft empowers the executive director of the Retirement and Investment Office to conduct an employee criminal history record investigation on any employee hired after July 31, 2005. He said the State Investment Board has determined that the bill draft will have no actuarial impact to any of the funds invested by the State Investment Board nor will it cause any significant costs to be incurred by the Retirement and Investment Office.

In response to a question from Senator Nelson, Mr. Cochrane said the Retirement and Investment Office has 17 employees with average service of nine years.

In response to a question from Representative Carlson, committee counsel said the committee does not have authority to amend the bill draft submitted by the State Investment Board to require criminal

background checks of employees of other state agencies. He said the State Investment Board would have to consent to having its bill draft amended but the committee could note any concerns it has when the committee's report is prepared.

In response to a question from Representative Kasper, Mr. Cochrane said information received by the Retirement and Investment Office pursuant to obtaining criminal background checks would be confidential.

In response to a question from Senator Kilzer, Mr. Cochrane said the estimated cost of a criminal background check is less than \$100 per employee and the cost will be borne by the Retirement and Investment Office and not the employee.

TEACHERS' FUND FOR RETIREMENT

Chairman Krebsbach called on Ms. Fay Kopp, Deputy Executive Director, Retirement and Investment Office, who reviewed Employee Benefits Programs Committee Bill No. 50 [50050.0100] and the actuarial analysis and technical comments on the bill draft. A copy of the actuarial analysis and comments is attached as Appendix D and a copy of her written comments concerning the bill draft is attached as Appendix E. She said the bill draft is being proposed to enable the Teachers' Fund for Retirement to stay current with federal Internal Revenue Code changes made through August 1, 2005, as they relate to qualified governmental plans and are intended to prevent a change in the federal Internal Revenue Code from automatically triggering a change in North Dakota law. She said the bill draft also modifies the retiree reemployment provisions applicable to the Teachers' Fund for Retirement. She said there are no actuarial or administrative implications to that portion of the bill draft incorporating various federal tax law changes but that the reemployment modification provisions may result in a marginal increase in required contributions.

In response to a question from Representative Kasper, Ms. Kopp agreed that the retiree employment provisions contained in Employee Benefits Programs Committee Bill No. 50 do not provide an incentive for retirees to return to work.

In response to a question from Representative Kasper, Ms. Kopp said although the Teachers' Fund for Retirement is a defined benefit retirement plan and that employer and employee contributions throughout

the working life of the employee are used to fund the retirement benefit, the benefit calculation is based upon certain actuarial assumptions and that if a member retires earlier than the actuarial assumed age, it negatively impacts the fund because a member will cease paying contributions and begin receiving retirement benefits earlier than assumed by the actuary.

In response to Ms. Kopp's comments, Representative Kasper said it appears that the bill draft is an attempt by the Teachers' Fund for Retirement Board to augment the fund without increasing contributions or reducing benefits. He requested that the Teachers' Fund for Retirement Board request its actuary to address this issue at the committee's next meeting.

In response to a question from Representative Carlson, Ms. Kopp said the Fargo Public School District used to pick up and pay the teacher's contribution but no longer does so. Thus, she said, the employer is paying the employer contribution and the teacher is paying the employee contribution.

At the request of Chairman Krebsbach, committee counsel reviewed Employee Benefits Programs Committee Bill No. 165 [50165.0100]. He said the bill draft was submitted by Representative Bette B. Grande and provides that notwithstanding any other provision of law, a teacher who teaches a summer school course or summer school program on a short-term contract basis may elect not to participate in the Teachers' Fund for Retirement for the period of the contract. He said Representative Grande is aware of the April 1, 2004, deadline for submission of proposals to the committee but only recently became aware of the issue concerning short-term summer school contract teachers and is requesting that the committee waive its April 1, 2004, deadline.

In response to a question from Representative Kasper, Ms. Kopp said teachers who participate in the Teachers' Fund for Retirement may apply for a refund of their contributions. In response to a further question from Representative Kasper, she said the fund retains the employer contribution.

It was moved by Representative Carlson, seconded by Representative Kasper, and carried on a roll call vote that the Employee Benefits Programs Committee assume jurisdiction over Employee Benefits Programs Committee Bill No. 165. Senators Krebsbach and Brown and Representatives Amerman, Carlson, Kasper, and Wald voted "aye." Senators Kilzer and Nelson voted "nay."

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chairman Krebsbach called on Mr. Sparb Collins, Executive Director, Public Employees Retirement System, who reviewed the technical comments for Employee Benefits Programs Committee Bill No. 52 [50052.0200]. A copy of the technical comments is attached as Appendix F. He said the bill draft allows employers in the Highway Patrolmen's retirement

plan, hybrid plan, retiree health benefit fund, and defined contribution plan to elect to pick up employee contributions for eligible military service credit for veterans returning after passage of the bill draft and, if no election is made, the default method requires employers to pick up employee contributions for this service credit in the same manner as for regular employee contributions. He said the bill draft also allows employers to pay for eligible military service credit prior to the date of passage of the bill. He said the bill draft expands the definition of disability under the Highway Patrolmen's retirement plan as being unable to perform duties of a Highway Patrol officer; updates federal compliance provisions of the Highway Patrolmen's retirement plan and hybrid plan; eliminates the five-year term certain option and adds a 20-year term certain option and partial lump sum option (maximum amount 12 months of payments) to the Highway Patrolmen's retirement plan and hybrid plan and also adds a joint and survivor option to the level income form in the hybrid plan. He said the bill draft provides record confidentiality rules under the Highway Patrolmen's retirement plan to permit sharing of information with beneficiaries and the names of members with the public for the purpose of locating the member and allows employers in the Highway Patrolmen's retirement plan to purchase service credit equal to unused sick leave at termination. He said the bill draft provides for the Public Employees Retirement System to perform background checks on new employees of the Public Employees Retirement System; changes the eligibility requirement for the law enforcement retirement plan from 20 to 32 hours of employment per week for peace officers employed after August 1, 2005, and prohibits such employees from concurrently participating in any other Public Employees Retirement System-administered retirement plan; allows employees who change from permanent to temporary employee status to continue to participate in the defined contribution retirement plan by filing an election to do so within 180 days of status change and making contributions to the plan and retiree health benefit fund; and clarifies that nonspouse beneficiaries may receive a distribution from the defined contribution plan in a lump sum form only upon the death of the member.

Mr. Collins said the Public Employees Retirement System Board had reviewed the actuarial equivalent joint and survivor Social Security option, with 50 percent or 100 percent options, and determined that as a result of anticipated costs of \$18,000 for computer programming changes for a limited number of members who are anticipated to exercise this option, the board had determined to withdraw this provision. He distributed an amendment to accomplish this, which is attached as Appendix G.

It was moved by Senator Nelson, seconded by Representative Carlson, and carried on a voice vote that the amendment to Employee Benefits Programs Committee Bill No. 52, as proposed by

the Public Employees Retirement System Board, be approved.

Mr. Collins also discussed the issue of state employees on military leave. He said 23 state employees on the central payroll system and six state employees on the higher education payroll system are currently on military leave. A summary of the number of state employees on military leave is attached as Appendix H.

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 53 [50053.0100]. A copy of the technical comments is attached as Appendix I. He said the bill draft changes the definition of final average salary under the Highway Patrolmen's retirement plan from the highest 36 consecutive months to the highest 36 months effective for retirements on and after August 1, 2005, and from the highest 36 months in the last 120 months of employment to the last 180 months of employment effective for retirements on and after July 1, 2009, changes the definition of final average salary under the hybrid plan from the highest 36 months in the last 120 months of employment to the highest 36 months in the last 180 months of employment effective for retirements on and after July 1, 2009, increases by 3 percent the final average salary for individuals who are members of the hybrid plan or the Highway Patrolmen's Retirement System on August 1, 2005, and allows the board to provide for a one-time postretirement payment equal to 50 percent of the member's current monthly benefit payment amount payable in January of either 2006 or 2007 if the trust funds' total annualized return on investments is at least 11.2 percent for the fiscal year ending June 2005 or 2006, applicable to both the hybrid plan and the Highway Patrolmen's retirement system. He said the bill draft will have an actuarial impact on the hybrid plan and the Highway Patrolmen's retirement system.

In response to a question from Representative Kasper, Mr. Collins said the Retirement Board is not changing the asset allocation of the Public Employees Retirement System fund in an attempt to achieve an investment return of 11.2 percent. However, he said, the fund is due for a five-year experience study and if the actuarial consultant recommends a change in asset allocation, it will be done at that time.

In response to a question from Representative Kasper, Mr. Collins said he would provide the committee with a history of the annualized investment returns of the Public Employees Retirement System fund.

In response to a question from Senator Brown, Mr. Collins said the Public Employees Retirement System Board had proposed biennial adjustments for retirees throughout the 1990s. However, with the downturn in the markets and resultant lower investment returns, he said, the board was not able to propose a retirement adjustment for retirees in 2003. Thus, he said, the Retirement Board is proposing a one-time supplemental payment, or 13th check, for

retirees. Unlike a cost-of-living adjustment, he said, it is a one-time payment and not an ongoing obligation of the retirement system. In conclusion, he said, the Retirement Board believes that a one-time supplemental payment will supply a meaningful benefit for retirees at an affordable cost to the system.

In response to a question from Senator Kilzer, Mr. Collins said overtime is not included for benefit calculation purposes in either the Highway Patrolmen's Retirement System or the main system.

In response to a question from Representative Wald, Mr. Collins said he would provide information on the number of retirement systems, including public safety pension systems, that do not participate in the federal Social Security system.

Chairman Krebsbach recognized Mr. Tom Tupa, Association of Former Public Employees and Independent State Employees Association, who addressed the committee. Mr. Tupa said both organizations support Employee Benefits Programs Committee Bill No. 53. In addition, he said, the organizations would support lowering the 11.2 percent threshold to make the supplemental payment more likely to occur.

Chairman Krebsbach recognized Ms. Chris Runge, Executive Director, North Dakota Public Employees Association. Ms. Runge said the North Dakota Public Employees Association supports Employee Benefits Programs Committee Bill No. 53.

Chairman Krebsbach called on Mr. James Fleming, Deputy Director, Child Support Division, Department of Human Services. Mr. Fleming distributed a preliminary bill draft relating to disclosure of information regarding retirement benefits and attachment of public pensions for collection of child support. A copy of the proposed language is attached as Appendix J. He said the proposal will be included in a comprehensive child support bill draft being prepared by the Department of Human Services and will have no actuarial impact. Under the proposed language, he said, a public pension plan would be able to disclose information to a government child support enforcement agency for purposes of establishing paternity or establishing, modifying, or enforcing a child support obligation of the member. He requested the committee waive jurisdiction over the proposed sections.

It was moved by Senator Brown, seconded by Representative Carlson, and carried on a roll call vote that the Employee Benefits Programs Committee waive jurisdiction over the preliminary bill draft relating to disclosure of information regarding retirement benefits and attachment of public pensions for collection of child support. Senators Krebsbach, Brown, Kilzer, and Nelson and Representatives Amerman, Carlson, Kasper, and Wald voted "aye." No negative votes were cast.

UNIFORM GROUP INSURANCE PROGRAM

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 54 [50054.0100]. A copy of the technical comments is attached as Appendix K. He said the bill draft would allow the Public Employees Retirement System to accept and expend funds from sources other than premiums, which would allow the system to accept any subsidies payable as a result of the Medicare Modernization Act of 2003. He said the bill draft allows the Public Employees Retirement System to negotiate with bidders on competitive bids after the submission of proposals, to self-administer should the board decide to self-fund the health benefits provided under the plan, and to establish its own independent health provider network, which would be limited to system-use only. He said the board's actuarial consultant sees no inherent adverse financial impact to the Public Employees Retirement System from any of the provisions of the bill draft and, in fact, to the extent that the bill draft would create a more competitive environment for the Public Employees Retirement System health plan business, could result in lower costs.

Ms. Runge addressed the committee. She said the North Dakota Public Employees Association supports the bill draft and especially establishment of the provider network for the Public Employees Retirement System uniform group insurance program.

Mr. Tupa addressed the committee. He said the Association of Former Public Employees and the Independent State Employees Association support the bill draft.

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 55 [50055.0200], a copy of which is attached as Appendix L. He said the bill draft changes the statutory language to refer to the required monthly contribution to the retiree health benefit fund, rather than the specific contribution percentage; increases the monthly contribution to the retiree health benefit fund from 1 percent of monthly salary to 1.45 percent of monthly salary; and increases the monthly retiree health credit from \$4.50 per year of credited service to \$5 per year of credited service. He said the bill draft will have an actuarial impact on the retiree health benefit fund, which will be reported at the committee's next meeting.

Mr. Tupa addressed the committee. He said the Association of Former Public Employees and the Independent State Employees Association both support the bill draft. He said the issue of retiree health benefits is very important for the state's public employee retirees and he noted that the credit has not been increased since 1993.

Ms. Runge addressed the committee. She said retiree health benefits are very important for the state's public employees and increasing the retiree

health benefit fund credit will help the health care buying power of the state's public employee retirees.

At the request of Chairman Krebsbach, committee counsel reviewed Employee Benefits Programs Committee Bill No. 11 [50011.0100]. He said the bill draft would allow the Public Employees Retirement System Board, to the extent permitted under federal law and North Dakota Century Code Section 54-52.1-04, to contract with one or more nondomestic pharmacy benefit managers to facilitate the purchase of eligible Canadian prescription drugs.

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 11, a copy of which is attached as Appendix M.

Ms. Runge addressed the committee. She said the North Dakota Public Employees Association fully supports the bill draft and urged the committee to give the bill draft a favorable recommendation.

Mr. Tupa addressed the committee. He said the Association of Former Public Employees and the Independent State Employees Association endorse the proposal, especially since it is an attempt to lower the cost of prescription drugs to public employees. However, he said, the committee must ensure the safety of prescription drugs while allowing the reimportation of Canadian prescription drugs.

At the request of Chairman Krebsbach, committee counsel reviewed Employee Benefits Programs Committee Bill No. 22 [50022.0100]. He said the bill draft expands participation in the uniform group insurance program by permitting permanent and temporary employees of private sector employers and uninsured private citizens of the state to participate in the Public Employees Retirement System health insurance plan subject to certain conditions.

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 22, a copy of which is attached as Appendix N. He said Gallagher Benefit Services, Inc., the board's actuarial consultant, identified a question whether the Health Insurance Portability and Accountability Act would allow the Public Employees Retirement System the ability to underwrite new applicants to its plans in a manner to eliminate adverse selection. Based upon this question, he said, the Retirement Board opposes the bill draft.

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 43, a copy of which is attached as Appendix O. He said state law currently allows a political subdivision to participate in the uniform group insurance program and offer coverage to its permanent employees subject to minimum requirements established by the Retirement Board and a minimum participation period of 60 months. He said retirees of political subdivisions who have elected a retirement allowance from a participating political subdivision's retirement plan can participate in the uniform group insurance program on the same terms as state employees. Specifically, he said, these terms are that the retirees must have accepted a retirement allowance from their retirement

plan. If a terminated employee does not accept a retirement allowance and elects to cash out of the retirement plan and not maintain an ongoing relationship with the employer, he said, the employee cannot participate in the state health plan. He said the Retirement Board may require documentation that the retiree has accepted a "retirement allowance" from an eligible plan other than the Public Employees Retirement System. He said the proposed bill draft allows any employee who terminated employment by retirement on or after achieving normal retirement age and who was vested in the employer plan at the time of retirement the option to continue in the plan. He said the effect on the present methodology of the proposed change is to expand the definition of retirement allowance from continued participation in the employer-sponsored retirement plan to include accepting a single cash payment from the plan, require the Retirement Board to define normal retirement age, and allow the employer to determine the vesting requirement. He said the Retirement Board's actuarial consultant has identified three primary concerns with the proposed bill draft. He said the bill draft would expand the number of people eligible to a group who are not as healthy, would create different coverage provisions for state and political subdivision employees, and could result in the loss of coverage for some employees, disability retirees, and early retirees. Based upon these concerns, he said, the Retirement Board cannot support the bill draft.

OLD-AGE AND SURVIVOR INSURANCE SYSTEM (OASIS)

Mr. Collins reviewed the technical comments for Employee Benefits Programs Committee Bill No. 56 [50056.0100], a copy of which is attached as Appendix P. He said the bill draft increases the monthly benefit provided by the Old-Age and Survivor Insurance System by \$26.66 for each year for the next two years and appropriates \$23,000 from the general fund to fund this increase. Based upon further actuarial review since the bill was submitted, he said, the appropriation can be reduced from \$23,000 to \$19,000.

HEALTH INSURANCE STUDY

Chairman Krebsbach called on Mr. Duane Houdek, Counsel to the Governor, who reviewed developments in North Dakota and in other states relating to the reimportation of Canadian prescription drugs. He said the Governor established a web site in April that allows North Dakota consumers to access two Canadian pharmacies that had been inspected by state representatives. He said the web site received 3,000 hits the first month and is currently averaging approximately 1,000 hits per month. He said Canadian pharmacies measure up in every respect and the Governor's office has not received one complaint concerning the quality of drugs reimported from Canada. He said people are currently

reimporting drugs from Canada and thus the issue is not whether it should be allowed or whether it is going to happen but how it should be managed or regulated to ensure the safety of United States citizens.

Mr. Houdek said CVS, a national pharmacy chain, has called for global drug pricing, which is an effort to smooth out the price of drugs worldwide. The State of Illinois, he said, has studied this issue extensively.

In response to a question from Senator Brown, Mr. Houdek said the Governor is not proposing any legislation for the 2005 Legislative Assembly relating to the reimportation of Canadian prescription drugs.

Chairman Krebsbach called on Mr. Doug Holloway, Deputy Commissioner, Insurance Department, who discussed health savings accounts. A copy of his written presentation is attached as Appendix Q.

Chairman Krebsbach called on Mr. Collins who presented an update concerning the state health insurance plan. A copy of the update is attached as Appendix R. He said the health insurance plan bids for the ensuing six-year period are being evaluated. He said the numbers at this point are estimates and may vary as the process moves forward. He said the Retirement Board received two responses--one from Blue Cross Blue Shield of North Dakota and one from Core Source. However, he said, the Core Source bid was for the retiree health program only. He said the Retirement Board received letters declining to bid from 11 providers and did not receive responses from eight other health insurance providers. He said the Blue Cross Blue Shield rate for the 2003-05 biennium is \$498.70 which, including the \$10 buydown, means \$488.70 is the billed rate to the state. He said the Blue Cross Blue Shield proposed fully insured rate for the 2005-07 biennium is \$579.33. He said the estimated gain for the 2005-07 biennium is \$14 million which if allocated back to the state would reduce premiums by about \$24.52 per contract.

In response to a question from Representative Carlson, Mr. Collins said the anticipated increase in the buydown amount is due to positive health trends. In response to a further question from Representative Carlson, Mr. Collins said the average age of state employees is stabilizing and thus the workforce is not getting older.

In response to a question from Senator Krebsbach, Mr. Collins said the average increase in health care premiums across the country is approximately 10 to 12 percent annually. He said the primary strategy of the Retirement Board over the past several years has been to implement a consumer-driven plan design. He said the existing plan continues that emphasis but adds a program to address the issue of the fact that 20 percent of members consume 80 percent of health care costs, implements a pilot program to attempt to keep the 80 percent who only consume 20 percent of the plan's costs healthy, and to involve employers in maintaining the health of their employees. Other initiatives, he said, include disease management, a wellness pilot program, and capping

out-of-pocket expenses for formulary prescription drugs at \$1,000 per member.

In response to a question from Representative Kasper, Mr. Collins said the wellness program is voluntary.

In response to Mr. Collins' comments, Representative Kasper said the wellness program should contain incentives to make it more effective.

Mr. Collins said a 1 percent employer-based wellness incentive will be added to the premium if the employer does not have a wellness program. If the employer has a wellness program, he said, the employer will not be required to pay the 1 percent. Other initiatives that the Retirement Board is implementing, he said, include a prescription network change, prescription mail order option, and legislation to promote competition.

In summary, Mr. Collins said, the uniform group insurance program is continuing the single-digit increases per year. He said the percentage increase is 25 percent less than last biennium and the dollar increase is 12 percent less than last biennium. Also, he said, additional strategies for cost containment and competition are being added to consumer-directed plan provisions to hopefully reduce future increases.

In response to a question from Representative Carlson, Mr. Collins said if two state employees are married to each other they are automatically placed in a family plan and the agency of the employee who has worked for the state the longest is billed for the premium.

In response to a question from Senator Kilzer, Mr. Collins said the premium paid by North Dakota is among the lowest of the 50 states. He said the employer premium is also lower than many states that split the premium between employer and employee.

At the request of Chairman Krebsbach, committee counsel reviewed written testimony prepared by Mr. Rod St. Aubyn, Director of Governmental Relations, Blue Cross Blue Shield of North Dakota, concerning the reimbursement of drugs purchased in Canada by Blue Cross Blue Shield of North Dakota for Public Employees Retirement System members. A copy of the testimony is attached as Appendix S.

Chairman Krebsbach called on Ms. Dana Bohn, President, Clearwater Communications, who reviewed the results of a health care survey conducted by the Greater North Dakota Association and the Chamber of Commerce of Fargo-Moorhead. A copy of her written presentation is attached as Appendix T.

Chairman Krebsbach called on Mr. Kent Costin, Director of Finance, City of Fargo, who addressed the committee concerning the City of Fargo employee health insurance plan. A copy of his written presentation is attached as Appendix U. He said the premium charge for health insurance benefits is \$290 per month for single coverage and \$776 per month for family coverage. He said the City of Fargo pays

86 percent of the single premium and 72 percent of the family premium. He said single employees pay \$40 per month while employees carrying family coverage pay \$214 per month.

In response to a question from Representative Wald, Mr. Costin said the City of Fargo also provides life insurance, sick leave, and dental insurance in addition to the pension plan and health insurance for employees.

Chairman Krebsbach called on Ms. Dana Sue Busch, Director, Human Resources, City of Fargo, who reviewed the City of Fargo health plan. She distributed a schedule of health insurance rates for 2004, which is attached as Appendix V, and a summary plan description for the City of Fargo medical plan, which is on file in the Legislative Council office.

STATE EMPLOYEE BONUS PROGRAMS

Chairman Krebsbach called on Ms. Laurie Steriotti Hammeren, Director, Human Resource Management Services, Office of Management and Budget, who reviewed the implementation, progress, and bonuses provided by state agency programs to provide bonuses to recruit and retain employees in hard-to-fill positions. A copy of her written comments is attached as Appendix W. She also distributed a history of bonus participants - recruitment and retention for the period July 1, 1999, to June 30, 2001, and the period July 1, 2001, to June 30, 2003, copies of which are attached as Appendices X and Y, respectively. She also distributed written comments prepared by the Bank of North Dakota concerning its recruitment and retention bonus usage, a copy of which is attached as Appendix Z, and a copy of the written comments prepared by the Department of Corrections and Rehabilitation concerning its recruitment and retention bonus usage, a copy of which is attached as Appendix AA.

Chairman Krebsbach called on Mr. Bob Evans, Human Resources Director, Department of Transportation, who reviewed the Department of Transportation recruitment bonus program. A copy of his written presentation is attached as Appendix BB.

Chairman Krebsbach called on Ms. Ardy Pfaff, Human Resources Director, Information Technology Department, who reviewed the Information Technology Department's use of the state's recruitment bonus program. A copy of her written presentation is attached as Appendix CC.

No further business appearing, Chairman Krebsbach adjourned the meeting at 3:15 p.m.

Jeffrey N. Nelson
Committee Counsel

ATTACH:29