

**Public Employees Retirement System  
Budget No. 192  
Senate Bill No. 2022; House Bill No. 1021**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2015-17 legislative appropriations</b>	<b>34.50</b>	<b>\$0</b>	<b>\$9,496,373</b>	<b>\$9,496,373</b>
2015-17 base budget	33.00	0	7,650,450	7,650,450
Legislative increase (decrease) to base budget	1.50	\$0	\$1,845,923	\$1,845,923

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the Public Employees Retirement System (PERS) is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

	<b>Changes to Base Budget</b>			<b>Total</b>
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			\$429,614	\$429,614
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			225,151	225,151
Added funding for employee health insurance premiums to reflect a premium estimate of \$1,130.22 per month.			128,339	128,339
Added funding for 1 chief financial officer FTE position.	1.00		216,069	216,069
Added funding for 0.50 benefit support FTE position.	0.50		51,346	51,346
Added funding for additional workload due to the portability of retiree health credit.			43,052	43,052
Removed 2013-15 funding for costs of implementing provisions of 2013 House Bill No. 1452 relating to new employees eligible to participate in the defined contribution retirement plan.			(22,000)	(22,000)
Adjusted funding for general operating expenses.			134,470	134,470
Adjusted funding for PERSlink system refinements.			147,000	147,000
Adjusted funding for website redesign.			90,080	90,080
Added funding for a secure reception area.			27,500	27,500

Added funding for additional temporary support salaries.			122,352	122,352
Added one-time funding for additional temporary support salaries.			100,000	100,000
Added funding for desktop support services, including one-time funding of \$77,370. (House Bill No. 1021)			152,950	152,950
Total	<u>1.50</u>	<u>\$0</u>	<u>\$1,845,923</u>	<u>\$1,845,923</u>

#### FTE Changes

The Legislative Assembly added 1 chief financial officer FTE position and 0.50 benefit support FTE position to provide a total of 34.50 FTE positions for PERS for the 2015-17 biennium.

#### One-Time Funding

In Section 2 of Senate Bill No. 2022, the Legislative Assembly identified \$100,000 from special funds as one-time funding, relating to additional temporary support salaries. In Section 9 of House Bill No. 1021, the Legislative Assembly identified \$77,370 from special funds as one-time funding, relating to desktop support services provided by the Information Technology Department.

#### Other Sections in Bill

**Appropriation line item transfers** - Section 3 provides that the PERS may transfer funds from its contingencies line item to other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

**Membership of the PERS Board** - Sections 4 and 5 amend North Dakota Century Code Section 54-52-01(17), relating to the Retirement Board, and Section 54-52-03, relating to changing the Retirement Board membership from seven to nine members, which includes adding two members of the Legislative Assembly appointed by the Chairman of the Legislative Management. In addition, Section 5 adds language to allow the State Health Officer to designate an individual to serve on behalf of the State Health Officer.

**Rebid process for health insurance contracts** - Section 6 adds a new section to amend Section 54-52.1-05, relating to the uniform group insurance contract and the process used to rebid health insurance contracts.

**Insurance and provider privacy** - Section 7 adds a section relating to insurance and provider privacy to limit the disclosure of health information to other health care delivery entities.

**Health insurance reserve fund** - Section 8 prohibits the PERS Board from spending funds in the health insurance reserve fund or any other source for the purpose of reducing any increase of the uniform group insurance premium amount beyond the rate used by the 64<sup>th</sup> Legislative Assembly for developing 2015-17 biennium state agency budgets.

#### Related Legislation

**House Bill No. 1021 - Desktop support services** - Requires certain state agencies, including PERS, to obtain desktop support services from the Information Technology Department.

**House Bill No. 1038 - Telehealth** - Makes changes to PERS uniform group insurance coverage of telehealth, and requires the PERS to provide a report to the 65<sup>th</sup> Legislative Assembly, which includes effects of the telehealth coverage requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should continue.

**House Bill No. 1062 - Retirement Plans** - Makes technical changes to the Highway Patrolmen's retirement plan and PERS defined benefit plan and defined contribution plan retirement benefits, health insurance plans, life insurance benefits, and employee assistance benefits coverage.

**House Bill No. 1072 - Cancer treatment medications** - Requires PERS health plan to provide coverage for cancer treatment medications that are patient-administered.

**Senate Bill No. 2102 - National Guard retirement plans** - Moves National Guard security employees from the National Guard retirement plan to the Bureau of Criminal Investigation Peace Officers retirement plan due to a reduction in the number of National Guard security employees.

**Senate Bill No. 2174 - Legislative Management study - Health care delivery system** - Provides for a Legislative Management study of the health care delivery system, which includes considering the feasibility of offering to the public, via the marketplace, a qualified public employees retirement system uniform group health plan.