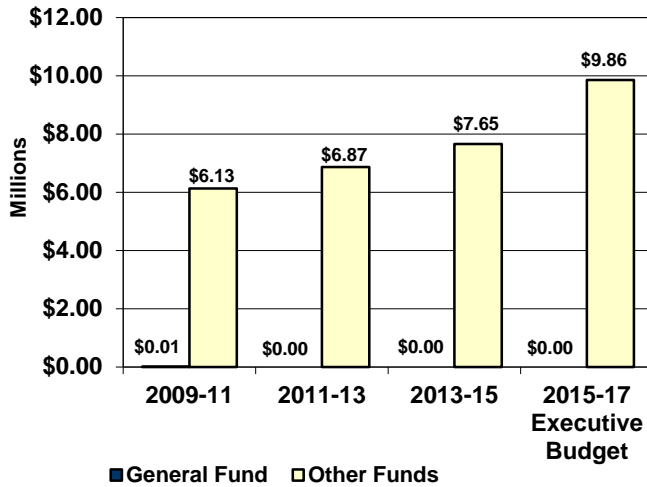


**Department 192 - Public Employees Retirement System
Senate Bill No. 2022**

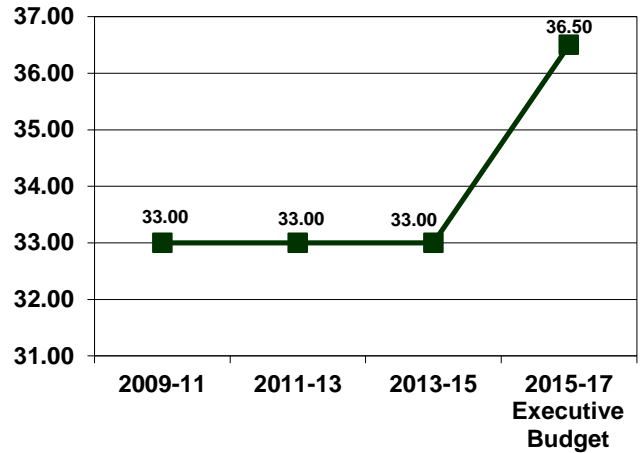
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	36.50	\$0	\$9,856,218	\$9,856,218
2013-15 Legislative Appropriations ¹	33.00	0	7,650,450	7,650,450
Increase (Decrease)	3.50	\$0	\$2,205,768	\$2,205,768

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$9,856,218	\$9,856,218
2015-17 Base Level	0	7,650,450	7,650,450
Increase (Decrease)	\$0	\$2,205,768	\$2,205,768

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$320,465 relates to performance increases, \$58,656 is for market equity adjustments, \$164,075 is for health insurance increases, and \$32,995 is for retirement contribution increases. The Senate provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or retirement contribution increases.	\$0	\$576,191	\$576,191
2. Adds 2 FTE administrator positions (\$366,056) and related operating expenses (\$40,238) in the event PERS becomes a self-funded insurance program. The Senate did not include the new FTE positions and related operating expenses.	\$0	\$406,294	\$406,294
3. Adds 1 FTE chief financial officer position (\$195,950) and related operating expenses (\$20,119) for additional support for management	\$0	\$216,069	\$216,069
4. Adds a .5 FTE benefits position (\$51,346) to support an increase in the number of retirement benefits processed	\$0	\$51,346	\$51,346

5. Adds funding for a temporary position to support several activities of limited duration, which includes transitioning from providing pre-Medicare retiree health insurance to not providing this service, assisting with the portability of the retiree health credit, and, if changed, assist with implementation to not offer a Part D product as part of the health insurance plan. The Senate added \$302,352 from special funds, including the \$122,352 recommended in the executive budget to support several activities of limited duration and \$180,000 to provide additional temporary support services.	\$0	\$122,352	\$122,352
6. Adds funding to implement additional PERSLink system refinements	\$0	\$147,000	\$147,000
7. Adds funding for workload adjustments related to the retiree health credit which becomes portable July 2015. The Senate did not provide funding for workload adjustments.	\$0	\$43,052	\$43,052
8. Adds funding to redesign the Public Employee Retirement System website. The Senate increased funding by \$17,200 for a total of \$90,080 to redesign the Public Employee Retirement System website.	\$0	\$73,880	\$73,880
9. Adds funding to secure the reception area at the Public Employee Retirement System main office	\$0	\$27,500	\$27,500
10. Adds funding for increases in operating expenses	\$0	\$134,470	\$134,470

Other Sections in Bill

Section 2 - Provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employee's Retirement System may transfer from their respective contingencies line items in subdivision 1 and 2 of section 1 of the bill to all other line items.

Continuing Appropriations

Public Employees Retirement System - Various sections of the North Dakota Century Code - For benefit payments, investments, and actuarial/technical consulting for each program area.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

Senate Bill No. 2102 - National Guard Security Officer and Firefighters - Transfers National Guard Security employees from the North Dakota National Guard retirement plan to the Bureau of Criminal Investigation Peace Officers retirement plan.

House Bill No. 1038 - Telemedicine Insurance Coverage - Provides the Public Employees Retirement System uniform group insurance must provide medical benefits coverage for services.

House Bill No. 1053 - Desktop Support Services - Requires all state agencies to obtain centralized desktop support services from the Information Technology Department, except the legislative and judicial branches and other large state agencies, based on the results of a hardware relocation and consolidation study.

House Bill No. 1062 - Public Employee Retirement System - Provides technical changes for the highway patrolmen's retirement plan, public employees retirement system defined benefit plan, defined contribution plan retirement plan, health insurance plans, life insurance benefits, and employee assistance benefits coverage.

House Bill No. 1080 - Retirement System Changes - Provides decreased employee contributions under the Public Employees Retirement System for peace officers employed by the Bureau of Criminal Investigation, and benefit changes for employees first enrolled in the Public Employees Retirement System defined benefit retirement plan after December 31, 2015.

Public Employees Retirement System - Budget No. 192
Senate Bill No. 2022
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	33.00	\$0	\$7,650,450	\$7,650,450	33.00	\$0	\$7,650,450	\$7,650,450
2015-17 Ongoing Funding Changes								
Base payroll changes			\$429,614	\$429,614			\$429,614	\$429,614
Salary increase - Performance			320,465	320,465			225,151	225,151
Salary increase - Market equity			58,656	58,656				
Retirement contribution increase			32,995	32,995				
Health insurance increase			164,075	164,075			155,441	155,441
Remove 2013-15 funding for retirement plan election			(22,000)	(22,000)			(22,000)	(22,000)
General operating expenses			134,470	134,470			134,470	134,470
PERSlink system refinements			147,000	147,000			147,000	147,000
Chief Financial Officer position	1.00		216,069	216,069	1.00		216,069	216,069
Benefits support position	0.50		51,346	51,346	0.50		51,346	51,346
Temporary support position			122,352	122,352			302,352	302,352
Portability of retiree health credit			43,052	43,052				
Website redesign			73,880	73,880			90,080	90,080
Secure reception area			27,500	27,500			27,500	27,500
Self-funded health insurance	2.00		406,294	406,294				
Total ongoing funding changes	3.50	\$0	\$2,205,768	\$2,205,768	1.50	\$0	\$1,757,023	\$1,757,023
One-time funding items								
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	3.50	\$0	\$2,205,768	\$2,205,768	1.50	\$0	\$1,757,023	\$1,757,023
2015-17 Total Funding	36.50	\$0	\$9,856,218	\$9,856,218	34.50	\$0	\$9,407,473	\$9,407,473

Other Sections in Senate Bill No. 2022

Contingencies line item transfers

Executive Budget Recommendation
Section 2 provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employees Retirement System may transfer from their respective contingencies line items in subdivision 1 and 2 of Section 1 of the bill to all other line items.

Senate Version
Section 2 provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employees Retirement System may transfer from their respective contingencies line items in subdivision 1 and 2 of Section 1 of the bill to all other line items.