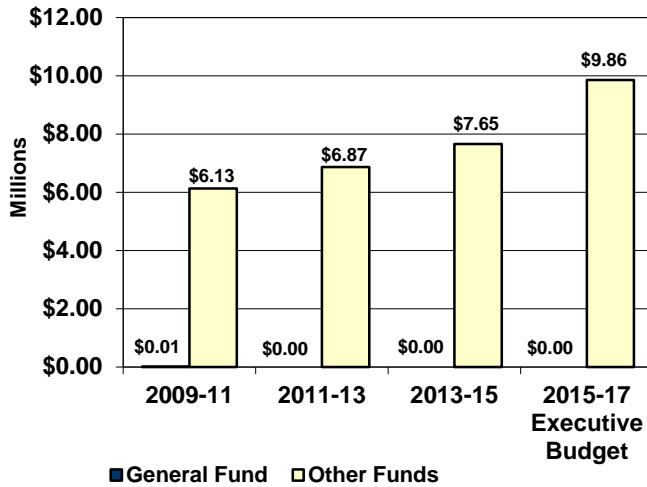


**Department 192 - Public Employees Retirement System  
 Senate Bill No. 2022**

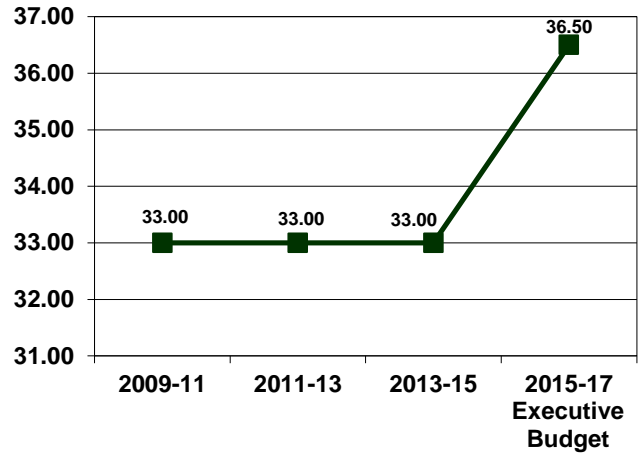
**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	36.50	\$0	\$9,856,218	\$9,856,218
2013-15 Legislative Appropriations <sup>1</sup>	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

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	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	\$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	\$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	\$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	\$0	\$43,052	\$43,052
8. Adds funding 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. 2038 - State Employee Retirement Plan** - Provides for changes to the main state employee retirement plan to require eligible employees hired for the first time after December 31, 2015, to enroll in the defined contribution plan under Chapter 54-52.6, rather than the defined benefit plan. State employees currently in the defined benefit plan and those hired before January 1, 2016, who elect to participate in the defined benefit plan will continue to participate in the defined benefit plan.

**Senate Bill No. 2039 - School Construction Assistance Loan Fund and Public Employee Retirement Stabilization Fund** - Establishes a school construction assistance loan fund and a public employee retirement stabilization fund and provides for a contingent transfer of \$250 million into the school construction assistance loan fund and a contingent transfer of \$200 million into the public employee retirement stabilization fund from the foundation aid stabilization fund.

**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 - Employer and Employee Contributions** - Increases employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans, 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 after December 31, 2015.

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

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

**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.