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SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1102

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1102

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1102 A

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/1/01

Tape Number	Side A	Side B	Meter #
2	X		1901-END
		X	0-734
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all members present.

In favor:

FAY KOPP, DEPUTY EXECUTIVE DIRECTOR, ND RETIREMENT AND INVESTMENT OFFICE, TEACHER'S FUND FOR RETIREMENT

Please see attached testimony.

REP. M. KLEIN asks how many teachers are retired right now? **KOPP** replies that there is approximately 4,800. **REP. M. KLEIN** asks what is the average retiree pay? **KOPP** replies that it is \$997.00 per month. **REP. M. KLEIN** asks what is the range from high to low? **KOPP** replies that it is about \$100.00 to \$3000.00 per month. **REP. M. KLEIN** asks about a substantial raise. **KOPP** replies that it is similar to last session.

REP. GRANDE states that she is concerned about ongoing increases on these. **GRANDE** also reads from the minutes in a previous meeting with **KOPP**. **KOPP** is quoted in the meeting as

saying something different to what she is saying now. REP. GRANDE talks about what the fund is sitting at now, its a step by step thing. Looking at this very conservatively. Talking about pre funded health. KOPP comments that all would do the same thing, providing for benefit increases. REP. GRANDE talks about the 2% dropping to a 1%, the vulnerability. KOPP states that other calculations could be made.

REP. KROEBER states that the .75 is not tied to the COLA. KOPP agrees. REP. KROEBER asks if this has been reviewed with the committee? KOPP then refers to STEVE COCHRANE.

STEVE COCHRANE, CFA, EXECUTIVE DIRECTOR, ND RETIREMENT AND INVESTMENT OFFICE, TFFR

COCHRANE states to the committee 8% actuarilly assumed rate of return.

REP. M. KLEIN asks what was it last year? COCHRANE replies that it was an actuarial gain of over 13%.

REP. GRANDE asks about the \$97 million over funded, the funding ratio at its current level, and at 101%, so we are just barely overfunded with the \$97 million? COCHRANE replies that they are confusing two different issues. One is how do we determine the level of unfunded liability.

REP. M. KLEIN asks if they are comfortable with a .39 margin? COCHRANE replies that he is.

REP. MEIER asks about a flex rate consideration. COCHRANE replies that there are several different levels.

REP. BELLEW asks if there were any other ways that were looked at to fund this portion of the bill? COCHRANE replies that they did not look at increasing the employers contribution rates.

They strictly looked at the margin, because actuarially that is the source that is traditionally used that is used for benefit plans.

REP. M. KLEIN asks for the benefit for the new freshmen please gives us those percentages, contribution rates. COCHRANE states that they are 7.75% for the employees as well as the employers.

In favor:

JOE WESTBY, NDEA

WESTBY states that they support the recommendations from the interim committee, their concerns are satisfied. Likes that it protects the annuity. NDEA stands in support of this bill.

In favor:

TOM TUPA, NDRTA

Please see attached testimony.

REP. M. KLEIN asks if there was ever a time that they were not approved basically in the essence that you brought them to us, did you ever have a problem getting them approved? TUPA replies that he can not remember a time when those proposals were adjusted.

REP. KLEMIN asks about the health care plan. How would that apply to a retired teacher that didn't need health care? TUPA replies that at sometime the program could become mature.

In favor:

LARRY KLUNDT, EXECUTIVE DIRECTOR OF THE ND COUNCIL OF
EDUCATIONAL LEADERS, NDCEL

Please see attached testimony.

In favor:

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB ~~1101~~ A

Hearing Date 2/1/01 1108

BARBARA EVANSON, TFFR BOARD TRUSTEE, REPRESENTING ACTIVE

TEACHERS

Please see attached testimony.

REP. M. KLEIN asks TFFR to give the committee another report on the adhoc and the two dollar pre funded arrangement so they can go over it.

In favor:

HOWARD SNORTLAND, CHAIRMAN OF THE RETIRED TEACHERS ASSOC.

SNORTLAND talks about a formula for the retired teachers. Talks to the committee about when he was in Fargo and what they came up with.

There was no opposition.

The committee had no action on this bill at this time, it will be taken up at a later date.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1102 B

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/16/01

Tape Number	Side A	Side B	Meter #
1	X		558-4810
2	X		0-318
Committee Clerk Signature <i>Robin J. Small</i>			

Minutes:

REP. M. KLEIN called the committee to order, with all members present.

COMMITTEE WORK:

REP. GRANDE and REP. KROEBER submit their versions of amendments to the bill.

General discussion. REP. DEVLIN asks REP. KROEBER about the benefit committee and their recommendations. Would this amendment be going against what the committee has approved.

REP. KROEBER replies that is correct. REP. KROEBER then reviews his amendment with the committee. REP. GRANDE then further reviews her amendments. REP. KROEBER then talks

about the proposal and the .38 margin. REP. GRANDE talks about the multiplier, and

REP. METCALF states that there is a teacher shortage in this state, and there may be another message here. The benefit committee consists of SENS. KILZER, URLACHER,

KREBSBACH and C. NELSON. Also REPS. KEMPINICH, AARSVOLD, KROEBER,

Page 2
House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1102 B
Hearing Date 2/16/01

GRANDE and FROSETH. REP. KROEBER states to the committee that he wants a minority report done. REP. DEVLIN motions to accept the majority amendments, seconded by REP. BELLEW. The roll call vote was taken with 11 YES, 4 NO and 0 ABSENT AND NOT VOTING. The motion carries. REP. DEVLIN then motions for a DO PASS AS AMENDED, seconded by REP. GRANDE. The roll call vote was taken with 11 YES, 4 NO and 0 ABSENT AND NOT VOTING. The motion carries. The CARRIER of the bill is REP. GRANDE. Later on that morning, the committee was brought back to order. The chairman needs the minority report motioned in order to have one done. REP. KROEBER then motions to prepare a minority report, with the minority amendment, seconded by REP. CLEARY. The roll call vote was taken with 4 YES, 10 NO and 1 ABSENT AND NOT VOTING (REP. BRUSEGAARD). The motion exists. The committee clerk then will prepare a majority report and a minority report. The committee was then dismissed.

HB 1102: Majority Report Do Pass As Amended 11-4

CARRIER: REP. GRANDE

HB 1102: Minority Report Do Pass As Amended 4-10

CARRIER: REP. KROEBER

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1102 C

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/21/01

Tape Number	Side A	Side B	Meter #
1	X		0-1752
Committee Clerk Signature <i>John L. Small</i>			

Minutes:

REP. M. KLEIN called the committee to order with all of the members present.

ACTION:

REP. DEVLIN motioned to reconsider the bill, seconded by REP. CLARK. A voice vote was taken with the majority passing it.

General discussion.

REP. DEVLIN motions to accept the amendments, seconded by REP. CLARK. A voice vote was taken with the majority passing them. REP. DEVLIN then motions for a DO PASS AS AMENDED, seconded by REP. CLARK. The roll call vote was taken with 15 YES, 0 NO and 0 ABSENT AND NOT VOTING. The motion carries. The CARRIER of the bill is REP. GRANDE. REP. KROEBER then reconsiders the minority report if it needs to be.

HB 1102: DO PASS AS AMENDED 15-0

CARRIER: REP. GRANDE

FISCAL NOTE

Requested by Legislative Council

12/14/2000

Bill/Resolution No.: HB 1102

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$301,500	\$0	\$301,500	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant your analysis.*

There will be no cost to the state to provide the benefit increases in HB1102 since it will be funded through actuarial reserves in the trust fund. The additional benefit payments to retirees are taxable and will result in additional income and sales taxes being paid to the state.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenues are the result of income and sales taxes being paid on the additional retirement benefits paid to retired teachers.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NA

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

NA

Name:	Fay Kopp	Agency:	ND Retirement & Investment Office
Phone Number:	328-9895	Date Prepared:	12/19/2000

10069.0205
Title.0300

Prepared by the Legislative Council staff for
Representative Grande - Majority Report
February 14, 2001

VR
2/16/01

HOUSE AMENDMENTS TO HB 1102 HOUSE GVA 2/16/01
Page 1, line 9, after "~~two~~" insert "and two hundredths"

Page 1, line 20, after "dollars" insert "and twenty-five cents" and after "dollar" insert "and twenty-five cents"

Page 1, line 21, remove "In addition, an"

Page 1, remove lines 22 and 23

HOUSE AMENDMENTS TO HB 1102 HOUSE GVA 2/16/01
Page 2, remove lines 1 and 2

Renumber accordingly

10069.0206
Title.

Prepared by the Legislative Council staff for
Representative Grande
February 15, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1102

Page 2, line 2, replace "first of each year" with "1, 2001. In addition, an individual who is receiving monthly benefits from the fund on an account paid under this chapter or under former chapter 15-39 is entitled to receive a seventy-five hundredths of one percent increase of the individual's current monthly benefit with the increased benefit payable each month thereafter beginning on July 1, 2002."

Renumber accordingly

Date: Feb. 16th, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1102

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken accept the amendment (majority)

Motion Made By Deulin Seconded By Bullew

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER		✓
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY		✓			
REP HUNSKOR		✓			
REP METCALF		✓			

Total (Yes) 11 No 4

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

