

**Retirement and Investment Office
Budget No. 190
House Bill No. 1022**

| | FTE Positions | General Fund | Other Funds | Total |
|---|----------------------|---------------------|--------------------|------------------|
| 2009-11 executive budget (bills as introduced) | 17.00 | \$5,000,000 | \$3,731,351 | \$8,731,351 |
| 2009-11 legislative appropriations | 17.00 | 0 | 3,705,650 | 3,705,650 |
| Legislative increase (decrease) to executive budget | 0.00 | (\$5,000,000) | (\$25,701) | (\$5,025,701) |
| Legislative increase (decrease) to 2007-09 appropriations | 0.00 | \$0 | \$334,514 | \$334,514 |

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|---|---|--|---|
| 2007-09 legislative appropriations | \$0 | \$0 | \$0 |
| 2009-11 legislative appropriations | 0 | 0 | 0 |
| 2009-11 legislative increase (decrease) to 2007-09 appropriations | \$0 | \$0 | \$0 |
| Percentage increase (decrease) to 2007-09 appropriations | N/A | N/A | N/A |
| 2009-11 legislative increase (decrease) to executive budget | \$0 | (\$5,000,000) | (\$5,000,000) |
| Percentage increase (decrease) to executive budget | N/A | (100.0%) | (100.0%) |

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Retirement and Investment Office is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

| | Major Items | | | |
|--|----------------------|---------------------|--------------------|--------------|
| | FTE Positions | General Fund | Other Funds | Total |
| The legislative action: | | | | |
| Removed funding added in the executive budget for state employee salary equity adjustments | | | (\$50,701) | (\$50,701) |
| Removed sections of the bill relating to a one-time transfer of \$5 million from the general fund to the Teachers' Fund for Retirement for supplemental retirement payments for retired teachers | | (\$5,000,000) | | (5,000,000) |

| | | | | |
|--|-------------|----------------------|-------------------|----------------------|
| Provided an appropriation, contingent upon the passage of Senate Bill No. 2277, from the Teachers' Fund for Retirement for implementing the supplemental retiree benefit payments provided in Senate Bill No. 2277 | | | 25,000 | 25,000 |
| Total | <u>0.00</u> | <u>(\$5,000,000)</u> | <u>(\$25,701)</u> | <u>(\$5,025,701)</u> |

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 17 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

The executive recommendation included a one-time funding transfer of \$5 million from the general fund to the Teachers' Fund for Retirement for supplemental retirement payments to retired teachers. The Legislative Assembly removed the general fund transfer and, in Senate Bill No. 2277, provided a supplemental payment to certain retirees from the Teachers' Fund for Retirement.

Other Sections in Bill

Appropriation line item transfers - Section 2 provides that the Retirement and Investment Office may transfer funds from the contingencies line item in subdivision 1 of Section 1 of the bill to all other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Contingent appropriation - Section 3 appropriates \$25,000 from the Teachers' Fund for Retirement for implementing provisions of Senate Bill No. 2277. The appropriation was contingent upon the passage of Senate Bill No. 2277.

Teachers' Fund for Retirement employer contributions - Sections 4, 5, 6, and 7 provide for increasing, effective July 1, 2010, employer retirement contributions to the Teachers' Fund for Retirement from 8.25 percent to 8.75 percent per year. The increase in employer retirement contributions was contingent upon the passage of Senate Bill No. 2277. The increase in employer retirement contributions is effective until the ratio of the actuarial value of assets to the actuarial accrued liability of the Teachers' Fund for Retirement increases to 90 percent based upon the actuarial value of assets and expires on the July first that follows the first valuation that shows a 90 percent funded ratio. The Teachers' Fund for Retirement Board of Trustees shall notify the Legislative Council of the expiration date of the increase.

Related Legislation

House Bill No. 1080 - This bill makes changes affecting Teachers' Fund for Retirement relating to incorporation of federal law changes, procedure relating to benefit limitations, annual hour limit for retiree reemployment, and disclosure of confidential records under Teachers' Fund for Retirement.

House Bill No. 1114 - This bill identifies changes relating to the funds under management of the State Investment Board.

Senate Bill No. 2153 - This bill amends various sections of the North Dakota Century Code relating to payment of employee contributions and retirement benefits under the Highway Patrolmen's retirement plan and the Public Employees Retirement System, membership of the State Investment Board, purchase of service credit, member refunds, Internal Revenue Code compliance, board elections under the Highway Patrolmen's retirement plan and the Public Employees Retirement System, and participation and employer payments under the uniform group insurance program.

Senate Bill No. 2277 - This bill provides a supplemental payment to certain retirees under the Teachers' Fund for Retirement.