



EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Wednesday, October 27, 2021
Room 327B, State Capitol
Bismarck, North Dakota

Representative Joshua A. Boschee, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Joshua A. Boschee, Claire Cory, George Keiser, Mitch Ostlie, Matthew Ruby; Senators Brad Bekkedahl, Randy A. Burckhard, Dick Dever, Kristin Roers, Shawn Vedaa

Members absent: Representatives Bert Anderson and Ron Guggisberg and Senator Tim Mathern

Others present: See [Appendix A](#)

It was moved by Senator Roers, seconded by Representative Ruby, and carried on a voice vote that the minutes of the March 23, 2021, meeting be approved as distributed.

Chairman Boschee called on Ms. Jennifer Clark, Senior Counsel, Legislative Council, for review of the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

Chairman Boschee called on Ms. Clark to present a memorandum entitled [Employee Benefits Programs Committee - Statutory Responsibilities and Assigned Statutory Responsibilities - Background Memorandum](#).

The committee discussed issues related to setting a deadline for submission to the committee of proposed legislative measures that affect retirement or the Public Employees Retirement System (PERS) uniform group insurance plan.

It was moved by Representative Ruby, seconded by Senator Burckhard, and carried on a roll call vote that the committee accept for review legislative proposals that affect retirement programs and the PERS uniform group insurance plan from legislators, Legislative Management interim committees, and state agencies with bill introduction privileges. Such proposals must be submitted to the committee in bill draft form before April 1, 2022, except for Legislative Management interim committee recommendations, which must be submitted before the November 2022 Legislative Management meeting, at which time interim committee reports are made and following that November 2022 meeting, the Chairman and Vice Chairman be authorized to work together to determine whether to take committee jurisdiction over such proposals that come in after the deadlines. Representatives Boschee, Cory, Ostlie, and Ruby and Senators Roers, Burckhard, and Vedaa voted "aye." Representative Keiser voted "nay."

HUMAN RESOURCE MANAGEMENT SERVICES - REPORTS

Chairman Boschee called on Mr. Lynn Hart, Classification and Compensation Manager, Human Resource Management Services Division, Office of Management and Budget, to present ([Appendix B](#)):

- A report, as required under North Dakota Century Code Section 54-06-31, on the implementation, progress, and bonuses provided by state agency programs to provide bonuses to recruit or retain employees in hard-to-fill positions; and
- Biennial reports, as required under Sections 54-06-32, 54-06-33, and 54-06-34, summarizing reports of state agencies providing service awards to employees in classified service, providing employer-paid costs of training or educational courses to employees in classified service, and paying employee membership dues for professional organizations and membership dues for service clubs when required to do business or if the membership is primarily for the benefit of the state.

The committee discussed the data collection methodology and issues of equity in providing bonuses.

OVERVIEW OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chairman Boschee called on Mr. Scott Miller, Executive Director, Public Employees Retirement System, for an overview ([Appendix C](#)) of PERS.

In response to a request from the committee, Mr. Miller said he will provide the committee with additional information regarding the retirement system contribution rates of neighboring states.

The committee discussed the rate of and reason for political subdivisions leaving the uniform group health benefits plan.

ACTUARIAL VALUATION OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM FUNDS

Chairman Boschee called on Ms. Bonnie Wurst, Senior Consultant, Gabriel, Roeder, Smith & Company Holdings, Inc. for a presentation ([Appendix D](#)) of:

- An overview of the PERS valuation process; and
- The July 1, 2021, actuarial valuations of the PERS fund, the Highway Patrolmen's retirement system fund, public safety funds, Job Service North Dakota retirement system fund, and Retiree Health Insurance Credit Program fund.

The committee discussed recent rates of return for the PERS fund.

OVERVIEW OF THE RETIREMENT AND INVESTMENT OFFICE

Chairman Boschee called on Ms. Janilyn Murtha, Interim Executive Director, and Mr. Eric Chin, Interim Chief Investment Officer, Retirement and Investment Office, for an overview ([Appendix E](#)) of the Retirement and Investment Office and Teachers' Fund for Retirement (TFFR), including State Investment Board investments for TFFR and PERS.

ACTUARIAL VALUATIONS OF THE TEACHERS' FUND FOR RETIREMENT

Chairman Boschee called on Mr. Matthew A. Strom, Senior Vice President and consulting actuary, and Mr. Brad Ramirez, Vice President and consulting actuary, The Segal Group, Inc., for a presentation ([Appendix F](#)) of:

- An overview of the TFFR valuation process; and
- The July 1, 2021, actuarial valuation of TFFR.

HEALTH INSURANCE MANDATES

Chairman Boschee explained the committee has been charged with adopting a procedure for identifying measures and proposed measures mandating health insurance coverage of services or payments for specified providers of services.

Chairman Boschee called on Ms. Clark to review Section 54-03-28, the law providing for cost-benefit analyses of health insurance mandate bills.

The committee discussed the issues of timing and equity relating to setting a deadline for submission of bills or bill drafts providing for a health insurance mandate.

It was moved by Senator Roers, seconded by Representative Cory, and carried on a roll call vote that the committee recommend to the Legislative Management that legislators who plan to introduce a legislative measure that provides for a health insurance mandate under Section 54-03-28 be required to provide Legislative Council with a copy of the proposed legislative measure by the close of business on the second Friday following adjournment of the Organizational Session. Representatives Boschee, Cory, Ostlie, and Ruby and Senators Roers, Burckhard, and Vedaa voted "aye." Representative Keiser voted "nay."

No further business appearing, Chairman Boschee adjourned the meeting at 2:30 p.m.

Jennifer S. N. Clark
Senior Counsel

ATTACH:6