

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Friday, October 19, 2018
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 12:30 p.m.

Members present: Representatives Mike Lefor, Randy Boehning, Jason Dockter, Vernon Laning, Mark S. Owens; Senators Dick Dever, Karen K. Krebsbach, Gary A. Lee, Carolyn C. Nelson

Members absent: Representatives Alisa Mitskog, Roscoe Streyle; Senators Brad Bekkedahl, Oley Larsen

Others present: See [appendix](#)

It was moved by Senator Krebsbach, seconded by Representative Laning, and carried on a voice vote that the minutes of the June 12, 2018, meeting be approved as distributed.

Chairman Lefor said the purpose of the meeting is to determine whether to take jurisdiction over Bill Draft No. 289 [[19.0289.01000](#)], which is a bill draft recommended by the interim Health Care Reform Review Committee.

Chairman Lefor called on the Legislative Council staff to review the committee's statutory charges regarding taking jurisdiction of bill drafts and to review the bill drafts. The Legislative Council staff said although she typically explains if a bill draft affects the Public Employees Retirement System (PERS), the committee is charged with voting to take jurisdiction over the bill draft. However, she said, the precise language of North Dakota Century Code Section 54-35-02.4 directs the committee to take jurisdiction over a legislative measure or proposal that affects the retirement programs of state employees or employees of any political subdivision and over a legislative measure or proposal that affects the health and retiree health plans of state employees or employees of any political subdivision.

The Legislative Council staff reviewed Bill Draft Nos. 129.02 [[19.0129.02000](#)] and 130.02 [[19.0130.02000](#)]. She said the committee already has taken jurisdiction over the first versions of these bill drafts being recommended by PERS. She said because the changes PERS is making in these revisions do not change the premise of the bill drafts, it is not necessary for the committee to take any action. However, she said, inclusion of these new versions gives the public notice that the PERS actuary will be providing technical comments on both versions of these bill drafts.

The Legislative Council staff said Bill Draft No. 129.02 [[19.0129.02000](#)] delays the effective date of the plan changes by 6 months, from July 1, 2019, to January 1, 2020. She said Bill Draft No. 130.02 [[19.0130.02000](#)] removes the trigger that upon the PERS general retirement fund reaching 100 percent funding, the multiplier would return to 2.0 from 1.75.

The Legislative Council staff reviewed Bill Draft No. 289 [[19.0289.01000](#)]. She said the three primary issues addressed in the bill draft are the Insurance Department is directed to regulate PERS self-insurance health plans; for purposes of a PERS self-insurance health plan, PERS is authorized to establish a self-insurance health plan if doing so is in the best interest of the state and the state's eligible employees, the benefit plan of a PERS self-insurance health plan would be the same as under a traditional, fully insured health plan, and if PERS establishes a self-insurance health plan, PERS may access a line of credit from the Bank of North Dakota; and for purposes of PERS renewal of contract for health benefits, PERS may not renew the contract if doing so is not in the best interest of the state and the state's eligible employees.

In response to a question from Senator Dever, the Legislative Council staff said although Section 54-35-02.4 directs an actuarial review be conducted of a bill draft over which the committee takes jurisdiction, the law also recognizes to affect PERS, a bill draft may not have an actuarial affect necessarily and for this reason, the review tends to be broad in scope.

It was moved by Senator Krebsbach, seconded by Senator Dever, and carried on a roll call vote that the committee take jurisdiction over Bill Draft No. 289 and direct PERS to have an actuarial review prepared. Representatives Lefor, Boehning, Dockter, Laning, and Owens and Senators Dever, Krebsbach, Lee, and Nelson voted "aye." No negative votes were cast.

No further business appearing, Chairman Lefor adjourned the meeting at 12:40 p.m.

Jennifer S. N. Clark
Counsel

ATTACH:1