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## **EMPLOYEE BENEFITS PROGRAMS COMMITTEE**

Wednesday, October 26, 2022  
Roughrider Room, 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, Bert Anderson, Claire Cory, Mitch Ostlie, Matthew Ruby, Paul J. Thomas; Senators Brad Bekkedahl, Randy A. Burckhard, Dick Dever, Tim Mathern, Kristin Roers, Shawn Vedaa

**Members absent:** Representative Ron Guggisberg

**Others present:** See [Appendix A](#)

**It was moved by Senator Dever, seconded by Representative Ruby, and carried on a voice vote that the minutes of the June 21, 2022, meeting be approved as distributed.**

### **REPORT**

Mr. Lynn Hart, Classification and Compensation Manager, Human Resource Management Services Division, Office of Management and Budget, presented a report ([Appendix B](#)), as required under North Dakota Century Code Section 54-06-31, on the program implementation, progress, and bonuses provided by state agency programs to recruit or retain employees in hard-to-fill positions.

### **ACTUARIAL VALUATIONS**

#### **Public Employees Retirement System**

Ms. Bonnie Wurst, Senior Consultant, Gabriel, Roeder, Smith & Company Holdings, Inc., provided an overview ([Appendix C](#)) of the Public Employees Retirement System (PERS) valuation process and the July 1, 2022, actuarial valuations of the PERS fund, Highway Patrolmen's retirement system fund, public safety funds, Job Service North Dakota retirement system fund, and Retiree Health Insurance Credit Program fund.

#### **Teachers' Fund for Retirement**

Mr. Brad Ramirez, Vice President and Consulting Actuary, The Segal Group, Inc., provided an overview ([Appendix D](#)) of the Teachers' Fund for Retirement (TFFR) valuation process and the July 1, 2022, actuarial valuation of TFFR.

### **INVESTMENT STATUS**

Mr. Scott Anderson, Chief Investment Officer, Retirement and Investment Office, provided information ([Appendix E](#)) regarding the status of state investments of the PERS funds, TFFR, and legacy fund.

### **STATE OF THE WORKFORCE**

Ms. Molly Herrington, Interim Chief People Officer, Office of Management and Budget, provided information ([Appendix F](#)) regarding the state of the workforce.

### **BILL DRAFT JURISDICTION**

The committee considered the following bill drafts to determine whether the bill drafts affect, actuarially or otherwise, the retirement programs of state employees or employees of any political subdivision, or health and retiree health plans of state employees or employees of any political subdivision pursuant to Section 54-35-02.4:

- Bill Draft No. 147 [[23.0147.01000](#)], which provides for PERS health benefits coverage of fertility treatment;

- Bill Draft No. 160 [[23.0160.01000](#)], which provides for the state to pay the member contribution for state retirement plans; and
- Bill Draft No. 203 [[23.0203.01000](#)], which provides for a PERS health benefit diabetes pilot program.

**It was moved by Representative Ruby, seconded by Senator Roers, and carried on a voice vote that the committee take jurisdiction over and request actuarial reports on Bill Draft Nos. 147, 160, and 203.** Representatives Boschee, Anderson, Cory, Ostlie, Ruby, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, and Roers voted "aye." No negative votes were cast.

### BILL DRAFT ACTUARIAL REPORTS

The committee received technical comments, actuarial information, and comments by interested persons relating to the following six bill drafts, over which the committee took jurisdiction, which affect, actuarially or otherwise, the retirement programs of state employees or employees of any political subdivision, and health and retiree health plans of state employees or employees of any political subdivision pursuant to Section 54-35-02.4:

- Bill Draft No. 2 [[23.0002.02000](#)], which provides for PERS health benefits coverage of prosthetic devices;
- Bill Draft No. 8 [[23.0008.01000](#)], which expands the PERS Bureau of Criminal Investigation (BCI) participation in the Public Safety Retirement Plan to include all peace officers employed by the state, except for members of the State Highway Patrol who are covered by the Highway Patrol plan;
- Bill Draft No. 77 [[23.0077.01000](#)], which revises the retirement benefits for peace officers employed by BCI;
- Bill Draft No. 87 [[23.0087.01000](#)], which provides for legacy funding of the PERS main plan;
- Bill Draft No. 92 [[23.0092.01000](#)], which provides for a prescription drug reference rate pilot program; and
- Bill Draft No. 93 [[23.0093.01000](#)], which provides for PERS health benefits coverage of fertility treatment.

Mr. Scott Miller, Executive Director, Public Employees Retirement System, provided technical comments and actuarial information ([Appendix G](#)) on the six bill drafts.

**It was moved by Senator Roers, seconded by Senator Bekkedahl, and carried on a roll call vote that the committee give a favorable recommendation on Bill Draft No. 2, which provides for PERS health benefits coverage of prosthetic devices.** Representatives Boschee, Anderson, Cory, Ostlie, Ruby, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, Roers, and Vedaa voted "aye." No negative votes were cast.

Representative Todd Porter provided information to the committee regarding Bill Draft No. 8. He noted:

- The bill draft is at the request of peace officers who work for the state but are not employed by BCI or the Highway Patrol.
- State entities other than BCI and the Highway Patrol become the training ground for BCI and political subdivisions due to the state's retirement plan for these employees.

**It was moved by Senator Bekkedahl, seconded by Senator Dever, and carried on a roll call vote that the committee give no recommendation on Bill Draft No. 8, which expands the PERS BCI participation in the Public Safety Retirement Plan to include all peace officers employed by the state, except for members of the State Highway Patrol who are covered by the Highway Patrol plan.** Representatives Boschee, Anderson, Cory, Ostlie, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, and Roers voted "aye." Representative Ruby and Senator Vedaa voted "nay."

Mr. Lonnie Grabowska, Director, Bureau of Criminal Investigation, provided testimony ([Appendix H](#)) regarding Bill Draft No. 77.

**It was moved by Senator Burckhard, seconded by Senator Vedaa, and carried on a roll call vote that the committee give a favorable recommendation on Bill Draft No. 77, which revises the retirement benefits for peace officers employed by BCI.** Representatives Boschee, Anderson, Cory, Ostlie, Ruby, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, Roers, and Vedaa voted "aye." No negative votes were cast.

**It was moved by Senator Dever, seconded by Senator Mathern, and carried on a roll call vote that the committee give a favorable recommendation on Bill Draft No. 87, which provides for legacy funding of the PERS main plan.** Representatives Boschee, Anderson, Ostlie, Ruby, and Thomas and Senators Bekkedahl, Burckhard, Dever, Mathern, Roers, and Vedaa voted "aye." Representative Cory voted "nay."

The committee received written testimony ([Appendix I](#)) from Representative Lisa Meier on Bill Draft No. 92, which provides for a prescription drug reference rate pilot program.

The committee received written testimony from representatives of AARP ([Appendix J](#)) on Bill Draft No. 92.

The committee decided to wait until the next meeting to take committee action on Bill Draft No. 92 to allow the bill sponsor the opportunity to testify in person.

The committee received testimony ([Appendix K](#)) from Ms. Tara Brandner, Founder and President, Everlasting Hope, in support of Bill Draft No. 93, which provides for PERS health benefits coverage of fertility treatment.

The committee received testimony ([Appendix L](#)) from Ms. Rachel Booth in support of Bill Draft No. 93.

The committee received testimony from Mr. Dylan Wheeler, Senior Legislative Affairs Specialist, Sanford Health Plan, in opposition to Bill Draft No. 93. He noted:

- Sanford Health Plan opposes health insurance mandates as a matter of public policy;
- The bill draft raises concerns regarding the coverage of surrogates; and
- The bill draft may have noncompliance issues related to the federal Affordable Care Act as the bill draft includes a lifetime maximum and may exceed the maximum per member per month premium increase.

The committee decided to wait until the next meeting to take committee action on Bill Draft No. 93 to allow the committee to consider Bill Draft No. 147 at the same time as Bill Draft No. 93.

Mr. Miller informed the committee the PERS Board may have a late bill draft to address the actuarial report's data on the PERS main plan unfunded liability. He requested permission to present the bill draft if the PERS Board decides to move forward on the bill draft.

No further business appearing, Chairman Boschee adjourned the meeting at 4:10 p.m.

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Jennifer S. N. Clark  
Senior Counsel and Code Revisor

ATTACH:12