



EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Thursday, May 7, 2026
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Sean Cleary, Chairman, called the meeting to order at 10:00 a.m.

Members present: Senators Sean Cleary, Brad Bekkedahl, Josh Boschée, Claire Cory, Kyle Davison, Kristin Roers; Representatives Landon Bahl, Karen Grindberg,* Jorin Johnson, Austen Schauer, Steve Vetter, Jonathan Warrey

Member absent: Representative Mitch Ostlie

Others present: Molly Herrington, Lynn Hart, and Sherry Neas, Office of Management and Budget
See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Bekkedahl, seconded by Senator Boschée, and carried on a voice vote that the minutes of the October 30, 2025, meeting be approved as distributed.

STATE EMPLOYEE COMPENSATION STUDY

Mr. Derrick Hohbein, Chief Financial and Operating Officer, Public Employees Retirement System, presented information ([Appendix B](#)) regarding the history, benefits, contracts, and premium structures of state health plan benefits. He noted:

- Permanent state employees are eligible to enroll in either a grandfathered preferred provider organization basic health plan or a nongrandfathered high-deductible health plan that includes a health savings account.
- Beginning in 1993, employers participating in the grandfathered basic health plan were charged a blended premium rate rather than separate single and family rates based on each employee's plan election. The monthly premium rates are \$911 for single coverage, \$2,198 for family coverage, and a blended rate of \$1,893.
- The Public Employees Retirement System (PERS) solicits bids for the state health insurance contract every 6 years, with renewal options every 2 years. The contract with Sanford Health Plan became effective during the 2021-23 biennium and was renewed for the 2023-25 and 2025-27 bienniums.
- PERS anticipates issuing a request for proposals for a new contract on June 1, 2026, with the contract to be awarded later in 2026.

Ms. Molly Herrington, Chief People Officer, and Mr. Lynn Hart, Total Rewards Manager, Human Resource Management Services Division, Office of Management and Budget, presented information ([Appendix C](#)) regarding state employee compensation comparisons, leave and tuition benefits, and recommended changes to state health plan benefits. They noted:

- Surveys conducted in 2024 indicated North Dakota state employee salaries were approximately 3 to 14 percent below private market salaries for comparable occupations.

- Employee leave policies offered to state employees include annual, sick, funeral, family and medical, military, new hire, and a leave sharing program.
- Tuition reimbursement benefits help attract job candidates, enhance employees' skills and professional development, provide potential tax advantages, increase employee engagement, and improve retention of high-performing employees.
- A total rewards survey of state employees conducted in August 2024 revealed the three benefits state employees valued most were health insurance, higher salaries, and retirement benefits.

In response to a question from a committee member, Mr. Hart noted the salary increases approved by the Legislative Assembly for the 2025-27 biennium are expected to maintain state employee salaries at approximately the same level compared to private sector salaries as reflected in the 2024 surveys.

In response to a request from a committee member, Mr. Hart provided information ([Appendix D](#)) regarding state agency tuition reimbursement policies.

Ms. Marcia Havens, Labor Market Information Manager, Job Service North Dakota, presented information ([Appendix E](#)) regarding the state labor market, including salary comparisons with other states. She noted:

- As of June 2026, the state unemployment rate was 2.8 percent, which is 1.5 percentage points less than the national unemployment rate.
- North Dakota's labor force participation rate is among the highest in the nation at 69.6 percent.
- As of fall 2025, the average state employee wage in North Dakota was \$69,570, compared to \$63,408 in Montana, \$67,339 in South Dakota, \$84,068 in Minnesota, and \$80,773 nationally.

In response to a request from a committee member, Ms. Havens provided information ([Appendix F](#)) comparing public sector wages with private sector wages across occupational industry groups.

Ms. Sherry Neas, Director, Shared Services Division, Office of Management and Budget, presented information ([Appendix G](#)) regarding the payment of prevailing wages on state projects and the consideration of wage levels when awarding contracts for state projects. She noted the Office of Management and Budget State Procurement Office awards contracts based on total project costs and while federal regulations establish prevailing wage requirements for certain government projects, there are no state requirements governing prevailing wages for contractor employees on state projects.

HEALTH INSURANCE MANDATES

Ms. Beth Dittus, Assistant Legal Division Director, Legislative Council, reviewed North Dakota Century Code Section 54-03-28 and North Dakota Legislative Rules 2025-26, Joint Rule 211 ([Appendix H](#)), relating to the committee's directive under Section 54-03-28(1) to adopt a procedure for identifying measures and proposed measures mandating health insurance coverage of services or payment for specified providers of services. She noted:

- House Bill 1248 (2025) amended Section 54-03-28 and made several changes to the procedural requirements for health insurance mandates, including that a cost-benefit analysis must be appended to a measure that includes a health insurance mandate only after the measure has completed the process in Section 54-03-28(2), commonly referred to as the PERS pilot period.
- Although Joint Rule 211 recognizes that Section 54-03-28 requires a cost-benefit analysis to be appended to certain measures, it does not acknowledge that Section 54-35-02.4(4) and (5) require the Employee Benefits Programs Committee report and the impacted agency's actuarial report to be appended.
- Because the general purpose of Joint Rule 211 is to establish a deadline that allows sufficient time for all statutorily required reports to be completed and appended to a measure, it may be helpful to make clarifying revisions so the rule more accurately reflects the requirements in the process.

Ms. Dittus presented a proposed legislative rule amendment [[27.9199.01000](#)] to clarify the deadline for submitting proposals providing for health insurance mandates is to allow for a report or cost-benefit analysis to be completed and appended to the measure as required under Sections 54-03-28 and 54-35-02.4.

It was moved by Senator Roers, seconded by Representative Bahl, and carried on a roll call vote that the proposed amendments to Joint Rule 211 [[27.9199.01000](#)], to clarify the deadline for submitting proposals providing for health insurance mandates is to allow for a report or cost-benefit analysis to be completed and appended to the measure as required under Sections 54-03-28 and 54-35-02.4, be approved as distributed and recommended to the Legislative Management. Senators Cleary, Bekkedahl, Boschee, Cory, Davison, and Roers and Representatives Bahl, Grindberg, Schauer, and Warrey voted "aye." Representatives Johnson and Vetter voted "nay."

JURISDICTION OF BILL DRAFTS

The committee considered the following bill drafts to determine whether the bill drafts affect, actuarially or otherwise, the retirement programs 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. 33

The committee reviewed Bill Draft No. 33 [[27.0033.01000](#)], relating to the automatic renewal of pretax benefit elections.

It was moved by Senator Davison, seconded by Senator Roers, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 33.

Bill Draft No. 43

The committee reviewed Bill Draft No. 43 [[27.0043.02000](#)], relating to the volunteer first responder retirement plan.

It was moved by Senator Bekkedahl, seconded by Senator Boschee, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 43.

Bill Draft No. 56

The committee reviewed Bill Draft No. 56 [[27.0056.02000](#)], relating to diagnostic breast examination and supplemental screening breast examination cost-sharing restrictions.

It was moved by Senator Roers, seconded by Senator Davison, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 56.

Bill Draft No. 64

The committee reviewed Bill Draft No. 64 [[27.0064.02000](#)], relating to retirement benefits for public safety retirement plan members.

It was moved by Senator Boschee, seconded by Representative Schauer, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 64.

Bill Draft No. 66

The committee reviewed Bill Draft No. 66 [[27.0066.01000](#)], relating to orthotic and prosthetic devices benefits coverage under the Uniform Group Insurance Program.

It was moved by Representative Bahl, seconded by Senator Boschee, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 66.

Bill Draft No. 85

The committee reviewed Bill Draft No. 85 [[27.0085.02000](#)], relating to retirement benefits for public safety retirement plan members.

It was moved by Senator Bekkedahl, seconded by Representative Bahl, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 85.

Bill Draft No. 87

The committee reviewed Bill Draft No. 87 [[27.0087.01000](#)], relating to health insurance benefits coverage provided by the Uniform Group Insurance Program.

It was moved by Senator Bekkedahl, seconded by Senator Roers, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 87.

Bill Draft No. 104

The committee reviewed Bill Draft No. 104 [[27.0104.01000](#)], relating to membership in the public safety retirement plan.

It was moved by Representative Vetter, seconded by Senator Davison, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 104.

Bill Draft No. 106

The committee reviewed Bill Draft No. 106 [[27.0106.01000](#)], to provide for a transfer to the Highway Patrol Troopers' Retirement Fund.

It was moved by Senator Roers, seconded by Senator Bekkedahl, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 106.

Bill Draft No. 107

The committee reviewed Bill Draft No. 107 [[27.0107.01000](#)], relating to the computation of final average salary.

It was moved by Senator Davison, seconded by Senator Roers, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 107.

Bill Draft No. 108

The committee reviewed Bill Draft No. 108 [[27.0108.01000](#)], relating to the PERS Board's authority to administer the Deferred Compensation Program.

It was moved by Senator Bekkedahl, seconded by Senator Roers, and carried on a voice vote that the committee not take jurisdiction over Bill Draft No. 108.

Bill Draft No. 109

The committee reviewed Bill Draft No. 109 [[27.0109.01000](#)], relating to inservice benefit distributions to county elected officials and county elected officials' participation in retirement plans administered by PERS.

It was moved by Senator Roers, seconded by Senator Boschee, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 109.

Bill Draft No. 110

The committee reviewed Bill Draft No. 110 [[27.0110.01000](#)], relating to the exemption of retirement benefits from legal process and administering PERS.

It was moved by Senator Boschee, seconded by Representative Schauer, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 110.

Bill Draft No. 113

The committee reviewed Bill Draft No. 113 [[27.0113.01000](#)], relating to Uniform Group Insurance Program benefits for retired peace officers.

It was moved by Senator Bekkedahl, seconded by Representative Bahl, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 113.

Bill Draft No. 117

The committee reviewed Bill Draft No. 117 [[27.0117.01000](#)], relating to health insurance benefits coverage provided by the Uniform Group Insurance Program and state employee contributions for enhanced coverage.

It was moved by Senator Roers, seconded by Senator Davison, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 117.

Bill Draft No. 119

The committee reviewed Bill Draft No. 119 [[27.0119.01000](#)], relating to participation in the Teachers' Fund for Retirement and postretirement adjustments.

It was moved by Representative Warrey, seconded by Representative Schauer, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 119.

Bill Draft No. 120

The committee reviewed Bill Draft No. 120 [[27.0120.01000](#)], relating to public employee fertility health benefits.

It was moved by Senator Roers, seconded by Senator Davison, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 120.

Bill Draft No. 121

The committee reviewed Bill Draft No. 121 [[27.0121.01000](#)], relating to public employee fertility preservation health benefits.

It was moved by Representative Vetter, seconded by Senator Roers, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 121.

Bill Draft No. 130

The committee reviewed Bill Draft No. 130 [[27.0130.01000](#)], relating to political subdivision participation in the Uniform Group Insurance Program.

It was moved by Representative Schauer, seconded by Representative Bahl, and carried on a voice vote that the committee take jurisdiction over Bill Draft No. 130.

No further business appearing, Chairman Cleary adjourned the meeting at 1:32 p.m.

Beth Dittus
Assistant Legal Division Director

Levi Kinnischtzke
Senior Fiscal Analyst

ATTACH:8