

January 29, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1023

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public employees
2 retirement system.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated from special funds to the public employees retirement
6 system for the purpose of defraying the expenses of the public employees retirement system,
7 for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
10	Salaries and wages	\$8,232,492	\$0	\$8,232,492
11	Operating expenses	2,416,162	0	2,416,162
12	Contingencies	250,000	0	250,000
13	Total special funds	\$10,898,654	\$0	\$10,898,654
14	Full-time equivalent positions	40.50	0.00	40.50
15	<u>Salaries and wages</u>	<u>\$8,232,492</u>	<u>\$1,689,590</u>	<u>\$9,922,082</u>
16	<u>New and vacant FTE pool</u>	<u>0</u>	<u>607,917</u>	<u>607,917</u>
17	<u>Operating expenses</u>	<u>2,416,162</u>	<u>858,001</u>	<u>3,274,163</u>
18	<u>Contingencies</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>

1	Total special funds	\$10,898,654	\$3,155,508	\$14,054,162
2	Full-time equivalent positions	40.50	2.00	42.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>	<u>Special Funds</u>
9	Automate PERSLink business system	\$539,595
10	Total special funds	\$539,595

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The

public employees retirement system may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Public Employees Retirement System - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$8,232,492	\$1,689,590	\$9,922,082
New and vacant FTE pool		607,917	607,917
Operating expenses	2,416,162	858,001	3,274,163
Contingencies	250,000		250,000
Total all funds	\$10,898,654	\$3,155,508	\$14,054,162
Less estimated income	10,898,654	3,155,508	14,054,162
General fund	\$0	\$0	\$0
FTE	40.50	2.00	42.50

Department 192 - Public Employees Retirement System - Detail of House Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for the Cost to Continue Salaries ²	Adds Funding for Salary and Benefit Increases ³	Adds Funding for New FTE Positions ⁴	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ⁵	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁶
Salaries and wages	(\$22,226)	\$152,826	\$612,059	\$442,662	\$1,201,247	(\$741,978)
New and vacant FTE pool						607,917
Operating expenses				7,500		
Contingencies						
Total all funds	(\$22,226)	\$152,826	\$612,059	\$450,162	\$1,201,247	(\$134,061)
Less estimated income	(22,226)	152,826	612,059	450,162	1,201,247	(134,061)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	2.00	0.00	0.00

	Adds Funding for an Office Intern ⁷	Adds Funding for IT and Rent Increases ⁸	Adds One-Time Funding for PERSLink ⁹	Total House Changes
Salaries and wages	\$45,000			\$1,689,590
New and vacant FTE pool				607,917
Operating expenses		\$310,906	\$539,595	858,001
Contingencies				
Total all funds	\$45,000	\$310,906	\$539,595	\$3,155,508
Less estimated income	45,000	310,906	539,595	3,155,508
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	2.00

¹ Funding is adjusted from special funds for base payroll changes.

² Funding is added from special funds for the cost to continue 2023-25 biennium salaries.

³ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

Special Funds	
Salary increase	\$359,837
Health insurance increase	<u>252,222</u>
Total	\$612,059

⁴ Funding from special funds is added for salaries and wages and related operating expenses of 2 FTE positions, including 1 FTE accounting position and 1 FTE benefit enrollment position.

⁵ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	Special Funds
Vacant FTE positions	\$980,870
New FTE positions	<u>220,377</u>
Total	\$1,201,247

⁶ Funding of \$741,978 for new FTE positions and estimated savings from vacant FTE positions is removed and funding of \$607,917 is added in a 2025-27 new and vacant FTE pool line item as follows:

	Special Funds
New FTE positions	(\$442,662)
Vacant FTE	<u>(299,316)</u>
Total	(\$741,978)
Funding pool line item	<u>\$607,917</u>
Net savings	(\$134,061)

⁷ Funding from special funds is added for temporary salaries for an office intern position.

⁸ Funding of \$310,906 is added from special funds for information technology increases (\$298,906) and rent increases (\$12,000).

⁹ One-time funding of \$539,595 is added from special funds for information technology contractual services to automate the PERSLink business system.

House Bill No. 1023 - Other Changes - House Action

A section is added to the bill regarding the use of funding in the new and vacant FTE pool line item.