

2009 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1121

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1121**

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/22/2009

Recorder Job Number: 7524

Committee Clerk Signature

Hathy Roden / Melissa Schardt

Minutes:

Chairman Grande: We will open the hearing on HB1121.

Sparb Collins, E.D. of the ND Public Employee Retirement System (PERS): Mr. Collins submitted a nine-page written testimony, **see attachment #1**.

Chairman Grande: (Interrupting testimony) As far as the numbers here included in the budget, are they included in the Governor's budget?

Sparb Collins: No, that is why there is the separate appropriation.

Chairman Grande: You said the political subdivisions are not mandated, so we are not including them in the other funds, so all other funds listed here are Higher Ed?

Sparb Collins: All other funds that would be listed will be combination. An agency like PERS, Workforce Safety...

Chairman Grande: Thank you; please continue with your testimony.

Chairman Grande: The political subdivision, they are not mandated to do this, but they have the option to vote on it to do it?

Sparb Collins: Yes. If you should pass this, we would go to them at the end of April, May, June but then we also recognize that for some it might take a little longer so the bill has a delay date to make the election.

Rep. Kasper. Would you refresh our memories on the current formulas of the employer contribution and employee contributions and why the employee contributions are what they are.

Sparb Collins. For the PERS Retirement fund; the contribution is a total of 8.12% salary. Now that is broken down to a 4.12% employer contribution and 4% employee contribution. The 1% goes to the retiree health benefit fund so if we look at the 2 together it is a total of 9.12%. The 4.12% is paid by the employer and the 4% employee contribution on the state side is paid by the employer right now. I think it was 82-83, instead of employees getting a salary increase, they were given 2% of their retirement contributions picked up. So the state has elected to pick up the employee contribution since then.

Rep. Kasper: Tell me again what the 1% is.

Sparb Collins: The 1% goes into the retiree health benefits fund.

Chairman Grande: Is that 1% of the 8.12%?

Sparb Collins: The total would be 9.12%, that is why I wanted to give you an overview of the entire % that comes out of the salaries.

Rep. Kasper: So right now we are in a situation because of an 82-83 happening, whereby the state of ND funds 100% of the retirement benefits cost for the employees in the retirement fund and we're limited to doing that because of what we did in 82-83? Am I correct?

Sparb Collins: You are correct. That was a decision made back then.

Rep. Kasper: But in other words, we're bound to make those contributions, we cannot for future increase in benefits, it can only be employer contributions, we can't go to the employees and say we want you to make your contributions. Or could we at this time, ask the employees as well as the employer of the state to fund future contributions into the plan?

Sparb Collins: It is my understanding, the last session when you considered the increase in contributions for the teacher's fund retirement; they asked that question of the AG office. My understanding of the response they got back any increase would likely have to occur on the employer side because there is a provision in the benefits that this is a contractual relationship.

Chairman Grande: Basically what it comes down to is if an employee pays in, you have to immediately match the benefit.

Rep. Kasper: In order to make future changes if we wanted employee contribution matches, required or voluntary, we would actually have to change, suspend or freeze this plan and start a new one to eliminate that contractual, binding situation that the AG ruled?

Sparb Collins: It is a legal question, but I can give you my understanding. For **future** employees you can change the benefits, however, so determined. But there were questions about whether or not you could for the existing employees because of that contract. That was my understanding of what that answer was.

Chairman Grande: I believe that is why we went with Tier 1 and Tier 2 inside TFFR was that when we changed that benefit portion we also then tiered them out into a second area because they are under a different benefit plan. They have different retirement requirements to receive the benefits. They have their vesting time and their years of in-service and all that type of thing is totally different than Tier 1 and we did that because of the change in the employer side of things but we could have done the employee one if we had so chosen. But only because we had developed a whole new plan.

Chairman Grande: Any other questions from the committee?

Rep. Wolf: What would a fiscal note be on a 13th check for the State of ND?

Sparb Collins: That would depend on where it is set. (50% or 75%). If you go back to the benefit table, this time last year, we paid out about 72 million dollars worth of benefits. If you

divide that by 12, you will come up with what we pay each month in retirement benefits. Then take that times whatever you want (100% or 50%). And that will give you a **working** estimate of that cost.

Chairman Grande: What was the PERS payment to the 13th check last year?

Sparb Collins: I think it was around 6 million.

Chairman Grande: Anyone else in favor of HB 1121.

Kathleen Dwyer, retired State employee: Ms. Dwyer submitted a two-page written testimony in support of HB1121. **See attachment #2.**

Chairman Grande: Any questions of Ms. Dwyer. Thank you. Anyone else in favor of 1121?

Opposition to 1121? Neutral? Close the hearing on 1121.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1121

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 1/22/2009

Recorder Job Number: 7525

Committee Clerk Signature

Melissa [unclear] / Kathy Rodin

Minutes:

(After Chairman Grande closed the hearing on HB 1121, Laura Glatt offered more testimony.)

Laura Glatt, Vice Chancellor for Admin. Affairs, NDUS: Two parts to Chancellor Goetz's testimony (**See attachment #1**). The first part has to do with an amendment to 1121, which will fund a comparable benefit to the higher education employees that already participate in the PERS defined benefit plan. The original appropriation bill as introduced does not include an appropriation for the quality human service (inaudible) and then it has something (inaudible) funding sources for NDSU ag extension.

Chairman Grande: Can I have you hold on one second? What amendments are you talking about?

Laura Glatt: Madam Chair there is the two parts, the first is to include funding for the 11 campuses, and the second is for the corrective funding source for Ag research and extension. Those numbers are taken care of in the amendment that Sparb has given you. The second part of Chancellor Goetz's testimony is that we have a very large population of our employees who participate in a declined contribution plan outside of PERS. There is nothing in this bill that would provide a comparable two percent benefit to those employees covered in that defined contribution plan. That would be primarily all of our administrators, faculty, and our

professional staff. So we have calculated for you on the back side of Chancellor Goetz's testimony in the second column what the cost would be if you were to provide a comparable increase or a defined contribution participant. Then all State employees, regardless of whether you are in the defined benefit plan or defined contribution plan would be treated equally. As you know those employees have suffered substantial losses in recent months in their portfolios due to market changes and also having to deal with the inflation factors.

Chairman Grande: Do the university systems need our approval to do this?

Laura Glatt: The board can determine the rate of contribution but without having increased funding from the State general fund we would not be able to do it.

Chairman Grande: You would not be able to find that with the increases that the higher education is receiving through the governor's budget at this point?

Laura Glatt: 97% of our budget increase is in two areas, one is for student financial aid. The other majority increase in our budget is already scheduled to go for our 5% annual salary increase, to help insurance increases for all State employees, as well as our utilities cost increases. It will be difficult at best to take money from those areas that other State employees are getting and re-channel that into this benefit.

Rep. Wolf: My question is for Sparb. On your amendment, I'm taking a cursory look at this and comparing your amendment to what is in the bill. Can you explain to me, some of them are significantly different, for example the Governor's office went from \$17, 000 to \$28,000 but the SOS only went up \$2,000. Some of these balances are significantly different than what is in the bill itself. Where do these numbers come from and why are they so different.

Sparb Collins: Well what was in the bill, those numbers were developed last summer based upon the information we had then. Now, with the Governor's new budget that came out, we

have the new FTE's, the new funding sources, so we went back to OMB and got the new budget numbers and applied that to this increase so it would be accurate as of the new budget. So that is the primary difference.

Rep. Wolf: So, for example for the Gov. Office, with an \$11,000 increase, that's because he's going to be incurring more FTE's?

Sparb Collins: I would have to go back to isolate those specific numbers.

Rep. Wolf: OK

Rep. Meier: My question is for Laura Glatt. Was the University Systems present when the defined contributions committee was actually meeting?

Laura Glatt: I'm not familiar with the defined contribution committee.

Chairman Grande: The employee benefits committee that meets during the interim and no, Higher Education did not come forward.

Laura Glatt: We try to attend those and monitor committee action, but certainly aren't always successful.

Rep. Kasper: This is a request for additional information. I would like, because we never get the current contributions, we always get the increased contributions. I would like a chart that you can put together showing for each institution: all salaries in one number, another line would be the current contribution by the state of ND to the retirement fund, the 3rd line would be the proposed increased contribution that you have here and the 4th line would be the total and at the bottom would be a grand total of everything. So we get a handle on what our numbers are. I don't know that number. For the state of ND, I think it is an even bigger number. I would like Sparb's office to do the same chart. Give us some numbers so we can see the big picture.

Laura Glatt: We can easily do that for you. I would mention, on the defined contribution plan which a number of our employees are included in, we do have a mandatory employee matching contribution.

Rep. Kasper: I want you to segregate your plans.

Chairman Grande: I would ask that those numbers be brought to us as soon as possible.

Rep. Boehning: What is the increase in the Higher Ed budget this time around for the biennium?

Laura Glatt: It depends if you are looking at base funding increase...

Rep. Boehning: The base increase.

Laura Glatt: If you look at the base funding increase we are at 23% funding increase.

Rep. Boehning: What is the dollar amount?

Laura Glatt: Over 109 million dollars. About 97-98% of that is going to 2 or 3 areas already committed to financial aid, student safety and security, health insurance, salary increases and utility increases.

Chairman Grande: We will be at ease until Rep. Klemin can come down.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1121

House Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 01/22/09

Recorder Job Number: 7609

Committee Clerk Signature

Lou Engleson

Minutes:

Chairman Grande: I am going to have to have Sparb make the amendment. We have to save oasis. Unless we can pull that separate, and we make sure that we save them.

Rep. Wolf: What is oasis.

Chairman Grande: Way back there was a benefit plan that was set up for a group. There was this insurance group that doesn't exist anymore and is long gone. Every person that worked there is dead. Everyone of their spouses is dead but one person. The plan can't go away because it was a defined benefit to them and until she's gone, we keep this plan in here.

Rep. Wolf: Chairman Grande. While you're looking at page 3, read lines 12 and 13.

Chairman Grande: Effective August 1, 2009, it should say 1,007 dollars and 94 cents. Let's make sure we have that amended properly. Okay let's hold on to 1121.

Hearing resumes.

Chairman Grande: Nobody liked it except we wanted to save the oasis is where we left off. With clarification from Mr. Collins. He said we can get rid of the whole bill but Section 3. Then we'll amend the wording on lines 12 and 13 so we'll have "effective August 1, 2009, one thousand seven dollars and ninety-four cents. So the only thing left in this bill will be Section 3.

That is the amendment I'm waiting for a motion.

Rep. Boehning: So moved.

Rep. Meier: Second.

Chairman Grande: Section 3 is the one we were talking about with the one gal left, and we want to make sure we give her her payment, and that's an increase from \$959 to \$1,007.94. The rest of this bill dealt with the possibility of 13th check but remember in the discussion, Mr. Collins said we're not coming up enough to get to that one. We'll offer it again next session and just keep trying to bring it in.

Rep. Wolf: I thought this also gives them a 2% raise. On the top of page 2, two percent of the individual's present benefits with the increases payable beginning January 2011.

Chairman Grande: That was if we were going to do an increase in that portion. I understand that's where all of this appropriation increase has come in. If the committee is looking at putting in an appropriation that is not in the budget, \$16,000,000 of the general fund and another \$16,500,000 in other funds.

Rep. Amerman: Sparb came in and said get rid of the bill except for Section 3. Did he say why?

Chairman Grande: I had told him if the committee wanted to go down to just oasis, how do I save oasis. As far as Sparb is concerned he would pass the whole thing, but he also realizes that he had to come in and change his appropriation from this initial \$4.3 million to \$16 million. So he wasn't going to have heartburn over the fact that he knew what he had to come in ask for.

Rep. Schneider: This is the bill that Kathleen Dwyer testified on. She said that retired state employees haven't had an increase since 2001. Do you know if that's an increase of any kind?

Chairman Grande: I didn't want to question her, because as a citizen she's just coming forward. She actually has had not a set increase every month, but she has received her 13th check. Twice or four times I don't remember. They haven't had those increases because the fund has been 80 some percent. It right now is down. That's why last session we had to bump to TFFR. Those funds are laying down here, and it's going to take awhile to bring them back up. Is it tough that they don't see that increase? Correct. But they had a defined benefit and they reseed that no matter what. They're not going without. It's just that they'll not going with increases. If they are on social security and if their social security increases, they do actually have a retirement increase. It's not a lot, but such is life. If you were on a 401K or if they were sitting in defined contributions, they wouldn't be getting that. They'd be getting less to nothing. They're not paying in at all, but they are receiving out. And they haven't for many, many years because the state pays both sides. I understand their plight. Everybody has tough times.

Clothing seems to be a little more expensive. But we're all in that same boat, and this asks all the taxpayers of the state to pay so they can have a bigger retirement plan right now. That's a permanent increase. I think the 13th check is the safer way for the state to continue to give them more money at this point until that fund is better. I honestly think by next biennium when we're looking at this, that fund is going to be closer to what Sparb is talking about in some of these percentages. I think we could be at an 8+ by then. Whether the fund would be up high enough would be the next question, but I think the returns are going to be starting to come in, and we're going to start to see that role. It might take a couple more bienniums to get it up to the percentage that they're talking about needing for that 13th check. But that 13th check is the important part of that versus trying to do the full benefit increase. I have the amendment in front of us. All in favor? Opposed? **Motion on amendment passed on a voice vote.**

Rep. Boehning: I move a do pass as amended.

Rep. Nathe: Second.

The roll was called by the clerk.

10 yes, 1 no, 2 absent. Rep. Dahl was assigned to carry the bill.

FISCAL NOTE
Requested by Legislative Council
02/02/2009

Amendment to: HB 1121

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

As amended the fiscal impact of this bill is less than \$5,000

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Sparb Collins	Agency:	NDPERS
Phone Number:	328-3901	Date Prepared:	02/03/2009

FISCAL NOTE
Requested by Legislative Council
12/28/2008

Bill/Resolution No.: HB 1121

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$4,359,866	\$6,810,691		
Appropriations			\$4,359,866	\$5,572,046		

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The cost of this bill is the proposal to provide a one time 2% increase in retirement benefits for NDPERS and Highway Patrol retirees that is paid for with a two year increase in employer contributions. There is no fiscal impact to counties, cities or schools since this is optional for them.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the bill is the employer contribution increase for the Highway Patrol and section 8 is the increase for state agencies and those political subdivisions electing to participate.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures relate to the increased employer contributions for state agencies. The cost of this bill is paid for in two years.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The additional appropriation authority is in section 9 of the bill. This is not included in the executive budget and additional "Other fund" appropriation is not provided for Higher Education since they have a continuing appropriation.

Name:	Sparb Collins	Agency:	NDPERS
Phone Number:	328-3901	Date Prepared:	01/02/2009

VK
1/28/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1121

Page 1, line 1, remove "sections 39-03.1-10 and 39-03.1-11.3,"

Page 1, line 2, remove ", sections 54-52-06, 54-52-17.5, 54-52-17.11, and 54-52-17.13, and"

Page 1, line 3, remove "subsection 2 of section 54-52.6-09" and replace "employer" with "the"

Page 1, remove line 4

Page 1, line 5, remove "patrolmen's retirement system," and remove ", and the public"

Page 1, line 6, remove "employees retirement system; and to provide an appropriation"

Page 1, remove lines 8 through 24

Page 2, remove lines 1 through 27

Page 3, line 12, overstrike "dollars"

Page 3, line 13, after "seven" insert "dollars"

Page 3, remove lines 14 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 8

Renumber accordingly

Date: 1-22-09
Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1121

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP as amended

Motion Made By Boehning Seconded By Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Grande	✓		Rep. Amerman	✓	
Vice Chairman Boehning	✓		Rep. Conklin	✓	
Rep. Dahl	✓		Rep. Schneider	✓	
Rep. Froseth	✓		Rep. Winrich		
Rep. Karls	✓		Rep. Wolf	✓	✓
Rep. Kasper					
Rep. Meier	✓				
Rep. Nathe	✓				

Total (Yes) 10 No 1

Absent 2

Floor Assignment Dahl

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1121: Government and Veterans Affairs Committee (Rep. Grande, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1121 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "sections 39-03.1-10 and 39-03.1-11.3,"

Page 1, line 2, remove ", sections 54-52-06, 54-52-17.5, 54-52-17.11, and 54-52-17.13, and"

Page 1, line 3, remove "subsection 2 of section 54-52.6-09" and replace "employer" with "the"

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Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 31

Page 9, remove lines 1 through 8

Renumber accordingly

2009 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1121

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.1121

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 02/26/09

Recorder Job Number: 9811

Committee Clerk Signature	<i>Kathleen Dwyer</i>
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Minutes:

Brian Reinhardt: Research analyst for the North Dakota Public Employees Retirement System. See attached testimony #1.

Senator Dever: What did the House do with this bill?

Brian Reinhardt: It also included a 2% increase; it has since been taken out.

Senator Horne: I am not familiar with these programs, what is the Oasis program?

Kathleen Dwyer: See attached testimony #2.

Senator Nelson: How was the original bill written? Was it this similar to what they want for the teachers, the one-time 13th check?

Kathleen Dwyer: It makes provision for a 13th payment and the 2% increase.

Senator Nelson: Did the original bill go through employee benefits?

Kathleen Dwyer: The original bill included these things.

Brian Reinhardt: The original bill, the 13th check was based off the investment returns, so it was not appropriated in the governor's budget.

Senator Dever: When we did the 13th check last session did that only apply to the current biennium?

Brian Reinhardt: That applied to that one-time 13th check

Sharron Schock: I am a retired state employee. Is there any way the 13th check could be rewarded to us from the general fund?

Senator Dever: When we did it for the teachers it amounted to 5.4 million dollars and the governor had funded 5 million of that in his budget and the reason the addition \$400,000 was to make the numbers work out. So we would be talking about similar dollars and what they received was not a 13th payment it was a bonus check.

Senator Nelson: It is controlled by IRS. It was based on years of service and retirement. There was another thing saying that anything impacting the fund has an impact on the general fund.

Brian Reinhardt: This did go to our actuary. It was getting the money appropriated for it.

There was a provision to have a big enough increase in 2 years to fund that.

Senator Dever: Because of the current financial situation, don't we have to look at doing some things to shore up the fund?

Brian Reinhardt: That was our discussion; we have taken a hit so if things don't turn around we will have to look at that.

Senator Dever: My understanding was TFFR fund last session the point was made by federal regulation was that once you give it you can't go back on it. That is why I think there has been a preference for the 13th check.

Brian Reinhardt: My understanding was the actual benefit is defined but the contribution, if we become over funded, you are guaranteeing the benefit.

Senator Dever: And if you are underfunded the general fund has to support it.

Senator Cook: How is the fund doing as of today?

Brian Reinhardt: As of today I do not know. In Dec it was down 22%.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No.1121

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Hearing Date: 02/26/09

Recorder Job Number: 10953

Committee Clerk Signature *Kate Oliver*

Minutes:

Senator Horne brought in an amendment and made a motion to adopt the amendment on 1121. The committee discussed the motion and after a roll call vote it did not pass. Senator Cook made a motion for a do pass, without the amendment, with a second by Senator Oehlke.

There was no discussion and the motion passed 5-0 with Senator Nelson carrying the bill to the floor.

Date: 3-13-09
Roll Call Vote #: 2

Carrier
Nelson

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1121

Senate Government and Veteran's Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Cook Seconded By Oehlke

Representatives	Yes	No	Representatives	Yes	No
Dick Dever	/		Dwight Cook	/	
Dave Oehlke	/		Carolyn Nelson	/	
Robert M. Horne	/				

Total Yes 5 No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1121, as engrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1121 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1121

**Testimony of
Sparb Collins
on
House Bill 1121**

Madame Chair, members of the committee, good morning. My name is Sparb Collins and I am Executive Director of the North Dakota Public Employees Retirement System or PERS. I appear before you today on behalf of the PERS Board and in support of this bill.

HB 1121 proposes:

1. To give retirees a 13th check in 2010 if the fund meets specific earnings targets (sections 2 & 7)
2. To give retirees a percentage increase including:
 - a. 2% in January of 2011 for members of PERS & the Highway Patrol Plan (sections 2 & 5)
 - b. 5% increase August of 2009 for OASIS members (section 3)
 - c. 2% for Judges if the fund can support it (section 6)
3. To allow political subdivisions to individually elect if they want to participate in the retiree increase provision for their retirees (section 5).
4. To increase contributions for two years for PERS (including those participating political subdivisions) and the Highway Patrol plan to pay the 2% increase (sections 1 & 4)
5. To increase contributions for the defined contribution plan members for two years (section 8).
6. To provide an appropriation to state agencies (section 9)

Concerning the 13th check provision, please note this bill was submitted to the Legislative Employee Benefits Committee last March. Since then we have seen dramatic declines in the market. Consequently, it is almost impossible at this

Attachment #1

point for PERS to meet the targets in this bill for the 13th check. Therefore, it is unlikely this will occur even if passed.

The second aspect of this bill is to propose a 2% increase to address the issue of inflation on our members' retirement benefit that is funded by a one time two year increase in employer contributions.

The biggest challenge retirees face is inflation, whether it is medical inflation or general inflation. Over time the effect is to reduce the value of retirement benefits. The "rule of 72" is used to help people understand this dynamic by telling us how many years it will take to diminish a fixed benefit by 50% at a specified level of inflation. For example, what if inflation averaged 3%? What would this do to the value of a \$1000 a month retirement benefit? By dividing 72/3 we find that it would reduce the benefit by 50% in 24 years or that \$1,000 would have the purchasing power of \$500. If inflation was 6% it would reduce the value of the benefit in half in 12 years. If it was 9% it would be reduced by 50% in just 8 years. Inflation has a very powerful effect on the value of the dollar. Another example is an employee can work for 30 years to earn a benefit equal to 60% of their final average salary at retirement. Inflation at 6% can cut that in half in 12 years.

The PERS defined benefit plan provides a fixed retirement benefit to its members. The plan does provide ad hoc adjustments when approved by the legislature. In the 80's & 90's investment earnings allowed the plan to fund cost of living adjustments or percentage increases for its members.

The following is that history:

1985	8.33%
1987	15.4%
1989	15.7%
1991	2.42%
1993	2%
1994	1%
1997	5%
1999	8%
2001	6%

All of the above increases were funded by the investment earnings of the plan which had a funded status of over 100% at both market and actuarial values. Since 2001 there have been no percentage increases in benefits for PERS or Highway Patrol retirees. The reason this has not occurred is that investment returns for the fund and generally within the economy decreased. As this has happened, our funded status at actuarial value of assets dropped below 100%. We do not project returning back to 100% funded at actuarial value for many years.

The fund has been able to help our retirees by giving or proposing one time payments or 13th checks. One was paid in January of 2006 and another in January of 2008. While these are helpful, they do not provide the long term inflation adjusted benefit increase that is necessary to help maintain the value of a retirement income over time.

Since it is unlikely PERS will be able to fund an increase from investment returns in the near future, the only other way to provide these adjustments is to increase the employer contributions to the plan to pay for such an increase. This bill proposes a one-time 2 year contribution increase to fund a 2% increase in our

The cost of this bill was estimated this last summer based upon the 07-09 budget. Since the new budget has been released with its proposed increases for salaries and some changes in funding sources, we are offering the attached amendment to update the appropriation based upon the most recent information. Also reflected in this update is a request by Higher Education to add their cost since this was not included in their parity request. A new fiscal note, if requested, based upon the above updates and the attached amendment would be:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$6,390,230	\$5,999,685		
Appropriations			\$6,390,230	\$5,625,985		

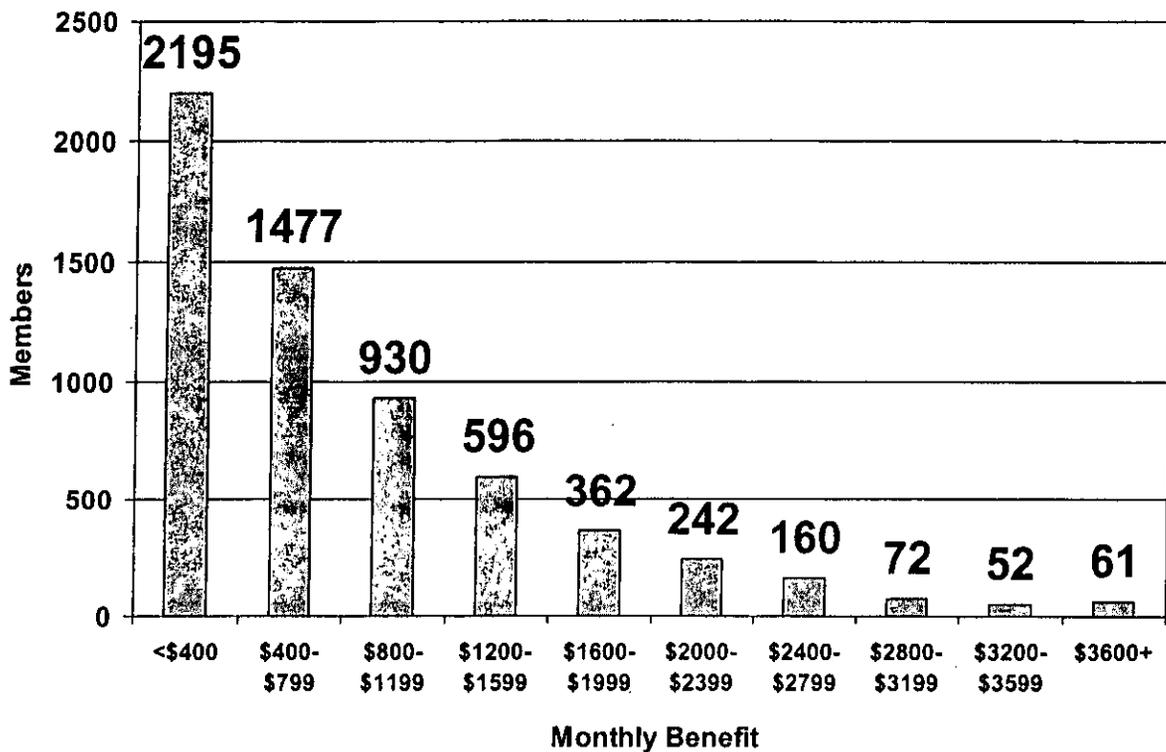
1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

The provisions of this bill have been reviewed by the PERS actuary. The actuary determined that this adjustment could be paid for with the increase in contributions specified in the bill. These provisions have also been reviewed by the Legislative Employee Benefits Committee and given "no recommendation". On behalf of the PERS Board and its retirees, I would request your favorable consideration of this bill. Mr. Chairman and members of the committee, thank you for your review of this bill and this concludes my testimony.

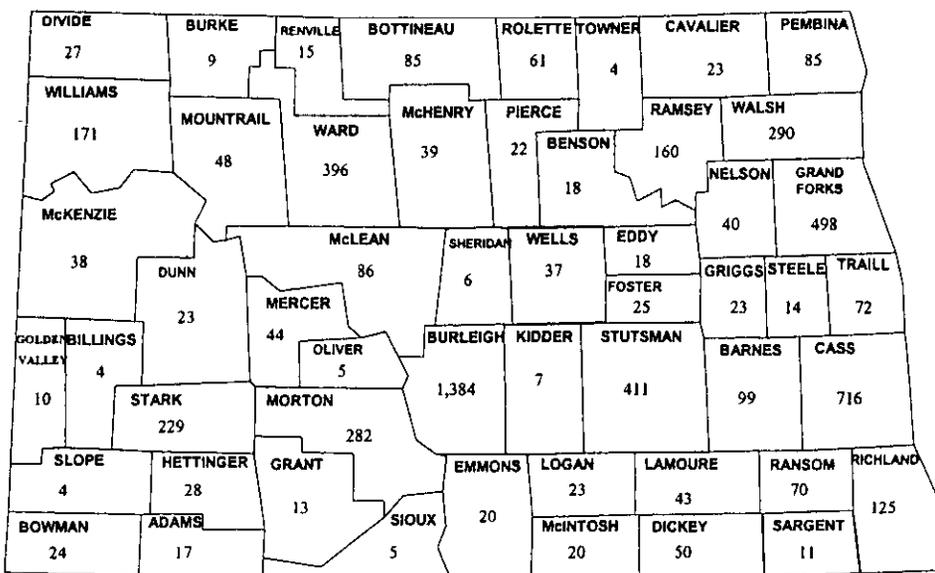
NDPERS Retirement Benefits

July 1, 2008



NDPERS Retirees

January 2008

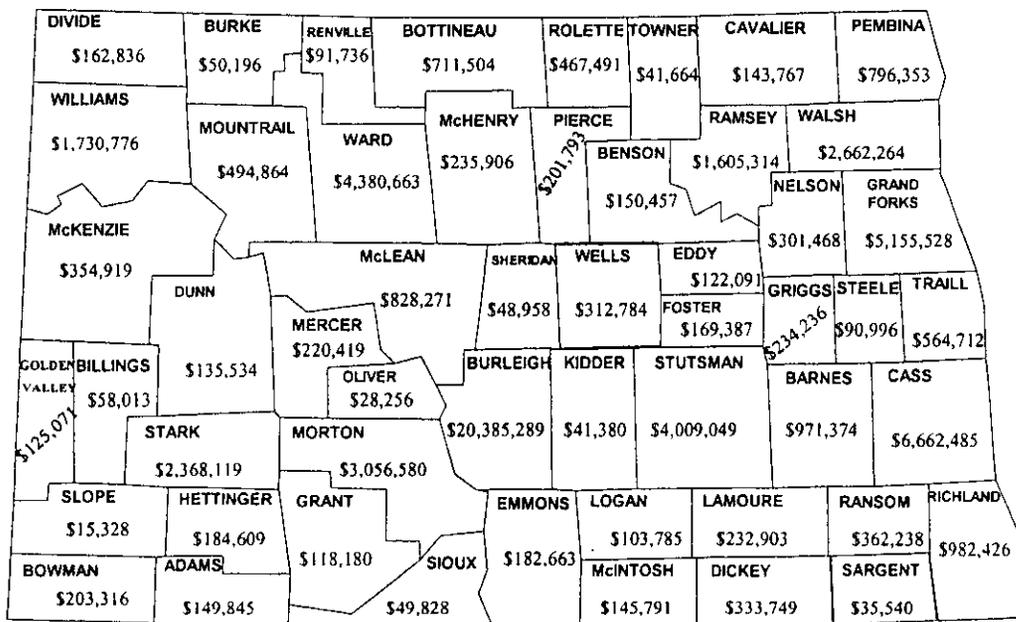


Out-of-State - 962

Total - 6,939

NDPERS Retirees

Annual Benefits 2008



Out-of-State - \$8,977,063

Total - \$72,336,527

PROPOSED AMENDMENTS TO HOUSE BILL 1121

Page 7, after line 4, replace the remainder of the bill with:

Agency	General Funds	Other Funds	Total
Office of the Governor	\$28,497.31	\$0.00	\$28,497.31
Office of the Secretary of State	\$26,740.32	\$857.79	\$27,598.12
Office of Management and Budget	\$116,031.38	\$26,113.04	\$142,144.42
Information Technology Department	\$74,212.26	\$427,478.24	\$501,690.50
Office of the State Auditor	\$55,846.43	\$18,365.34	\$74,211.77
Office of the State Treasurer	\$8,770.98	\$0.00	\$8,770.98
Office of the Attorney General	\$202,645.22	\$50,728.07	\$253,373.29
Office of the State Tax Commissioner	\$154,894.49	\$0.00	\$154,894.49
Office of Administrative Hearings	\$0.00	\$14,185.93	\$14,185.93
Legislative Assembly	\$0.00	\$0.00	\$0.00
Legislative Council	\$65,788.52	\$0.00	\$65,788.52
Judicial Branch	\$398,882.29	\$2,937.21	\$401,819.50
Legal Counsel of Indigents	\$41,408.69	\$5,757.70	\$47,166.39
Retirement and Investment Office	\$0.00	\$26,012.01	\$26,012.01
Public Employees Retirement System	\$0.00	\$39,526.32	\$39,526.32
Department of Public Instruction	\$39,173.60	\$83,800.09	\$122,973.68
State Land Department	\$0.00	\$29,401.80	\$29,401.80
State Library	\$23,628.00	\$3,161.27	\$26,789.27
School for the Deaf	\$46,092.70	\$2,474.24	\$48,566.95
N.D. Vision Services	\$26,122.28	\$3,578.78	\$29,701.06
Dept of Career and Technical Ed	\$37,273.43	\$2,671.92	\$39,945.35
North Dakota Department of Health	\$162,222.77	\$253,100.31	\$415,323.08
Veterans Home	\$56,420.24	\$33,546.07	\$89,966.31
Indian Affairs Commission	\$5,199.62	\$0.00	\$5,199.62
Department of Veterans Affairs	\$6,678.40	\$0.00	\$6,678.40
Department of Human Services	\$1,434,877.35	\$921,339.79	\$2,356,217.14
Protection and Advocacy Project	\$34,127.47	\$0.00	\$34,127.47
Job Service North Dakota	\$1,595.89	\$325,254.45	\$326,850.34
Office of the Insurance Commissioner	\$0.00	\$60,981.34	\$60,981.34
Industrial Commission	\$74,683.50	\$12,272.88	\$86,956.38
Office of the Labor Commissioner	\$12,864.36	\$1,149.67	\$14,014.03
Public Service Commission	\$43,080.14	\$22,424.91	\$65,505.05
Aeronautics Commission	\$0.00	\$8,353.76	\$8,353.76
Department of Financial Institutions	\$0.00	\$47,663.94	\$47,663.94
Office of the Securities Commissioner	\$13,529.13	\$0.00	\$13,529.13
Bank of North Dakota	\$0.00	\$207,217.50	\$207,217.50
North Dakota Housing Finance Agency	\$0.00	\$57,268.56	\$57,268.56
North Dakota Mill & Elevator Association	\$0.00	\$145,762.37	\$145,762.37
Workforce Safety & Insurance	\$0.00	\$333,222.55	\$333,222.55
Highway Patrol	\$690,595.98	\$180,819.11	\$871,415.09
Department of Corrections and Rehabilitation	\$706,624.41	\$39,277.59	\$745,902.00
Adjutant General	\$99,440.99	\$188,623.67	\$288,064.66
Department of Commerce	\$71,836.41	\$22,757.47	\$94,593.88
Department of Agriculture	\$45,401.45	\$40,527.55	\$85,929.00

State Seed Department	\$0.00	\$33,656.21	\$33,656.21
Upper Great Plains Transportation Institute	\$8,143.15	\$100,691.01	\$108,834.17
Branch Research Centers	\$86,453.48	\$29,660.07	\$116,113.56
NDSU Extension Service	\$202,536.36	\$158,934.48	\$361,470.84
Northern Crops Institute	\$11,771.99	\$5,502.17	\$17,274.17
NDSU Main Research Center	\$366,444.33	\$160,023.39	\$526,467.72
Agronomy Seed Farm	\$0.00	\$4,319.30	\$4,319.30
Racing Commission	\$2,835.16	\$0.00	\$2,835.16
State Historical Society	\$60,489.25	\$7,514.81	\$68,004.07
Council on the Arts	\$6,315.66	\$0.00	\$6,315.66
Game & Fish Department	\$0.00	\$208,844.94	\$208,844.94
Department of Parks & Recreation	\$58,961.70	\$665.68	\$59,627.37
State Water Commission	\$103,825.65	\$17,620.27	\$121,445.92
Department Of Transportation	\$0.00	\$1,259,939.62	\$1,259,939.62
Bismarck State College	\$32,225.40	\$0.00	\$32,225.40
Lake Region State College	\$14,578.12	\$0.00	\$14,578.12
Williston State College	\$9,854.91	\$0.00	\$9,854.91
University of North Dakota	\$197,787.69	\$0.00	\$197,787.69
UND School of Medicine and Health Services	\$41,493.55	\$0.00	\$41,493.55
North Dakota State University	\$180,484.28	\$0.00	\$180,484.28
North Dakota State College of Science	\$60,632.05	\$0.00	\$60,632.05
Dickinson State University	\$33,444.00	\$0.00	\$33,444.00
Mayville State University	\$12,262.32	\$0.00	\$12,262.32
Minot State University	\$42,061.77	\$0.00	\$42,061.77
Valley City State University	\$21,430.70	\$0.00	\$21,430.70
Minot State University - Bottineau	\$9,956.37	\$0.00	\$9,956.37
North Dakota University System Office	\$11,745.95	\$0.00	\$11,745.95
North Dakota Forest Service	\$9,310.29	\$0.00	\$9,310.29
Total	\$6,390,230.10	\$5,625,985.20	\$12,016,215.30

Renumber accordingly

H.B. 1121 Testimony
Thursday January 22, 2009
House Government and Veterans Affairs Committee

Madam Chair and members of the committee, I am Kathleen Dwyer, a retired state employee, and I am here today to ask for your support for H.B. 1121 which would provide a two-percent increase to our monthly pension payments and a possible one-time supplemental retiree benefit payment.

As much as I would like to see one of the three proposed one-time supplemental retiree benefit payments happen, I am enough of a realist to believe that the odds that the required return on investment necessary to trigger one of those payments are pretty slim. That makes the two-percent increase allowed by this bill even more important.

Retired state employees have not had an increase to their monthly pension amount since August of 2001. This two percent increase to our monthly pension payment would continue into the future for us, which, of course, the one-time payments do not. The difficult thing for us about the one-time payments is that they are one time, and do not continue into the future, which we really need. The one-time payments are certainly great to receive, but that leaves us coming back to the legislature each session at the same base rate that was established back in 2001. Then, we find ourselves in this session where the possibility of receiving a one-time payment triggered to the return on investment is pretty slim.

As a result, the two percent increase to our monthly pension becomes that much more

Attachment #2

important. Two percent is not much, less that is being proposed for current state employees and members of the legislature, as well, but it is certainly better than nothing. And since we retired state employees are generally living on fixed incomes, with rising costs for everything, we just keep losing ground.

We retired state employees would be so grateful to you for your support of this bill.

Please send this bill out of committee with a "do pass" recommendation and support it when it comes before the full House for a vote.

Thank you for the opportunity to appear in support of this bill.

Kathleen Dwyer

North Dakota University System

HB 1121 – House Government and Veteran Affairs Committee

January 22, 2009

William Goetz, Chancellor

Ms. Chairman, Representatives of the Government and Veteran Affairs Committee.

Good morning. For the record, my name is Bill Goetz, chancellor of the North Dakota University System.

The North Dakota University System supports the provisions of HB1121 to provide a one-time increase in employer contributions to the PERS defined benefit plan. The NDUS has almost 2,700 employees who participate in this plan. However, we would respectfully request an amendment to Section 9 of the bill to include funding for NDUS colleges and universities, and also, to change the funding source for NDSU agricultural entities on page 8, lines 24-30. The total general fund amount needed to fund an increase for all entities under the control of the State Board of Higher Education, and to correct the funding source, would be \$775,233 (a more detailed breakdown is included on the backside). If the bill is adopted, without the added funding, the NDUS would be left with an unfunded mandate, and would be forced to reallocate funds from other programs and services to cover the cost, while other state agencies would receive additional new funding to cover the cost.

Additionally, I would ask that you consider providing the same one-time benefit to the almost 4,400 NDUS employees who participate in a defined contribution plan. Most NDUS faculty, administrators, and professional staff participate in the TIAA-CREF defined contribution plan. These employees have also sustained significant losses in recent months due to changes in the investment market; and, in many cases, even more significant losses. I believe we must treat all of our employees equally in this regard. The added state general fund cost to provide a comparable one-time adjustment in employer contributions for NDUS employees participating in the defined contribution plan would be \$3,661,920.

Thank you for your consideration and I would be happy to answer any questions.

*Attachment #1
Page 1*

Campus/Entity	PERS Defined Benefit Plan General Fund Only	Defined Contribution Plan General Fund Only
BSC	\$32,225	\$174,000
LRSC	\$14,578	\$52,245
WSC	\$9,855	\$36,625
UND	\$197,788	\$945,710
UND SOMHS	\$41,494	\$217,600
NDSU	\$180,484	\$885,575
NDSCS	\$60,632	\$157,210
DSU	\$33,444	\$137,475
MaSU	\$12,262	\$58,370
MiSU	\$42,062	\$224,190
VCSU	\$21,431	\$87,760
MiSU-BC	\$9,956	\$30,905
Forest Service	\$11,746	\$11,880
NDUS Office	\$9,310	\$34,660
UGPT Institute 1/	\$3,298	\$5,335
Branch Research Centers 1/	\$24,851	\$91,500
Extension Service 1/	\$23,813	\$161,590
N. Crops Institute 1/	\$884	\$12,320
Main Research Center 1/	\$45,120	\$336,970

1/ Other fund appropriation authority would also be needed as follows: UGPTI \$100,202; Branch Research \$26,777; Extension \$212,469; NCI \$4,956; Main Research \$191,298; Agronomy Seed \$4,319

**Testimony of
Sparb Collins
on
Engrossed House Bill 1121**

Mr. Chairman, members of the committee, good morning. My name is Bryan Reinhardt and I am a research analyst for the North Dakota Public Employees Retirement System or PERS. I appear before you today on behalf of the PERS Board and in support of this bill to increase retirement benefits for the OASIS retirement plan. This plan was transferred to PERS from Job Service in 2003 and is established in North Dakota Century Code Chapter 52-09

HB 1121 proposes, as amended, a 5% increase to members of the OASIS retirement plan. Specifically the benefit would increase from \$959 to \$1007 per month effective August 1, 2009. The increase would be \$48 per month. The plan has one surviving member. As noted in the fiscal note the cost of this improvement is less than \$5,000.

Mr. Chairman and members of the committee on behalf of the PERS Board I would request your favorable consideration of this bill. This concludes my testimony.

HB 1121 Testimony of Kathleen Dwyer
Thursday February 26, 2008
Senate Government and Veterans' Affairs Committee

Mr. Chairman and members of the Committee, I am Kathleen Dwyer, a retired state employee, and I am here today to ask you to consider amending this bill back to its previous form in which a two-percent increase to our monthly pension payments and a possible one-time supplemental retiree benefit payment were included.

Just last month, our pension checks were reduced by about \$7.00 per month because of an increase in what we pay for our PERS Medicare supplement insurance plan. Retired state employees have not had an increase to our monthly pension payments since August of 2001. We are talking here about people who are generally living on fixed incomes, and with rising costs for everything, we just keep losing ground. Two percent is not much, less than is being proposed for current state employees, but it is certainly better than nothing.

Even if the 13th month payment is amended into this bill, the possibility of receiving a one-time payment triggered to the return on investment is just about non-existent. That makes our request for the two-percent increase even more important.

These retired employees worked very diligently for many years for the State of North Dakota, and I believe at least 80 percent of my friends who are retired state employees regularly do volunteer work. We are not idle people. We contribute.

And now we need your help. Please help us by amending these two provisions back into this bill, or at least the two-percent increase. Thank you for the opportunity to testify.

March 3, 2009

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1121

Page 1, line 1, after "to" insert "create and enact a new section to chapter 39-03.1 and a new section to chapter 54-52 of the North Dakota Century Code, relating to public employee supplemental retiree benefit payments; to"

Page 1, line 2, after "fund" insert "; and to provide an appropriation"

Page 1, after line 3, insert:

"SECTION 1. A new section to chapter 39-03.1 of the North Dakota Century Code is created and enacted as follows:

Supplemental retiree benefit payment. The board shall authorize an additional payment equal to seventy-five percent of the August retirement allowance to each eligible retiree in pay status as of August 1, 2009, including joint and survivor and term certain beneficiaries, under this chapter. The board may make only one payment to each retiree under this section.

Page 1, after line 19, insert:

"SECTION 3. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Supplemental retiree benefit payment. The board shall authorize an additional payment equal to seventy-five percent of the August retirement allowance to each eligible retiree in pay status as of August 1, 2009, including judicial retirees and beneficiaries and including joint and survivor and term certain beneficiaries, under this chapter. The board may make only one payment to each retiree under this section.

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$227,000, or so much of the sum as may be necessary, to the highway patrolmen's retirement fund for the purpose of funding benefit enhancements contained under section 1 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 5. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,354,000, or so much of the sum as may be necessary, to the public employees retirement fund for the purpose of funding benefit enhancements contained under section 3 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Renumber accordingly

**EMPLOYEE BENEFITS PROGRAMS COMMITTEE
REPORT TO THE 61ST LEGISLATIVE ASSEMBLY
REGARDING PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1121**

Date: March 3, 2009

Sponsor: Senator Robert M. Horne

Proposal: Provides a supplemental retiree benefit payment equal to 75 percent of the August retirement allowance to eligible members of the Highway Patrolmen's retirement system and the Public Employees Retirement System as of August 1, 2009. The amendment also appropriates \$227,000 from the general fund to the Highway Patrol and \$5,354,000 from the general fund to the Public Employees Retirement System to fund the benefit enhancements.

Systems Affected: Highway Patrolmen's retirement system and Public Employees Retirement System.

Actuarial Analysis:

Plan Name	Amount of 13 th Check Payable 8/1/2009	Increase in Actuarially Determined Rate as of 7/1/2009	Cost as a Percentage of Pay From 7/1/2009 to 6/30/2011
Main system	\$5,220,591	0.06%	0.42%
Judges	101,908	0.14%	0.98%
National Guard	6,873	0.02%	0.18%
Law enforcement with prior main service	23,785	0.03%	0.24%
Law enforcement without prior main service	180	0.00%	0.01%
Total Public Employees Retirement System	\$5,353,337		0.42%
Highway Patrolmen's	227,023	0.23%	1.75%
Grand total	\$5,580,360		

Committee Report: Unfavorable recommendation.

PROPOSED AMENDMENTS TO HOUSE BILL 1121

Page 1, line 2, after "54-52-06" insert ", 54-52-06.1"

Page 1, line 14, after "through", insert "December 31, 2009, and contribute an amount equal to twenty-four and fifty-nine hundredths percent from January 1, 2010, through"

Page 3, line 19, replace "five and forty-two" with "seven and fifty-three"

Page 3, line 20, replace "July 1, 2009" with "January 1, 2010"

Page 3, line 20, after "2011.", insert "In addition to the contributions listed above, each governmental unit shall, subject to section 54-52-17.5, contribute an amount equal to one and three-tenths percent of the monthly salary or wage of a participating member from July 1, 2009, through June 30, 2011."

Page 4, after line 11, insert:

SECTION 5. AMENDMENT. Section 54-52-06.1 is amended:

Contribution by supreme and district court judges - Employer contribution. Each judge of the supreme or district court who is a member of the public employees retirement system must be assessed and required to pay monthly five percent of the judge's monthly salary. The assessment must be deducted and retained out of the judge's salary in equal monthly installments. The state shall contribute an amount equal to fourteen and fifty-two one-hundredths percent of the monthly salary of a supreme or district court judge who is a participating member of the system, which matching contribution must be paid from its funds appropriated for salary, or from any other funds available for such purposes; however, the state shall contribute an amount equal to fifteen and thirty-four hundredths percent of the monthly salary or wage of a participating member from January 1, 2010, through June 30, 2011. If the judge's contribution is paid by the state under subsection 3 of section 54-52-05, the state shall contribute, in addition, an amount equal to the required judge's contribution.

Page 4, line 24, after "increase" insert "by an additional one and three-tenths percent"

Page 4, line 27, remove "only"

Page 4, line 28, replace "increased" with "one and three-tenths percent increase in"

Page 4, line 28, after "rates" insert "as provided"

Page 4, line 30, after "pay" insert "the one and three-tenths percent increase in employer"

Page 6, line 21, after "through", insert "December 31, 2009, and contribute an amount equal to eight and eighty-three hundredths percent from January 1, 2010, through"

Page 7, after line 4, replace the remainder of the bill with:

<u>Agency</u>	<u>General Funds</u>	<u>Other Funds</u>
Office of the Governor	\$84,560.30	\$0.00
Office of the Secretary of State	\$79,346.76	\$2,545.34
Office of Management and Budget	\$344,300.79	\$77,485.43
Information Technology Department	\$220,210.62	\$1,268,459.46
Office of the State Auditor	\$165,713.54	\$54,495.63
Office of the State Treasurer	\$26,026.21	\$0.00
Office of the Attorney General	\$601,310.71	\$150,525.80
Office of the Sate Tax Commissioner	\$459,619.62	\$0.00
Office of Administrative Hearings	\$0.00	\$42,094.00
Legislative Assembly	\$0.00	\$0.00
Legislative Council	\$195,214.77	\$0.00
Judicial Branch	\$1,399,696.03	\$8,715.61
Legal Counsel of Indigents	\$122,872.32	\$17,084.88
Retirement and Investment Office	\$0.00	\$77,185.64
Public Employees Retirement System	\$0.00	\$117,286.75
Department of Public Instruction	\$116,240.11	\$248,660.64
State Land Department	\$0.00	\$87,244.19
State Library	\$70,111.54	\$9,380.47
School for the Deaf	\$136,771.23	\$7,341.84
N.D. Vision Services	\$77,512.84	\$10,619.34
Dept of Career and Technical Ed	\$110,601.72	\$7,928.41
North Dakota Department of Health	\$481,364.86	\$751,026.50
Veterans Home	\$167,416.20	\$99,541.51
Indian Affairs Commission	\$15,428.88	\$0.00
Department of Veterans Affairs	\$19,816.86	\$0.00
Department of Human Services	\$4,257,722.60	\$2,733,898.64
Protection and Advocacy Project	\$101,266.70	\$0.00
Job Service North Dakota	\$4,735.51	\$965,130.02
Office of the Insurance Commissioner	\$0.00	\$180,950.39
Industrial Commission	\$221,608.91	\$36,417.41
Office of the Labor Commissioner	\$38,172.52	\$3,411.41
Public Service Commission	\$127,832.03	\$66,541.61
Aeronautics Commission	\$0.00	\$24,788.18
Department of Financial Institutions	\$0.00	\$141,433.58
Office of the Securities Commissioner	\$40,145.08	\$0.00

Bank of North Dakota	\$0.00	\$614,878.09
North Dakota Housing Finance Agency	\$0.00	\$169,933.44
North Dakota Mill & Elevator Association	\$0.00	\$432,521.80
Workforce Safety & Insurance	\$0.00	\$988,773.84
Highway Patrol	\$1,016,879.60	\$266,250.12
Department of Corrections and Rehabilitation	\$2,096,772.05	\$116,548.70
Adjutant General	\$304,745.34	\$578,053.24
Department of Commerce	\$213,160.72	\$67,528.41
Department of Agriculture	\$134,720.07	\$120,257.71
State Seed Department	\$0.00	\$99,868.32
Upper Great Plains Transportation Institute	\$24,163.24	\$298,781.22
Branch Research Centers	\$256,534.09	\$88,010.56
NDSU Extension Service	\$600,987.69	\$471,607.50
Northern Crops Institute	\$34,931.13	\$16,326.64
NDSU Main Research Center	\$1,087,353.07	\$474,838.64
Agronomy Seed Farm	\$0.00	\$12,816.70
Racing Commission	\$8,412.78	\$0.00
State Historical Society	\$179,490.22	\$22,298.77
Council on the Arts	\$18,740.51	\$0.00
Game & Fish Department	\$0.00	\$619,707.18
Department of Parks & Recreation	\$174,957.50	\$1,975.27
State Water Commission	\$308,082.65	\$52,284.77
Department Of Transportation	\$0.00	\$3,738,628.51
<hr/>		
Total	\$16,145,549.91	\$16,442,082.13

Renumber accordingly