

FUNDING OPTIONS

OPTION #1 (page 3) – General Fund

Appropriation (Same method as is proposed for TFFR retiree adjustment)

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			\$5,580,400			
Appropriations			\$5,580,400			

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

OPTION #2 (page 5) – Permanent Increase in employer contributions

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			\$314,298	\$274,678	\$314,298	\$274,678
Appropriations			\$314,298	\$274,678	\$314,298	\$274,678

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
			\$133,022	\$31,692	\$108,721	\$133,022	\$31,692	\$108,721

OPTION #3 – (page 10) Two year increase in employer contributions (one time increase for one biennium only)

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			\$2,217,051	\$1,927,899		
Appropriations			\$2,217,051	\$1,927,899		

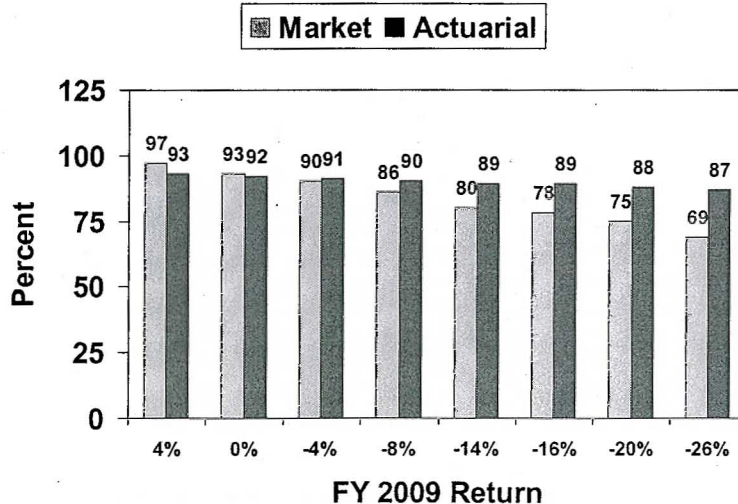
County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$931,152	\$221,847	\$761,048			

OPTION #4 – Have retirement fund pay the increase

NDPERS Main System

Projected Funded Ratio



The plans funded position is expected to decrease dramatically this year as shown on the chart. If the plan pays for this enhancement it will decrease the plans projected funded ratio by almost 1/3% and increase the unfunded liability by \$5,580,400

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1575

Page 1, line 1, after "enact" insert "a new section to chapter 39-03.1, a new section to chapter 54-52, and"

Page 1, line 2, after "to" insert "public employee supplemental retiree benefit payments and"

Page 1, line 6, remove "an" and replace "appropriation" with "appropriations"

Page 1, after line 7, 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 only make one payment to each retiree under this section."

Page 1, after line 17, 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 only make one payment to each retiree under this section."

Page 9, after line 28, insert:

SECTION 6. 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 7. 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.

Page 10, line 2, replace "in" with "under section 5 of"

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1575

Page 1, line 1, after "enact" insert "a new section to chapter 39-03.1, a new section to chapter 54-52, and"

Page 1, line 2, after "to" insert "public employee supplemental retiree benefit payments and"

Page 1, line 3, after "sections" insert "39-03.1-10, 54-52-06, 54-52-06.1," and replace the second "and" with a comma and after "54-52-26" insert "and subsection 2 of section 54-52.6-09"

Page 1, line 4, after "to" insert "employer contributions,"

Page 1, after line 7, insert:

SECTION 1. AMENDMENT. Section 39-03.1-10 of the North Dakota Century Code is amended and reenacted as follows:

39-03.1-10. Contributions by the state. The state shall contribute to the fund a sum equal to sixteen and ~~seventy- ninety-three~~ hundredths percent of the monthly salary or wage of a participating member. If the member's contribution is paid by the state under subsection 2 of section 39-03.1-09, the state shall contribute, in addition, an amount equal to the required member's contribution. The state shall pay the associated employer contribution for those members who elect to exercise their rights under subsection 3 of section 39-03.1-10.1.

SECTION 2. 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 only make one payment to each retiree under this section.

SECTION 3. AMENDMENT. Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06. Employer's contribution to retirement plan. Each governmental unit shall contribute an amount equal to four and ~~twelve- eighteen~~ hundredths percent of the monthly salary or wage of a participating member. For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the

governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date they became due, penalty and interest to be paid on delinquent contributions may be waived. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05. The board shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

SECTION 4. AMENDMENT. Section 54-52-06.1 of the North Dakota Century Code is amended and reenacted as follows:

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~~ sixty-six 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. 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 1, after line 17, insert:

"SECTION 6. 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 only make one payment to each retiree under this section."

Page 3, after line 12, insert:

SECTION 8. AMENDMENT. Subsection 2 of section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

2. The employer shall contribute an amount equal to four and ~~twelve~~ eighteen hundredths percent of the monthly salary or wage of a participating member. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. The employer shall pay monthly such contribution into the participating member's account from its funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due.

Page 9, after line 28, insert:

SECTION 10. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the following agencies for the purpose of funding benefit enhancements contained in sections 2 and 6 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

Department	General	Other
Office of the Governor	\$1,315	\$0
Office of the Secretary of State	\$1,234	\$40
Office of Management and Budget	\$5,355	\$1,205
Information Technology Department	\$3,425	\$19,730
Office of the State Auditor	\$2,578	\$848
Office of the State Treasurer	\$405	\$0
Office of the Attorney General	\$9,353	\$2,341
Office of the State Tax Commissioner	\$7,149	\$0
Office of Administrative Hearings	\$0	\$655
Legislative Assembly	\$0	\$0
Legislative Council	\$3,036	\$0
Judicial Branch	\$34,229	\$252
Legal Counsel of Indigents	\$1,911	\$266
Retirement and Investment Office	\$0	\$1,201
Public Employees Retirement System	\$0	\$1,824
Department of Public Instruction	\$1,808	\$3,868
State Land Department	\$0	\$1,357
State Library	\$1,091	\$146
School for the Deaf	\$2,127	\$114
N.D. Vision Services	\$1,206	\$165
Dept of Career and Technical Ed	\$1,720	\$123
North Dakota Department of Health	\$7,487	\$11,682
Veterans Home	\$2,604	\$1,548
Indian Affairs Commission	\$240	\$0
Department of Veterans Affairs	\$308	\$0
Department of Human Services	\$66,225	\$42,523
Protection and Advocacy Project	\$1,575	\$0
Job Service North Dakota	\$74	\$15,012
Office of the Insurance Commissioner	\$0	\$2,815
Industrial Commission	\$3,447	\$566
Office of the Labor Commissioner	\$594	\$53
Public Service Commission	\$1,988	\$1,035
Aeronautics Commission	\$0	\$386
Department of Financial Institutions	\$0	\$2,200
Office of the Securities Commissioner	\$624	\$0
Bank of North Dakota	\$0	\$9,564
North Dakota Housing Finance Agency	\$0	\$2,643
North Dakota Mill & Elevator Association	\$0	\$6,727
Workforce Safety & Insurance	\$0	\$15,380
Highway Patrol	\$29,576	\$7,744
Department of Corrections and Rehabilitation	\$34,293	\$1,906
Adjutant General	\$3,951	\$7,495
Department of Commerce	\$3,316	\$1,050
Department of Agriculture	\$2,095	\$1,871
State Seed Department	\$0	\$1,553
Racing Commission	\$131	\$0
State Historical Society	\$2,792	\$347
Council on the Arts	\$291	\$0
Game & Fish Department	\$0	\$9,639
Department of Parks & Recreation	\$2,721	\$31
State Water Commission	\$4,792	\$813
Department Of Transportation	\$0	\$58,151
Bismarck State College	\$1,865	\$1,049
Lake Region State College	\$920	\$518
Williston State College	\$652	\$367
University of North Dakota	\$29,799	\$16,762
UND School of Medicine and Health Services	\$0	\$0
North Dakota State University	\$22,223	\$12,501
North Dakota State College of Science	\$3,879	\$2,182
Dickinson State University	\$1,769	\$995
Mayville State University	\$1,352	\$760
Minot State University	\$3,297	\$1,854
Valley City State University	\$1,039	\$584
Minot State University - Bottineau	\$0	\$0
North Dakota University System Office	\$436	\$245
North Dakota Forest Service	\$0	\$0
State Total	\$314,298	\$274,685

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Page 10, line 2, replace "in" with "under section 9 of"

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1575

Page 1, line 1, after "enact" insert "a new section to chapter 39-03.1, a new section to chapter 54-52, and"

Page 1, line 2, after "to" insert "public employee supplemental retiree benefit payments and"

Page 1, line 3, after "sections" insert "39-03.1-10, 54-52-06, 54-52-06.1," and replace the second "and" with a comma and after "54-52-26" insert "and subsection 2 of section 54-52.6-09"

Page 1, line 4, after "to" insert "employer contributions,"

Page 1, after line 7, insert:

SECTION 1. AMENDMENT. Section 39-03.1-10 of the North Dakota Century Code is amended and reenacted as follows:

39-03.1-10. Contributions by the state. The state shall contribute to the fund a sum equal to sixteen and seventy-hundredths percent of the monthly salary or wage of a participating member; however, the state shall contribute an amount equal to eighteen and forty-five hundredths percent of the monthly salary or wage of a participating member from July 1, 2009, through June 30, 2011. If the member's contribution is paid by the state under subsection 2 of section 39-03.1-09, the state shall contribute, in addition, an amount equal to the required member's contribution. The state shall pay the associated employer contribution for those members who elect to exercise their rights under subsection 3 of section 39-03.1-10.1.

SECTION 2. 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 only make one payment to each retiree under this section.

SECTION 3. AMENDMENT. Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06. Employer's contribution to retirement plan. Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member; however, each governmental unit shall contribute an amount equal to four and

fifty-four hundredths percent of the monthly salary or wage of a participating member from July 1, 2009, through June 30, 2011. For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date they became due, penalty and interest to be paid on delinquent contributions may be waived. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05. The board shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

SECTION 4. AMENDMENT. Section 54-52-06.1 of the North Dakota Century Code is amended and reenacted as follows:

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 one-half percent of the monthly salary or wage of a participating member from July 1, 2009, 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 1, after line 17, insert:

"SECTION 6. 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 only make one payment to each retiree under this section."

Page 3, after line 12, insert:

SECTION 8. AMENDMENT. Subsection 2 of section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

2. The employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member; however, an employer shall contribute an amount equal to four and fifty-four hundredths percent of the monthly salary or wage of a participating member from July 1, 2009, through June 30, 2011. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. The employer shall pay monthly such contribution into the participating member's account from its funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due.

Page 9, after line 28, insert:

SECTION 10. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the following agencies for the purpose of funding benefit enhancements contained in sections 2 and 6 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

Department	General	Other
Office of the Governor	\$9,207	\$0
Office of the Secretary of State	\$8,639	\$277
Office of Management and Budget	\$37,487	\$8,437
Information Technology Department	\$23,976	\$138,108
Office of the State Auditor	\$18,043	\$5,933
Office of the State Treasurer	\$2,834	\$0
Office of the Attorney General	\$65,470	\$16,389
Office of the State Tax Commissioner	\$50,043	\$0
Office of Administrative Hearings	\$0	\$4,583
Legislative Council	\$21,255	\$0
Judicial Branch	\$239,599	\$1,763
Legal Counsel of Indigents	\$13,378	\$1,860
Retirement and Investment Office	\$0	\$8,404
Public Employees Retirement System	\$0	\$12,770
Department of Public Instruction	\$12,656	\$27,074
State Land Department	\$0	\$9,499
State Library	\$7,634	\$1,021
School for the Deaf	\$14,891	\$799
N.D. Vision Services	\$8,440	\$1,156
Dept of Career and Technical Ed	\$12,042	\$863
North Dakota Department of Health	\$52,410	\$81,771
Veterans Home	\$18,228	\$10,838
Indian Affairs Commission	\$1,680	\$0
Department of Veterans Affairs	\$2,158	\$0
Department of Human Services	\$463,576	\$297,664
Protection and Advocacy Project	\$11,026	\$0
Job Service North Dakota	\$516	\$105,082
Office of the Insurance Commissioner	\$0	\$19,702
Industrial Commission	\$24,129	\$3,965
Office of the Labor Commissioner	\$4,156	\$371
Public Service Commission	\$13,918	\$7,245
Aeronautics Commission	\$0	\$2,699
Department of Financial Institutions	\$0	\$15,399
Office of the Securities Commissioner	\$4,371	\$0
Bank of North Dakota	\$0	\$66,947
North Dakota Housing Finance Agency	\$0	\$18,502
North Dakota Mill & Elevator Association	\$0	\$47,092
Workforce Safety & Insurance	\$0	\$107,657
Highway Patrol	\$223,593	\$58,543
Department of Corrections and Rehabilitation	\$240,049	\$13,343
Adjutant General	\$28,065	\$53,235
Department of Commerce	\$23,209	\$7,352
Department of Agriculture	\$14,668	\$13,094
State Seed Department	\$0	\$10,874
Racing Commission	\$916	\$0
State Historical Society	\$19,543	\$2,428
Council on the Arts	\$2,040	\$0
Game & Fish Department	\$0	\$67,473
Department of Parks & Recreation	\$19,049	\$215
State Water Commission	\$33,544	\$5,693
Department Of Transportation	\$0	\$407,057
Bismarck State College	\$13,056	\$7,344
Lake Region State College	\$6,442	\$3,623
Williston State College	\$4,563	\$2,567
University of North Dakota	\$208,593	\$117,334
North Dakota State University	\$155,562	\$87,504
North Dakota State College of Science	\$27,150	\$15,272
Dickinson State University	\$12,385	\$6,967
Mayville State University	\$9,463	\$5,323
Minot State University	\$23,076	\$12,980
Valley City State University	\$7,271	\$4,090
North Dakota University System Office	\$3,053	\$1,717
State Total	\$2,217,051	\$1,927,899

Page 10, line 2, replace "in" with "under section 9 of"

Renumber accordingly