

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1023 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Public Employees Retirement System			
Salaries and wages	\$6,315,360	\$6,316,169	\$809
Operating expenses	2,753,643	2,692,221	(61,422)
Contingencies	250,000	250,000	
Total all funds	\$9,319,003	\$9,258,390	(\$60,613)
Less estimated income	9,319,003	9,258,390	(60,613)
General fund	\$0	\$0	\$0
FTE	34.50	34.50	0.00
Bill Total			
Total all funds	\$9,319,003	\$9,258,390	(\$60,613)
Less estimated income	9,319,003	9,258,390	(60,613)
General fund	\$0	\$0	\$0
FTE	34.50	34.50	0.00

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

	Base Budget	House Changes	House Version
Salaries and wages	\$6,315,360	\$8,263	\$6,323,623
Operating expenses	2,753,643	(132,844)	2,620,799
Contingencies	250,000		250,000
Total all funds	\$9,319,003	(\$124,581)	\$9,194,422
Less estimated income	9,319,003	(124,581)	9,194,422
General fund	\$0	\$0	\$0
FTE	34.50	(1.00)	33.50

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

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Health Insurance Increases²	Removes FTE Position³	Adjusts Funding for Operating Expenses⁴	Total House Changes
Salaries and wages	55,378	102,885	(150,000)		8,263
Operating expenses				(132,844)	(132,844)
Contingencies					
Total all funds	\$55,378	\$102,885	(\$150,000)	(\$132,844)	(\$124,581)
Less estimated income	55,378	102,885	(150,000)	(132,844)	(124,581)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	0.00	(1.00)

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

³ One FTE position and related funding is removed.

⁴ Funding for operating expenses is adjusted as follows:

	Other Funds
Printing and postage costs for newsletters	(\$59,504)
Printing and postage costs for annual benefit statements	(66,440)
Other postage, printing, and supplies	(16,900)
Mobile application hosting costs	(43,000)
Office remodeling	30,000
Other operating adjustments	23,000
Total	<u>(\$132,844)</u>

This amendment also:

- Adds a section detailing the amount of funding provided to the agency for health insurance premium increases.
- Adds a section to limit the use of funding in the health insurance reserve fund for reducing health insurance premium amounts.
- Amends various sections of North Dakota Century Code to provide for the Director of the Public Employees Retirement System to be appointed by the Governor, to remove the Public Employees Retirement System Board, and to adjust the membership and duties of the Employee Benefits Programs Committee.
- Adds a section of legislative intent regarding the electronic distribution of materials by the Public Employees Retirement System office.

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$6,315,360	\$6,323,623	(\$7,454)	\$6,316,169
Operating expenses	2,753,643	2,620,799	71,422	2,692,221
Contingencies	<u>250,000</u>	<u>250,000</u>		<u>250,000</u>
Total all funds	\$9,319,003	\$9,194,422	\$63,968	\$9,258,390
Less estimated income	<u>9,319,003</u>	<u>9,194,422</u>	63,968	<u>9,258,390</u>
General fund	\$0	\$0	\$0	\$0
FTE	34.50	33.50	1.00	34.50

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

	Adjusts Funding for Health Insurance Increases¹	Restores FTE position²	Restores Funding for Operating Expenses³	Total Senate Changes
Salaries and wages	(7,454)			(7,454)
Operating expenses			71,422	71,422
Contingencies				
Total all funds	(7,454)	\$0	\$71,422	\$63,968
Less estimated income	<u>(7,454)</u>	<u>0</u>	<u>71,422</u>	<u>63,968</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	1.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

² One FTE position removed by the House is restored.

³ A portion of the funding reduced by the House for operating expenses is restored as follows:

	Other Funds
Printing and postage costs for newsletter	\$29,752
Printing and postage costs for annual benefit statements	\$33,220
Other postage, printing, and supplies	\$8,450

This amendment also:

- Removes a section that limited the use of funding in the health insurance reserve fund for reducing health insurance premium amounts.
- Removes various sections of Century Code that were amended relating to providing for the Director of the Public Employees Retirement System to be appointed by the Governor, removing the Public Employees Retirement System Board, and adjusting the membership and duties of the Employee Benefits Programs Committee.
- Adjusts a section of legislative intent relating to charging members a fee for paper materials.

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

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,315,360	\$6,323,623	(\$7,454)	\$6,316,169	\$6,316,169	
Operating expenses	2,753,643	2,620,799	71,422	2,692,221	2,692,221	
Contingencies	250,000	250,000		250,000	250,000	
Total all funds	<u>\$9,319,003</u>	<u>\$9,194,422</u>	<u>\$63,968</u>	<u>\$9,258,390</u>	<u>\$9,258,390</u>	<u>\$0</u>
Less estimated income	<u>9,319,003</u>	<u>9,194,422</u>	<u>63,968</u>	<u>9,258,390</u>	<u>9,258,390</u>	<u>0</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	34.50	33.50	1.00	34.50	34.50	0.00

Department 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores FTE position ²	Restores Funding for Operating Expenses ³	Total Conference Committee Changes
Salaries and wages	(7,454)			(7,454)
Operating expenses			71,422	71,422
Contingencies				
Total all funds	<u>(\$7,454)</u>	<u>\$0</u>	<u>\$71,422</u>	<u>\$63,968</u>
Less estimated income	<u>(7,454)</u>	<u>0</u>	<u>71,422</u>	<u>63,968</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	1.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change, the same as the Senate version.

² One FTE position removed by the House is restored, the same as the Senate.

³ A portion of the funding reduced by the House for operating expenses is restored, the same as the Senate version. Funding is restored as follows:

	Other Funds
Printing and postage costs for newsletter	\$29,752
Printing and postage costs for annual benefit statements	\$33,220
Other postage, printing, and supplies	\$8,450

This amendment also:

Removes sections:

- Limiting the use of funding in the health insurance reserve fund for reducing health insurance premium amounts; and
- Amending Century Code to provide the Director of the Public Employees Retirement System be appointed by the Governor, changing the Public Employees Retirement System Board to an advisory board, and adjusting the membership and duties of the Employee Benefits Programs Committee.

Adds sections to:

- Establish, effective through July 31, 2019, a Public Employee Health Care Coverage Committee;
- Assign, effective through July 31, 2019, powers and duties to the Public Employee Health Care Coverage Committee;
- Amend, effective through July 31, 2019, the powers and duties of the Employee Benefits Programs Committee.
- Provide for a Public Employee Health Care Coverage Committee study and reports.

The Governor vetoed Sections 6, 7, 8, 9, 10, 12, and 13 of the bill relating to a Public Employee Health Care Coverage Committee, powers and duties to the Public Employee Health Care Coverage Committee, powers and duties of the Employee Benefits Programs Committee, and a Public Employee Health Care Coverage Committee study and reports.