

**Public Employees Retirement System  
Budget No. 192  
House Bill No. 1023**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2017-19 legislative appropriations</b>	<b>34.50</b>	<b>\$0</b>	<b>\$9,258,390</b>	<b>\$9,258,390</b>
2017-19 base budget	34.50	0	9,319,003	9,319,003
Legislative increase (decrease) to base budget	0.00	\$0	(\$60,613)	(\$60,613)

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The Legislative Assembly did not include funding for employee salary increases.

**Changes to Base Budget**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.			\$55,378	\$55,378
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.			95,431	95,431
Adjusted funding for operating expenses.			23,000	23,000
Added funding for office remodeling.			30,000	30,000
Adjusted funding for salaries and wages.			(150,000)	(150,000)
Reduced funding for postage, printing, and supplies due to requiring electronic payments.			(8,450)	(8,450)
Reduced funding for printing and postage costs for newsletters.			(29,752)	(29,752)
Reduced funding for printing and postage costs for annual benefit statements.			(33,220)	(33,220)
Reduced funding for hosting costs of a mobile application.			(43,000)	(43,000)
Total	<u>0.00</u>	<u>\$0</u>	<u>(\$60,613)</u>	<u>(\$60,613)</u>

**FTE Changes**

The Legislative Assembly approved 34.50 FTE positions for the Public Employees Retirement System (PERS) for the 2017-19 biennium, the same as the 2015-17 biennium.

### Other Sections in House Bill No. 1023

**Health insurance increase** - Section 2 identifies the amount of funding included for state employee health insurance premium rate increases for the 2017-19 biennium.

**Appropriation line item transfers** - Section 4 authorizes PERS to transfer funds from its contingencies line item to other line items and requires the agency to notify the Office of Management and Budget of each transfer made.

**Electronic distribution of materials** - Section 5 provides legislative intent that the PERS office create operating efficiencies when feasible by discontinuing the distribution of paper materials, including newsletters and benefit statements.

**Solicitation of bids and contracting** - Section 6 provides for the Retirement Board to design request for proposals, to solicit bids, and to select a carrier to contract for hospital, medical, and prescription drug benefit coverage for the active employee plan for the 2019-21 biennium. **The Governor vetoed this section.**

**Public Employee Health Care Coverage Committee study** - Section 7 provides for the Public Employee Health Care Coverage Committee to study, review, and make recommendations regarding the terms of the Retirement Board's request for proposals for hospital, medical, and prescription drug benefits coverage for active employees for the 2019-21 biennium. **The Governor vetoed this section.**

**Employee Benefits Programs Committee** - Section 8 amends the powers and duties of the Legislative Management's Employee Benefits Programs Committee. **The Governor vetoed this section.**

**Public Employee Health Care Coverage Committee - Appointment** - Section 9 creates a new section to North Dakota Century Code Chapter 54-35 to establish the appointment of committee members for a newly created Public Employee Health Care Coverage Committee. **The Governor vetoed this section.**

**Public Employee Health Care Coverage Committee - Powers and duties** - Section 10 creates a new section to Chapter 54-35 to establish powers and duties of a newly created Public Employee Health Care Coverage Committee. **The Governor vetoed this section.**

**Public Employee Retirement System Board** - Section 11 creates a new subsection to Section 54-52-04 for the PERS Board to establish policies and implement procedures to make and collect payments in the most cost-effective manner, including the use of electronic transfer of funds.

**Uniform group insurance program - Compliance with federal requirements** - Section 12 amends Section 54-52.1-08.2 relating to notifying the Public Employee Health Care Coverage Committee of any approvals from the Employee Benefits Programs Committee relating to any modifications of compliance to federal requirements relating to uniform group insurance programs. **The Governor vetoed this section.**

**Effective date** - Section 13 provides that Sections 8, 9, 10, and 12 of the bill are effective through July 31, 2019, and after that date are ineffective. **The Governor vetoed this section.**

### Related Legislation

**House Bill No. 1148** - Provides changes to the public employee retirement plan for firefighters.

**House Bill No. 1156** - Provides changes to the definition of medical marijuana and prohibiting the payment of worker's compensation benefits for medical marijuana.

**House Bill No. 1403** - Provides changes to the public employee health benefits transparency.

**Senate Bill No. 2052** - Provides changes to the PERS uniform group insurance coverage of telehealth services.

**Senate Bill No. 2053** - Provides changes relating to the definitions of retirement and retirement board, eligibility for disability retirement and early retirement benefits under PERS, employee enrollment, billing for the retiree health insurance credit, temporary employee participation in the uniform group insurance program failure

to maintain a health savings account when high-deductible health plan is elected, payment of administrative expenses of the defined contribution plan, and penalties for employers failing to pay contributions under the defined contribution plan.

**Senate Bill No. 2107** - Provides retroactive health insurance coverage since August 19, 2016, for National Guard service members performing state active duty in response to state emergencies.