



Public Employees Retirement System
Department No. 192
2025 House Bill No. 1023

REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum budget recommendation	40.50	\$0	\$13,818,430	\$13,818,430
Revisions - Increase (decrease)	0.00	0	(80,369)	(80,369)
Armstrong budget recommendation	40.50	\$0	\$13,738,061	\$13,738,061
Base level	40.50	0	10,898,654	10,898,654
Increase (decrease)	0.00	\$0	\$2,839,407	\$2,839,407
Percentage increase (decrease)	0.0%	N/A	26.1%	26.1%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Adds \$359,837 from special funds for salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Adds \$252,222 from special funds for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds funding from special funds to replace the 2023-25 biennium new FTE pool (\$980,870) and vacant FTE pool (\$220,377)
- Adds \$45,000 from special funds for temporary salaries for an office intern position
- Adds \$310,906 from special funds for the cost to continue information technology (IT) increases (\$298,906) and increased rent costs (\$12,000)
- Adds \$539,595 of one-time funding from special funds for IT contractual services to automate the PERSLink business system

Deficiency Appropriations

There are no deficiency appropriations recommended in the executive budget for this agency.

Significant Audit Findings

The audits of Public Employees Retirement System (PERS), conducted by CliftonLarsonAllen LLP, Certified Public Accountants, for the periods ending June 30, 2022, June 30, 2023, and June 30, 2024, did not identify any significant audit findings.

The *Schedules of Employer Allocations and Pension Amounts by Employer*, prepared for PERS and audited by CliftonLarsonAllen LLP, for the periods ending June 30, 2022, and June 30, 2023, did not identify any significant audit findings.

The other postemployment benefits schedule, prepared for PERS and audited by CliftonLarsonAllen LLP, for the periods ending June 30, 2022, and June 30, 2023, did not identify any significant audit findings.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency did not have any fees.

Major Related Legislation

House Bill No. 1113 - This bill requires PERS 457 deferred compensation plan participants to pay for administrative costs of the plan and authorizes PERS a continuing appropriation for contribution payments. Currently, the fees are paid through continuing appropriation by using Federal Insurance Contributions Act savings and participant contributions from other PERS plans or insurance reserves.

House Bill No. 1114 - This bill establishes an out-of-pocket limit on the cost of covered insulin drugs, resulting in a shift in the cost of the benefit from participants to the health insurance plan.

House Bill No. 1146 - This bill authorizes political subdivisions that are not participating the PERS main system defined benefit (DB) retirement plan to join the new defined contribution (DC) retirement plan and clarifies that only state agencies that receive budgetary approval from the Legislative Assembly are required to pay for the actuarially determined employer contribution rate and the incentive payment for state employees to transfer from the DB plan to the DC plan.

Senate Bill No. 2160 - This bill requires PERS to provide state employees and non-Medicare retirees a nongrandfathered health insurance plan rather than a grandfathered health insurance plan.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Public Employees Retirement System - Budget No. 192
Agency Worksheet - House Bill No. 1023

	Armstrong Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	40.50	\$0	\$10,898,654	\$10,898,654
2025-27 Ongoing Funding Changes				
Base payroll changes			(\$22,226)	(\$22,226)
Cost to continue salary increases			152,826	152,826
Salary increase			359,837	359,837
Health insurance increase			252,222	252,222
Adds funding to replace the 2023-25 new FTE pool			980,870	980,870
Adds funding to replace the 2023-25 vacant FTE pool			220,377	220,377
Adds funding for temporary salaries for an office intern position			45,000	45,000
Adds funding for the cost to continue IT increases			298,906	298,906
Adds funding for rent increase			12,000	12,000
Total ongoing funding changes	0.00	\$0	\$2,299,812	\$2,299,812
One-Time Funding Items				
Adds funding for IT contractual services to automate the PERSLink business system			\$539,595	\$539,595
Total one-time funding changes	0.00	\$0	\$539,595	\$539,595
Total Changes to Base Level Funding	0.00	\$0	\$2,839,407	\$2,839,407
2025-27 Total Funding	40.50	\$0	\$13,738,061	\$13,738,061
<i>Federal funds included in other funds</i>			\$0	
<i>Total ongoing changes - Percentage of base level</i>	0.0%	N/A	21.1%	21.1%
<i>Total changes - Percentage of base level</i>	0.0%	N/A	26.1%	26.1%