

2023 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1309

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1309
1/26/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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Chairman Schauer called the meeting to order at 9:30 AM.

Chairman Austen Schauer, Vice Chairman Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Steve Vetter, and Mary Schneider present. Rep. Vicky Steiner not present.

Discussion Topics:

- Age of retirement
- Recruitment and retention
- Physical and emotional
- Average age of hires
- Competition of wages.
- Length of benefit plans

Representative Boschee introduced HB 1309 with supportive testimony. (#16970)

Lonnie Grabowska, Director of the North Dakota Bureau of Criminal Investigation with the North Dakota Office of Attorney General, testimony in support of bill. (#15571, #15572, #15573)

Claire Ness, Chief Deputy Attorney General, verbally testified in support of bill.

Danel Presky, Executive Director for the North Dakota Sheriffs and Deputies Association, verbally testified, neutral to bill.

Scott Miller, Executive Director for the Public Employees Retirement System, offered testimony that is neutral to HB 1309. (#16906)

Chairman Schauer adjourned the meeting at 10:08 AM

Phillip Jacobs, Committee Clerk By: Leah Kuball

2023 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Pioneer Room, State Capitol

HB 1309
2/2/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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Chairman Schauer called the meeting to order at 11:09 AM.

Chairman Austen Schauer, Vice Chairman Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, Mary Schneider. All present.

Discussion Topics:

- Committee action

Representative Louser moved a do pass and rereferral to appropriations.

Seconded by Vice Chairman Satrom.

Roll Call Vote:

| Representatives | Vote |
|---------------------------------|------|
| Representative Austen Schauer | Y |
| Representative Bernie Satrom | Y |
| Representative Landon Bahl | Y |
| Representative Claire Cory | Y |
| Representative Jeff A. Hoverson | Y |
| Representative Jorin Johnson | Y |
| Representative Karen Karls | Y |
| Representative Scott Louser | Y |
| Representative Carrie McLeod | Y |
| Representative Karen M. Rohr | N |
| Representative Mary Schneider | Y |
| Representative Vicky Steiner | N |
| Representative Steve Vetter | Y |

Motion carries: 11-2-0.

Bill carrier: Representative Johnson

Chairman Schauer adjourned the meeting at 11:12 AM

Phillip Jacobs, Committee Clerk By: Leah Kuabl

REPORT OF STANDING COMMITTEE

HB 1309: Government and Veterans Affairs Committee (Rep. Schauer, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1309 was rereferred to the **Appropriations Committee**.

2023 HOUSE APPROPRIATIONS

HB 1309

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1309
2/14/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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4:23 PM Chairman Vigesaa- Called the meeting to order and roll call was taken-

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Bellew

Discussion Topics:

- Adjusts Retirement Benefits for BCI Agents
- Investing Period Increase
- Lowering Retirement Age

Representative Schauer- Introduces the bill (Testimony #20832)

Additional written testimony: Lonnie Grabowska #20830

Chairman Vigesaa- Closed the meeting for HB 1309 @ 4:30 PM

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1309
2/16/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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10:50 AM Chairman Vigesaa- Called the meeting to order and roll call was taken-

All Members Present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Discussion Topics:

- **Adjusts Retirement Benefits**
- **Vesting Period from 3 Years to 10**
- **Provides a Multiplier of 3 for 20 Years**

Chairman Vigesaa – Asks for committee discussion on HB 1309

Representative J. Nelson- Move a Do Pass

Representative Nathe- Seconds the motion.

Committee discussion - Roll call vote

| Representatives | Vote |
|----------------------------------|-------------|
| Representative Don Vigesaa | Y |
| Representative Keith Kempenich | Y |
| Representative Bert Anderson | Y |
| Representative Larry Bellew | N |
| Representative Mike Brandenburg | Y |
| Representative Karla Rose Hanson | Y |
| Representative Gary Kreidt | Y |
| Representative Bob Martinson | Y |
| Representative Lisa Meier | Y |
| Representative Alisa Mitskog | Y |
| Representative Corey Mock | Y |
| Representative David Monson | N |
| Representative Mike Nathe | Y |
| Representative Jon O. Nelson | Y |

| | |
|------------------------------------|---|
| Representative Emily O'Brien | Y |
| Representative Brandy Pyle | Y |
| Representative David Richter | Y |
| Representative Mark Sanford | Y |
| Representative Mike Schatz | N |
| Representative Randy A. Schobinger | N |
| Representative Greg Stemen | Y |
| Representative Michelle Strinden | Y |
| Representative Steve Swiontek | Y |

Motion Carries 19-4-0 Representative J. Johnson will carry the bill.

11:01 AM Chairman Vigesaa Closes the meeting for HB 1309

Risa Berube, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1309: Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO PASS** (19 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HB 1309 was placed on the Eleventh order on the calendar.

2023 SENATE STATE AND LOCAL GOVERNMENT

HB 1309

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

HB 1309
3/9/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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2:20 PM Chair Roers opened the hearing. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- Agents
- Multiplier
- Employees
- System improvement
- Vesting

Rep Josh Boschee, Dist 44, bill sponsor testified in support #23336.

Lonnie Grabowska, Dir ND Bureau Criminal Investigation, testified in support #22320, #22318, #22319.

Scott Miller, Dir Public Employee Retirement System, testified neutral #22330.

Rebecca Fricke, Benefits officer, Public Employee Retirement System, answered questions.

Stephanie Dassinger Engebretson, Chief Police Assoc and ND League of Cities, testified opposed. #23456.

Donelle Presky, Deputies Assoc, testified opposed with no written testimony.

2:45 PM Chair Roers closed the hearing.

Pam Dever, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

HB 1309
3/10/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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11:09 AM Chair Roers opened committee work. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- Committee action

Sen Estenson moved a DO NOT PASS.

Sen Lee seconded the motion.

| Senators | Vote |
|--------------------------|------|
| Senator Kristin Roers | Y |
| Senator Jeff Barta | Y |
| Senator Ryan Braunberger | N |
| Senator Sean Cleary | AB |
| Senator Judy Estenson | Y |
| Senator Judy Lee | Y |

ROLL CALL VOTE: Yes – 4 NO – 1 Absent – 1 Motion PASSED

Senator Cleary will carry the bill.

11:16 AM Chair Roers adjourned the meeting.

Committee reconsidered HB 1309 on March 16, 2023.

Pam Dever, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee Room JW216, State Capitol

HB 1309
3/16/2023

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| Relating to retirement benefits for peace officers employed by the bureau of criminal investigation. |
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10:57 AM Chair Roers opened committee work. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

Discussion Topics:

- Committee action

Sen Lee moved to reconsider HB 1309. Sen Braunberger seconded.

| Senators | Vote |
|--------------------------|------|
| Senator Kristin Roers | Y |
| Senator Jeff Barta | Y |
| Senator Ryan Braunberger | Y |
| Senator Sean Cleary | Y |
| Senator Judy Estenson | Y |
| Senator Judy Lee | Y |

ROLL CALL VOTE: YES – 6 NO – 0 Absent – 0 Motion PASSED Sen Cleary

moved amendment LC 23.0843.01001 (25874). Sen Barta seconded.

| Senators | Vote |
|--------------------------|------|
| Senator Kristin Roers | Y |
| Senator Jeff Barta | Y |
| Senator Ryan Braunberger | Y |
| Senator Sean Cleary | Y |
| Senator Judy Estenson | Y |
| Senator Judy Lee | Y |

ROLL CALL VOTE: YES – 6 NO – 0 Absent – 0 Motion PASSED

Sen Cleary moved Do Pass as Amended and Rerefer to Appropriations. Sen Braunberger seconded.

| Senators | Vote |
|--------------------------|------|
| Senator Kristin Roers | N |
| Senator Jeff Barta | N |
| Senator Ryan Braunberger | Y |
| Senator Sean Cleary | Y |
| Senator Judy Estenson | N |
| Senator Judy Lee | Y |

ROLL CALL VOTE: YES – 3 NO – 3 Absent -0 Motion FAILED

Sen Cleary moved a DO PASS as Amended and Rerefer to Appropriations.

Sen Braunberger seconded.

| Senators | Vote |
|--------------------------|-------------|
| Senator Kristin Roers | Y |
| Senator Jeff Barta | Y |
| Senator Ryan Braunberger | Y |
| Senator Sean Cleary | Y |
| Senator Judy Estenson | N |
| Senator Judy Lee | Y |

ROLL CALL VOTE: YES – 5 NO – 1 Absent – 0 Motion PASSED

Sen Cleary will carry the bill.

11:08 AM Chair Roers adjourned the meeting.

Pam Dever, Committee Clerk

March 14, 2023

OK
171
3-16-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1309

Page 1, line 1, after "reenact" insert "section 54-52-06.4,"

Page 1, line 1, after "54-52-17" insert a comma

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.

1.
 - a. Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, ~~and~~ with an additional increase of one percent, beginning with the reporting period of January 2013; with an additional increase of one percent, beginning with the reporting period of January 2024; and with an additional increase of one percent, beginning with the reporting period of January 2025.
 - b. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016.
 - c. The assessment under this subsection must be deducted and retained out of the employee's salary in equal monthly installments.
2. The employer of a peace officer's officer employed by the bureau of criminal investigation or national guard security officer's employer/officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1309: State and Local Government Committee (Sen. K. Roers, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1309 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 1, after "reenact" insert "section 54-52-06.4,"

Page 1, line 1, after "54-52-17" insert a comma

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.

1.
 - a. Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, ~~and~~ with an additional increase of one percent, beginning with the reporting period of January 2013; with an additional increase of one percent, beginning with the reporting period of January 2024; and with an additional increase of one percent, beginning with the reporting period of January 2025.
 - b. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016.
 - c. The assessment under this subsection must be deducted and retained out of the employee's salary in equal monthly installments.
2. The employer of a peace officer/officer employed by the bureau of criminal investigation or national guard security officer's employer/officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment."

ReNUMBER accordingly

2023 SENATE APPROPRIATIONS

HB 1309

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1309
3/27/2023

| |
|--|
| A bill for an act relating to retirement benefits for peace officers employed by the Bureau of Criminal Investigation. |
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9:01 AM Chairman Wanzek called the meeting to order.
Senators Wanzek, Erbele, Roers, Dwyer, and Vedaa were present.

Discussion Topics:

- Bureau of Criminal Investigation (BCI) retirement
- 20-year window of work – physicality of work
- Succession planning
- Early retirement
- Bills' fiscal notes and impacts
- Public Employees Retirement System (PERS)
- Public Safety Retirement Plan (formerly Law Enforcement)
- Vesting period
- BCI frontline officers' life expectancy
- BCI Education and work experience requirements
- Multiplier change
- Benefit plan calculation method

9:02 AM District 44 Representative Josh Boschee testified. Testimony #26661

9:12 AM Scott Miller, Director of ND PERS, testified. (No written testimony)

9:23 AM Lonnie Grabowski, Director of ND BCI, testified. Testimony #26655

9:43 AM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1309
3/27/2023

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|--|
| A bill for an act relating to retirement benefits for peace officers employed by the Bureau of Criminal Investigation (BCI). |
|--|

4:51 PM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele are present.

Discussion Topics:

- Education and experience requirements for BCI agents
- Education and experience requirements for other law enforcement agents

4:52 PM Senator Dwyer moved a Do Pass recommendation for HB 1309.
Senator J. Roers seconded the motion.

| Senators | Vote |
|-------------------------|------|
| Senator Terry M. Wanzek | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Jim P. Roers | Y |
| Senator Shawn Vedaa | Y |

Motion passed 5-0-0

Senator Dwyer will carry this bill.

4:57 PM Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

NOTE: Committee reconsidered actions on March 30, 2023 at 10:18 AM.

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1309
3/30/2023

A bill for an act relating to retirement benefits for peace officers employed by the Bureau of Criminal Investigation.

10:18 AM Chairman Wanzek opened the meeting.
Senators Wanzek, Dwyer, J. Roers, Vedaa, and Erbele were present.

Discussion Topics:

- Amendment
- Committee action

10:19 AM Senator Dwyer moved to reconsider HB 1309.
Senator Erbele seconded the motion.

| Senators | Vote |
|-------------------------|------|
| Senator Terry M. Wanzek | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Jim P. Roers | Y |
| Senator Shawn Vedaa | Y |

Motion passed 5-0-0

10:21 AM Senator Dwyer moved to adopt Amendment LC 23.0843.01003 for HB 1309.
Senator Erbele seconded the motion.

| Senators | Vote |
|-------------------------|------|
| Senator Terry M. Wanzek | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Jim P. Roers | Y |
| Senator Shawn Vedaa | Y |

Motion passed 5-0-0

10:23 AM Senator Dwyer moved a Do Pass as Amended for HB 1309.
Senator Erbele seconded the motion.

| Senators | Vote |
|-------------------------|------|
| Senator Terry M. Wanzek | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Jim P. Roers | Y |
| Senator Shawn Vedaa | Y |

Motion passed 5-0-0
Senator Dwyer will carry the bill.

10:31 AM Chairman Wanzek closed the meeting.
Carol Thompson, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1309
3/31/2023

Relating to retirement benefits for peace officers employed by the bureau of criminal investigation.

9:00 AM Vice Chair Krebsbach opened the meeting on HB 1309.

Members present: Senators Bekkedahl, Krebsbach, Burckhard, Davison, Dever, Dwyer, Erbele, Kreun, Mathern, Meyer, Roers, Schaible, Sorvaag, Vedaa, Wanzek, and Rust.

Discussion Topics:

- Committee action

9:00 AM Senator Dwyer introduced the bill.

9:05 AM Senator Dwyer moved to adopt amendment. LC 23.0843.01003 (#27139)

9:05 AM Senator Burckhard seconded.

Roll call vote.

| Senators | Vote |
|----------------------------|------|
| Senator Brad Bekkedahl | Y |
| Senator Karen K. Krebsbach | Y |
| Senator Randy A. Burckhard | Y |
| Senator Kyle Davison | Y |
| Senator Dick Dever | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Curt Kreun | Y |
| Senator Tim Mathern | Y |
| Senator Scott Meyer | Y |
| Senator Jim P. Roers | Y |
| Senator David S. Rust | Y |
| Senator Donald Schaible | Y |
| Senator Ronald Sorvaag | Y |
| Senator Shawn Vedaa | Y |
| Senator Terry M. Wanzek | Y |

Motion passed. 16-0-0

9:12 AM Senator Dwyer moved DO PASS as Amended.

9:12 AM Senator Burckhard seconded.

Roll call vote.

| Senators | Vote |
|----------------------------|-------------|
| Senator Brad Bekkedahl | Y |
| Senator Karen K. Krebsbach | Y |
| Senator Randy A. Burckhard | Y |
| Senator Kyle Davison | Y |
| Senator Dick Dever | Y |
| Senator Michael Dwyer | Y |
| Senator Robert Erbele | Y |
| Senator Curt Kreun | Y |
| Senator Tim Mathern | Y |
| Senator Scott Meyer | Y |
| Senator Jim P. Roers | Y |
| Senator David S. Rust | Y |
| Senator Donald Schaible | Y |
| Senator Ronald Sorvaag | Y |
| Senator Shawn Vedaa | Y |
| Senator Terry M. Wanzek | Y |

Motion passed. 16-0-0

Senator Dwyer will carry the bill.

9:15 AM Vice Chair Krebsbach closed the meeting.

Justin Boone on behalf of Kathleen Hall, Committee Clerk

4
03-31-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1309

In lieu of the amendments adopted by the Senate as printed on pages 1024 and 1025 of the Senate Journal, House Bill No. 1309 is amended as follows:

Page 1, line 1, replace "subdivision" with "section 54-52-06.4, subdivisions"

Page 1, line 1, after "e" insert "and g"

Page 1, line 1, after "54-52-17" insert a comma

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.

1.
 - a. Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, ~~and~~ with an additional increase of one percent, beginning with the reporting period of January 2013; with an additional increase of one percent, beginning with the reporting period of January 2024; and with an additional increase of one percent, beginning with the reporting period of January 2025.
 - b. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016.
 - c. The assessment under this subsection must be deducted and retained out of the employee's salary in equal monthly installments.
2. The employer of a peace officer's officer employed by the bureau of criminal investigation or national guard security officer's employer officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment."

Page 1, after line 20, insert:

"SECTION 3. AMENDMENT. Subdivision g of subsection 3 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

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03-31-23

- g. (1) ~~Early retirement date, except for a national guard security officer or firefighter, a firefighter employed by a political subdivision, or a peace officer, or correctional officer employed by the bureau of criminal investigation or by a political subdivision, or a peace officer employed by the bureau of criminal investigation, is the first day of the month next following the month in which the member attains the age of fifty-five years and has completed three years of eligible employment.~~
- (2) For a national guard security officer or firefighter, early retirement date is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty years and has completed at least three years of eligible employment.
- (3) For a firefighter ~~employed by a political subdivision or a peace officer, or correctional officer employed by the bureau of criminal investigation or by a political subdivision,~~ early retirement date is the first day of the month next following the month in which the peace officer, firefighter, or correctional officer attains the age of fifty years and has completed at least three years of eligible employment.
- (4) For a peace officer employed by the bureau of criminal investigation:
 - (a) Before August 1, 2023, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed at least three years of eligible employment.
 - (b) After July 31, 2023, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed at least ten years of eligible employment."

Renumber accordingly

2

REPORT OF STANDING COMMITTEE

HB 1309, as amended: Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1309, as amended, was placed on the Sixth order on the calendar. This bill affects workforce development.

In lieu of the amendments adopted by the Senate as printed on pages 1024 and 1025 of the Senate Journal, House Bill No. 1309 is amended as follows:

Page 1, line 1, replace "subdivision" with "section 54-52-06.4, subdivisions"

Page 1, line 1, after "e" insert "and g"

Page 1, line 1, after "54-52-17" insert a comma

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.

1.
 - a. Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012; ~~and; with an additional increase of one percent, beginning with the reporting period of January 2013; with an additional increase of one percent, beginning with the reporting period of January 2024; and with an additional increase of one percent, beginning with the reporting period of January 2025.~~
 - b. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016.
 - c. The assessment under this subsection must be deducted and retained out of the employee's salary in equal monthly installments.
2. The employer of a peace officer/officer employed by the bureau of criminal investigation or national guard security officer's employer/officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment."

Page 1, after line 20, insert:

"SECTION 3. AMENDMENT. Subdivision g of subsection 3 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

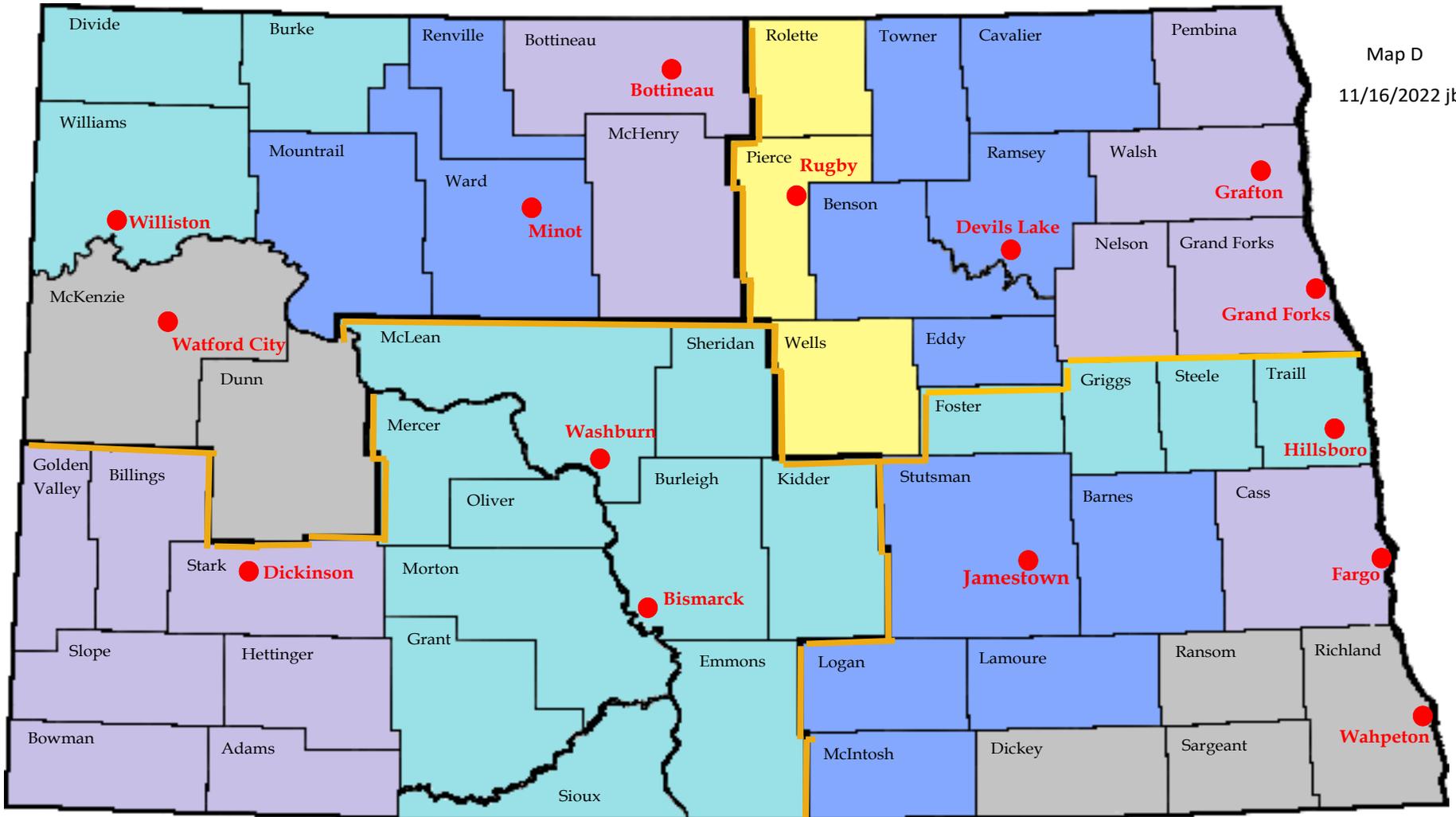
- g. (1) ~~Early retirement date, except for a national guard security officer or firefighter, a firefighter employed by a political subdivision, or a peace officer, or correctional officer employed by the bureau of criminal investigation or by a political subdivision, or a peace officer employed by the bureau of criminal investigation,~~ is the first day of the month next following the month in which the member attains the age of fifty-five years and has completed three years of eligible employment.
- (2) For a national guard security officer or firefighter, early retirement date is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty years and has completed at least three years of eligible employment.
- (3) ~~For a firefighter employed by a political subdivision or a peace officer, or correctional officer employed by the bureau of criminal investigation or by a political subdivision,~~ early retirement date is the first day of the month next following the month in which the peace officer, firefighter, or correctional officer attains the age of fifty years and has completed at least three years of eligible employment.
- (4) For a peace officer employed by the bureau of criminal investigation:
- (a) Before August 1, 2023, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed at least three years of eligible employment.
- (b) After July 31, 2023, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed at least ten years of eligible employment."

Renumber accordingly

TESTIMONY

HB 1309

NORTH DAKOTA BUREAU OF CRIMINAL INVESTIGATION



Map D
11/16/2022 jb

Director Lonnie Grabowska — Unit 400

West Region - C/A Ben Leingang - Unit 402
 Supervisory Special Agent – Pat Lenertz
 Supervisory Special Agent – Mark Nickel
 Supervisory Special Agent - Lindsay Wold

C/A Steve Harstad – Unit 401
 Supervisory Special Agent— Jim Shaw (Cyber Crime)
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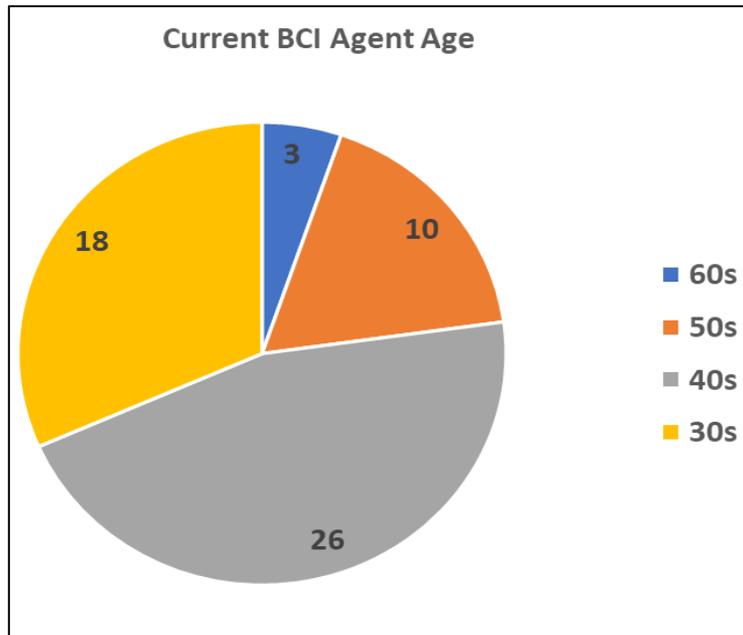
East Region – C/A Casey Miller – Unit 403
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 Supervisory Special Agent - Steve Gilpin



State Law Enforcement (BCI) Retirement Plan

| Benefit Multiplier | Contributions | Vesting | Normal Retirement Age |
|---|--|-----------|---|
| 2.00% - (1.75% for new hires on or after January 1, 2020) | 16.95% Total <ul style="list-style-type: none"> 9.81% Employer 6% Employee 1.14% RHIC | 36 Months | Meet the Rule of 85 or attain age 55 and have 3 years of eligible service |

Current BCI Agent Demographics



Average age of hire for BCI Agents:

33.8

Average age of current BCI Agents:

44.4

Total number of BCI agents:

57

50 male, 7 female

PROPOSED State Law Enforcement (BCI) Retirement Plan in HB 1309

| Benefit Multiplier | Contributions | Vesting | Normal Retirement Age |
|---|---|------------|--|
| 3.00% for first 20 years 1.75% for years over 20 | 28.66% Total (Based on 11.71% increase from actuarial report) <ul style="list-style-type: none"> 21.52% Employer 6% Employee 1.14% RHIC | 120 Months | Meet the Rule of 85 or attain age 55 and have 10 years of eligible service |

Written testimony of Director Lonnie Grabowska
North Dakota Bureau of Criminal Investigation (NDBCI)
North Dakota Office of Attorney's General (NDOAG)

Thursday, January 26, 2023, at 9:00 am (CST)
House Government and Veteran's Affairs Committee
Chairman Austen Schauer

Testimony in support of House Bill (HB) 1309

Chairman and Members of the House Government and Veterans' Affairs Committee:

I am Director Lonnie Grabowska of the Bureau of Criminal Investigation, and I am here on behalf of the Attorney General's Office to testify in support of House Bill 1309. On October 26th, 2022, I testified in front of the Employee Benefits Programs Committee (EBPC) regarding a draft bill (23.0077.01000) to increase the multiplier for the BCI Public Safety retirement plan. The committee moved the bill forward with a unanimous favorable recommendation.

EBPC Chairman Boschee introduced the draft bill as House Bill 1309. It is our goal to improve the system to allow BCI Agents to retire with approximately 60% of their salary after 20 years of active service which typically is around age 55. To be eligible for hire as a BCI agent, an individual must have a bachelor's degree and five years of investigative experience, or an acceptable combination of both. Because of our hiring requirements, the average age of hire for an Agent is 34 years of age.

Under the current 1.75 multiplier in the Public Safety retirement plan, an Agent hired at age 34 would have to work until age 68 to achieve 60% retirement. We are working with NDPERS and Finance Division of the Attorney General's Office to determine the actual cost of the proposed bill. According to the attached fiscal note, the financial cost is estimated to be \$1.37 million per biennium. Also attached for your convenience is a fact sheet with relevant information that I will present at this time.

TESTIMONY OF SCOTT MILLER

House Bill 1309 – BCI Agent Retirement Benefits

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding House Bill 1309.

- Requires new BCI agents to have a ten-year vesting for benefits, up from the current three years
- Increases the retirement multiplier for the first twenty years of service to 3%, and reduces the multiplier for all additional years to 1.75%
- Consultant notes:
 - Extends the projected year of full funding for the entire Public Safety with Prior Main Service system from 2030 to 2034
 - Normal cost increases by 5.38%, from 12.97% to 18.35%
 - Employer contribution rate will increase by 11.71% (currently 9.81%, resulting in an employer contribution rate of 21.52% when this bill becomes effective)
- If HB 1183 also passes (adding State employed public safety officers to this plan), the employer contribution will increase a total of 14.44%



North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Josh Boschee

District 44
517 First Street North
Fargo, ND 58102-4540
jboschee@ndlegis.gov

Minority Leader

COMMITTEES:
Industry, Business and Labor

January 26, 2023

Good morning, Chairman Schauer and members of the House Government and Veterans Committee,

For the record, my name is Josh Boschee and I serve as a Representative from District 44, which comprises downtown and north Fargo.

House Bill 1309 is introduced on behalf of the Bureau of Criminal Investigation, who as most of you know, is our state's law enforcement agency that supports all other law enforcement agencies. Within the last week alone, there have been two public incidents, that we know of, in just eastern part of the state in which BCI agents provided assistance and leadership to our local and county law enforcement agencies. BCI agents play an integral role in investigating fraud, cybercrimes, sexual exploitation of minors and intervening in major illicit drug operations throughout the state.

HB 1309 makes adjustments to the retirement benefits for BCI agents in the following ways:

- Section 1 increases the vesting period to 10 years of service, up from three years of service for current agents
- Section 2 provides a multiplier of three for newly hired agents' first 20 years of service. For any years of service beyond 20 years, the multiplier is reduced to 1.75, which would be in congruence with current agents' multiplier

The goal of these changes are to allow BCI agents to retire closer to the age of 55. You will hear from BCI Director Lonnie Grabowska after me, who can provide more specific information as to why this change is being requested including the reality of balancing the required experience of new agents with the physicality of the job impacting agents who are 55 or older.

The Employee Benefits Program Committee, which I currently chair, provided a unanimous favorable recommendation for this legislation this past October. The strong support is based on the need to make sure that BCI has the ability to recruit and retain the best and brightest law enforcement, while ensuring adequate succession planning for agents who near retirement.

It is my understanding that the amount of funds identified in the fiscal note has already been accounted for in Attorney General Wrigley's budget request.

Chairman Schauer and members of the committee, I respectfully ask for your support of HB 1309. I am happy to answer any questions you may have.



Drew H. Wrigley
ATTORNEY GENERAL

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
www.attorneygeneral.nd.gov
(701) 328-2210

BUREAU OF CRIMINAL INVESTIGATION
1720 BURLINGTON DRIVE, SUITE B, PO BOX 1054
BISMARCK, ND 58502-1054
(701) 328-5500 FAX (701) 328-5510
1-800-472-2185 (Toll Free)

Written testimony of Director Lonnie Grabowska
North Dakota Bureau of Criminal Investigation (NDBCI)
North Dakota Office of Attorney's General (NDOAG)

Tuesday, February 14, 2023, at 4:00 pm (CST)
House Appropriations Committee
Chairman Don Vigesaa

Testimony in support of House Bill (HB) 1309

Chairman Vigesaa and Members of the House Appropriations Committee:

My name is Lonnie Grabowska, and I am the Director of the North Dakota Bureau of Criminal Investigation (NDBCI). I am here on behalf of the North Dakota Office of Attorney's General (NDOAG) to testify in support of House Bill 1309. On October 26th, 2022, I testified in front of the Employee Benefits Programs Committee (EBPC) regarding a draft bill (23.0077.01000) to increase the multiplier for the BCI Public Safety retirement plan. The committee moved the bill forward with a unanimous favorable recommendation.

EBPC Chairman Boschee introduced the draft bill as House Bill 1309. It is our goal to improve the system to allow BCI Agents to retire with approximately 60% of their salary after 20 years of active service which typically is around age 55. To be eligible for hire as a BCI agent, an individual must have a bachelor's degree and five years of investigative experience, or an acceptable combination of both. Because of our hiring requirements, the average age of hire for an Agent is 34 years of age.

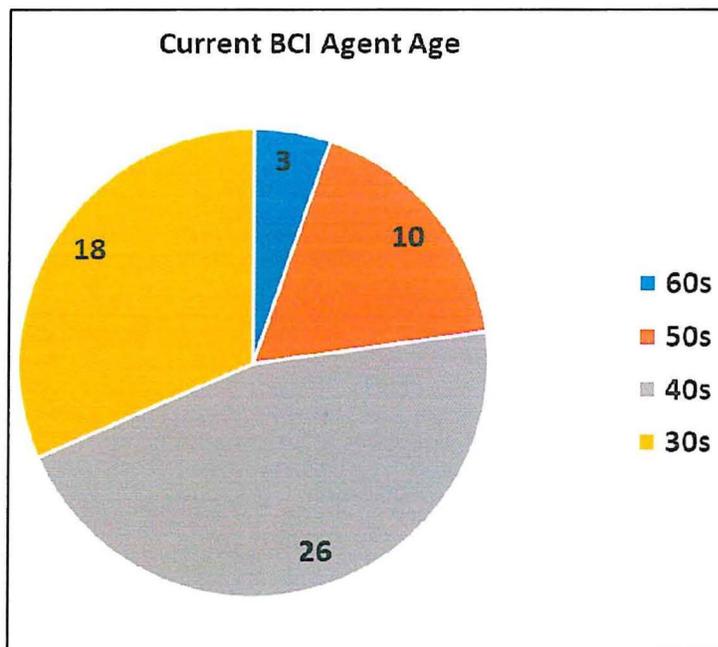
Under the current 1.75 multiplier in the Public Safety retirement plan, an Agent hired at age 34 would have to work until age 68 to achieve 60% retirement. The North Dakota Office of Attorney's General's Finance Division worked with NDPERS to determine the actual cost of the proposed bill. According to the attached fiscal note, the financial cost is estimated to be \$1.37 million per biennium. Also attached for your convenience is a fact sheet with relevant information that I will present at this time.



State Law Enforcement (BCI) Retirement Plan

| Benefit Multiplier | Contributions | Vesting | Normal Retirement Age |
|---|--|-----------|---|
| 2.00% - (1.75% for new hires on or after January 1, 2020) | 16.95% Total <ul style="list-style-type: none"> • 9.81% Employer • 6% Employee • 1.14% RHIC | 36 Months | Meet the Rule of 85 or attain age 55 and have 3 years of eligible service |

Current BCI Agent Demographics



Average age of hire for BCI Agents:

33.8

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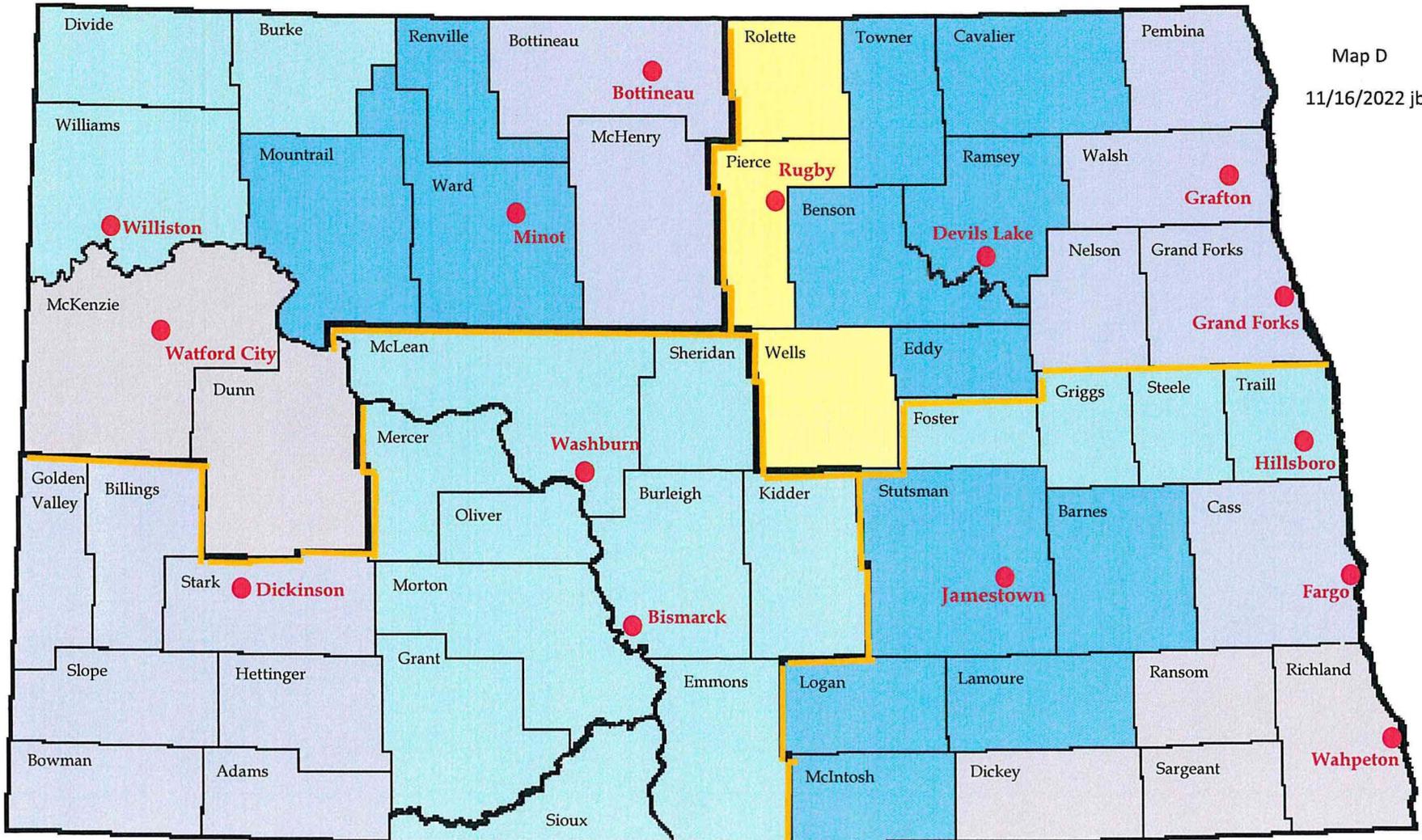
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PROPOSED State Law Enforcement (BCI) Retirement Plan in HB 1309

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NORTH DAKOTA BUREAU OF CRIMINAL INVESTIGATION



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11/16/2022 jb

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- Supervisory Special Agent – Pat Lenertz
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- Supervisory Special Agent— Jim Shaw (Cyber Crime)
- POST & 24/7

East Region – C/A Casey Miller – Unit 403

- Supervisory Special Agent – Arnie Rummel
- Supervisory Special Agent - Steve Gilpin

Good morning, Mr. Chairman, and members of the House Appropriations Committee.

My name is Austen Schauer representing District 13 in West Fargo.

House Bill 1309 received the full blessing of the **Employee Benefits Program Committee** and the **GVA Committee**.

We now seek **your** blessing.

HB 1309 was introduced on behalf of the Bureau of Criminal Investigation who is our state's law enforcement agency that supports all other law enforcement agencies.

BCI agents play an integral role in investigating homicides, suicides, officer involved shootings, sexual assaults, fraud, cybercrimes, sexual exploitation of minors and intervening in major illicit drug operations throughout the state.

House Bill 1309 adjusts the retirement benefits for BCI agents in the following ways:

- **Section 1** increases the vesting period to 10 years of service, up from three years of service for current agents.
- **Section 2** provides a multiplier of *three* for new and currently hired agents for their first 20 years of service.

For any years of service *beyond* 20 years, the multiplier is reduced to 1.75, which would be compatible with the ND PERS Public Safety Plan's current agents' multiplier.

The goal is to allow BCI agents to retire with approximately 60% of their salary **after 20 years** of active service which is typically around the age of 55.

Under the current 1.75 multiplier, an agent hired at age 34 would have to work until **68** to achieve 60% retirement benefit.

The intent of **HB 1309** is to balance the reality of required experience of BCI agents with the physicality of the job impacting agents who are 55 or older.

The average age of when a BCI agent begins his career is 34.

That's because agents are required to have a **four-year bachelor's degree** and a **minimum** of five years of **investigative** experience.

You may be concerned that a change to the BCI Retirement Benefit Plan may lead to a shortfall like the main PERS plan.

However, a study conducted by the University of Buffalo says the average age of law enforcement deaths is between 58 and 61 years old.

The fiscal note of \$1.1 million per biennium would come from the Attorney General although the AG has already included \$543 thousand in its budget to cover the cost of the BCI multiplier.

The essence of **HB 1309** is providing a framework for agents to maximize their skills professionally while providing retirement benefits when needed the most.

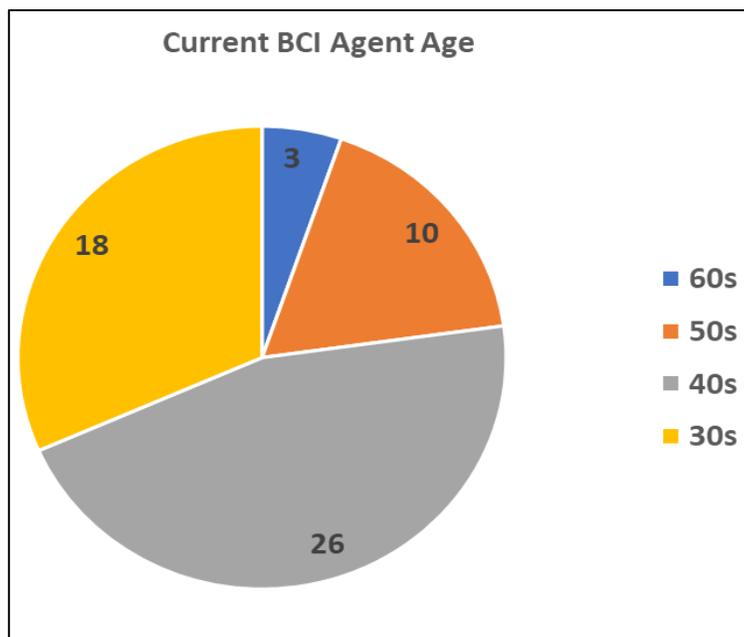
Thank you, Mr. Chairman, and committee members.



State Law Enforcement (BCI) Retirement Plan

| Benefit Multiplier | Contributions | Vesting | Normal Retirement Age |
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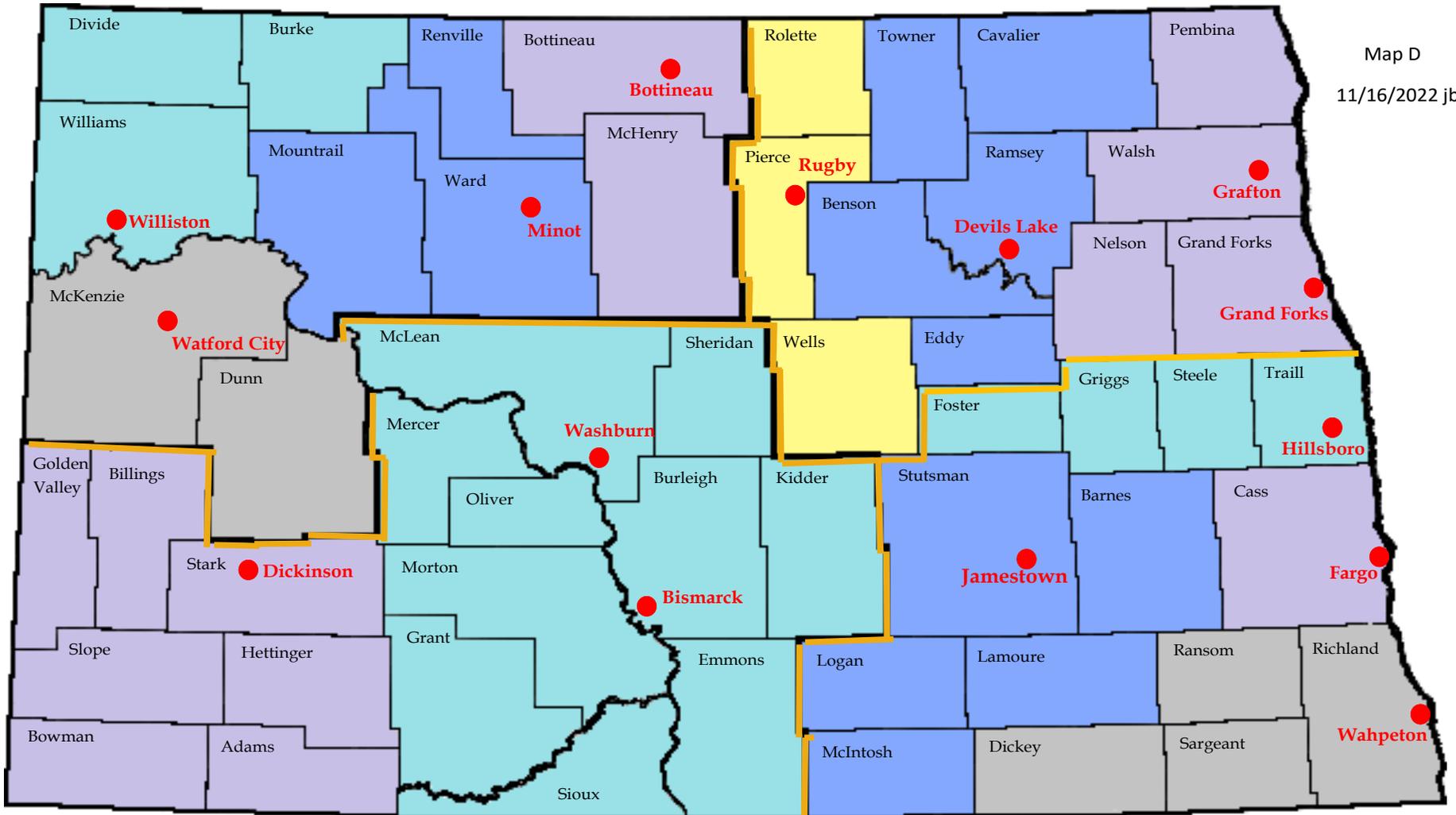
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Written testimony of Director Lonnie Grabowska
North Dakota Bureau of Criminal Investigation (NDBCI)
North Dakota Office of Attorney's General (NDOAG)

Thursday, March 9, 2023, at 2:00 pm (CST)
Senate State and Local Government Committee
Chairwomen Kristin Roers

Testimony in support of House Bill (HB) 1309

Chairwomen Roers and Members of the Senate State and Local Government Committee:

My name is Lonnie Grabowska, and I am the Director of the North Dakota Bureau of Criminal Investigation (NDBCI). I am here on behalf of the North Dakota Office of Attorney's General (NDOAG) to testify in support of House Bill 1309. On October 26th, 2022, I testified in front of the Employee Benefits Programs Committee (EBPC) regarding a draft bill (23.0077.01000) to increase the multiplier for the BCI Public Safety retirement plan. The committee moved the bill forward with a unanimous favorable recommendation.

EBPC Chairman Boschee introduced the draft bill as House Bill 1309. It is our goal to improve the system to allow BCI Agents to retire with approximately 60% of their salary after 20 years of active service which typically is around age 55. To be eligible for hire as a BCI agent, an individual must have a bachelor's degree and five years of investigative experience, or an acceptable combination of both. Because of our hiring requirements, the average age of hire for an Agent is 34 years of age.

Under the current 1.75 multiplier in the Public Safety retirement plan, an Agent hired at age 34 would have to work until age 68 to achieve 60% retirement. The North Dakota Office of Attorney's General's Finance Division worked with NDPERS to determine the actual cost of the proposed bill. According to the attached fiscal note, the financial cost is estimated to be \$1.37 million per biennium. Also attached for your convenience is a fact sheet with relevant information that I will present at this time.

TESTIMONY OF SCOTT MILLER

House Bill 1309 – BCI Agent Retirement Benefits

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding House Bill 1309.

- Requires new BCI agents to have a ten-year vesting for benefits, up from the current three years
- Increases the retirement multiplier for the first twenty years of service to 3%, and reduces the multiplier for all additional years to 1.75%
- Consultant notes:
 - Extends the projected year of full funding for the entire Public Safety with Prior Main Service system from 2030 to 2034
 - Normal cost increases by 5.38%, from 12.97% to 18.35%
 - Employer contribution rate will increase by 11.71% (currently 9.81%, resulting in an employer contribution rate of 21.52% when this bill becomes effective)



North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Josh Boschee

District 44
517 First Street North
Fargo, ND 58102-4540
jboschee@ndlegis.gov

Minority Leader

COMMITTEES:
Industry, Business and Labor

March 9, 2023

Good afternoon, Chair Roers and members of the Senate State and Local Government Committee,

For the record, my name is Josh Boschee and I serve as a Representative from District 44, which comprises downtown and north Fargo.

House Bill 1309 is introduced on behalf of the Bureau of Criminal Investigation, who as most of you know, is our state's law enforcement agency that supports all other law enforcement agencies. BCI agents regularly provide assistance and leadership to our local and county law enforcement agencies. BCI agents play an integral role in investigating fraud, cybercrimes, sexual exploitation of minors and intervening in major illicit drug operations throughout the state.

HB 1309 makes adjustments to the retirement benefits for BCI agents in the following ways:

- Section 1 increases the vesting period to 10 years of service, up from three years of service for current agents
- Section 2 provides a multiplier of three for newly hired agents' first 20 years of service. For any years of service beyond 20 years, the multiplier is reduced to 1.75, which would be in congruence with current agents' multiplier

The goal of these changes is to allow BCI agents to retire closer to the age of 55. You will hear from BCI Director Lonnie Grabowska after me, who can provide more specific information as to why this change is being requested including the reality of balancing the required experience of new agents with the physicality of the job impacting agents who are 55 or older.

We have begun to hear from the League of Cities on behalf of Police Chiefs and the Association of Counties on behalf of Sheriffs that they would like to be a part of the conversation. I would welcome them to be included in the bill, if their members wish.

The Employee Benefits Program Committee, which I currently chair, provided a unanimous favorable recommendation for this legislation this past October. The strong support is based on the need to make sure that BCI has the ability to recruit and retain the best and brightest law enforcement, while ensuring adequate succession planning for agents who are near retirement.

It is my understanding that the Attorney General's office is working with their respective Appropriations subdivision to have the funds necessary for this change to be included in their budget. As you can see in the legislative history, 1309 received strong support from the House Appropriations committee (19-4) before being approved 87-7 by the full House.

Chair Roers and members of the committee, I respectfully ask for your support of HB 1309. I am happy to answer any questions you may have.

March 9, 2023

Senate State and Local Government Committee

HB 1309

Sen. Roers, Chair

For the record, I am Stephanie Dassinger Engebretson. I am appearing on behalf of the Chiefs of Police Association of North Dakota. I am also the deputy director and attorney for the North Dakota League of Cities.

The Chiefs of Police appear in opposition to HB 1309. This bill has generated a lot of discussion amongst the Chiefs, and they were very hesitant to oppose this bill. The Chiefs agree that the policy reasons that the North Dakota Bureau of Criminal Investigation (BCI) have presented in favor of HB 1309 have merit; however, the Chiefs believe the same policy reasons exist to increase the multiplier for all of law enforcement officers in the Public Employee Retirement System (PERS) Public Safety System to 3% for the first 20 years of service. Further, the Chiefs believe that by increasing the retirement multiplier for only BCI Agents, it will further exacerbate the retention issues they have related to losing their experienced investigators to the BCI.

The Chiefs of Police believe this issue needs further work in the interim to see if there are ways to make sure that changing the retirement multiplier for one group of law enforcement does not unintentionally negatively impact the recruitment of officers for other law enforcement agencies.

23.0843.01001
Title.02000

Prepared by the Legislative Council staff for
Senator Cleary

March 14, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1309

Page 1, line 1, after "reenact" insert "section 54-52-06.4,"

Page 1, line 1, after "54-52-17" insert a comma

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.

1.
 - a. Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, ~~and~~; with an additional increase of one percent, beginning with the reporting period of January 2013; with an additional increase of one percent, beginning with the reporting period of January 2024; and with an additional increase of one percent, beginning with the reporting period of January 2025.
 - b. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016.
 - c. The assessment under this subsection must be deducted and retained out of the employee's salary in equal monthly installments.
2. The employer of a peace officer's officer employed by the bureau of criminal investigation or national guard security officer's employer officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment."

Renumber accordingly



Drew H. Wrigley
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Written testimony of Director Lonnie Grabowska
North Dakota Bureau of Criminal Investigation (NDBCI)
North Dakota Office of Attorney's General (NDOAG)

Monday, March 27, 2023, at 9:00 am (CST)
Senate Appropriations Government Operations Division
Chairmen Terry Wanzek

Testimony in support of House Bill (HB) 1309

Chairmen Wanzek and Members of the Senate Appropriations Government Operations Division:

My name is Lonnie Grabowska, and I am the Director of the North Dakota Bureau of Criminal Investigation (NDBCI). I am here on behalf of the North Dakota Office of Attorney's General (NDOAG) to testify in support of House Bill 1309. On October 26th, 2022, I testified in front of the Employee Benefits Programs Committee (EBPC) regarding a draft bill (23.0077.01000) to increase the multiplier for the BCI Public Safety retirement plan. The committee moved the bill forward with a unanimous favorable recommendation.

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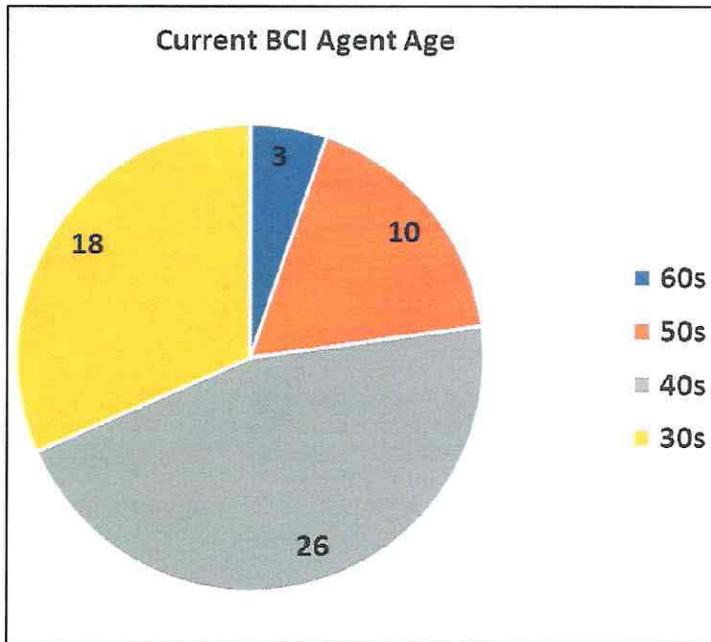
NDBCI worked with Senator Sean Cleary to amend House Bill 1309, when the bill was being reviewed by the Senate State and Local Government Committee. The amendment increases the employee contribution 2%, ultimately raising the current employee contribution of 6% to 8% over the next two years. The amendment results in a reduction to the initial fiscal note.



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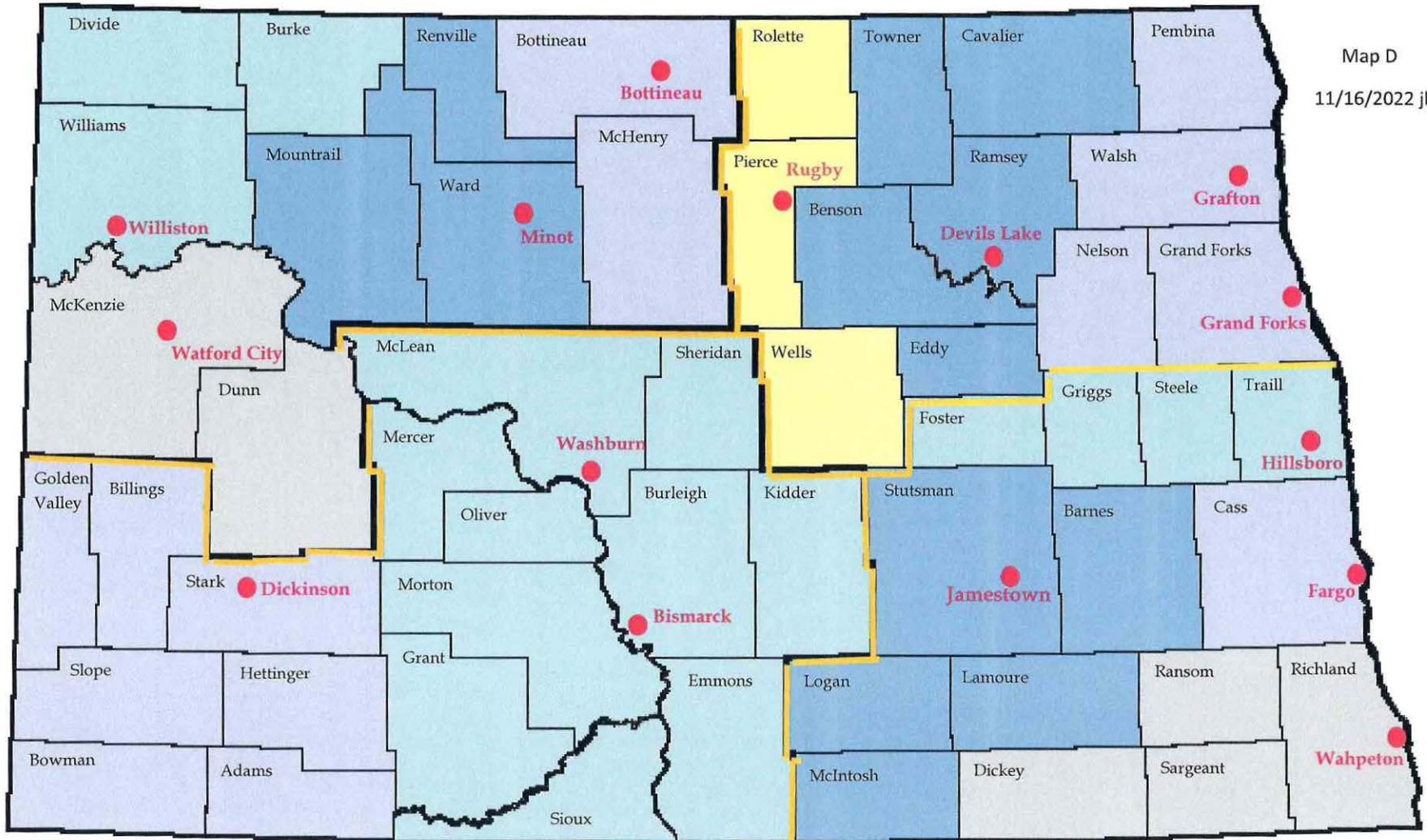
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NORTH DAKOTA BUREAU OF CRIMINAL INVESTIGATION

Map D

11/16/2022 jb



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COMMITTEES:
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March 27, 2023

Good morning, Chair Wanzek and members of the Government Operations Subdivision of the Senate Appropriations Committee,

For the record, my name is Josh Boschee and I serve as a Representative from District 44, which comprises downtown and north Fargo.

House Bill 1309 is introduced on behalf of the Bureau of Criminal Investigation, who as most of you know, is our state's law enforcement agency that supports all other law enforcement agencies. BCI agents regularly provide assistance and leadership to our local and county law enforcement agencies. BCI agents play an integral role in investigating fraud, cybercrimes, sexual exploitation of minors and intervening in major illicit drug operations throughout the state.

HB 1309 makes adjustments to the retirement benefits for BCI agents and in collaboration with BCI, has been amended to the 2000 version in front of you, however I have attached to my testimony a proposed further amended version for your consideration that includes a technical correction, which I will use to walk you through the sections:

- Section 1 requires BCI agents to increase their contribution to their retirement by 1% over the next two calendar years
- Section 2 increases the vesting period to 10 years of service for BCI agents, up from three years of service for current agents
- Section 3 is the further amendment beyond the Senate's 6th order action, which was flagged by PERS to address BCI agents eligibility for early retirement
- Section 4 provides a multiplier of three for newly hired agents' first 20 years of service. For any years of service beyond 20 years, the multiplier is reduced to 1.75, which would be in congruence with current agents' multiplier

The goal of these changes is to allow BCI agents to retire closer to the age of 55. You will hear from BCI Director Lonnie Grabowska after me, who can provide more specific information as to why this change is being requested including the reality of balancing the required experience of new agents with the physicality of the job impacting agents who are 55 or older.

The Employee Benefits Program Committee, which I currently chair, provided a unanimous favorable recommendation for this legislation this past October and will review the actuarial analysis of the amended version at our meeting tomorrow afternoon. The strong support is based on the need to make sure that BCI has the ability to recruit and retain the best and brightest law enforcement, while ensuring adequate succession planning for agents who are near retirement.

It is my understanding that the Attorney General's office is working with their respective Appropriations subdivision to have the funds necessary for this change to be included in their budget. As you can see in the legislative history, 1309 received strong support from the three committees it has been in front of, the full House and now hopefully the Senate Appropriations committee.

Chair Wanzek and members of the committee, I am happy to answer any questions you may have.

HOUSE BILL NO. 1309

Introduced by

Representatives Boschee, Heinert, Martinson, Nathe, M. Ruby, Schneider

Senators Braunberger, Cleary, Dever, K. Roers

1 A BILL for an Act to amend and reenact ~~subdivision~~ section 54-52-06.4, subdivisions e and g of
2 subsection 3 of section 54-52-17, and subsection 4 of section 54-52-17 of the North Dakota
3 Century Code, relating to retirement benefits for peace officers employed by the bureau of
4 criminal investigation.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 54-52-06.4 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-52-06.4. Contribution by peace officers employed by the bureau of criminal**
9 **investigation or security officers employed by the national guard - Employer**
10 **contribution.**

11 1. a. Each peace officer employed by the bureau of criminal investigation who is a
12 member of the public employees retirement system is assessed and shall pay
13 monthly four percent of the employee's monthly salary. Peace officer
14 contributions increase by one percent of the member's monthly salary beginning
15 with the monthly reporting period of January 2012, ~~and~~ with an additional
16 increase of one percent, beginning with the reporting period of January 2013;
17 with an additional increase of one percent, beginning with the reporting period of
18 January 2024; and with an additional increase of one percent, beginning with the
19 reporting period of January 2025.

20 b. Effective August 1, 2015, each national guard security officer who is a member of
21 the public employee's retirement system is assessed and monthly shall pay six
22 percent of the employee's monthly salary. National guard security officer
23 contributions decrease by one-half of one percent of the member's monthly
24 salary beginning with the monthly reporting period of January 2016.

1 c. The assessment under this subsection must be deducted and retained out of the
2 employee's salary in equal monthly installments.

3 2. The employer of a peace officer's officer employed by the bureau of criminal
4 investigation or national guard security officer's employer officer shall contribute an
5 amount determined by the board to be actuarially required to support the level of
6 benefits specified in section 54-52-17. The employer's contribution must be paid from
7 funds appropriated for salary or from any other funds available for such purposes. If
8 the peace officer's or security officer's assessment is paid by the employer under
9 subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount
10 equal to the required peace officer's or security officer's assessment.

11 **SECTION 2. AMENDMENT.** Subdivision e of subsection 3 of section 54-52-17 of the North
12 Dakota Century Code is amended and reenacted as follows:

13 e. Normal retirement date for a peace officer employed by the bureau of criminal
14 investigation is:

15 (1) ~~The~~

16 (1) (a) For a member employed before August 1, 2023, the first day of the
17 month next following the month in which the peace officer attains the
18 age of fifty-five years and has completed at least three eligible years
19 of employment; and

20 (b) For a member employed after July 31, 2023, the first day of the month
21 next following the month in which the peace officer attains the age of
22 fifty-five years and has completed at least ten eligible years of
23 employment; or

24 (2) When the peace officer has a combined total of years of service credit and
25 years of age equal to eighty-five and has not received a retirement benefit
26 under this chapter.

27 **SECTION 3. AMENDMENT.** Subdivision g of subsection 3 of section 54-52-17 of the North
28 Dakota Century Code is amended and reenacted as follows:

29 g. (1) Early retirement date, except for a national guard security officer or
30 firefighter, a firefighter ~~employed by a political subdivision, or a~~ peace
31 officer, or correctional officer employed by ~~the bureau of criminal~~

1 ~~investigation or by a political subdivision, or a peace officer employed by the~~
2 ~~bureau of criminal investigation.~~ is the first day of the month next following
3 the month in which the member attains the age of fifty-five years and has
4 completed three years of eligible employment.

5 (2) For a national guard security officer or firefighter, early retirement date is the
6 first day of the month next following the month in which the national guard
7 security officer or firefighter attains the age of fifty years and has completed
8 at least three years of eligible employment.

9 (3) ~~For a firefighter employed by a political subdivision or a peace officer, or~~
10 ~~correctional officer employed by the bureau of criminal investigation or by a~~
11 ~~political subdivision, early retirement date is the first day of the month next~~
12 ~~following the month in which the peace officer, firefighter, or correctional~~
13 ~~officer attains the age of fifty years and has completed at least three years~~
14 ~~of eligible employment.~~

15 (4) For a peace officer employed by the bureau of criminal investigation:

16 (a) Before August 1, 2023, early retirement date is the first day of the
17 month next following the month in which the peace officer attains the
18 age of fifty years and has completed at least three years of eligible
19 employment.

20 (b) After July 31, 2023, early retirement date is the first day of the month
21 next following the month in which the peace officer attains the age of
22 fifty years and has completed at least ten years of eligible
23 employment.

24 **SECTION 4. AMENDMENT.** Subsection 4 of section 54-52-17 of the North Dakota Century
25 Code is amended and reenacted as follows:

26 4. The board shall calculate retirement benefits as follows:

27 a. Normal retirement benefits for all retirees, except supreme and district court
28 judges and peace officers employed by the bureau of criminal investigation,
29 reaching normal retirement date equal an annual amount, payable monthly,
30 comprised of a service benefit and a prior service benefit, as defined in this
31 chapter, which is determined as follows:

- 1 (1) For members first enrolled:
- 2 (a) Before January 1, 2020, service benefit equals two percent of final
- 3 average salary multiplied by the number of years of service
- 4 employment.
- 5 (b) After December 31, 2019, service benefit equals one and seventy-five
- 6 hundredths percent of final average salary multiplied by the number of
- 7 years of service employment.
- 8 (2) Prior service benefit equals two percent of final average salary multiplied by
- 9 the number of years of prior service employment.
- 10 b. Normal retirement benefits for all supreme and district court judges under the
- 11 public employees retirement system reaching normal retirement date equal an
- 12 annual amount, payable monthly, comprised of a benefit as defined in this
- 13 chapter, determined as follows:
- 14 (1) Benefits must be calculated from the time of appointment or election to the
- 15 bench and must equal three and one-half percent of final average salary
- 16 multiplied by the first ten years of judicial service, two and eighty hundredths
- 17 percent of final average salary multiplied by the second ten years of judicial
- 18 service, and one and one-fourth percent of final average salary multiplied by
- 19 the number of years of judicial service exceeding twenty years.
- 20 (2) Service benefits must include, in addition, an amount equal to the percent
- 21 specified in subdivision a of final average salary multiplied by the number of
- 22 years of nonjudicial employee service and employment.
- 23 c. Normal retirement benefits for a peace officer employed by the bureau of criminal
- 24 investigation reaching the normal retirement date equals an annual amount,
- 25 payable monthly, comprised of a service benefit and a prior service benefit
- 26 determined as follows:
- 27 (1) The first twenty years of credited service multiplied by three percent of final
- 28 average salary.
- 29 (2) For years in excess of twenty years of credited service multiplied by one
- 30 and seventy-five hundredths percent of final average salary.

- 1 d. Postponed retirement benefits are calculated as for single life benefits for those
2 members who retired on or after July 1, 1977.
- 3 d.e. Early retirement benefits are calculated as for single life benefits accrued to the
4 date of termination of employment, but must be actuarially reduced to account for
5 benefit payments beginning before the normal retirement date, as determined
6 under subsection 3. Except for a national guard security officer or firefighter, a
7 firefighter employed by a political subdivision, a peace officer or correctional
8 officer employed by the bureau of criminal investigation or by a political
9 subdivision, or a supreme court or district court judge, early retirement benefits
10 for members first enrolled after December 31, 2015, are calculated for single life
11 benefits accrued to the date of termination of employment, but must be reduced
12 by fixed rate of eight percent per year to account for benefit payments beginning
13 before the normal retirement date. A retiree, other than a supreme or district court
14 judge, is eligible for early retirement benefits only after having completed three
15 years of eligible employment. A supreme or district court judge retiree is eligible
16 for early retirement benefits only after having completed five years of eligible
17 employment.
- 18 e.f. Except for supreme and district court judges, disability retirement benefits are
19 twenty-five percent of the member's final average salary. Disability retirement
20 benefits for supreme and district court judges are seventy percent of final
21 average salary reduced by the member's primary social security benefits and by
22 any workforce safety and insurance benefits paid. The minimum monthly
23 disability retirement benefit under this section is one hundred dollars.

23.0843.01003
Title.

Prepared by the Legislative Council staff for
Representative Boschee
March 24, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1309

In lieu of the amendments adopted by the Senate as printed on pages 1024 and 1025 of the Senate Journal, House Bill No. 1309 is amended as follows:

Page 1, line 1, replace "subdivision" with "section 54-52-06.4, subdivisions"

Page 1, line 1, after "e" insert "and g"

Page 1, line 1, after "54-52-17" insert a comma

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.

1.
 - a. Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, ~~and~~ with an additional increase of one percent, beginning with the reporting period of January 2013; with an additional increase of one percent, beginning with the reporting period of January 2024; and with an additional increase of one percent, beginning with the reporting period of January 2025.
 - b. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016.
 - c. The assessment under this subsection must be deducted and retained out of the employee's salary in equal monthly installments.
2. The employer of a peace officer/officer employed by the bureau of criminal investigation or national guard security officer's employer/officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment."

Page 1, after line 20, insert:

"SECTION 3. AMENDMENT. Subdivision g of subsection 3 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

- g. (1) Early retirement date, except for a national guard security officer or firefighter, a firefighter ~~employed by a political subdivision, or a peace officer, or correctional officer employed by the bureau of criminal investigation or by a political subdivision,~~ or a peace officer employed by the bureau of criminal investigation, is the first day of the month next following the month in which the member attains the age of fifty-five years and has completed three years of eligible employment.
- (2) For a national guard security officer or firefighter, early retirement date is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty years and has completed at least three years of eligible employment.
- (3) For a firefighter ~~employed by a political subdivision or a peace officer, or correctional officer employed by the bureau of criminal investigation or by a political subdivision,~~ early retirement date is the first day of the month next following the month in which the peace officer, firefighter, or correctional officer attains the age of fifty years and has completed at least three years of eligible employment.
- (4) For a peace officer employed by the bureau of criminal investigation:
 - (a) Before August 1, 2023, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed at least three years of eligible employment.
 - (b) After July 31, 2023, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed at least ten years of eligible employment."

Renumber accordingly