

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2022 - Funding Summary

	Base Budget	Final Legislative Action	Comparison To Base Budget
Retirement and Investment Office			
Salaries and wages	\$3,772,504	\$4,340,551	\$568,047
Operating expenses	973,324	990,874	17,550
Contingencies	82,000	82,000	
Accrued leave payments	71,541		(71,541)
Total all funds	\$4,899,369	\$5,413,425	\$514,056
Less estimated income	4,899,369	5,413,425	514,056
General fund	\$0	\$0	\$0
FTE	19.00	19.00	0.00
Public Employees Retirement System			
Salaries and wages	\$5,016,339	\$6,415,360	\$1,399,021
Operating expenses	2,280,894	2,678,063	397,169
Contingencies	250,000	250,000	
Accrued leave payments	103,217		(103,217)
Total all funds	\$7,650,450	\$9,343,423	\$1,692,973
Less estimated income	7,650,450	9,343,423	1,692,973
General fund	\$0	\$0	\$0
FTE	33.00	34.50	1.50
Bill Total			
Total all funds	\$12,549,819	\$14,756,848	\$2,207,029
Less estimated income	12,549,819	14,756,848	2,207,029
General fund	\$0	\$0	\$0
FTE	52.00	53.50	1.50

Senate Bill No. 2022 - Retirement and Investment Office - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$3,772,504	\$582,351	\$4,354,855
Operating expenses	973,324	17,550	990,874
Contingencies	82,000		82,000
Accrued leave payments	71,541	(71,541)	
Total all funds	\$4,899,369	\$528,360	\$5,427,729
Less estimated income	4,899,369	528,360	5,427,729
General fund	\$0	\$0	\$0
FTE	19.00	0.00	19.00

Department 190 - Retirement and Investment Office - Detail of Senate Changes

	Adds Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding for Salary Adjustments³	Adds Funding for Increases in Operating Expenses⁴	Total Senate Changes
Salaries and wages	301,879	230,472	50,000		582,351
Operating expenses				17,550	17,550
Contingencies					
Accrued leave payments	(71,541)				(71,541)
Total all funds	\$230,338	\$230,472	\$50,000	\$17,550	\$528,360
Less estimated income	230,338	230,472	50,000	17,550	528,360
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance		\$148,434	\$148,434
Health insurance increase		82,038	82,038
Total	\$0	\$230,472	\$230,472

³ Funding is added for additional salary adjustments to increase the agency's compensation ratio from 94.6 to 97 percent of the market policy points for employees.

⁴ Funding is added for operating expense increases.

Senate Bill No. 2022 - Retirement and Investment Office - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$3,772,504	\$4,354,855	(\$14,304)	\$4,340,551
Operating expenses	973,324	990,874		990,874
Contingencies	82,000	82,000		82,000
Accrued leave payments	71,541			
Total all funds	\$4,899,369	\$5,427,729	(\$14,304)	\$5,413,425
Less estimated income	4,899,369	5,427,729	(14,304)	5,413,425
General fund	\$0	\$0	\$0	\$0
FTE	19.00	19.00	0.00	19.00

Department 190 - Retirement and Investment Office - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases¹	Total House Changes
Salaries and wages	(14,304)	(14,304)
Operating expenses		
Contingencies		
Accrued leave payments		
Total all funds	(\$14,304)	(\$14,304)
Less estimated income	(14,304)	(14,304)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

Senate Bill No. 2022 - Retirement and Investment Office - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$3,772,504	\$4,354,855	(\$14,304)	\$4,340,551	\$4,340,551	
Operating expenses	973,324	990,874		990,874	990,874	
Contingencies	82,000	82,000		82,000	82,000	
Accrued leave payments	71,541					
Total all funds	\$4,899,369	\$5,427,729	(\$14,304)	\$5,413,425	\$5,413,425	\$0
Less estimated income	4,899,369	5,427,729	(14,304)	5,413,425	5,413,425	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	19.00	19.00	0.00	19.00	19.00	0.00

Department 190 - Retirement and Investment Office - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases¹	Total Conference Committee Changes
Salaries and wages	(14,304)	(14,304)
Operating expenses		
Contingencies		
Accrued leave payments		
Total all funds	(\$14,304)	(\$14,304)
Less estimated income	(14,304)	(14,304)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

Senate Bill No. 2022 - Public Employees Retirement System - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$5,016,339	\$1,463,071	\$6,479,410
Operating expenses	2,280,894	397,169	2,678,063
Contingencies	250,000		250,000
Accrued leave payments	103,217	(103,217)	
Total all funds	\$7,650,450	\$1,757,023	\$9,407,473
Less estimated income	7,650,450	1,757,023	9,407,473
General fund	\$0	\$0	\$0
FTE	33.00	1.50	34.50

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

	Adds Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding for Chief Financial Officer Position³	Adds Funding for Benefits Position⁴	Adjusts Base Level Funding⁵	Total Senate Changes
Salaries and wages	532,831	380,592	195,950	51,346	302,352	1,463,071
Operating expenses			20,119		377,050	397,169
Contingencies						
Accrued leave payments	(103,217)					(103,217)
Total all funds	\$429,614	\$380,592	\$216,069	\$51,346	\$679,402	\$1,757,023
Less estimated income	429,614	380,592	216,069	51,346	679,402	1,757,023
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	1.00	0.50	0.00	1.50

¹ Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

² The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance		\$225,151	\$225,151
Health insurance increase		155,441	155,441
Total	\$0	\$380,592	\$380,592

³ Funding is added from the general fund for 1 chief financial officer FTE position (\$195,950) and related operating expenses (\$20,119).

⁴ Funding is added from the general fund for a .5 FTE position (\$51,346) to support an increase in the number of retirement benefits processed.

⁵ Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Remove 2013-15 funding for retirement plan election		(\$22,000)	(\$22,000)
General operating expenses		134,470	134,470
PERSLink system refinements		147,000	147,000
Temporary support positions		302,352	302,352
Website redesign		90,080	90,080
Secure reception area		27,500	27,500
Total	\$0	\$679,402	\$679,402

Senate Bill No. 2022 - Public Employees Retirement System - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$5,016,339	\$6,479,410	(\$491,008)	\$5,988,402
Operating expenses	2,280,894	2,678,063	(20,119)	2,657,944
Contingencies	250,000	250,000		250,000
Accrued leave payments	103,217			
Total all funds	\$7,650,450	\$9,407,473	(\$511,127)	\$8,896,346
Less estimated income	7,650,450	9,407,473	(511,127)	8,896,346
General fund	\$0	\$0	\$0	\$0
FTE	33.00	34.50	(1.50)	33.00

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

	Adjusts Funding for Health Insurance Premium Increases ¹	Removes Salary Increase Funding for New FTE Removed ²	Removes Chief Financial Officer FTE Position ³	Removes Benefits Support Position ⁴	Reduces Temporary Salaries ⁵	Total House Changes
Salaries and wages	(32,450)	(11,262)	(195,950)	(51,346)	(200,000)	(491,008)
Operating expenses			(20,119)			(20,119)
Contingencies						
Accrued leave payments						
Total all funds	(\$32,450)	(\$11,262)	(\$216,069)	(\$51,346)	(\$200,000)	(\$511,127)
Less estimated income	(32,450)	(11,262)	(216,069)	(51,346)	(200,000)	(511,127)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	(0.50)	0.00	(1.50)

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

² Funding for employee performance salary increases is adjusted to reflect the 1.5 FTE positions which are being removed.

³ Funding is removed for 1 chief financial officer FTE position.

⁴ Funding is removed for 1 benefits support FTE position.

⁵ Funding is reduced for additional temporary support.

This amendment also:

- Adds sections to amend North Dakota Century Code Sections 54-52-01 and 54-52-03 to increase retirement board membership from seven members to nine members; add the Majority Leader of the House of Representatives, the Majority Leader of the Senate, and two members of the Legislative Assembly appointed by the Chairman of the Legislative Management; and remove members appointed by the Attorney General and the State Health Officer.

- Adds a section to create a new section to Chapter 54-52.1, relating to a health insurance prescription drug coverage audit, and reporting to the Legislative Audit and Fiscal Review Committee.
- Adds a section to amend Section 54-52.1-05, relating to provisions of the health insurance benefits coverage to require a contract may not exceed two years.
- Adds a section to amend Section 54-52.1-05.1 related to uniform group insurance program benefits coverage.
- Adds a section limiting the use of health insurance program reserves.
- Adds a section of legislative intent relating to the extension of the existing health insurance benefits contract if the uniform group insurance program contract is rebid.
- Provides amendments related to uniform group insurance program benefits coverage and health insurance program reserve limitations are emergency measures.

Senate Bill No. 2022 - Public Employees Retirement System - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$5,016,339	\$6,479,410	(\$64,050)	\$6,415,360	\$5,988,402	\$426,958
Operating expenses	2,280,894	2,678,063		2,678,063	2,657,944	20,119
Contingencies	250,000	250,000		250,000	250,000	
Accrued leave payments	103,217					
Total all funds	<u>\$7,650,450</u>	<u>\$9,407,473</u>	<u>(\$64,050)</u>	<u>\$9,343,423</u>	<u>\$8,896,346</u>	<u>\$447,077</u>
Less estimated income	<u>7,650,450</u>	<u>9,407,473</u>	<u>(64,050)</u>	<u>9,343,423</u>	<u>8,896,346</u>	<u>447,077</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	33.00	34.50	0.00	34.50	33.00	1.50

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

	Adjusts Funding for Health Insurance Premium Increases ¹	Reduces Temporary Salaries ²	Adds Portability of Retiree Health Credit ³	Adds One-Time Funding for Temporary Salaries ⁴	Total Conference Committee Changes
Salaries and wages	(27,102)	(180,000)	43,052	100,000	(64,050)
Operating expenses					
Contingencies					
Accrued leave payments					
Total all funds	<u>(\$27,102)</u>	<u>(\$180,000)</u>	<u>43,052</u>	<u>\$100,000</u>	<u>(\$64,050)</u>
Less estimated income	<u>(27,102)</u>	<u>(180,000)</u>	<u>43,052</u>	<u>100,000</u>	<u>(64,050)</u>
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month including FTE adjustments made by the Conference Committee.

² Funding is reduced for additional temporary support to provide an increase of \$122,352. The Senate increased temporary salaries by \$302,352 and the House included a temporary salaries increase of \$102,352.

³ Funding is added for additional workload due to the portability of retiree health credit. This funding was not included in the House version, but was included in the temporary salary increase provided by the Senate.

⁴ One-time funding is added for temporary salaries. Neither the Senate nor the House versions included funding for one-time temporary salaries.

This amendment also:

- Adds sections to amend Sections 54-52-01 and 54-52-03 to increase retirement board membership from seven to nine members by adding two members of the Legislative Assembly appointed by the Chairman of the Legislative Management.

The House version added four members of the Legislative Assembly to the board and removed members appointed by the Attorney General and the State Health Officer.

- Adds a new section to statute relating to the process to rebid the health insurance contract.
- Adds a new section to statute relating to the disclosure of health information.
- Adds a section limiting the use of health insurance program reserves. The House version included a similar section relating the use of health insurance program reserves.