

**Public Employees Retirement System  
Budget No. 192  
Senate Bill No. 2023**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	34.50	\$0	\$9,576,196	\$9,576,196
2019-21 base budget	34.50	0	9,258,390	9,258,390
Legislative increase (decrease) to base budget	0.00	\$0	\$317,806	\$317,806

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS  
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.			(\$28,804)	(\$28,804)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.			200,143	200,143
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.			165,096	165,096
Adjusted funding for information technology operating expenses.			(230,519)	(230,519)
Adjusted funding for other operating expenses.			(18,110)	(18,110)
Added one-time funding for an information technology risk assessment.			40,000	40,000
Added one-time funding to upgrade business system software.			190,000	190,000
<b>Total</b>	<u>0.00</u>	<u>\$0</u>	<u>\$317,806</u>	<u>\$317,806</u>

**FTE Changes**

The Legislative Assembly approved 34.50 FTE positions for the Public Employees Retirement System (PERS) for the 2019-21 biennium, the same as the 2017-19 biennium.

**One-Time Funding**

In Section 2 of Senate Bill No. 2023, the Legislative Assembly identified \$40,000 for an information technology risk assessment and \$190,000 to upgrade business system software, for a total of \$230,000 of one-time funding from other funds.

### **Other Sections in Senate Bill No. 2023**

**Line item transfers** - Section 3 requires the Office of Management and Budget, at the request of PERS, to transfer funds from the PERS contingencies line item to other line items.

**Hospital and medical benefits coverage** - Section 4 requires the PERS Board to solicit and receive bids during the 2019-21 biennium for 2021-23 biennium hospital benefits coverage and medical benefits coverage for state employees under North Dakota Century Code Section 54-52.1-04. The request for proposal must include an option for coverage through a self-insurance plan. During the 2019-21 biennium, the board shall report to the Majority and Minority Leaders of the House and Senate and the Chairmen of the Appropriations Committees, or their designees, when bids are received. The report must provide comparative information and the board's evaluation of the bids received, including information on the self-insurance option.

### **Related Legislation**

**House Bill No. 1028 - Self-insurance plans** - This bill requires the Insurance Commissioner to regulate the financial condition, integrity, and equitable administration of a self-insurance health plan.

**House Bill No. 1374 - Pharmacy benefits management services** - This bill provides for a Legislative Management study of the feasibility and desirability of PERS to contract with a separate provider for prescription drug coverage.

**House Concurrent Resolution No. 3027** - This resolution directs the Legislative Management to consider studying the expansion of the PERS's uniform group insurance health benefits for long-term state employees who separate from employment due to reduction in force or retirement.

**Senate Bill No. 2046 - Retiree health insurance credit** - This bill provides for employees hired after December 31, 2019, the 1.14 percent employer contribution currently provided for a retiree health insurance credit be reallocated for the main system defined benefit plan.

**Senate Bill No. 2047 - Retirement service benefit** - This bill provides for employees hired after December 31, 2019, the service benefit multiplier for the main system defined benefit plan be reduced from 2 percent to 1.75 percent.

**Senate Bill No. 2049 - Retirement final average salary** - This bill provides for employees who terminate employment after December 31, 2019, the final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of 12 consecutive months employed during the last 180 months of employment.