

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1023**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public employees  
2 retirement system; to provide for a transfer; to create and enact a new subsection to section  
3 54-02-04 of the North Dakota Century Code, relating to public employees retirement system  
4 payments; to provide for a legislative management study; and to provide for legislative intent.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
7 as may be necessary, are appropriated out of any moneys from special funds derived from  
8 income to the public employees retirement system for the purpose of defraying the expenses of  
9 the public employees retirement system, for the biennium beginning July 1, 2017, and ending  
10 June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Salaries and wages	\$6,315,360	\$809
14	Operating expenses	2,753,643	(61,422)
15	Contingencies	<u>250,000</u>	<u>0</u>
16	Total special funds	\$9,319,003	(\$60,613)
17	Full-time equivalent positions	34.50	0.00
			34.50

18 **SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in  
19 section 1 of this Act includes the sum of \$95,431 from other funds for increases in employee  
20 health insurance premiums from \$1,130 to \$1,241 per month.

21 **SECTION 3. ONE-TIME FUNDING.** The following amounts reflect the one-time funding  
22 items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

	<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
23			
24	Public employees retirement system - temporary salaries	\$100,000	\$0

1	Desktop support services	<u>77,370</u>	<u>0</u>
2	Total special funds	\$177,370	\$0

3       **SECTION 4. APPROPRIATION LINE ITEM TRANSFERS.** The public employees  
4 retirement system office may transfer from their contingencies line item in section 1 of this Act to  
5 all other line items. The agency shall notify the office of management and budget of each  
6 transfer made pursuant to this section.

7       **SECTION 5.** A new subsection to section 54-52-06 of the North Dakota Century Code is  
8 created and enacted as follows:

9           The board shall establish policies and implement procedures to make and collect  
10           payments in the most cost-effective manner, including the use of electronic transfer of  
11           funds.

12       **SECTION 6. LEGISLATIVE MANAGEMENT STUDY - PUBLIC EMPLOYEES**

13 **RETIREMENT SYSTEM.** During the 2017-18 interim, the legislative management shall consider  
14 studying the powers and duties of the public employees retirement system's retirement board,  
15 including the board's fiduciary duties; the administrative structure of the public employees  
16 retirement system, including the feasibility and desirability of changing this structure; the powers  
17 and duties of the employee benefits programs committee, including the feasibility and  
18 desirability of increasing the committee's oversight of the public employees retirement system;  
19 the feasibility and desirability of implementing a self-funded insurance plan; and the feasibility  
20 and desirability of changing the contract bidding process to every two years. The legislative  
21 management shall report its findings and recommendations, together with any legislation  
22 required to implement the recommendations, to the sixty-sixth legislative assembly.

23       **SECTION 7. LEGISLATIVE INTENT - ELECTRONIC DISTRIBUTION OF MATERIALS.** It

24 is the intent of the sixty-fifth legislative assembly that, by July 1, 2018, the public employees  
25 retirement system office create operating efficiencies when feasible by discontinuing the  
26 distribution of paper materials, including newsletters and benefit statements. It is further the  
27 intent of the sixty-fifth legislative assembly that the public employees retirement system office:

- 28       • Develop procedures to electronically distribute materials or provide access to materials  
29       through member self-service website applications.
- 30       • Be allowed to charge members a fee for continued distribution of paper materials to that  
31       member.