

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Wednesday, January 22, 2003
Missouri River Room, State Capitol
Bismarck, North Dakota

Representative Bette B. Grande, Chairman, called the meeting to order at 4:00 p.m.

Members present: Representatives Bette B. Grande, Glen Froseth, Joe Kroeber, Wayne W. Tieman; Senators Ralph L. Kilzer, Karen K. Krebsbach, Stanley W. Lyson

Members absent: Representative Francis J. Wald; Senator Tim Mathern

Chairman Grande recognized Senator Linda Christenson who reviewed Senate Bill No. 2266 [30434.0100]. She said the bill removes the \$200 per month cap on Firefighters Relief Association pensions. She said the Grand Forks Fire Department pension plan is in sound financial condition and the Grand Forks Firefighters Relief Association would like to increase its monthly pensions above the \$200 statutory limitation.

In response to a question from Representative Froseth, Senator Christenson said the Grand Forks firefighters pension fund has an annual actuarial review performed by its actuarial consultants and the fund is in sound financial condition.

In response to a question from Senator Krebsbach, Senator Christenson said the Grand Forks Firefighters Relief Association would prefer removing the cap rather than increasing the cap because removing the limitation would provide the association the needed flexibility to set the pension based on the availability of funds.

In response to a question from Representative Grande, Senator Christenson said she will provide actuarial information for the committee at a future meeting.

Chairman Grande recognized Representative Bob Martinson who reviewed proposed amendments to Senate Bill No. 2013 [38036.0101]. He said the amendments would allow nonteaching employees of the Superintendent of Public Instruction to elect to transfer from the Teachers' Fund for Retirement to the Public Employees Retirement System between the effective date of Senate Bill No. 2013 and December 31, 2003.

In response to a question from Representative Grande, Ms. Irish Linnertz, Director of Human Resources, Department of Public Instruction, said certified teachers in the Department of Public Instruction are members of the Teachers' Fund for

Retirement while employees without teaching backgrounds are members of the Public Employees Retirement System. She said there are approximately 20 employees in the department who have teaching certificates but who are in nonteaching positions. She said approximately four employees are in nonteaching positions and are not licensed to teach by the Education Standards and Practices Board and not approved to teach by the Education Standards and Practices Board. Thus, she said, the amendment affects approximately four people.

In response to a question from Representative Grande, Mr. Sparb Collins, Executive Director, Public Employees Retirement System, said the transfer can be accomplished and the Public Employees Retirement System assumes that it will be done on an actuarially neutral basis, the actuarially accrued benefit would be transferred. However, he said, in addition to the retirement benefit, members of the Public Employees Retirement System are eligible to participate in the retiree health benefit program which provides a credit of \$4.50 times years of service toward an employee's health insurance premium. He said the retiree health benefit trust fund is not a retirement trust fund but a common law trust fund and thus retirement money transferred from the Teachers' Fund for Retirement to the Public Employees Retirement System must be placed in the retirement trust fund and could not be used to fund a retiree health benefit for transferring members.

In response to a question from Representative Froseth, Ms. Fay Kopp, Deputy Executive Director, Retirement and Investment Office, said the administrative costs for the Teachers' Fund for Retirement to implement the amendment would be minimal.

Chairman Grande recognized Representative Carol A. Niemeier who reviewed House Bill No. 1247 [30206.0200]. She said the bill mandates health insurance coverage of prescription contraceptives and other women's health products. She also presented a copy of the testimony concerning the bill that had been presented to the standing committee at the hearing on the bill, a copy of which is attached as Appendix A.

Chairman Grande recognized Mr. Collins. He said the cost of the proposal is \$3.60 per contract and the Public Employees Retirement System Board is

proposing an amendment appropriating \$363,200.82 from the general fund and \$337,243.98 in other funds to fund the benefit. A copy of the amendment is attached as Appendix B.

Chairman Grande recognized Representative Sally M. Sandvig who reviewed House Bill No. 1349 [30504.0100]. She said the bill provides insurance coverage for colorectal cancer screening. However, she said Section 3 of the bill should be removed, language on lines 22 and 23 of page 1 “, or other procedure as determined appropriate by a medical provider” should be removed, and language clarifying that screening for colon cancer begins at age 50, that a flexible sigmoidoscopy be provided every five years, and that a colonoscopy be provided once every 10 years should be added.

Chairman Grande recognized Mr. Collins who reviewed the cost of the proposal. A copy of an amendment proposed by the Public Employees Retirement System Board is attached as Appendix C. He said the cost of the proposal is \$322,845.17 in general funds and \$299,772.43 in other funds. He said this analysis is based on the assumption that the changes requested by Representative Sandvig are to be included in the bill. He said the cost would be \$3.20 per contract.

Chairman Grande recognized Senator Stanley W. Lyson. Senator Lyson reviewed proposed amendments to Senate Bill No. 2033 [30017.0302]. He said the amendments remove the employees of the Department of Corrections and Rehabilitation from inclusion in the National Guard retirement plan along with peace officers.

Chairman Grande recognized Mr. Collins. He presented a revised actuarial review and technical comments based on the proposed amendment, a copy of which is attached as Appendix D. He said the actuarial consultants reported that the actuarial impact of removing the employees of the Department of Corrections and Rehabilitation from the bill would be minimal and noted that the appropriation required to fund the lower normal retirement age for peace officers remaining in the bill is reduced substantially.

It was moved by Representative Froseth, seconded by Senator Kilzer, and carried on a roll call vote that the committee assume jurisdiction over the proposals submitted to the committee. Representatives Grande, Froseth, Kroeber, and Tieman and Senators Kilzer, Krebsbach, and Lyson voted “aye.” No negative votes were cast.

It was moved by Senator Lyson, seconded by Representative Tieman, and carried on a roll call vote that the proposed amendments to Senate Bill No. 2033 be given a favorable recommendation. Representatives Grande, Froseth, and Tieman and Senators Kilzer, Krebsbach, and Lyson voted “aye.” Representative Kroeber voted “nay.”

It was moved by Representative Kroeber and failed for lack of a second that the committee give House Bill No. 1247 no recommendation.

It was moved by Representative Froseth, seconded by Senator Krebsbach, and carried on a roll call vote that House Bill No. 1247 be given an unfavorable recommendation. Representative Grande, Froseth, and Tieman and Senators Kilzer, Krebsbach, and Lyson voted “aye.” Representative Kroeber voted “nay.”

It was moved by Senator Kilzer, seconded by Representative Tieman, and carried on a roll call vote that House Bill No. 1349 be given an unfavorable recommendation. Representatives Grande, Froseth, and Tieman and Senators Kilzer, Krebsbach, and Lyson voted “aye.” Representative Kroeber voted “nay.”

Representative Grande said the committee would wait to make a recommendation on Senate Bill No. 2266 and the proposed amendments to Senate Bill No. 2013 until additional actuarial information is received.

No further business appearing, Chairman Grande adjourned the meeting at 5:40 p.m.

Jeffrey N. Nelson
Committee Counsel

ATTACH:4