NDPERS BOARD MEETING
Agenda

Bismarck Location:
ND Association of Counties
1661 Capitol Way
Fargo Location:
BCBS, 4510 13th Ave SW

May 17, 2007 **Time: 8:30 AM**

I. MINUTES
   A. April 19, 2007
   B. May 1, 2007

II. GROUP INSURANCE
   A. SPD Revisions Matrix – Kathy (Board Action)
   B. Heart of America Contract – Kathy (Board Action)
   C. PPO Update – Kathy (Information)
   D. Minimum Participation Requirements – Kathy (Information)
   E. Group Life Plan Renewal Options – Kathy (Board Action)
   F. Employee Assistance Program – Bryan (Board Action)
   G. Surplus/Affordability Update – Bryan (Information)
   H. Quarterly Health Graphs – Bryan (Information)
   I. Legislation – Sparb (Information)
   J. Wellness (Board Action)
      1. Employer Renewal Update - Rebecca
      2. Go Red Project - Rebecca
      3. Pilot Program – Sparb
      4. Coordination of Programs – Rebecca
      5. IPOD - Rebecca

III. RETIREMENT
   A. Disability Consulting Contract – Kathy (Board Action)
   B. Legislation – Sparb (Information)

IV. LASR Project
   A. Update (Information) – Deb
   B. Contract (Information) - Sparb

V. MISCELLANEOUS
   A. 2006 and 2007 Business Plans – Sparb (Information)
   B. PERS Payroll Conference – (Information)
   C. Board Election Update – Kathy (Information)
   D. SIB Agenda – (Information)

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.

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Memorandum

TO: **PERS Board**

FROM: **Kathy & Sparb**

DATE: **May 9, 2007**

SUBJECT: **SPD Revisions**

Included for your review is a matrix that outlines the benefit rewrites proposed by BCBS for the summary plan description for active employees. It references the page and section where the change is located as well as comments related to the reason for the rewrite and a description of the change.

Representatives from BCBS will be available to answer any questions. Staff has reviewed the proposed revisions and recommends approval to incorporate them in the updated SPD for the 2005-2007 biennium.

Board Action Requested

Approve proposed revisions for the SPD rewrite for the 2005-07 biennium.

NDPERS SPD CHANGES		
Page/Section	**Comments**	**Deletion/Changes**
Changes Requested by NDPERS to go into the SPD		
Pg.13 Sec 2 Schedule of Benefits, 2.1 Cost Sharing amounts - Deductibles	Funded & approved by the Governor and Legislature	Basic Plan Deductible - Single - From $250 to $400, Family - From $750 to $1200. PPO Plan Deductible - Single - From $250 to $400, Family - From $750 to $1200, EPO Plan Deductible - Single - From $100 to $200, Family - From $300 to $600, Self-Referral Plan Deductible - Single - From $250 to $400, Family - From $750 to $1200.
Pg. 13 Sec 2 Schedule of Benefits, 2.1 Cost Sharing Amounts - Out-of-Pocket Maximums	Funded & approved by the Governor and Legislature	Basic Plan OOPM - Single - From $1500 to $1650, Family - From $3250 to $3700. PPO Plan OOPM - Single - From $1000 to $1150, Family - From $2250 to $2700, EPO Plan OOPM - Single - From $600 to $700, Family - From $1300 to $1600, Self-Referral OOPM - Single - From $1500 to $1650, Family - From $3250 to $3700.
Pg. 20 & 21 Outpatient Hospital and Medical Services - Copayments	Funded & approved by the Governor and Legislature	Home and Office Visit & Specialist Consultations & Outpatient Nutrition Care Services - Dedutible is waived. Basic Plan Copayment is $25 and will be changing to $30, PPO Plan Copayment is $20 and will be $25, EPO Plan Copayment is $15 and will be $20, Self Referral Copayment is $25 and will be $30.
Pg.23 Wellness Services - Related Office Visit	Funded & approved by the Governor and Legislature	Related Office Visit for the Basic Plan is $25 and will be changing to $30 and for the PPO Plan is $20 and will be changing to $25
Pg. 23 Wellness Services	NDPERS would like to allow an Office Visit if the member has had a Hysterectomy and does not need to have a yearly pap smear.	BCBSND will allow this Office Visit at no additional cost to NDPERS.

Pg. 24 Chiropractic Services - Home and Office Visits & Manipulations	Funded & approved by the Governor and Legislature	Home and Office Visit & Manipulations - Dedutible is waived. Basic Plan Copayment is $25 and will be changing to $30, PPO Plan Copayment is $20 and will be $25, EPO Plan Copayment is $15 and will be $20, Self-Referral Copayment is $25 and will be $30.
Issues Requested by BCBSND to present to NDPERS		
Pg. 1 Sec. 1 Definitions	All Definitions will be moved to the end of the SPD. This is due to the new system in place in our Contract Administration area. All SPD's will be standardized for all BCBSND Business.	This was already approved by NDPERS.
All pages with the Basic/PPO/EPO/Self-Referral Grid	BCBSND would like to split the the Outline for Covered Services for EPO/Self-Referral from the Basic/PPO to make it more member friendly.	NDPERS approval needed on this.
Pg. 23 Outpatient Therapy Services - Occupational Therapy	Language will be revised to reflect how we currently administer the benefit.	**Occupational Therapy Benefits are available for 90 consecutive calendar days per condition, beginning on the date of the first therapy treatment for the condition. Additional benefits may be allowed after the 90 days when Medically Appropriate and Necessary.** (Rewrite Issue #45)
Pg. 23 Outpatient Therapy Services - Speech Therapy	NDPERS requires Prior Approval currently at the first visit. They will be going with Standard benefits: Benefits are subject to a Maximum Benefit Allowance of 90 consecutive calendar days per condition, beginning on the date of the first therapy treatment for the condition.	This wil be done to ease administration and there will be no rate change. There is a language change to this benefit and the change will be to remove **(subject to a Maximum Benefit Allowance of)** and added will be **(available for)** and a sentence will be added as well **(Additional benefits may be allowed after the 90 days when Medically Approriate and Necessary).** (Rewrite issue #45) **(Board Approval Needed)**.
Pg. 26 Outpatient Prescription Medications or Drugs and Diabetes Supplies - Copayment	Funded & approved by the Governor and Legislature	Formulary Drug per Prescription Order pf Refill. Deductible Amount is waived. Brand Name Copayment is $15 and will be changing and increasing to $20.
Oral Brush Biopsies	NDPERS Does not cover Oral Brush Biopsies currently. Have NDPERS allow this as standard Business does due to 2001 rewrite.	To become standard and there will be no rate increse to NDPERS for adding this benefit. **(Board Approval Needed)**

Pg. 23, Cardiac Rehab	BCBSND is making a language change proposed by Medical Management Department.	BCBSND is adding language next to coronary angioplasty **(and stenting)**. There is no additional charge to this issue. (Rewrite issue #18)
Pg. 23, Wellness Services **(EPO Only)**	Adding Diabetic Eye Exam to pay at the In-Network level for all Network Products. This was implemented for NDPERS in January of 2006.	This benefit was added as many networks do not have a lot of Optometrists/Ophthalmologists. Hope to encourage members to receive these services every year to prevent more services being needed in the future and therefore lower costs. No additional cost to NDPERS. (Rewrite issue #20)
Pg. 43 Sec. 5 Exclusions	BCBSND is adding an exclusion for: Collection and storage of Umbilical Cord Blood.	This exclusion is being added because there is currently no language that addresses this issue and we have had member inquiries. This will make it clear to the members how this is covered or non-covered. (Rewrite issue #25)
Pgs. 26 & 37, Medical Supplies and Equipment.	BCBND is changing language so its more consistant and easier for the member to understand.	Benefit plan language was reviewed for different age descriptions (I.e. to Members 18th birthday, up to age 21, under age 10, etc.) Language clarified in most cases, to reference "under age xx". (Rewrite #26)
Pg. 45 Sec. 5 Exclusions, #33	Language has been added to clarify that benefits are not available for refractive eye surgery when used in otherwise healthy eyes to replace eyeglasses or contact lenses.	Leave first sentence as is. Change second sentence (No benefits are available for routine vision examinations. No refractive eye surgery when used in otherwise healthy eyes to replace eyeglasses or contact lenses. (Rewrite issues 17 & 31)
Pg. 35 Sec.3, Covered Services - letter I.	Revise benefit language to be consistent with how the program is operating.	Language will now read: Depending upon the type and extent of psychiatric or substance abuse services, BCBSND may **invite the parents or guardians of** a Member **under age 18 to participate in a voluntary program involving an evaluation of the Member by a care coodinator. Based on the outcome of the evaluation, the care coordinator may recommend modifications in the treatment plan, which may include an expansion of reimbursable services. This program has been developed as part of a pilot program by the North Dakota Department of Health, the Mental Health Association of North Dakota and BCBSND.** (Rewrite issue #35)

Pg. 45 Sec.5, Exclusions, #34	Benefits have been added for implantable bone conduction hearing devices if criteria are met.	This technology is now considered Medically Approriate and necessary. Change to wording is as follows: Hearing aids or examinations for the prescription or fitting of hearing aids. Benefits are available for hearing aids for Members to age 18 when Prior Approval is received from BCBSND. **(No benefits are available for routine hearing examinations.**) No benefits are available for a tinnitus masker. (Rewrite issue #42)
Pg. 37 Sec. 3 - Covered Services, Medical Supplies and Equipment, #3.17, A.	The rental should NOT apply to the HME maximum due to the extreme cost of the item, item is life-sustaining, no other options due to the nature of the item, and no option to purchase.	Will be removing the wording **(respirators or similar mechanical apparatuses).** (Rewrite issue #55).
Pg. 32 Sec. 3, 3.6, Wellness Services - H.	Language Clarification for better Member Education by grouping all Diabetic services into one section.	New language will be: **Diabetes care services include Outpatient Home and Office Visits, Diagnostic Services, Outpatient Nutrition Care Services, Diabetes Education Services, Dilated Eye Examinations and Outpatient Prescription Medications or Drugs and Diabetes Supplies.** Benefits are subject to the Maximum **Benefit Allowances as** listed in the Schedule of Benefits, Section 1. (Rewrite issue #19)
Pg. 7 Sec. 1 Definitions, ID Card #1.34	This is language clarification to accommodate BCBSND's need to submit records to CMS containing information about BCBSND prescription drug coverage that is secondary to Medicare Part D.	New Language will be: **A card issued in the Subscriber's name identifying the Benefit Plan Number of the Member. If a Member is also enrolled in a primary Medicare Part D Plan, a card for this Benefit Plan may be issued in the Member's name.** (Rewrite issue #47)
Pg. 20 Sec. 2 - Outpatient Hospitl and Medical Services - Specialist Consultations	The Outpatient Specialist Consultations benefit category will be removed from Network products, as this is the same benefit as an Office Visit. Existing language is the "HMO days" when higher Copayment Amounts applied to specialists.	Remove the category. (Rewrite issue #56).

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Memorandum

TO: **PERS Board**

FROM: **Kathy**

DATE: **May 7, 2007**

SUBJECT: **Heart of America Health Plan Contract**

Attached for the Board's review is the provider contract for Heart of American Health Plan (HOAHP) for the period July 1, 2007 through June 30, 2008. At its January meeting, the Board approved Heart of America to continue offering its plan to our members in the Rugby service area.

The contract was referred to Aaron Webb for review.

Board Action Requested

Approve the Heart of American contract for the July 1, 2007 through June 30, 2008 contract period.

HEART OF AMERICA HEALTH PLAN
PROVIDER AGREEMENT

This is an agreement between the North Dakota Public Employees Retirement System (PERS) and Heart of America Health Plan (Heart of America), 810 S. Main Avenue, Rugby, North Dakota, 58368.

Whereas the PERS Board may contract with one or more health maintenance organizations to provide eligible employees the option of membership in a health maintenance organization pursuant to North Dakota Century Code (N.D.C.C.) 54-52.1-04.1.

Whereas Heart of America on December 29, 2006 submitted a request to offer Heart of America membership to qualified North Dakota public employees.

Whereas the PERS Board has determined that Heart of America has met the applicable qualifications.

Whereas the PERS Board on January 18, 2007 has exercised its discretion to include Heart of America's participation as a health plan within the Uniform Group Insurance Program.

TERMS AND CONDITIONS

1. **Term of Agreement.** The term of this agreement is for a period of twelve months, commencing on the first day of July 1, 2007 and terminating on the 30th day of June 2008.

2. **Premium Rate.** The following rates shall be effective for the term of this agreement:

	High Option	Low Option	Share Option
Single	$350.50	$321.30	$261.60
Single plus Dependent	$602.50	$554.30	$451.70
Family	$823.40	$763.40	$622.40

3. **Service Area.** The service area shall be those communities identified in the Group Benefit Plan for the Rugby Service Area.

4. **Termination.** This contract may be terminated by mutual consent of both parties, or by either party upon 30 days' written notice.

   PERS may terminate this contract effective upon delivery of written notice to Heart of America, or at such later date as may be stated in the notice, under any of the following conditions:

   a. If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term. The contract may be modified by agreement of the parties in writing to accommodate a reduction in funds.

   b. If federal or state laws, rules or regulations are modified or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding proposed for payments authorized by this contract.

   c. If any license, permit or certificate required by law, rule or regulation, or by the terms of this contract, is for any reason denied, revoked, suspended or not renewed.

d. If Heart of America amends or terminates its group contract filed with the Insurance Commissioner.

Any such termination of this contract shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

5. **Indemnity.** Heart of America agrees to indemnify, save and hold harmless the State of North Dakota, the North Dakota Public Employees Retirement System, including its Board of Trustees, officers and employees, from any and all claims of any nature, including all costs, expenses and attorneys' fees, which may in any manner result from or arise out of this agreement; except for claims resulting from or arising out of the State's sole negligence. Heart of America also agrees to indemnify, save and hold the State of North Dakota and the North Dakota Public Employees Retirement System, including its Board of Trustees, officers and employees, harmless from all costs, expenses and attorneys' fees incurred in establishing and litigating the indemnification coverage provided herein.

6. **Assignment and Delegation.** Heart of America may not assign or otherwise transfer or delegate any right or duty without the express written consent of the PERS Board.

7. **Modification.** This agreement may not be waived, altered, modified, supplemented, or amended, in any manner, except by written agreement signed by both parties.

8. **Group Contract.** Heart of America's group contract filed and approved with the Insurance Commissioner under N.D.C.C. §26.1-18.1-07 is incorporated herein by reference and Heart of America agrees to comply with all statements contained in that agreement except where such statements are modified herein.

9. **Coverage.** Heart of America's listing of benefits and services outlined in its request to offer membership to qualified PERS members is incorporated herein by reference.

10. **Payment.** PERS will pay Heart of America the following amount for each type of contract:

State Contracts	High Option	Low Option	Share Option
Single	$350.50	$321.30	$261.60
Single plus Dependent	$602.50	$554.30	$451.70
Family	$764.02	$763.40	$622.40

Political Subdivision Contracts	High Option	Low Option	Share Option
Single	$350.50	$321.50	$261.60
Single plus Dependent	$602.50	$554.30	$451.70
Family	$823.40	$763.40	$622.40

11. **Premium Differential.** The difference between the Health Plan's premium outlined in Provision 2, and the PERS payment outlined in Provision 10, must be collected from the member. Heart of America is responsible for attaining and maintaining appropriate payroll deduction authorization from the participating member and submitting it to the member's employer (i.e., payroll department) by June 1 of each year and thereafter within fifteen days of enrollment. A copy of such authorization must also be filed with PERS.

12. **Enrollment.** Heart of America must file a copy of the enrollment application with PERS by June 1 of each year and thereafter within fifteen days of enrollment. The application must include the type of contract and its effective date.

13. **Legal Compliance.** Heart of America agrees to comply at its own expense with all federal and state laws and all regulations promulgated under those laws in carrying out its responsibilities outlined in this agreement.

14. **Merger.** This agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this agreement.

15. **State Audit.** The books, records, documents, and all other records in any form, and the accounting practices and procedures of Heart of America relevant to this Agreement are subject to examination by the North Dakota State Auditor or the Auditor's designee. Heart of America will maintain all such records for at least three years following completion of this contract.

______________________________	______________________________
Jon Strinden, Chairman	Chief Executive Officer
North Dakota Public Employees	Heart of America Health Plan
Retirement System Board	

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Memorandum

TO: **PERS Board**

FROM: **Kathy**

DATE: **May 8, 2007**

SUBJECT: **PPO Update**

Annually, PERS requests BCBS to provide us with an update regarding the activity relative to additions to our PPO network. In 2006, 1,037 professional pins were issued and 20 facilities and 9 institutions were added to our directory.

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Memorandum

TO: PERS Board

FROM: Kathy

DATE: May 9, 2007

SUBJECT: Minimum Participation & Contribution Requirements

BCBS completed its annual compliance review of our participating employers for the 2006 calendar year. All participating groups responded and there were no employers found to be out of compliance with the minimum participation and contribution requirements.

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Memorandum

TO: **PERS Board**

FROM: **Kathy & Sparb**

DATE: **May 8, 2007**

SUBJECT: **Group Life Plan Renewal Options**

Effective July 1, 2005 Prudential was awarded the bid for the group life insurance plan. In its proposal, Prudential provided us with a three year rate guarantee. Pursuant to our bid process, we contract for a 6 year period subject to 2 year renewal intervals. At this time we would normally require the carrier to provide a renewal for the next two-year period; however, as a result of Prudential's proposal, we are requesting guidance on how to proceed at this time. The reason is that our funding is based on a biennium cycle and traditionally our contracting period with our carriers has followed this cycle. Following are the options identified by staff and discussed with Prudential:

1. Retain the current renewal for July 1, 2008 and request a subsequent 3-year renewal.
2. Retain current renewal of July 1, 2008 after which time we could renew for a 2 year and 1 year period.
3. Request a renewal for a 2-year period at this time.

Based on conversations with Prudential, the active group experience is within the bid projections; the retiree group experience is exceeding the projections. Therefore, opening up the contract for renewal at this time may have an adverse effect on the retiree rates. This could also be true for subsequent renewal periods for a one or two year period. Therefore, staff recommends option number one.

Board Action Requested

Approve or reject staff recommendation to retain current renewal schedule for July 1, 2008 and request a subsequent 3-year renewal.

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Memorandum

TO: PERS Board

FROM: Sparb & Bryan

DATE: **May 9, 2007**

SUBJECT: **Employee Assistance Program (EAP)**

There were four responses to the NDPERS EAP Request for Proposal (RFP). The four were: St. Alexius, Medcenter One, The Village, and Deer Oaks. These were the same four providers that responded in 2005. NDPERS staff reviewed the RFP proposals and found that all four again met the minimum qualifications.

Attached is the summary matrix from each of the four RFP responses.

As you recall, we use an agency based approach for the EAP. Each state agency will select a single vendor for the 2007-2009 biennium.

If you have any questions, we will be available at the NDPERS Board meeting.

Board Action Requested:

Approve the four EAP vendors as agency choices for the 2007-2009 biennium.

EAP Features	Minimum	Provider
EAP Established	1 year	15 years
Number of Annual Sessions Per Individual	6	10 per incident with unlimited incidents
Number of Annual Sessions Per Incident	6	10 per incident with unlimited incidents
Coverage	Family in Home & Out-of-House Dependents (STATUTE)	Family in Home & Out-of-House Dependents (STATUTE)
Staffing	Licensed Social Workers	Licensed with a Masters of Doctoral Degree in the Mental Health Field
Appointment Timing	Within 72 hours	Within 24-48 hours
Emergency Appointments	Within 24 hours	Within 12 hours
Weekend/Holiday Appointments	Emergency	Available upon request and in emergency situations
1-800 number	Minimum one line	32 lines (1-866-EAP-2400)
Phone Counseling	Minimum one staffed line	32 lines (1-866-EAP-2400)
24 hour Crisis "hot" line Staffing	Minimum one staffed line by LSW	32 lines (1-866-EAP-2400) staffed by Master's and doctoral level staff
On-site Employee Orientation	1 per year	1 minimum, provides as requested by each agency
On-site Seminars	None	Unlimited
Off-site Seminars	None	Unlimited
Management Training	Minimum Requirements: Stress, Conflict, Crisis	Hundreds of topics available included but not limited to: Stress, Conflict, Crisis, Diversity, Leadership, Motivation and Communication
Management Consultation	Available to all supervisory/management staff	Available to all supervisory/management staff as needed
Additional/Specialty Services Available	@ Additional Cost	Fitness-for-duty evaluations, enhanced work-life services, gatekeeper services, NurseLine services, Diversity Training, Health and Wellness Coaching
Employee Newsletters Supervisory Newsletters Internal Marketing Materials (i.e., payroll stuffers, posters, etc.)	Quarterly Biannually As needed	Monthly and Quarterly Monthly As needed
Agency Reporting - Utilization	Quarterly with Annual to Date	Quarterly with Annual to Date
Price	$1.42 maximum	$1.42
OTHER UNIQUE FEATURES		Please see the following pages.

Attachment C

MEDCENTER ONE EMPLOYEE ASSISTANCE PROGRAM 2005-2007

EAP FEATURES	MINIMUM	PROVIDER
EAP Established	1 year	15 years as internal EAP then in Fall 1988 began doing both internal & external EAP
Number of Annual Sessions Per Individual	6	6 (per eligible person, per issue, per calendar year)
Number of Annual Sessions Per Incident	6 (Full Individual Minimum)	6
Coverage	Family in Home & Out of House Dependents	Employee, Spouse, Dependents In & out of Home
Staffing	Licensed Social Workers	Range from licensed social workers(LSW) to licensed independent clinical social workers(LICSW) to clinical psychologist **(majority are LICSW)**
Appointment Timing	Within 72 hours	See below *
Emergency Appointments	Within 24 hours	See below *
Weekend/Holiday Appointments	Emergency	Rely on the phone counseling/crisis lines
1-800 Numbers	Minimum one line	866-310-5222 ext. 8879 (EAP Coordinator) 800 # also for provider finder line, crisis line, and phone counseling
Phone Counseling	Minimum one staffed line	One phone line – more than one counselor
24 hr. Crisis "hot" line Staffing	Minimum one staffed line by LSW	One phone line – more than one counselor
On-site Employee Orientation	1 per year (smaller groups may be combined)	1 per year (1 session can be scheduled for every 100 employees, not to exceed 1 hour and done in a group setting)
On-Site Seminars	None	By request (limit of 2 per year – charge for travel costs)
Off-Site Seminars	None	By request (limit of 2 per year – charge for travel costs)
Management Training	Minimum Requirements: Stress, Conflict, Crisis	Stress, Conflict, Crisis, Communication, Substance Abuse, Workplace Violence, etc.
Management Consulting	Available to all supervisory/management staff	Available to all supervisory/management staff
Additional/Specialty Services Available	@ additional cost	Email consults @ additional cost Worksite Wellness services for reduced prices
Employee Newsletter, Supervisory Newsletter, Internal Marketing Materials (i.e. payroll stuffers, posters, etc.)	Quarterly Biannually As Needed	Monthly Employee & Supervisory Newsletter available on Web Page – Hard Copy distributed upon request Brochures sent yearly and upon request, posters etc. available upon request
Agency Reporting – Utilization	Quarterly with Annual to Date	Quarterly with Annual to Date
Price	$1.42 maximum	**$1.40 per employee**
Other Unique Features		1 hour free legal consultation yearly 1 drug/alcohol assessment per employee per year Financial counseling/money management (limited area) Fitness Testing Consultation yearly (employees only) **ALL AT NO ADDITIONAL COST** No pre-approval needed from the main office – just call local provider and give your agency name, EAP name and presenting issue

*Our Medcenter One site can guarantee this however many of our network providers are individual counseling agencies and state they make every effort to meet this however may not always be able to do so. As an EAP we then encourage individuals to utilize either the crisis line or the phone counseling.

St. Alexius
Employee Assistance Program
PrimeCare

PROGRAM MATRIX 2007-2009

EAP Features	*Minimum*	*Provider*
EAP Established	*1 year*	The St. Alexius Employee Assistance Program was established in 1982.
Number of Annual Sessions Per Individual	6	The St. Alexius Employee Assistance Program will continue to exceed the minimum number of annual sessions. We will provide up to **eight** sessions per individual, per year.
Number of Annual Sessions Per Incident		Should the same plan member return to the Employee Assistance Program based on another incident, a second counseling intervention would be provided to the plan member based on this new incident. For each incident, assuming the incidents are different and unrelated from previous incidents, based on professional assessment, the plan member could be eligible to receive additional sessions.
Coverage	*Family in Home & Out-of-Home Dependents (STATUTE)*	Spouse or child living at home and under 18 and/or attending school and under age 26. Retirees during 3 months post retirement. Employee impacted by Reduction in Force (RIF) during 3 months post RIF separation from agency.
Staffing	*Licensed Social Workers*	LSW + 20 years experience, Licensed Certified Clinical Social Worker (LICSW), Licensed Professional Clinical Counselor (LPCC), Licensed Addiction Counselor (LAC). All licensure standards of ND or other appropriate standard of licensing state required.
Appointment Timing	*Within 72 hours*	Within 24-48 hours.
Emergency Appointments	*Within 24 hours*	Within 16 hours.
Weekend/Holiday Appointments	*Emergency*	Emergency
1-800 number	*Minimum one line*	The Employee Assistance Program 1-800 line is a dedicated "T-1" line. This line is broken down into 24 incoming channels which conceivably could be accessed simultaneously by callers calling in to the Employee Assistance Program.
Phone Counseling	*Minimum one staffed line*	24 hours a day and seven days a week, phone counseling is available.
24 hour Crisis 'Hot' Line Staffing	*Minimum one staffed line by LSW*	One by LSW. Licensed Social Workers are listed as the minimum requirement. The North Dakota license requirements are that the LSW be educated at the bachelor's level. This minimum requirement is exceeded as those clinicians associated with the St. Alexius Employee Assistance Program have a minimum of an LSW plus 20 years of experience or are credentialed at the LICSW or LPCC level requiring advanced education at the master's level plus 5 years of experience.
On-site Employee Orientation	*1 per year (Smaller groups may be combined)*	1 per quarter if requested. Will continue to fill <u>all</u> agency requests.
On-site Seminars	*None*	All requests will be encouraged and considered.

EAP Features	*Minimum*	*Provider*
Off-site Seminars	*None*	3 per year / in 8 regions / at 10 statewide locations as part of our "Enhancing Excellence in the North Dakota Workplace" series.
Management Training	*Minimum Requirements: Stress, Conflict, Crisis*	The St. Alexius Employee Assistance Program provides an Enhancing Excellence in the North Dakota Workplace series of supervisory training and all staff educational presentations. The series has been extremely well received and we will continue to provide the program on a statewide basis, three times per year at ten locations in North Dakota. The series will be offered as a courtesy of the St. Alexius Employee Assistance Program at no cost to the agency or to the personnel who attend. The offerings are designed to strengthen leadership skills, and to enhance motivation and productivity among all staff levels through the creation of a more positive work environment.
Management Consulting	*Available to all supervisory/manage ment staff*	The St. Alexius Employee Assistance Program provides extensive management consultation to all agencies covered by the program. The Employee Assistance Program staff is experienced in dealing with challenging work site problems and includes these services as an integrated component available to all administrators, managers and supervisors. Workplace officials are provided access to trained and experienced professionals who provide training and guidance designed to enhance management excellence.
Additional/Specialty Services Available	*@ Additional Cost*	@ additional cost with authorization from agency designee.
Employee Newsletters *Supervisory Newsletters* *Internal Marketing Material* *(i.e., payroll stuffers, posters, etc.)*	*Quarterly* *Biannually* *As needed*	All minimums exceeded. Throughout the year, Professional and Supervisory Updates, Informational brochures, posters and wallet cards are distributed. Additional informational materials are available as requested.
Agency Reporting *- Utilization*	*Quarterly with Annual to Date*	All minimums exceeded. Customized utilization reports will continue to be made available to the agencies as requested.
Price	*$1.42 Maximum*	$1.42

OTHER UNIQUE FEATURES

Innovative services and educational presentations are developed based on specific employee population needs. Services in this regard include but are not limited to:

1. All clinical services are provided in a professional and confidential manner with emphasis on improving relationships, findings solutions, and developing personal effectiveness and self-esteem. Overall, we believe those who have used the program have come to trust its confidentiality and the quality of its services.

2. Appointments are made at a time which is convenient for employees and their families. Any agency official, employee or family member may contact an Employee Assistance counselor by calling **530-7195** in Bismarck or on our toll-free line, **1-800-327-7195**. Crisis or emergency circumstances are addressed 24 hours per day, seven days per week through the Employee Assistance Program on-call system.

3. Access to an Employee Assistance Program website that features direct and easy access. The website provides quality articles and brochures on supervisory and management processes, themes for effective living and current trends in the workplace. The website, **st.alexiuseap.com**, provides opportunities for contact with members of the EAP staff for consultation and review of personal, professional, family and social concerns. The website also provides information on current and future educational and training opportunities offered by EAP staff.

4. Access to the St. Alexius Telecare Network which links employees and families with clinical staff of the Employee Assistance Program using two-way "live" television. Employee Assistance Program staff can conduct private, face-to-face management consultations, counseling services, educational and training presentations using the interactive video network.

5. Substance abuse identification, intervention and referral with availability of full-time licensed addiction counselors.

6. The St. Alexius Employee Assistance Program provides the services of Certified Substance Abuse Professionals for all state agencies subject to compliance with federal regulations for alcohol and other drug testing protocol. The services are provided at no charge to the agency, or to the individual employees subject to the regulations.

7. The St. Alexius Employee Assistance Program provides free consultation and services for all state agencies in the development of policy and procedure related to federal alcohol/drug testing regulations, and in the development of unannounced alcohol/drug testing schedules. The program provides free test schedule tracking services at no charge to assist the agency in assuring compliance with the federal regulations.

8. Conflict resolution sessions to ease tensions among co-workers, supervisors and management.

9. Crisis intervention and trauma in the workplace debriefing sessions in response to events, such as, death, suicide or severe workplace injury.

10. Interactive team building processes to enhance cooperative effort and improve morale in the workplace.

11. Guidance related to integration with other policies and procedures, such as, drug testing processes and compliance with ADA regulations, sexual harassment investigation, etc.

12. Leadership training.

13. Management and supervisory training.

14. Management and supervisory intervention techniques.

15. Administrative consultation.

16. Full compliance with the Federal Health Insurance Portability and Accountability Act (HIPAA), thereby providing enhanced privacy protections for employees and families who use the program.

The Village Business Institute
Employee Assistance Program Matrix 2007

EAP FEATURES	MINIMUM	PROVIDER
EAP Established	1 Year	1972
Number of Annual Sessions Per Individual	6	Minimum of 8 Aggregate household total 4x # of household members
Number of Annual Sessions Per Incident		See Above
Coverage	Family in Home & Out of House Dependents (STATUTE)	Family in Home & Out of House Dependents
Staffing	Licensed Social Workers	Licensed with a Masters or Ph.D. level mental health professionals
Appointment Timing	Within 72 hours	Within 72 hours
Emergency Appointments	Within 24 hours	Within 24 hours
Weekend/Holiday Appointments	Emergency	Emergency
1-800 Numbers	Minimum one line	32 lines
Phone Counseling	Minimum one staffed line	7 staffed for emergencies-mental health 32 staffed for Financial counseling Law Phone also staffed
24/hr Crisis "hot" line Staffing	Minimum one staffed line by LSW	7 staffed lines by Masters level mental health professional
On-site Employee Orientation	1 per year (smaller groups maybe combined)	1 minimum, as necessary throughout the year
On-Site Seminars	None	2 hours of training per agency; 2 additional hours per 500 employees per agency
Off-Site Seminars	None	Quarterly Contract Holder Seminars for Supervisor/Managers
Management Training	Minimum Requirements: Stress, Conflict, Crisis	See enclosed folder
Management Consulting	Available to all supervisors/management staff	Supervisor HelpLine available to all Supervisor/Management Staff
Additional/Specialty Services Available	@ additional cost	CISM, Mediation, Human Resources Services bid per project, Job Coaching, Training & Development
Employee Newsletters Supervisory Newsletters Internal Marketing Materials (i.e. payroll stuffers, posters, etc.)	Quarterly Biannually As needed	Monthly Quarterly -Minimum annual As needed
Agency Reporting - Utilization Reports - Survey of Agencies - Survey of Clients	Quarterly with Annual to Date	Quarterly with Annual to Date - 100 % ongoing currently - see enclosed 2006 NDPERS utilization report
Price	$1.42 maximum	$1.42 per employee per month
Other Unique Features		1 step access, State wide service network, Accredited by Council on Accreditation of Service for Families and Children

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M E M O R A N D U M

TO: NDPERS BOARD
SPARB COLLINS, NDPERS
KATHY ALLEN, NDPERS

BTR

FROM: BRYAN T. REINHARDT

DATE: April 26, 2006

SUBJECT: GROUP MEDICAL PLAN - SURPLUS/AFFORDABILITY UPDATE

Here is the March surplus projection and affordability analysis for the NDPERS group medical plan. The plan made it through the 2003-2005 biennium and is in the last part of the 2005-2007 period.

Net premium sent to BCBS in July 2005 was $10,853,370. For comparison, net premium sent to BCBS in June 2005 was $9,821,731. The NDPERS health plan ended up with 23,580 contracts in June, 2005. There were 22,947 contracts in June, 2003, and 21,792 in July 2001. There are now 24,314 contracts.

The projection for the 2003 - 2005 biennium shows an ending balance of $15.67 million. The cash settlement back to NDPERS should be around $1.4 million. The $14.3 million deposit date for the 05-07 biennium was July 1, 2006. These amounts are at BCBS and receiving interest.

The projection for the 2005 - 2007 biennium shows a June 30, 2007 ending loss of $75,000. The plan is fully insured against a loss, so the actual projection is zero. Since we share 50/50 in the first $3.0 million surplus with BCBS, future growth in this surplus will be difficult.

If you have any questions or you should need anymore information, please contact me.

NDPERS - ESTIMATED SURPLUS PROJECTION: 2005-2007 BIENNIUM

March, 2007

The following exhibit summarizes the estimated surplus for the NDPERS group medical plan at the end of the 2005-2007 biennium. The estimate has been updated to include account activity through March, 2007.

1) Preliminary Underwriting Gain for the 2005-2007 Biennium		($15,751,300)
2) Cash Balance Interest Accumulation		$984,980
3) Estimated Underwriting Gain for the 2005-2007 Biennium		($14,766,320)
5) Refunds and Settlements		
07/01/05 Perform Rebate	(Included as claim rebates)	$424,842
10/04/05 Perform Rebate	(Included as claim rebates)	$430,343
12/01/05 Perform Rebate	(Included as claim rebates)	$8,716
01/01/06 Perform Rebate	(Included as claim rebates)	$332,766
02/24/06 Perform Rebate	(Included as claim rebates)	$387,919
03/01/06 Perform Rebate	(Included as claim rebates)	$15,236
05/26/06 Perform Rebate	(Included as claim rebates)	$280,399
08/31/06 Perform Rebate	(Included as claim rebates)	$288,072
11/30/06 Perform Rebate	(Included as claim rebates)	$266,417
12/30/06 Perform Rebate	(Included as claim rebates)	$23,228
02/28/07 Perform Rebate	(Included as claim rebates)	$272,137
05/31/07 Perform Rebate		$275,000
EPO Settlement Payments 7/05 - 6/06	(Included as rebates & paid)	$1,277,000
EPO Settlement Payments 7/06 - 6/07	(Included as rebates & paid)	$0
6) Cash Reserve Account Balance		$15,666,912
2003-2005 Settlement Cash Out:		($1,439,151)
Future Interest:		$187,621
Total		$14,415,382
7) Total Estimated Surplus Held by BCBS		($75,938)
8) BCBS Portion of Surplus (50% upto $1,500,000)		$0
9) PERS Portion of Surplus Held by BCBS		$0
10) NDPERS Wellness Accounts		
My Health Connection		$171,427
Employer Based Wellness		$70,023
Wellness Benefit Program		$34,054
SubTotal		$275,504
Total Adjusted for Usage		$0
11) Total Estimated Funds Available to PERS on June 30, 2007		$0

NDPERS - Projected Underwritten Experience for the 2005-2007 Biennium

March, 2007

MONTH	NET PREMIUM COLLECTED	PREMIUM ADJUSTMENT	TOTAL PREMIUM INCOME	ADMIN EXPENSE $26.98/CON	NET PREMIUM	CLAIMS INCURRED & PAID TO DATE	ESTIMATED IBNR CLAIMS	TOTAL INCURRED CLAIMS (1)	ESTIMATED GAIN / LOSS
Jul-05	$11,491,070	($2,387)	$11,488,683	$637,699	$10,850,984	$10,943,243	$0	$10,943,243	($92,259)
Aug-05	$11,486,984	$0	$11,486,984	$635,676	$10,851,308	$10,792,966	$0	$10,792,966	$58,342
Sep-05	$11,592,130	$0	$11,592,130	$641,396	$10,950,735	$9,694,416	$0	$9,694,416	$1,256,319
Oct-05	$11,564,639	($995)	$11,563,644	$640,748	$10,922,896	$10,050,892	$0	$10,050,892	$872,004
Nov-05	$11,565,139	$1,417	$11,566,556	$640,478	$10,926,078	$11,395,771	$0	$11,395,771	($469,693)
Dec-05	$11,575,731	$7,675	$11,583,406	$640,829	$10,942,577	$11,777,953	$0	$11,777,953	($835,376)
Jan-06	$11,053,969	$332	$11,054,300	$644,606	$10,409,694	$10,008,180	$0	$10,008,180	$401,514
Feb-06	$11,053,628	$0	$11,053,628	$645,308	$10,408,320	$9,713,120	$0	$9,713,120	$695,200
Mar-06	$11,049,994	($26,775)	$11,023,218	$645,146	$10,378,073	$12,262,662	$0	$12,262,662	($1,884,589)
Apr-06	$11,066,004	($36,321)	$11,029,683	$645,820	$10,383,862	$10,966,160	$0	$10,966,160	($582,298)
May-06	$11,064,390	$3,501	$11,067,891	$646,198	$10,421,693	$11,064,843	$0	$11,064,843	($643,150)
Jun-06	$11,076,821	$0	$11,076,821	$647,385	$10,429,436	$12,039,976	$0	$12,039,976	($1,610,540)
Jul-06	$11,056,557	$0	$11,056,557	$646,495	$10,410,063	$10,322,335	$0	$10,322,335	$87,728
Aug-06	$11,052,995	$0	$11,052,995	$646,414	$10,406,581	$11,393,052	$104,000	$11,497,052	($1,090,471)
Sep-06	$11,153,014	$0	$11,153,014	$650,785	$10,502,229	$10,103,289	$159,000	$10,262,289	$239,940
Oct-06	$11,116,487	$6,351	$11,122,838	$650,515	$10,472,323	$11,181,335	$258,000	$11,439,335	($967,012)
Nov-06	$11,146,017	($8,222)	$11,137,795	$652,916	$10,484,879	$10,961,186	$564,000	$11,525,186	($1,040,307)
Dec-06	$11,130,343	($12,813)	$11,117,530	$651,972	$10,465,558	$11,100,974	$785,000	$11,885,974	($1,420,416)
Jan-07	$11,173,395	($5,016)	$11,168,379	$654,643	$10,513,737	$10,938,507	$1,749,000	$12,687,507	($2,173,770)
Feb-07	$11,192,661	$0	$11,192,661	$658,177	$10,534,484	$7,901,910	$3,680,000	$11,581,910	($1,047,426)
Mar-07	$11,192,066	$0	$11,192,066	$656,154	$10,535,912	$3,159,340	$8,701,000	$11,860,340	($1,324,428)
Apr-07	$11,192,066	$0	$11,192,066	$656,154	$10,535,912	$0	$0	$11,852,704	($1,316,791)
May-07	$11,192,066	$0	$11,192,066	$656,154	$10,535,912	$0	$0	$11,929,435	($1,393,523)
Jun-07	$11,192,066	$0	$11,192,066	$656,154	$10,535,912	$0	$0	$12,006,166	($1,470,254)
BIENNIAL TOTAL	$269,430,230	($73,254)	$269,356,976	$15,547,819	$253,809,158	$217,772,110	$16,000,000	$269,560,415	($15,751,257)

(1) Future Months are Estimated based on Projection from NDPERS.

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Memorandum

TO: PERS Board

FROM: Bryan

DATE: May 8, 2007

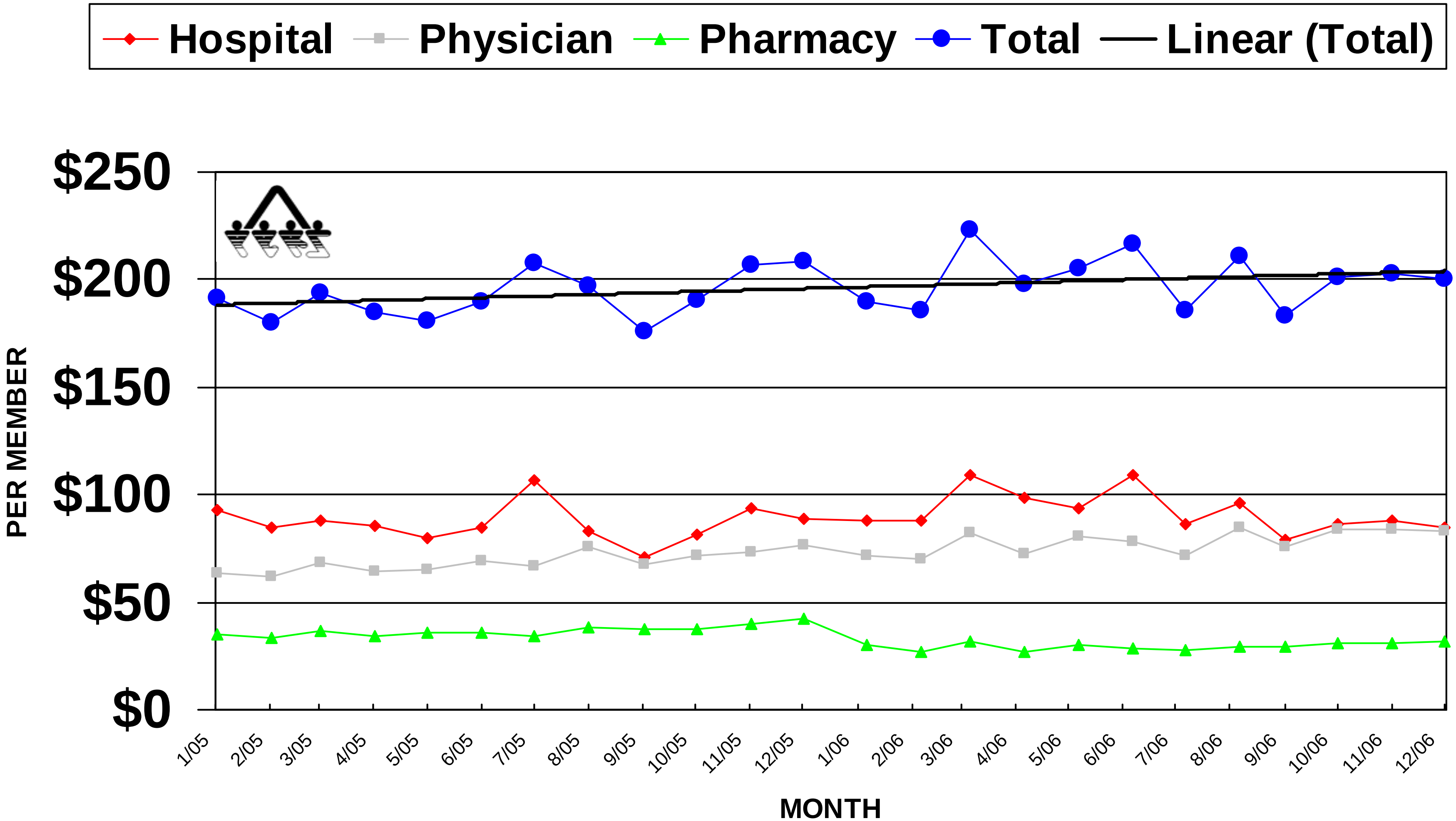
SUBJECT: Quarterly Health Graphs

Attached are the quarterly health utilization graphs for the 4th quarter 2006. The graphs show the latest two years of information (2005 & 2006). The plan as a whole had per member per month (per capita) costs increase from about $190 to $205. This is an 8% increase for the two year period. Keep in mind that the Medicare Part-D plan had a lot to do with this low trend.

The active employees have a trend of about 10% per year and their dependents are running about 6.5%. The retirees show a decreasing trend line due to the cost shift in prescription drugs to Medicare. Note that the Medicare Part-D premium is about $60 and the cost shift has been about $85.

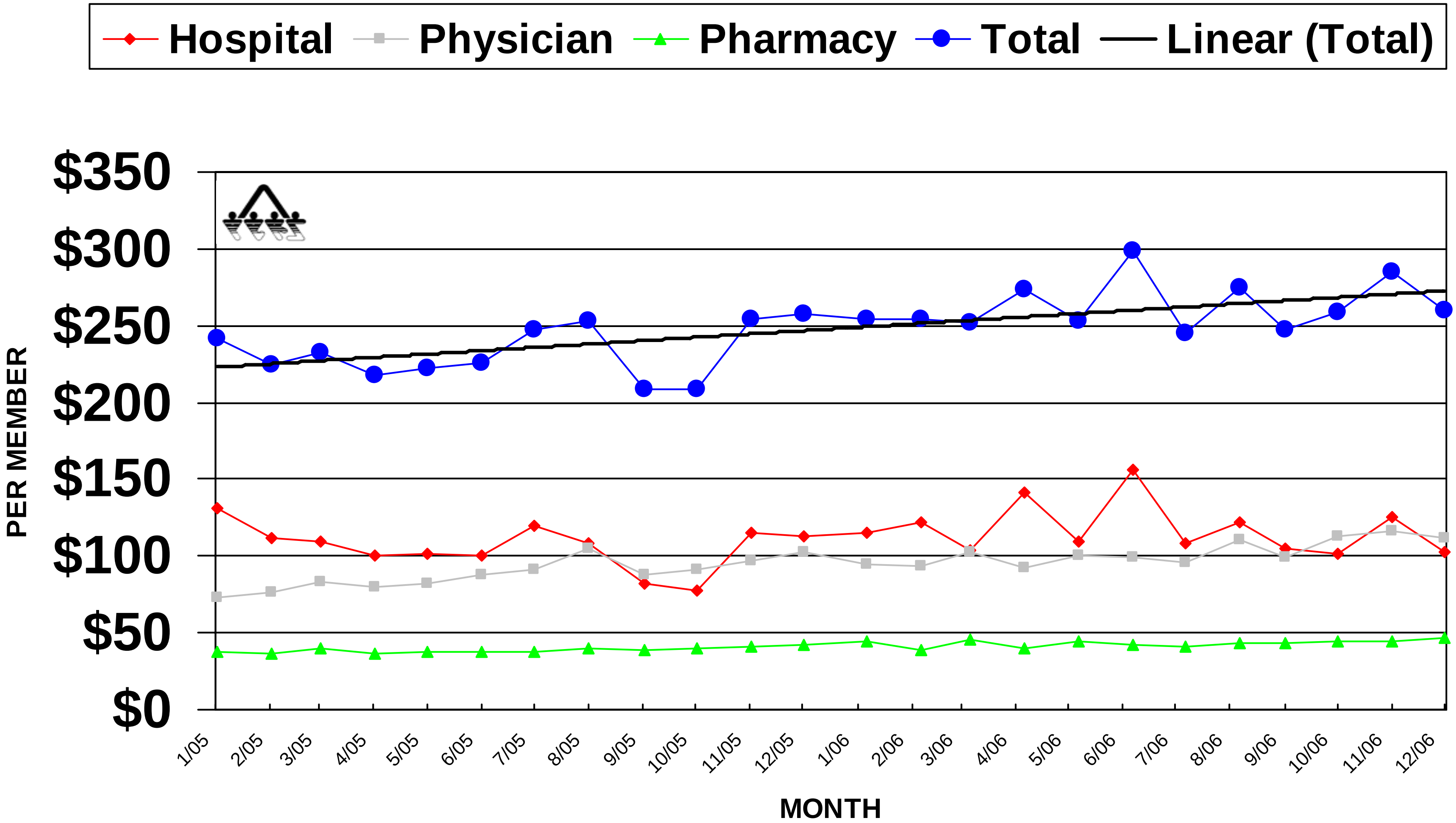
NDPERS HEALTH INSURANCE PLAN

TOTAL MEMBERSHIP



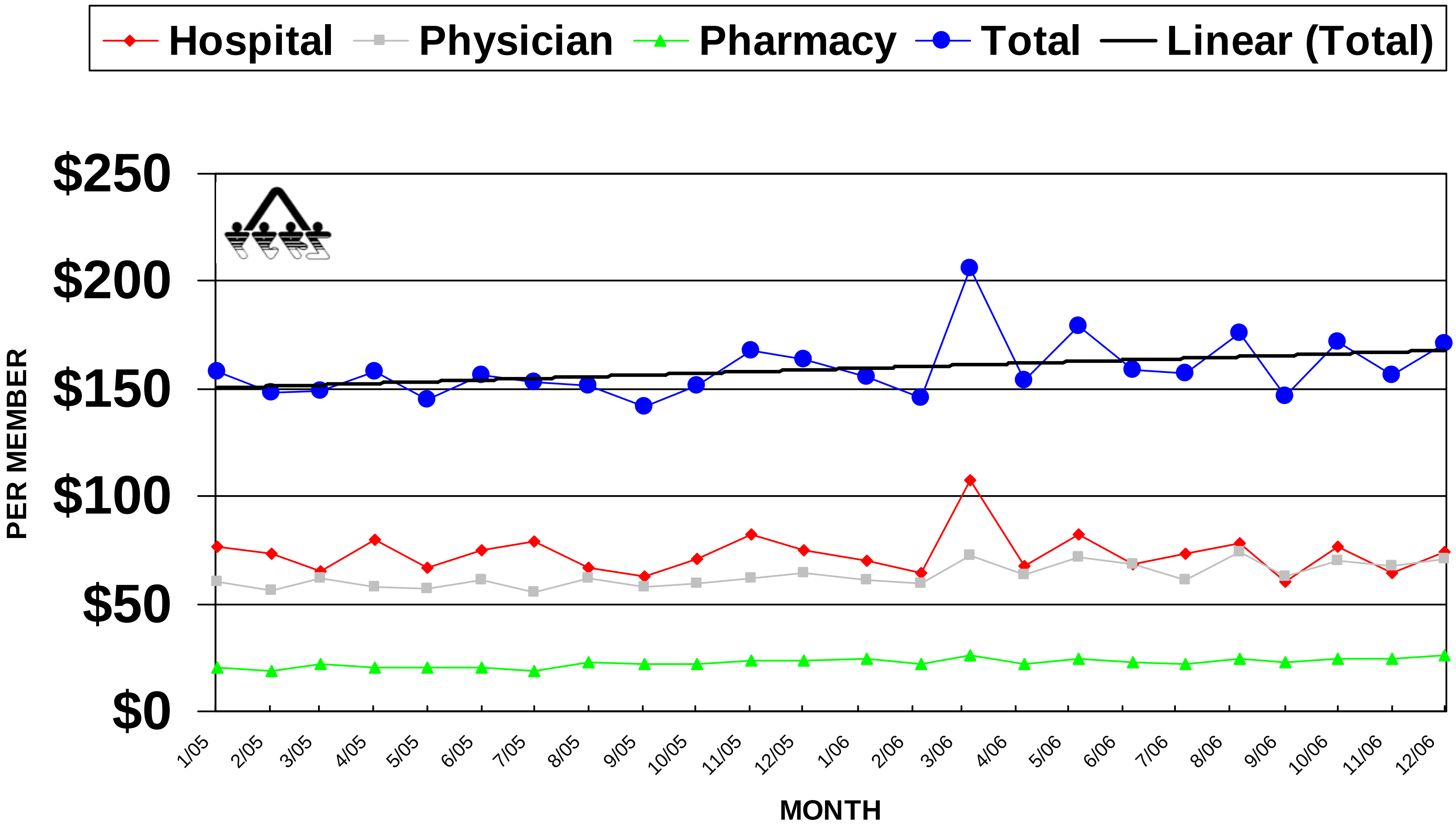
NDPERS HEALTH INSURANCE PLAN

ACTIVE EMPLOYEES



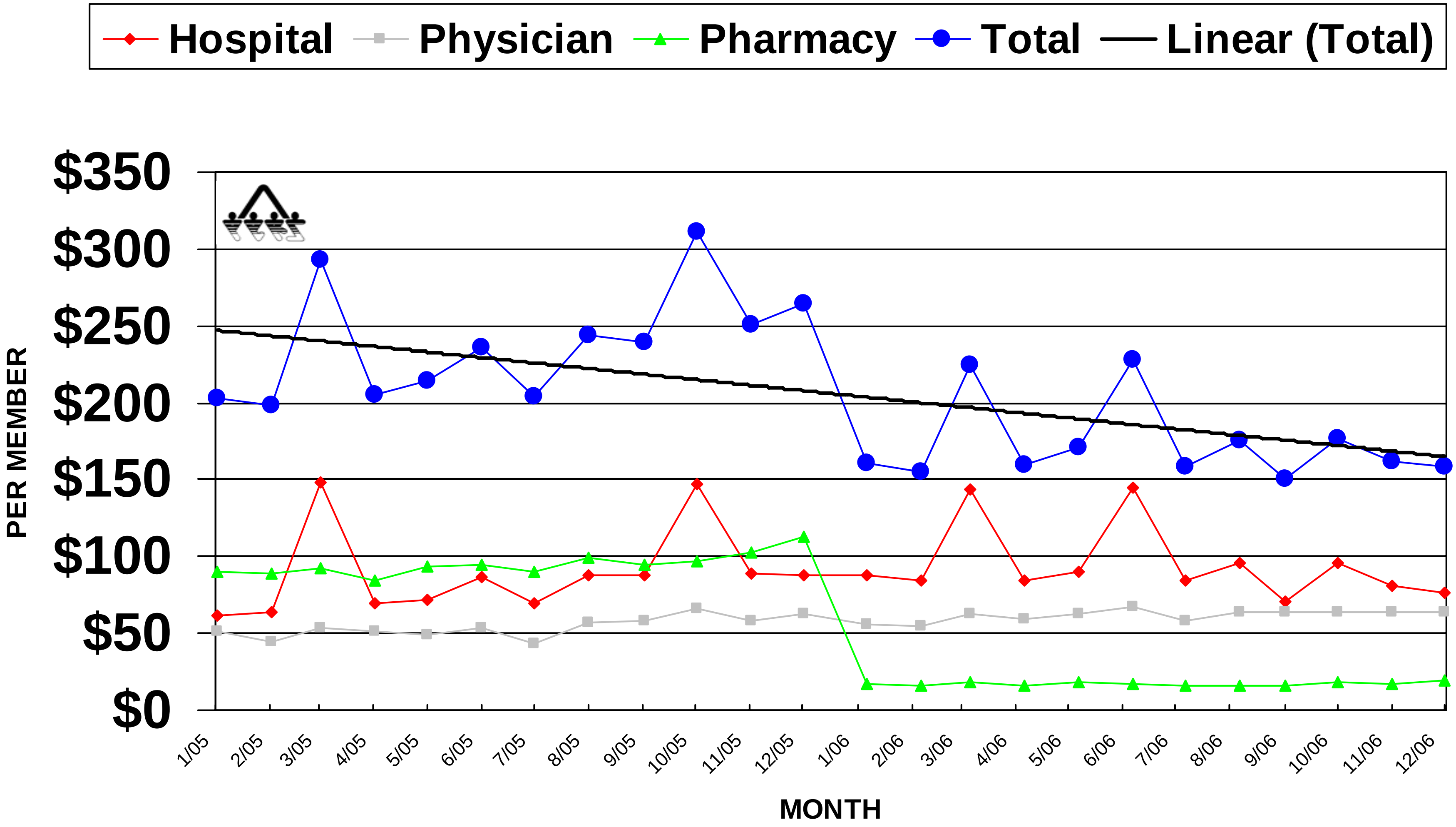
NDPERS HEALTH INSURANCE PLAN

ACTIVE DEPENDENTS



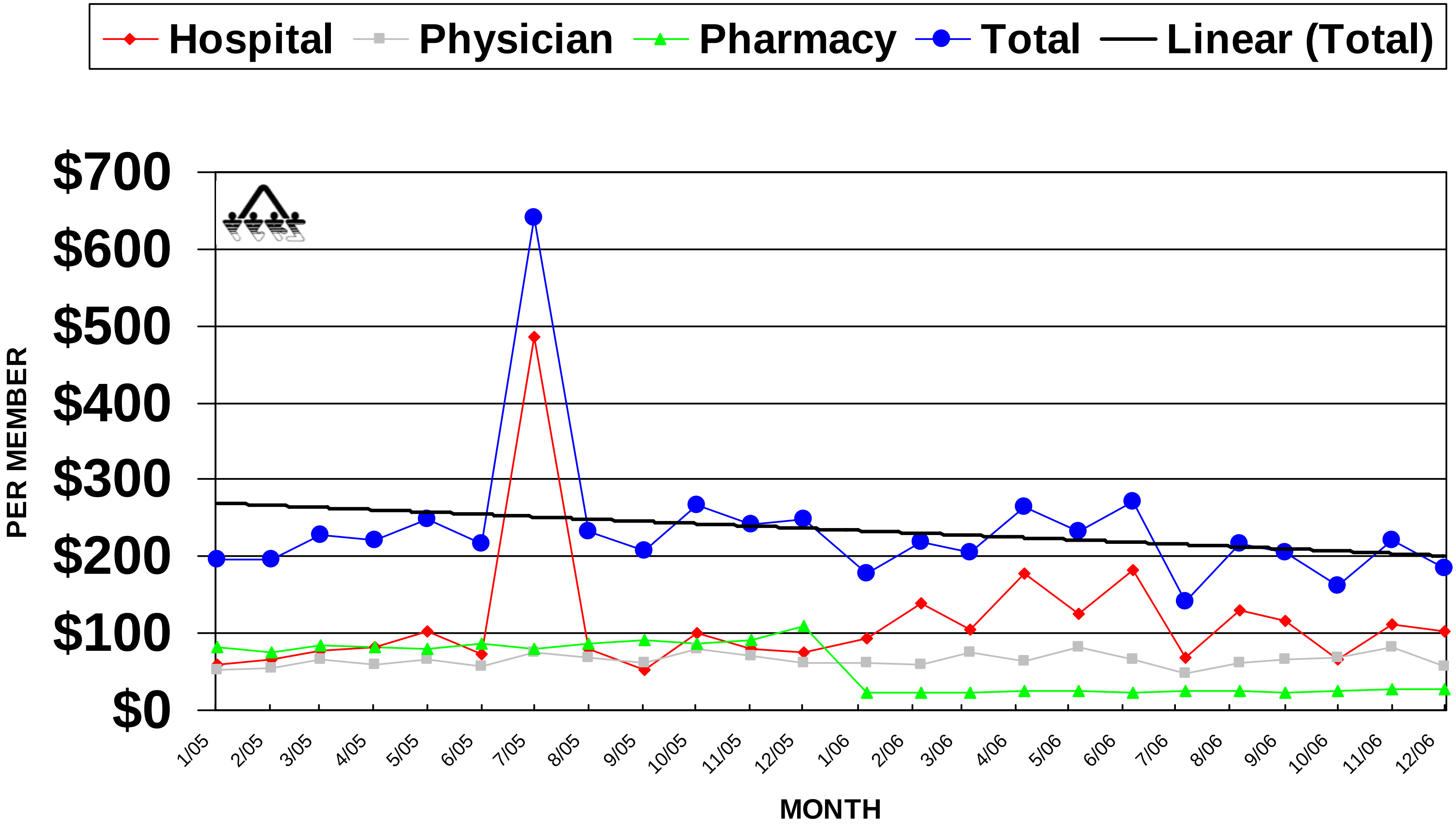
NDPERS HEALTH INSURANCE PLAN

RETIRED EMPLOYEES



NDPERS HEALTH INSURANCE PLAN

RETIRED DEPENDENTS



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Memorandum

TO: PERS Board

FROM: Sparb

DATE: May 9, 2007

SUBJECT: Legislation – Group Insurance

The following legislation was considered this session relating to the PERS group insurance program:

Legislation passed related to the Group Insurance Program (please note all bills have not been signed by the Governor at this point and I will provide an update at the board meeting)

HB 1179

Title: District health units participation in the uniform group insurance program.

Title: Relating to the formation of health districts and to participation in the uniform group insurance program.

This bill will allow health districts to participate in the group insurance program under the same terms and conditions as state employers. This means they will get the flat rate and will participate in the health, life, dental, vision and EAP. We are meeting with representatives of the health districts as we prepare for implementation of this bill.

HB 1432

Title: Relating to health treatment management services for state employees and their families; and to provide a continuing appropriation

This bill is almost identical to 1433 except it provides broad authority to establish a collaborative drug therapy program. It also allows the board the authority to seek and accept private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources for a collaborative drug therapy program for identified health populations. Any funds that may become available through contributions, gifts, grants-in-aid, or other sources to the board for a collaborative drug therapy program are appropriated to the board on a continuing basis. Staff will seek opportunities to solicit funds for implementing efforts under this section.

HB 1433

Title: Diabetes treatment management services for state employees and families

Title: Relating to diabetes treatment management services for state employees and their families

This bill directs that the board establish a collaborative drug therapy for the treatment of diabetes. We indicated in our testimony that it would be 6 t 12 months before implementation. The bill also estimated the cost of this effort at approximately $800,000. The bill funds the program in section 4 as follows:

> *"The board shall fund the program from any available funds in the uniform group insurance program and if necessary the fund may add up to a two dollar per month charge on the policy premium for medical and hospital benefits coverage. A state agency shall pay any additional premium from the agency's existing appropriation."*

Staff has reviewed the status of the group insurance fund and find that at this time we would estimate the unabligated balance to be about 1.6 million. Therefore we should be able to move forward with implementation of this bill without having to ask for the additional $2 premium. The remaining balance is a contingency for adminstative costs, BCBS settlement or if the LASER projects needs to be rebid).

SB 2045

Title: Relating to prescription drug coverage under the uniform group insurance program; relating to the retiree health benefits fund, employer payment of a temporary employee's health insurance premium, temporary employee eligibility, and bids for prescription drug coverage under the uniform group insurance program.

The employer sponsored life insurance coverage increase in this bill was deleted by the House and therefore is not in the final bill. Staff is implementing the provision relating to allowing spouses to combine their health credit amounts based upon the direction provided by the board at the Feb 8, 2006 meeting. We will report further on this at the June meeting. The provisions relating to temporary employees will be incorporated in to the PERS payroll manual and communicated at the payroll conference in June. The last area in the bill allows the board to consider separating the medical and prescription drug coverage. Staff suggests we start working with our retiree group this summer to get their recommendations for the board to consider this fall. The earliest we could implement this would be with the plan year beginning in 2009; however we may be able to consider some incremental options before then.

Legislation not passed this session

HB 1244

Title: Relating to confidentiality of pharmaceutical manufacturer rebates obtained by the public employees retirement system

HB 1486

Title: Relating to participation by members of the legislative assembly in the uniform group insurance program.

HB 1510

Title: Relating to expansion of the uniform group insurance program to allow participation by members of the North Dakota national guard; relating to subgroups under the uniform group insurance program; and to provide a continuing appropriation.

SB 2050

Title: Relating to contributions and benefits under the retiree health benefits fund of the public employees retirement system.

> *This bill proposed to increase the retiree health credit from $4.50 to $5 and increase employer contributions from 1% to 1.15%. The funding for the bill was recommended by the Governor and the bill passed the Senate 45 yeas to 0 nays however in the House it was defeated with 48 nays to 44 yeas.*

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Memorandum

TO: **PERS Board**

FROM: **Rebecca**

DATE: **May 8, 2007**

SUBJECT: **Employer Based Wellness Program Renewal**

PERS staff has been working with our participating employers regarding the renewal of the Employer Based Wellness Program to determine which employers will qualify for the 1% health insurance premium discount. Attached for your reference is the schedule that was followed during this renewal process.

At this time, there are a total of 175 out of 271 employers electing to participate in the wellness program. This is a participation rate of approximately 65%. The break-down of those participating is as follows:

- 86 state agencies, universities and district health units
- 34 counties
- 19 schools
- 17 cities
- 19 political subdivisions

We also would like to share the number of contracts covered by employers electing to participate in the wellness program. There are 17,465 contracts out of a total of 18,156. Therefore, 96% of employees covered on the insurance plan are working for employers that are offering wellness programs and activities to their employees.

This item is informational only. Staff will be available at the board meeting to answer any questions that you may have regarding the wellness program renewal process.

Employer Based Wellness Program
Application Schedule 2007

November

- Outline process at Wellness Forum on 11/14

December

- Send email to wellness coordinators with detail on process – sent 12/8
- Send letter to non-wellness agency heads about process – sent 12/27

January

- Send reminder emails to wellness coordinators – week of 1/8 & 1/24
- PERSonnel Updates newsletter article – to be mailed @ 1/15
  - Emailed article to Kristi on 12/27/06
- Deadline for wellness discount applications – 1/31

February

- Review and evaluate discount applications

March

- Review and evaluate discount applications
- Notifications of Discount Eligibility to agency heads and copy wellness coordinator – sent 3/15
- Contacted coordinators if program was not approved to discuss and request additional program information – done through March
- Notice that no application was received to agency heads – sent 3/15

April

- Reminder that no application was received to agency head – sent 4/23
- Reminder of deadline for applications in PERsonnel Updates
  - newsletter sent on 4/30

May

- Final deadline for applications is 5/11
- Work with group insurance division on notice & rate structure
- Send memo of rate increase to employers with the billing for June premium
- Employer report of wellness activities due by 5/31
- Provide preliminary notice to insurance account regarding premium changes due to wellness 5/31
- Report to board on wellness renewal for upcoming fiscal year

June

- Provide final notice to insurance accountant regarding premium changes due to wellness by 6/15

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Memorandum

TO: **PERS Board**

FROM: **Rebecca**

DATE: **May 8, 2007**

SUBJECT: **Go Red Project**

During the past year, PERS has been pleased to have partnered with the American Heart Association and their Go Red Project in North Dakota. Through this partnership, we have been able to offer those employers participating in the wellness program the opportunity to relay to their employees information and programs offered through the American Heart Association.

We have also been able to offer special services funded through the Go Red ND project to three of our wellness employers. The three employers that are participating in these special services are:

- North Dakota State University
- Workforce Safety & Insurance
- Morton County

Here with us today is Joan Enderle, the director of the Go Red North Dakota project. Joan is going to share an overview of the project and services that are being provided to our PERS employers through this partnership.

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Memorandum

TO: PERS Board

FROM: Sparb

DATE: May 9, 2007

SUBJECT: Pilot Program

Attached for your review and information is the detailed proposal for the third and final year of the wellness pilot program. This amount has been budgeted as part of our premiums for the biennium and is the completion of the effort the board approved two years ago.

UNIVERSITY OF UND NORTH DAKOTA

CENTER FOR HEALTH PROMOTION & PREVENTION RESEARCH
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GRAND FORKS ND 58202-9037
(701) 777-4046
FAX (701) 777-2387

May 1, 2007

Mr. Sparb Collins, Executive Director
North Dakota Public Employees Retirement System
400 E Broadway Ave Suite 505
PO Box 1657
Bismarck ND 58502-1657

Dear Mr. Collins:

I am pleased to present you with the proposed Year 3 budget for our North Dakota Worksite Health Promotion Program. The scope of work for Year 3 is the same as for Years 1 and 2 and is fully described in our original proposal dated July 2005. That document includes the specific aims, research design, scope of health promotion services, and proposed outcome analyses for the three year pilot program. In this final year, we will be providing all usual program activities plus summary analyses examining how effective the two levels of programs were in reducing healthcare costs, improving employee productivity, and increasing employee satisfaction while controlling for factors such as employee age, gender, employer involvement, and baseline worksite healthcare costs.

As we have discussed, the timeline for the proposed Year 3 work will be from September 7, 2007 to September 6, 2008. This start date reflects that although the timeline stated in our current contract for Years 1 and 2 was from July 1, 2005 to June 30, 2007, the actual execution of the contract and billings did not begin until September 7, 2005. Therefore, our current Year 2 work will be completed as of September 6, 2007. We would expect that our Year 3 contract and work would commence on September 7, 2007 so that there will be no interruption of services for the Pilot Program.

All of our faculty and staff involved in the North Dakota Worksite Health Promotion Program have very much enjoyed working with the four state agency health councils, administrators, and employees. We have achieved the overall levels of participation needed to affect employee health and therefore we are optimistic about achieving employee health and satisfaction improvements. It has also been my pleasure to work with you, your staff, and the NDPERS Board on our mutual goal of improving the health of our state employees.

We look forward to working with you again in this last year of the program.

Best regards,

Nancy Vogeltanz-Holm

Nancy Vogeltanz-Holm, Ph.D.
Director, Center for Health Promotion and Prevention Research

Evaluating the Effectiveness of Health Promotion Programs for North Dakota Public Employees

Year 3 Proposed Budget

Prepared by Nancy Vogeltanz-Holm, Ph.D., Director
Center for Health Promotion & Prevention Research
University of North Dakota School of Medicine & Health Sciences

Personnel/Salary:
Salary plus fringes @30% for Center for Health Promotion Faculty/Staff: $75,374
- 15% time for Project Director
- 10% time for Senior Scientist
- 10% time for Research Analyst
- 10% time for Health Promotion Specialist/Program Assistant
- 50% time for Health Coach

Fees (Healthcare Services):
Worksite Health Screenings; onsite fees for delivery of tobacco cessation and other health promotion services: $3,000

Fees (Health Risk Assessment Incentives):
$25 incentive for completing HRAs for 300 employees (80% of all employees): $7,500

Fees (Web-based Programming):
Programming fees related to maintenance of online health risk appraisal services: $2,500

Other:
Communication costs including postage, fax, phone, and long-distance; copying; promotional materials for worksites; newsletter costs: $3,000

Travel:
In-state travel costs to the 4 worksites and to the Center for Health Promotion ($300 @ 6 trips): $1,800

Year 3 Total Direct Costs: $93,174

UND Facilities and Administration Costs @ 31.4%: $29,257

TOTAL DIRECT AND F&A COSTS: $122,431

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Memorandum

TO: PERS Board

FROM: Rebecca, Kathy & Sparb

DATE: May 8, 2007

SUBJECT: **Coordination of Employer Based Wellness Program and Wellness Benefit Funding Program**

Over the past several months, staff has been working on the coordination of the Employer Based Wellness Program and the Wellness Benefit Funding Program. The Employer Based Wellness Program is the 1% premium discount that applies to employers who have submitted an approved wellness application outlining the wellness activities that they are going to promote on an annual basis. The Wellness Benefit Funding Program provides dollars as funding assistance to employers to promote wellness activities for their employees. Through previous Board action, in order to apply for funding assistance through the funding program, an employer must be an approved wellness employer who is receiving the 1% premium discount.

PERS staff would like to propose that for the upcoming fiscal year 2007-2008, any funding applications submitted on behalf of an employer would need to be signed by the agency's designated wellness coordinator. As you recall, the agency's designated wellness coordinator is the centralized contact person designated by the agency head. Also, staff proposes that the funding application needs to demonstrate the direct correlation between the request for funding dollars and the wellness activities that were approved to receive the 1% premium discount. If approved by the Board, staff will discuss these procedural changes at the Payroll Conference on June 13. Separate notice will also be sent to the designated wellness coordinators.

In addition, staff is working on additional options to better coordinate these two programs. One item being considered is to require that employers submit their funding application at the same time they are submitting the 1% premium discount application. This change would take effect for the 2008-2009 wellness plan year. Employers would be required to submit their applications in January 2008 for review. As this would be a significant change from our current operations, staff will be discussing this item at the Payroll Conference and will be requesting input from the employers and wellness coordinators regarding this change. Staff would provide more specific details on this change to the coordinators at the Wellness Forum tentatively scheduled for November 14. As this option is developed and input is received from employers, staff will bring this change to the Board in the future to review.

Board Action Requested:
Approve or disapprove proposed changes regarding upcoming fiscal year funding program applications to require:

1) Signature of designated Wellness Coordinator
2) Direct correlation between funding assistance requested and approved programs that qualified employer for 1% premium discount

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Memorandum

TO: **PERS Board**

FROM: **Rebecca**

DATE: **May 8, 2007**

SUBJECT: **iPod Give-away**

During the month of March, PERS conducted a promotion through the wellness program in order to encourage employees and their eligible dependents age 18 or over to complete the health risk assessment survey available on the Health Dialog website. Prior to this promotion, the average number of individuals that completed the survey per month was 47. The incentive to participate was an opportunity to win an iPod. The iPod was donated by Blue Cross Blue Shield for this purpose.

Information was posted on the PERS website and also sent to the wellness coordinators weekly throughout the month of March. The coordinators were to forward these emails to their eligible employees. The notices provided details regarding the promotion and assured employees that the actual results of their survey questionnaire were confidential. Attached is a sample of the information posted to the website and relayed to the wellness coordinators and employees. Please note that the UND pilot program employees were exempt from the promotion as they participate in a separate health risk assessment and incentive being offered through the pilot program.

During the month of March, a total of 1,216 eligible employees and dependents completed the health risk assessment survey. On May 4, PERS staff performed the random drawing of the iPod winner. The winner has been contacted. The winner is being announced through the wellness coordinators and will also be published in the next active *PERSpectives* Newsletter.

PERS staff plans to run a similar promotion later this year as there is an additional iPod available that was donated for this purpose by Blue Cross Blue Shield.

This item is informational. Staff will be available at the Board meeting to answer any questions that you may have.

*my*Health: Get your Health in Tune & Win an iPod

Take a few minutes out of your day to learn more about your health and automatically be entered for your chance to win an iPod!

We are excited to announce that NDPERS has a promotion to encourage active employees and their eligible dependents age 18 or older who are covered on the NDPERS group health plan to complete the Health Survey available on the myhealthconnection website at www.thedialogcenter.com/bcbsnd.

If you electronically complete the health survey during the month of March 2007, you will automatically be enrolled in the pool for the iPod give-way. Thanks to Blue Cross Blue Shield ND for their donation of the iPod.

If you have already completed the survey but want to be eligible for the drawing, then you must re-complete the survey during the month of March 2007.

You will need to register for a secure log-in ID if you have not already done so in the past. To begin, please select the "How's Your Health?" link below. You will be provided details about the survey and how to get started.

The winner will be notified by NDPERS no sooner than May 1, 2007. The winner will also be announced and published in our active employee newsletter.

Please note that if you were not enrolled on the NDPERS health insurance as of January 1, 2007, you may not be set-up on the Health Dialog database and therefore, will not be eligible to enter.

If you do not want to be entered in the pool for the drawing, please do not complete the health survey online during the month of March as it is automatic enrollment upon completion. If you would like to complete the survey but not be entered, you can request and complete a paper survey available through Health Dialog.

How's Your Health?

EMPLOYEE EMAIL

***my*Health: Get your Health in Tune & Win an iPod**

Take a few minutes out of your day to learn more about your health and automatically be entered for your chance to win an iPod!

We are excited to announce that NDPERS has a promotion to encourage you, a NDPERS group health plan covered member age 18 or older, to complete the Health Survey available on the myhealthconnection website at www.thedialogcenter.com/bcbsnd. If you are a first time user to this website, please use the steps outlined below and access this website through the NDPERS website.

If you electronically complete the health survey during the month of March 2007, you will automatically be enrolled in the pool for the iPod give-way. Thanks to Blue Cross Blue Shield ND for donating the iPod.

If you have already completed the survey but want to be eligible for the drawing, then you must re-complete the survey during the month of March 2007. Please allow at least 15 to 20 minutes to complete the survey.

To begin, please visit the NDPERS website at www.nd.gov/ndpers and select the iPod icon on the home page. You will be provided details about the survey and how to get started.

The results of the survey are confidential. NDPERS will only receive verification of who completed the survey in the promotion month. The winner will be notified by NDPERS no sooner than May 1, 2007. The winner will also be announced and published in our active employee newsletter.

Please note that if you were not enrolled on the NDPERS health insurance as of January 1, 2007, you may not be set-up on the Health Dialog database and therefore, will not be eligible to enter.

If you do not want to be entered in the pool for the drawing, please do not complete the health survey online during the month of March as it is automatic enrollment upon completion. If you would like to complete the survey but not be entered, you can request and complete a paper survey available through Health Dialog.

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Memorandum

TO: **NDPERS Board**

FROM: **Kathy**

DATE: **May 8, 2007**

SUBJECT: **Disability Consulting Contract**

The contract with Mid Dakota Clinic for disability consulting services expires June 30, 2007. The Board must determine whether to go out for bid or renew the present contract. Our current contract rate is $160.00 an hour and has been in effect since July 1, 2006. Mid Dakota clinic has indicated they wish to continue to perform these service for NDPERS at the same rate of $160 an hour for the July 1, 2007 through June 30, 2008 contract period. The amount paid in consulting fees for this contract period beginning on July 1, 2006 through April 2007 is $6,702.50. Staff has been satisfied with the services provided by the Mid Dakota staff. A copy of the clinic's acceptance is included for your information.

Staff recommends that we renew the disability consulting contract for the period July 1, 2007 through June 30, 2008 at the rate of $160 an hour.

Board Action Requested

Approve renewal of the current contract or direct staff to prepare and release a Request for Proposal.

AGREEMENT

This Agreement is entered into between the State of North Dakota on behalf of the North Dakota Public Employees Retirement System (PERS) and Mid Dakota Clinic, to be effective on July 1, 2007.

SCOPE OF SERVICES: Mid Dakota Clinic agrees:

1) To review applications for disability benefits and make a recommendation concerning the eligibility of the individual. The medical consultant must respond in writing within thirty (30) days of receiving the application. In order to be eligible, an individual must be permanently and totally disabled. This means they must be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted, or can be expected to last, for a continuous period of not less than twelve months. Substantial gainful activity is based upon the totality of the circumstances including consideration of an individual's training, education, and experience; their potential for earning at least seventy percent of their pre-disability earnings; and other items deemed significant on a case by case basis. Eligibility is based on an individual's employability and not on actual employment status.

2) Disabled annuitants are recertified approximately every eighteen months. The medical consultant will review any new information and, if necessary, make recommendations.

3) To prepare written finding for the Executive Director of PERS and also the Public Employees Retirement System Board. In the event of an appeal, the medical consultant will review any new information and, if necessary, make recommendations.

4) To provide general consulting services as requested.

5) To provide a monthly status report including the name of each applicant under review and current status of the claim\application by the 10th of each month.

6) To maintain records and to retain such records for six (6) years after the termination of a disability.

TERM:

This Agreement shall commence on July 1, 2007 and end on June 30, 2008. This agreement may be terminated by either party by providing (30) days written notice of termination.

FEES:

PERS shall pay Mid Dakota Clinic $160 per hour for work performed pursuant to the agreed upon terms in the proposal which is incorporated herein by reference.

NON-DISCRIMINATION/COMPLIANCE WITH LAWS:

Mid Dakota Clinic agrees to comply with all applicable laws, rules, regulations, and policies, including but not limited to those relating to non-discrimination, accessibility, and civil rights. Mid Dakota Clinic agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including but not limited to sales and use taxes and unemployment compensation and workers' compensation premiums. Mid Dakota Clinic shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.

SEVERABILITY CLAUSE:

If any term or provision of this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term or provision.

ACCESS TO RECORDS:

The Public Employees Retirement Board, Office of the Attorney General of the State of North Dakota, and their duly authorized representatives shall have access to the books, documents, papers, and records of the Mid Dakota Clinic which are directly pertinent to the specific duties and obligations to be performed pursuant to this Agreement for the purpose of making audit, examination, excerpts, and transcripts.

OWNERSHIP OF WORK PRODUCT:

All work products of Mid Dakota Clinic, including but not limited to, documents, drawings, estimates, and actuarial calculations, which are provided to PERS under this Agreement are the exclusive property of PERS.

APPLICABLE LAW:

This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

MERGER CLAUSE:

This Agreement constitutes the entire agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Any such waiver, consent, modification, or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement.

INDEMNITY:

Mid Dakota Clinic agrees to indemnify, save and hold harmless PERS from any and all claims of any nature, including all costs expenses and attorneys' fees, which may in any manner result from or arise out of this agreement, except for claims resulting from or arising out of PERS' sole negligence. CONTRACTOR also agrees to indemnify, save, and hold PERS harmless for all costs, expenses, and attorneys' fees incurred in establishing and litigating the indemnification coverage provided in this agreement.

ASSIGNMENT AND DELEGATION:

Mid Dakota Clinic may not assign or otherwise transfer or delegate any right or duty without the express written consent of PERS.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM	**MID DAKOTA CLINIC**
____________________________	____________________________
Sparb Collins, Executive Director ND Public Employees Retirement System	Authorized Agent Mid Dakota Clinic

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Memorandum

TO: PERS Board

FROM: Sparb

DATE: May 9, 2007

SUBJECT: Legislation - Retirement

The following legislation was considered relating to the PERS Retirement Plans:

Legislation passed related to the Retirement Program

(please note all bills have not been signed by the Governor at this point and I will provide an update at the board meeting)

HB 1078

Title: Relating to participation by employees of the state board for career and technical education in the public employees retirement system; relating to participation by employees of the state board for career and technical education in the public employees retirement system; and to provide an appropriation

Staff has started to work with TFFR to implement this bill. We would expect that this option will offered to the eligible group in this bill this summer with the transfer occurring this fall for those that so elect.

SB 2044

Title: Relating to supplemental retiree benefit payments under the public employees retirement system.

This bill authorizes the board to provide a supplemental retirement payment equal to 75% of their retirement annuity to PERS and HP retirees if the return for the fiscal year is 9.06% or more. The board will consider this in the fall and if the return is sufficient authorize the payment for January of 2008. At this point in time the PERS returns are more then 14%. Therefore if the market holds up the board should be able to approve this payment. The second enhancement provided in the plan is a 2% payment in January of 2008 and 2009 to members of the Judges Retirement Plan. Staff will implement this in the January payments.

SB 2047

Title: Relating to automatic enrollment of employees in the deferred compensation program under the public employees retirement system.

The Governor vetoed the bill.

SB 2048

Title: Relating to confidentiality of retirement records; relating to terms, final average salary calculations, payment of delayed retirement benefits, conversion of sick leave, temporary employee purchase of service credit, compliance with the Internal Revenue Code, employer service credit purchase, automatic refund of account balances, and vesting under the highway patrolmen's retirement and public employees retirement systems

This bill is our technical amendments bill and provides for numerous changes and updates. Staff it moving forward with implementation of these provisions.

Legislation not passed this session

SB 2051

Title: Relating to employer contributions and increases to certain retirees' retirement payments under the public employees retirement system; and to provide an effective date.

This bill proposed to increase the employer contribution rate from 16.17% to 21.7% for highway patrol; 4.12% to 5.12% in the hybrid plan to pay for a 2% increase in retiree benefits in 2009. The bill passed the Senate with 46 yeas and 0 nays however in the House is was defeated with 26 yeas and 64 nays.

SB 2166

Title: Relating to the definition of wages and salaries and employer contributions for employees of the North Dakota mill and elevator association under the public employees retirement system; to provide an appropriation; and to provide an effective date.

This bill proposed to allow Mill and Elevator employees to count overtime for calculating their final average salary.

SB 2413

Title: Relating to participation by peace officers and correctional officers in the defined benefit retirement plan; relating to participation by peace officers and correctional officers in the defined benefit retirement plan.

Other legislation

SB 2022 PERS Budget

Title: (At the request of the Governor) A BILL for an Act to provide an appropriation for defraying the expenses of various state retirement and investment agencies; and to provide additional spending authority subject to emergency commission approval

> *The PERS budget was passed and included the appropriation authority for the LASER project as amended by our request, the authority for the staff equity package and the additional 4 FTE.*

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Memorandum

TO: PERS Board

FROM: Deb & Sparb

DATE: May 9, 2007

SUBJECT: LASR Update

A copy of the monthly status report is attached for your information. Progress continues to be made on the project and staff is currently engaged in contract negotiations with Sagitec. We anticipate that we will remain on schedule and as of this date, this phase of the project is coming in under budget.

If you have any questions or concerns, please feel free to contact either of us.

L.R. Wechsler, Ltd.

North Dakota Public Employees Retirement System

<u>Legacy Application System Review Project</u>

Monthly Status Report – April 30, 2007

Activities and tasks accomplished this reporting period

- Procurement Activities
  - Updated score sheet and distributed.
  - Reviewed results of Sagitec MSP meeting of NDPERS.
  - Prepared for Board meeting on April 19th.
  - Participated in various calls with NDPERS in preparation for contract negotiations.
  - Participated in conference call with Aaron Webb and Doreen Gridley regarding assistance in contract negotiations.

Activities planned for the next month

- Procurement Activities
  - Participate in contract negotiations and other discussions and meetings as necessary.

Problems Encountered this Period

- None

Reconciliation of Progress

- None

Problems Anticipated Next Period

- None

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Memorandum

TO: PERS Board

FROM: Sparb

DATE: May 9, 2007

SUBJECT: LASER Project – Contract

At the April meeting the Board approved moving to the final stages of RFP process for the LASER project which is the contract negotiations with Sagitec. Due to the nature of the material involved, it has been suggested that we retain additional assistance in the legal review of the contract by retaining an attorney that specializes in this area and has assisted with other public projects.

Attached is a letter outlining this assistance. Aaron will be at the meeting to answer questions. Since the effort is below $10,000, Board approval is not required. However, I wanted to bring this to your attention. If unanticipated complications do arise during these negotiations, it could exceed $10,000 which would require Board approval.

May 2, 2007

WRITER'S DIRECT NUMBER: (317) 236-2472
DIRECT FAX: (317) 592-4665
INTERNET: DOREEN.GRIDLEY@ICEMILLER.COM

Via E-Mail [awebb@nd.gov]

Mr. Aaron K. Webb
Assistant Attorney General
State Capitol
600 E. Blvd. Ave. Dept 125
Bismarck, ND 58505-0040

Re: Possible Engagement for Legal Services

Dear Aaron:

It was a pleasure to speak to you about the possibility of assisting the North Dakota Attorney General's office ("NDAG") in support of the North Dakota Public Employees' Retirement System ("NDPERS"). As understood, the NDAG may be interested in securing my legal services in drafting and negotiating a retirement system agreement on behalf of NDPERS. The services you and I specifically discussed include:

- Drafting contract provisions reflective of the NDPERS' Request for Proposal, the selected vendor's response, and subsequent agreement between NDPERS and the selected vendor. The provisions to be drafted are in addition to the terms and conditions that were included in the Request for Proposal and/or are required by the NDAG; and
- Consulting services throughout the process of negotiation of the agreement between NDPERS and the selected vendor.

For such legal services, I propose to charge NDAG a reduced hourly rate of $350 per hour. I also anticipate that the total amount of services required to draft the provisions, review and revise those provisions based on the input of NDAG, and provision of the consulting services may be as little as $3,500.00, and will not likely exceed $10,000.00. The reason for any variance in the estimate is primarily due to the fact that I cannot predict the effort required in support of negotiations. I also understand that my legal services will be under the supervision of the NDAG.

If you have any questions about the above information, or if you need additional information, please do not hesitate to contact me. I look forward to the opportunity to support the NDAG.

Sincerely,

ICE MILLER LLP

Doreen J. Gridley

Doreen J. Gridley

DJG/pgf

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Memorandum

TO: PERS Board

FROM: Sparb

DATE: May 9, 2007

SUBJECT: Business Plans

Attached please find the working draft of our agency business plans for 2006 and 2007. The 2006 plan is provided for your information since it gives an update on the activities for that year. The 2007 plan is provided to give you a perspective of the activities for the upcoming year and to see if you have any items to add. Please note several new activities in 2007 including:

- The LASER project
  - Vendor selection
  - Establishment of project team
  - Consultant selection
- The addition of what we call the P3 method. This method is proposed as a standard way of documenting our program policies, processes and procedures (hence P3).
- The addition of a new working group composed of agency payroll coordinators to work with PERS in providing our programs to our clients.
- The mainframe migration project.
- Implementation of new legislation.
- Having a Retiree Forum in Bismarck in the fall.
- We are continuing our work on the PPA of 2006 and plan to address the option of allowing public safety officers the opportunity to pay for up to $3,000 of insurance expenses on a pre-tax basis.
- Implement new GASB reporting requirements for Other Post Employment Benefits.

Divisions	
Benefits – Purple	IT - Pink
Administrative Serv. – Blue	Auditor – Orange
Accounting – Red	Planning/Research - Green

North Dakota Public Employees Retirement System
2006 Business Plan

Agency Driver and Philosophy

Driver

Provide an employee benefit package that is among the best available from public and private employers in the upper mid-west.

Philosophy

- Exercise prudent risk taking.
- Administering the law effectively, efficiently and fairly.
- Operating at the highest ethical and professional standards.
- Providing the highest quality services and benefit programs.

DEFINED BENEFIT HYBRID PLAN

Goals and Objectives

1. The goal of NDPERS is to enable career employees to care for themselves and their dependents at retirement and to provide a plan that will reduce personnel turnover and encourage career employment to high grade men and women.
2. The goal of NDPERS is to establish a mechanism to insure that career employees can care for themselves and their dependents in retirement by maintaining the purchasing power of current retirement benefits.
3. In order to improve the desirability of state and political subdivision employment the goal of NDPERS is to develop more options on how a member could access, contribute to, supplement, and draw their retirement funds.
4. In order to insure that members will be better able to care for themselves and their dependents in retirement and to improve the desirability of state and political subdivision employment the goal of NDPERS is to provide incentives and rewards to members who engage in supplemental retirement savings.

Projects	Progress
1. Continue benefits planning process for retirement plan in 2006.	1. Attended and provided information at PERS Employee Benefits Committee meetings on 5/16, 5/30, 10/13, 12/6, 2006 & 1/25/07
2. Prepare and submit legislation to PERS Board by February 2006. 3. Work with consultants to do technical and actuarial analysis at request of Board or legislative committees in preparation for 2007 session.	2. Attended Legislative Benefit Committee meetings 8/30/05, & 2/22, 4/18, 5/17, 10/24 of 2006; 3. Reviewed technical comments on proposed legislation and provided feedback and assisted in review and drafting of proposed legislation.

Projects	Progress
4. Initiate renewal process for disability consulting service by May 1.	4. Initiated renewal with Mid Dakota and submitted to Board at May 2006 meeting.
5. Confer with Highway Patrol administration to determine indexing rate and submit to Board at August meeting.	5. Initiated contact with HP; submitted for Board review and approval at August 2006 meeting.
6. Revise administrative rules and provide to BPR division by designated date.	6. Initial drafting done in 2005; new rules promulgated and effective April 2006.
7. Implement provisions of Pension Protection Act of 2006: a. Amend statute for purchase provisions to apply to participants rather than employees in order to retain this option for active members only. b. Eligible rollover distributions can now be rolled into Roth IRAs. c. Allow non-spouse beneficiaries to rollover distributions from eligible retirement plans. d. Allow retired public safety officers to direct up to $3,000 of retirement income, tax free, to pay for health or LTC premiums. e. Public safety employees who separate from service after age 50 will not be subject to a 10% early withdrawal penalty.	7. Prepared and submitted legislation; provision passed. Updated communication materials and forms to incorporate administrative requirements to implement b and c. Action deferred for d and e until administrative issues can be reviewed. Would require programming changes.
8. Provide 13th check to retirees in January 2006.	8. Programming was completed and checks were sent out in January.
9. Job Service Plan a. Prepare COLA calculation and provide recommendation for increase to Board at its October meeting and calculate increase and update all Job Service and Travelers member records by 12/1/06. b. Review rate of return for plan.	9. COLA reported to Board at October meeting; benefit implemented and effective 12/1/06 in compliance with contract. Per review by consultant, Board decreased rate of return to 7-1/2 %.
10. Meet with Employee Benefits representatives to gather input for future legislation, including ad hoc employee benefits group, Judges, Air National Guard, Highway Patrol and retiree benefits committee. Summer 2006	10. Staff held 4 NDPERS Benefits Subcommittee meetings in 2006, with one being specific to retirement.

HEALTH PLAN

Goals and Objectives

1. The goal of the health program is to provide understandable options at affordable premiums which protect public employees and their families from excessive medical expense.
2. Promote positive competition through PERS or group purchasing initiatives with providers who emphasize and practice the principles of continuous quality improvement.
3. To develop and maintain an information data base on quality and costs.
4. To provide information and assistance in community, legislative and national matters related to health care services.

5. To consider modifications and improvements to the benefit plan design that can be accomplished within the constraint of available funding.
6. The goal of the Group Medical Insurance Program is to encourage healthy lifestyles and preventative attitudes in an effective and cost efficient manner.

Projects	Progress
1. To maintain the PPO and monitor expansion of the PPO program and report number of new additions to the network to Board annually.	1. In 2006, 1,037 professional pins were issued and 20 facilities and 9 institutions were added to our directory. Will be reported to Board at May 2007 meeting.
2. Continue to evaluate EPO program.	2. Retained network for 2005-07 biennium;
3. To investigate the feasibility of providing a flu shot program (fall 2006)	3. Six clinics were conducted at UND Center for Family Medicine; 1,588 vaccinations administered. Reported to Board at Dec 2006 meeting.
4. To work with the Employee Council on an annual wellness day at the Capital (fall 2006)	4. Conducted wellness screening at state capitol on 9/19 in conjunction with Employee Recognition Week; also arranged for various vendors to provide wellness information and examinations.
5. Begin Benefits Planning Process for health plan for 7/1/2007 renewal.	5. Reviewed renewal projections submitted by BCBS and GBS and communicated results to PERS Employee Benefits Committee; developed & reviewed options for plan design changes and effects on funding requirements for upcoming biennium for consideration for executive budget.
6. Monitor and promote smoking cessation program for state employees.	6. Promoted through articles in fall and winter 2006 active newsletters; 7 posters were sent to payroll contacts throughout 2006 and there were two post card mailings to members informing them about the program.
7. Monitor implications of MedicareBlue PDP plan on PERS retiree health plan.	7. Plan implemented 1/1/06; initial problems included missed records during auto enrollment process, rate adjustments, and retro reimbursement to individuals eligible for the low income subsidy. Most issues have been addressed and legislation was submitted to authorized PERS the ability to create a new trust for separate coverage for Medicare eligible Rx coverage.
8. Provide notice of rate increase to participating employers and direct billed and ACH participants that joined plan after 7/1/05 by July 1, 2006.	

Projects	Progress
9. Provider notice of rate increase to all members on Medicare rates prior to January 1, 2007.	8. Letters were formatted and distributed to affected members the end of May 2006.
10. Promote My HealthConnection program to PERS active employees in conjunction with Health Dialog and BCBS.	9. Rate increase notices were sent out the end of November 2006 for 1/1/07 effective date. 10. Introductory communication information on the program was distributed to wellness contacts in March; portal link from PERS to BCBS to MyHealthConnection web site was established; used notice stuffers in EOBS; posters on various wellness topics were distributed by mail and e-mail beginning in March 2006 and each month thereafter; articles were included in the fall and winter active employees newsletters; a presentation was included at the annual wellness forum in November 2006. Began planning process to promote program through I-pod give away for registering and completing on-line HRA in 2007.
11. To continue to promote application process for Wellness Benefit Program funding for agency based on-site wellness programs (ongoing). a. Coordinate with committee for evaluation of applications. b. Communicate status of application to employers. c. Verify and submit program expenses for reimbursement. d. Track program statistics regarding number of programs approved and dollars reimbursed and report to board on quarterly basis.	11. 48 programs were funded in 2006 for a total of $19,993.45; to date for the biennium 59 programs have been funded for a total of $26,937.50. Program was promoted through article in the PERSonnel Updates newsletter for employers in July edition and a presentation was conducted at the annual wellness forum in November 2006. Copies of the application and program instructions were made available on the PERS web site.
12. Monitor and evaluate wellness initiatives for Employer Based Wellness Program at agency & participating sub level in conjunction with premium incentive policy. a. Correspond with all participating employers regarding program and application process for 2007. b. Review and verify applications in conjunction with premium incentive policy and notify employers of application status.	12. Application process monitored and follow-up conducted as reminder to submit applications by deadline of 1/31/2006; sent notice to non-participating employers regarding premium adjustment effective 7/1/06; article included in July PERSonnel updates and conducted presentation at annual wellness forum in November 2006. Presentation at November Board meeting outlining participation rates; 77.5% participation among small

Projects	Progress
	employers (<50); 66.5% participation among large employers (>50); most popular programs were Walking Works, 5 A Day, Healthy Choices. Partnered with American Heart Association to promote Go Red project. Offered special services funded through the Go Red ND project to three of our wellness employers; North Dakota State University, Workforce Safety & Insurance and Morton County
13. Monitor and evaluate UND Wellness Pilot	13. Overview of year's activities provided at December Board Meeting. All 4 agencies in pilot have wellness councils in place and conducted various health promotion programs. 67% of all employees completed Personal Behavioral Health Profile; activities included tobacco cessation, health coaching and health screenings.
14. Maintain employer distribution list.	14. List is being maintained by Benefits Division.
15. Review proposal by Heart of American Health Plan to continue services in the Rugby Service Area.	15. Board approved continuation of this contract for the 7/1/06 - 6/30/07 contract period.
16. Review BCBS proposal to waive the 5% professional discount for all PERS PPO and EPO members that utilize service from BCBS minute clinics located in grocery supermarkets in Fargo area.	16. Board reviewed at December meeting and approved waiving discount for a period of one year and subject to evaluation at the end of that time period with subsequent report to the Board.
17. Review proposal by BCBS to eliminate the COB banking provision due to elimination of this mandate by the NAIC.	17. Staff & Board reviewed the effects of approving this proposal at the April, May & June meetings. Board approved eliminating the COB banking for the PERS plan.
18. Assist in designing and conducting Wellness Forum for participating employers. September 2006	18. Participated in designing and conducting Wellness Forum.
19. Maintain database of BCBS monthly data on health plan performance, specifically, Surplus/Affordability report; quarterly and annual utilization; (ongoing)	19. . Specified reporting was done regularly.
20. Medicare data match (federally mandated) ongoing	20. Ongoing, Medicare data match was processed as received.
21. Prepare and distribute large agency/employer report annually. Summer 2006	21. Large agency/employer reports were completed and distributed in August of 2006
22. Annually track health plan changes, analyze their effects and report to NDPERS Board.	22. Health plan changes are reviewed and analyzed as
23. Finalize analysis of health rates for 2007-09 (Summer/Fall 2006)	
24. Assist in evaluating and analyzing rate information for health insurance program. (Spring 2006)	
25. Continue to work on aligning health care plan with Medicare Part D with retiree group and the NDPERS Board.	
26. Work with UND Medical School and employers to pilot employee based wellness initiative.	

Projects	Progress
27. Measure employer based wellness health utilization and report outcomes to NDPERS Board. Dec 2006 28. Collect and evaluate employer based wellness plan updates Dec 2006 29. Collect and evaluate employer based wellness plan proposals Jan 2007 30. Provide support to Worksite Wellness Steering Committee by being a member of the committee, attending meetings and providing input to the group. Ongoing	requested, no mandates were applicable in 2006. 23. Analyzed trends, completed bid renewal process in August 2006. Worked with governor's plan design to assist in creating governor's legislative budget. 24. Final analysis of health rates will occur in April 2007. 25. Continued to work on integrating part D with current plan design – re-calculation of rates. 26. Work with UND Medical School regarding pilot employee based wellness initiative was moved to Benefits Division. 27. Began working with NDSU on employer based wellness utilization and outcomes, assisting in data collection. 28. In process, collecting and evaluating wellness plan updates. 29. In process collecting and evaluating wellness plan proposals. 30. Although it appears this group has not met regularly, staff has presented at training conducted for Health Promotion Coordinators group as well as at the UND led University System Meeting at UND.

LIFE INSURANCE PLAN

Goals and Objectives

1. The goal of the Group Life Insurance Program is to provide for a single, understandable and non-discriminatory life insurance plan to members at affordable premiums.
2. To supplement the existing life insurance program with other programs.
3. Have a premium structure that is the lowest and best available.

Projects	Progress
1. Develop proposed legislation and submit to Board by February 2006 board meeting.	1. Legislation developed in conjunction with legal counsel, PERS staff, consultant, and carrier; proposed increasing basic from $1,300 to $5,000

2. Meet with Employee Benefits representatives to gather input for future legislation, including ad hoc employee benefits group, Judges, Air National Guard, Highway Patrol and retiree benefits committee. Summer 2006 3. Review and create rate tables' life and health as is necessary. June 2006	and submitted by 4/1/06 deadline. 2. Staff held 4 NDPERS Benefits Subcommittee meetings in 2006, with one being specific to life. 3. Life tables project was completed and analysis provided for proposed legislation to increase coverage.

VOLUNTARY GROUP INSURANCE PLAN

Goals and Objectives

The goal of the Voluntary Group Insurance Programs is to provide for comprehensive and non-discriminatory plans to members at affordable premiums.

Projects	Progress
1. Initiate RFP process for dental plan; a. Develop RFP for consultant services b. Coordinate with selected consultant to develop draft RFP c. Submit final draft to board at May 2006 meeting d. Submit final proposal review analysis and recommendation to board at August 2006 meeting. e. Work consultant and new carrier on plan transition and implementation on 1/1/07	1. Developed RFP for consulting services to bid out the dental and LTC plans; Board approved awarding to GBS at March meeting; RFPs for both plans released 5/22/06 with response deadline of 7/6/06; received eight dental proposals. Analysis conducted by GBS and presented to Board at August meeting; Boar elected to interview three carriers; Board approved awarding contract to CIGNA. Staff worked with CIGNA on transition issues; developed matrix of items and timelines; met with CIGNA team weekly via teleconference for plan implementation effective 1/1/07. Developed communication materials and distributed to members and payroll in active and retiree newsletter, mailing to home addresses of participants, e-mail notices to payroll and in payroll newsletter, and in annual enrollment materials.
2. Initiate RFP process for LTC plan. a. Same as 1-e above	2. No bids for LTC plan were received. Therefore, plan remains with current carrier Provident/UNUM.
3. Initiate renewal process for vision plan.	3. Requested renewal proposal from Ameritas; Board accepted proposal at June 2006 meeting for the 1/1/07 through 12/31/08 contract period.

457 DEFERRED COMPENSATION PLAN

Goals and Objectives
Provide a supplemental retirement plan that will allow employees to augment their retirement benefits.

Projects	Progress
1. Coordinate with Companion plan administrator to conduct at least two financial planning education seminars for plan participates during the year; one in the spring and the other in the fall.	1. Conducted by Fidelity representative on 4/24-28/2006 and 10/16-19/2006 in Bismarck; also accessible over IVN for remote locations. . April - phone consults only= 21; October - on-site visit: presentation and individual consults = 40
2. Implement and monitor enrollment through expedited process and continue to promote program to employers.	2. Implemented effective July 1, 2006; included expedited form in active newsletter and monitored enrollment using this form for July, August & September. Reported to Board at November meeting that 30 enrollment were received; however, we were unable to get valid reporting from the system to aid in assessing number of new hires enrolled compared to eligible new hires.
3. Pursue the implementation of an automatic enrollment option.	3. Proposed to benefits committee and PERS Board. Approved by Board; legislation was prepared and submitted to implement automatic enrollment prospectively effective 8/1/07; bill passed both houses.

401 (a) DEFINED CONTRIBUTION PLAN

Goals and Objectives
1. To provide an alternate defined contribution retirement plan that offers a diversified set of mutual fund options.
2. To provide information to each eligible employee in a timely manner.
3. To establish investment guidelines for the funds and review their performance on a regular basis.
4. To provide the members the opportunity for investment education.

Projects	Progress
1. To provide to each employee an election packet and seek their response within the first six months of employment. Track number of contacts and new enrollees in program for annual report to Board.	1. Provided information to 100 new employees during 2006; 12 employees transferred to DC plan; reported to Board at April 2007 meeting.
2. Coordinate with 401(a) plan administrator to conduct at least two financial planning education seminars for plan participates during the year; one in the spring and the other in the fall.	2. Conducted by Fidelity representative on 4/24-28/2006 and 10/16-19/2006 in Bismarck; also accessible over IVN for remote locations. April - phone consults only= 21; October - on-site visit: presentation and individual consults = 40

FLEXCOMP PROGRAM

Projects	Progress
1. Continue to monitor and assess the PeopleSoft claims processing software.	1. Problems were reported to IT for resolution as they were detected. Peo0pleSoft modification was implemented in October 2006.
2. Implement new grace period option working with IT to program PeopleSoft system to accommodate the required recordkeeping.	2. Board approved amendments to Flex plan document at March 2006 meeting to include grace period; coordinated with IT for programming changes to implemented new requirements.
3. Communicate the new grace period option to employers and employees. Update all communication materials and amend Plan Document.	3. Developed communicated materials and distributed to employees and employers; notice included in fall active newsletter and in open enrollment materials; notice in July 2006 PERSonnel Updates. Assisted in system testing of grace period enhancements; developed and implemented a new form to accommodate physician's statements of medical necessity for products and services.

AGENCY

Agency Driver and Philosophy

Driver

Ensure the efficient & accurate administration of member benefits.

Philosophy

- Meet or exceed published quality standards for our services.
- Effectively manage resources for the benefit of our clients.
- Use cost effective technology to support quality service for our clients.
- Plan carefully and follow implementation plans so we *"do it right the first time".*

Goals and Objectives

Promote the efficient delivery of services and administration of all benefit programs to plan members and participating employers.

Projects	Progress
1. Conduct monthly Programs Meetings as a forum to discuss and communicate program, policy, or procedural changes in process or implementation phase at working group level to facilitate integration across program areas.	1. Meetings were conducted monthly according to schedule.
2. Conduct and monitor the monthly program specific "Quality Working Group" meeting concept as a catalyst to identify issues affecting services and to assess, recommend, implement and communicate changes or new administrative policies and procedures.	2. Retirement group, Insurance group, Deferred Comp and Defined Contribution, and member service group meetings were conducted through out year.
3. Retain and maintain a qualified, fully trained staff to counsel members and maintain ongoing relationship throughout retirement career.	3. With change in staffing in May, training Benefit Services Specialist to assist members by phone and walk-ins; will commence training of Benefit Programs Specialist when fully staffed.
4. Respond to purchase & repurchase inquiries within 10 business days.	4. No deviations documented or reported.
5. Respond to benefit calculation requests and member inquiries related to all benefit programs within 5 business days of receipt.	5. No deviations documented or reported.
6. Generate and distribute annuitant checks by the 1st business day of the month.	6. No deviations documented or reported.
7. Process 90% of verified FlexComp claims within 3-5 business days and within 4-7 business days from January – April of calendar year when dual plan year processing occurs.	7. Processing standard achieved in 2006 with 99.9% of claims processed within 3-7 business days.
8. To maintain/increase member understanding of the PERS benefits as measured in the biennial survey	8. Survey not conducted.
9. To maintain a 3.5 average on the daily report cards for each program area.	9. Standard met. Overall results based on cards sent out and returned in 2006 are as follows:

Projects	Progress
	• Retirement 3.6 • Health 3.7 • Flex 3.6 • Deferred Comp 3.6
10. Continue to provide benefit programs support for phase II of ConnectND project.	10. Staff has attended meetings and provided feedback as requested.
11. Provide support and service to employers that elect to join the law enforcement plan.	11. Enrolled one new group in 2006 (McLean County)
12. Promote ACH services for direct billed members for health and COBRA premiums effective 8/1/06.	12. Annual notice sent in August 2006.
13. Investigate feasibility of terminating Travelers contract for administrative services and assuming responsibility of COLA payments to Job Service retirees.	13. Pending outcome of Business System Replacement project.
14. Investigate feasibility of Travelers transferring balance of paid-up annuity account to PERS to make 100% payment to annuitants.	14. Same as above.
15. Work with PERS IT to review and recommend new software for administration of Job Service program.	15. Same as above.
16. Assist in review and update of the PeopleSoft Benefits Administration open enrollment procedures and materials provided to state agencies. Summer 2006	16. Due to LASR Project, was not available to assist in this endeavor.
17. Assist in developing user guide for employees to access benefit information through PeopleSoft e-benefits.	17. Due to LASR Project, was not available to assist in this endeavor.
18. Support and develop distribution of outreach programs • Pre-Retirement Education Program (PREP) • Portability Enhancement Provision (PEP) • New Employer Groups • Provider Training-Deferred Comp • PeopleSoft Benefit Administration User Trainings	18. Administrative Services staff is involved with and assists in setting up PREPs, and will be involved with the 2007 Payroll Conference to be held June 13, 2007 at the North Dakota Heritage Center in Bismarck.
19. Coordinate a Retiree Seminar in Medora, North Dakota, August 15 and 16, 2006	19. A Retiree Seminar was coordinated for the summer of 2006 in Medora, but due to limited interest, was not held.
20. Participate on the project team for the business system replacement project.	20. Administrative Services Manager is a member of the business system replacement system (LASR) committee.
21. Provide ACH files to Bank of North Dakota to facilitate direct deposit of retirement checks on the first working day of each month. 22. Provide ACH files to Bank of North Dakota to facilitate payment of insurance premiums by the 5th of each month. 23. Generate and mail monthly IBS billings by the end of each month. 24. Process enrollment forms, designation of beneficiary forms and address changes daily/weekly.	22-24. No deviations documented or reported
25. Process batch data entry within one day of receiving. 26. Prepare calculations for transfers to other retirement plans (DC & TIAA CREF) within 3 business days.	25. During 2006, 2,109 retirement enrollments, 3,921 designation of beneficiary forms, 6,256 address changes and 2,138 deferred comp enrollments were processed, with an overall accuracy rate of 97%.

Projects	Progress
27. Post contributions for defined contribution participants and transfer funds to carrier within 3 business days of receiving information in good order. 28. Post contributions for deferred compensation participants and transfer funds to providers within 3 business days of receiving information in good order. 29. Coordinate programming requests for modifications to the PeopleSoft FSA & Benefits Administration modules with ConnectND IT project team. (ongoing) 30. Determine why the program that compares the electronic billing files from the vision insurance carrier to the premium payment files does not prepare accurate exception reports that can be used when reconciling the monthly billing. Work with ITD and vision carrier as necessary. 31. Develop procedures for notifying retirees of insurance premium adjustments and documenting adjustment in member file. 32. Review and update the PeopleSoft Benefits Administration open enrollment procedures and materials for the Fall 2006 enrollment. 33. Participate as a member of the ConnectND project team. 34. Update benefit eligibility tables in PeopleSoft to allow part time/temporary employees the ability to enroll in the defined contribution plan. 35. Participate on the project team for the business system replacement project.	26-29. No deviations documented or reported 30. FSA requests completed for COBRA, account closure process & grace period. Ben Admin requests completed to require schedule ID on enrollment statements & fix problem with eligibility configuration fields not updating with position data change. 31. No progress was made on this project due to staff turnover in accounting division 32. Procedures have been implemented 33. Open enrollment instructions for PeopleSoft Benefits Administration were included in the annual enrollment guide for employers which was posted on the NDPERS website 34. Attended biweekly status meetings; did not participate in any ConnectND State/Higher Ed management team meetings 35. This has not been completed yet, however, there currently are no employees needing this benefit option. 36. Finance Manager is a member of the Steering Committee for the LASR project and was involved in developing the RFP, reviewing proposals, participated in reference checks, vendor demo and site visits. Various accounting staff members also participated as subject matter experts. It was determined that the Finance Manager would be the Project Manager for the implementation of this new business system. To facilitate this, the structure of the accounting division was changed. The deferred comp accountant position was reclassified to an accounting supervisor, responsible for the day to day operations of the accounting division. The deferred comp accountant position was filled in August as a temporary position and a temporary account tech position was filled. The budget request for 07-09 includes funding to make the 2 temporary positions permanent.

Goals and Objectives
Promote consistent administration of benefit programs for participating employer groups.

Projects	Progress
1. Publish and distribute quarterly PERSonnel Updates newsletter to all authorized agent/payroll contacts. 2. Develop an on-line presentation segregated by plan for new authorized agent training. Develop and implement web based education program for authorized agents.	1. Newsletter was published and distributed on quarterly schedule; 1/15; 4/15; 7/15; 10/15 2. The Powerpoint presentation was updated and is being used to conduct the training in-house. It has not been transition for use on the web.
3. Review and update all kits, forms, SPDs, communication materials, and employer guide as in compliance with schedule to assist participating employers in the consistent administration of benefits for members hired or leaving employment.	3. Kits were updated and posted to web in October 2006; updated flex forms to accommodate grace period and for annual enrollment; updated dental enrollment form and SPD as a result of new carrier; updated forms required for Medicare D enrollment.
4. Staff committee to research and provide recommendations to facilitate the implementation of an e-mail based communication model for participating employers.	4. Template was developed as well as distribution guidelines; request form for staff developed and implemented; process in place and operational.
5. Coordinate revision and promulgation of administrative rules as needed. 6. Submit final draft of rules to NDPERS Board for approval. January 2006 7. Submit approved rules with required documentation to Attorney General's office for review. February 2006 8. Submit approved, reviewed rules to legislative counsel for formal promulgation. June 2006 9. Attend Legislative Rules Committee follow-up meeting for promulgated rules. June 2006. 10. Assist in providing training to Peoplesoft/HR payroll users as needed. 11. Assist in updating Peoplesoft Benefits Administration user manuals and training exercises as is necessary. 12. Provide feedback and other assistance as necessary to publish Peoplesoft benefits administration bulletins and distribute to payroll users. 13. Assist in effort to follow-up with state agencies to assist in processing open events on People Soft Benefits Administration prior to monthly payroll cutoff as needed. Provide support in the following areas: 14. Updating PeopleSoft Benefits Administration user manuals and training exercises. 15. Publishing PeopleSoft Benefits Administration Bulletins and distribute to payroll users on an as needed basis. 16. Follow-up with state agencies to assist them in processing open events on PeopleSoft Benefits Administration prior to payroll cutoff each month.	Numbers 5 – 9 pertaining to rulemaking were completed at times indicated. 10. Assisted in providing payroll training to Peoplesoft users when 8.9 version was rolled out and as needed. 11. Assisted in revising exercises for payroll users/training. 12. Provided feedback as requested on ben admin bulletins, limited participation due to LASR 13. Assist state agencies in processing and closing events using the heat ticket mechanism provided through ITD. 14. Assisted with updating the Exercises for the PeopleSoft upgrade. 15. Coordinated with OMB to include articles relating to Benefits Administration on the PeopleSoft portal (Newssubmitters and Publishers). 16. Administrative Services Manager is on the team responding to events relating to PeopleSoft Benefits Administration. New HEAT tracking system software

Projects	Progress
17. Train new PeopleSoft HR/Payroll Users 18. Coordinate a Retiree Seminar in Medora in August 2006. 19. Provide employers with monthly retirement transmittals by the end of each month; deferred comp transmittals according to employer payroll frequencies; and group insurance billings by the 5th of each month. 20. Update employer manual within 60 days of making a change in any employer reporting procedures. 21. Follow up on employer retirement contribution reporting errors within 30 days of discovery. Calculate amount due to/from the employer within 30 days of receiving necessary information from employer. Prepare adjustments to member accounts within 30 days of posting contributions to member's account. (Additional processing time may be necessary depending on the number of employees/years affected by the error) 22. Determine if a purchase transmittal form needs to be developed to accommodate employer reporting of pre-tax and after tax purchase payments. If necessary, develop the form. 23. Work with OMB to provide training for new PeopleSoft HR/Payroll users 24. Update PeopleSoft Benefits Administration user manuals and training exercise to reflect the upgrade to version 8.9 25. Publish PeopleSoft Benefits Administration Bulletins and distribute to payroll users on an as needed basis. 26. Follow-up with state agencies to assist them in processing open events on PeopleSoft Benefits Administration prior to payroll cutoff each month.	was put in place; received training from ITD and implemented new software. 17. Attended one training session for PeopleSoft/HR Payroll Users and assisted where necessary. 18. Retiree Seminar coordinated but not held due to low interest. 19. No deviations documented or reported 20. Employer manual was updated to reflect change to new dental carrier 21. No deviations documented or reported 22. Determined form is not necessary at this time. 23. Held PeopleSoft training for new payroll people on May 10 and November 13. Training on version 8.9 was held for state agencies on October 17-18 24. New navigation under 8.9 was provided to agency users. User manual and exercises have not been updated to reflect the upgrade to 8.9 yet. 25. Information for Ben Admin users is now being distributed through articles on the PeopleSoft portal 26. In October, the PERS PeopleSoft support team was been trained on using the HEAT Call Logging System which is used by the ITD service desk. Effective November 1, all calls for assistance on Ben Admin are routed through the ITD service desk and HEAT system.

Goals and Objectives
Continue to work with ITD to identify, from a records management perspective, the specifications and standards necessary for implementation of an electronic information and records system program for PERS.

Projects	Progress
1. Continue to work with ITD on developing and upgrading FileNet. 2. Work towards electronic paper flow (paperless office), including 3 phases: Phase 1 research other companies/agencies who have completed an electronic paper flow project; Phase 2 research agency paper flow; and Phase 3 implementation.	1. Upgraded FileNet by adding NDPERS contracts/agreements to the imaging system as well as the deferred compensation provider contracts. Included the proper indexing and search features. 2. Administrative Services staff met with DOT to learn about their workflow and EDMS processes. Phases 2 and 3 will be conducted during the business system replacement project.

Goals and Objectives
Promote centralization of agency records, publications, marketing materials, forms, & e-mail.

Projects	Progress
1. Purge records according to the North Dakota Century Code annually. 2. Continue to work with the task force on electronic forms completion. Test several forms with electronic signature and submission. 3. Update Business Plan to include project time lines. 4. Maintain all forms development and design in house. 5. Maintain the design and layout of kits. 6. Maintain forms and kits on the web.	1. Conducted annual records purge pursuant to ITD Records Management directive in November 2006. Records purge process continues on an ongoing basis through the year. 2. Electronic forms completion effort was deferred and will become part of the business system replacement project. 3. No project time lines indicated.

Goals and Objectives
Continue to work with in all areas of the agency to monitor workflow changes.
Analyze service delivery operations to determine methods for increasing efficiency or quality.

Projects	Progress
1. Continue to work through the program areas to streamline processes and procedures where possible or requested by staff.	1. This occurs on a daily/weekly basis. Hold monthly staff meetings to discuss issues and ideas. Staff is willing to discuss their ideas as they occur or as changes occur, i.e. postage rate changes, new equipment, mailroom processing, workload issues, backup during staff vacancies.

Goals and Objectives
To seek out ways to provide, store, and record board materials and actions in a timely, efficient and paperless manner.

Projects	Progress
1. Produce and deliver Board books within 5 days of Board meeting. 2. Have meeting minutes prepared for the next meeting. 3. Provide all Board materials via website to download for the interest groups. 4. Create an electronic copy of all Board materials beginning with 1989	1. Board books are being delivered within 5 days of the Board meetings. 2. Meeting minutes are prepared for the next meeting. 3. Board materials are provided via the website and via e-mail in pdf format prior to Board meetings. 4. Creating electronic copies of all Board materials is currently being worked on by staff on an as time permits status.

Goals and Objectives
Promote the efficient delivery of services and administration of the Administrative Division to the Programs Division, Accounting/IT Division, FlexComp, and Member Services.

Projects	Progress
Group Insurance – (Active) 1. Continue to process all applications accurately on a daily basis. 2. Do data verification process on all active applications.	Group Insurance –Active: Applications are processed daily with a 90% accuracy rate (as validated through the data verification process and all errors are

Projects	Progress
3. Respond to deadlines for billings 4. Process dependent drop letters within 2 business days of receipt from BCBS. 5. Process COBRA notices within 1 business day. 6. Provide BCBS with daily delivery of applications. 7. Respond to deadlines outlined on the operational calendar. • Keying adjustments • Mailing billings Group Insurance – (Retiree) 1. Process retiree applications accurately on a daily basis. 2. Do data verification on all retiree applications. 3. Maintain excel file (file used by member services and administrators to respond to phone calls) 4. Process nearing age 65 letters within 2 business days of receipt from BCBS. 5. Process Medicare Part D applications accurately and timely and maintain spreadsheet to be e-mailed to BCBS weekly. Life Insurance – 1. Maintain daily process and communication to payroll and member on Life Insurance applications 2. Maintain procedures established and approved by the NDPERS Board for annual enrollment. Retirement – 1. Process new retiree applications on a daily basis 2. Continue to process all other applications on a daily basis. 3. Respond to benefit estimates on a daily basis. 4. Respond to correspondence on a daily basis. 5. Respond to deadlines outlined on the operations calendar. 6. Process defined contribution eligibles' on a daily basis. 7. Process for mailing on the first business day of the month. • First Retirement Check & Letter • Refund/Rollover checks • TIAA-CREF letters • 1099r for deceased Deferred Comp – 1. Continue to process all applications on a daily basis. 2. Provide accurate and timely correspondence to agents and provider companies. 3. Maintain accurate continuing education records on the company agents. 4. Maintain deferred comp database in a timely manner Incoming and outgoing Mail – 1. Ensure proper handling of incoming and out going mail. 2. Meet the deadline given on large mailings 3. Ensure that the 4 postage accounts balance 4. Ensure that the 4 postage accounts have adequate funds 5. Ensure the most cost effective way of sending out information.	corrected). Group Insurance – Retiree: Applications are processed daily with a 90% accuracy rate (as validated through the data verification process and all errors are corrected). Life Insurance: Applications are processed timely with a 91% accuracy rate (as validated through the data verification process and all errors are corrected). Retirement: New retiree files are maintained on a daily basis and kept as up to date as possible. Follow-up is done immediately when paperwork is not received in the office or is not completed accurately. Deferred Comp: Applications are processed daily with accurate and timely responses to agents and provider companies. Mail: All areas of incoming and outgoing mail functions are being met. Staff is currently working on determining the best method and software to track returned mail.

Projects	Progress
6. Have incoming and outgoing mail backed up 5 deep. Procurement – 1. Ensure an ample supply of office supplies, paper, and envelopes are available. 2. Ensure and maintain efficient use of the office equipment. (Copiers, postage equipment, inserter/stuffing machine, smart mailer, phones) Back-up Duties - 1. Have incoming and outgoing mail duties backed up by all Administrative Services staff. 2. Have day-to-day duties backed up.	Procurement: Office supplies, etc. are ordered on a scheduled monthly basis. Copier was replaced this year due to lease expiration (per Procurement Contract No. 131). Back-up Duties: The mail function is backed up by all Administrative Services staff. The individual that backed up FileNet is in a different position in the division, so it is necessary to train another individual (in progress). All other duties are provided back up.

Goals and Objectives
Assess the administrative services needs of the agency.

Projects	Progress
1. Survey Managers, Administrators, Specialists and Auditor to identify level of needs. 2. Categorize and prioritize the needs. 3. Develop a plan to implement the needs.	Because of the Business System Replacement Project workload, a formal survey was not conducted as time was limited for all staff. There continues to be open communication with Managers, Administrators, Specialists, Auditor. There was opportunity to discuss needs during the time when Administrative Services Manager was conducting performance evaluations and also with the hiring of an Office Assistant III, job duties were reallocated and needs were discussed with the managers and administrators at that time. Administrative Services are involved in the various working groups and discussion involves workload and upcoming projects.

Goals and Objectives
Retain and maintain a qualified, fully trained staff to support the program division, accounting/IT division, FlexComp, Internal Auditor and member services.

Projects	Progress
1. Conduct monthly team meetings and individual meetings to discuss and communicate program, policy or procedural changes in process or implementation phase. 2. Update each employee's PIQ to accurately reflect their job responsibilities.	1. Monthly Administrative Services meetings are held. Administrative Services is involved with the various working groups at PERS and have direct input into processes, policy, etc. 2. PIQ's were updated where necessary and are currently up to date. One reclassification was approved by OMB HRMS.

Goals and Objectives
Monitor software and mainframe applications to ensure consistent and accurate administration of benefit programs.

Projects	Progress
1. Provide input and make recommendations for programming changes through monthly Steering Committee meetings. 2. Assist in testing new applications and data provided for active and retiree annual statements. 8/06 & 12/06 3. Provide staff support to IT division to facilitate migration of mainframe software programs to a windows based environment. 4. Provide staff support to IT Division to evaluate and make recommendations regarding replacement of existing mainframe benefits administration system. 5. Conduct cross reference audits of retiree data. - Complete quarterly cross reference of retiree data against Dept of Vital Records death database - Conduct annual cross match with private vender, subject to price. 6. - Conduct cross match with Social Security Administration periodically, subject to price and availability. (annually) 7. Provide matches to Programs Division for follow-up. 8. Test PeopleSoft FSA & Benefits Administration modules as needed in conversion to 8.9. 9. Report issues that are discovered with PeopleSoft FSA or Benefits Administration. 10. Conduct monthly steering committee meetings, prioritize and assign programming requests that are submitted, and distribute an updated programming request list to steering committee members. 11. Complete all projects with critical or legislative deadlines on time and on budget.	1. Staffed meetings as scheduled. 2. Staff conducted testing and coordinated with IT to address any discrepancies/corrections. 3. Staffed meetings and provided input and research as requested. 4. Staffed meetings and provided input and research as requested. 5.Qtrly audits were completed as indicted as well as the annual cross match with Berwin. 6. Cross match with Social Security was completed in the fall of 2006. 7. Matches found through the above searches were provided to the Benefit Programs division for follow-up as indicated. 8. Limited testing assistance was provided, due to LASR team involvement. 9.Issues with FSA or Ben Admin are reported as they are discovered. 10. Steering committee meetings continue to be held

Projects	Progress
12. Provide support for PeopleSoft queries. 13. Provide a more formal testing process to include checklists of the business processes that have been affected by a program change. Develop a standard method for end-users to document what was tested and their results. 14. Participate with ITD in the Mainframe Migration Project. 15. Participate in testing PeopleSoft FSA and Benefits Administration modules when software is upgraded to version 8.9. 16. Maintain a log of issues that are discovered with PeopleSoft FSA or Benefits Administration and determine if the problem can be solved through system configuration, by changing the business process or through new development. 17. Update tables on PeopleSoft to reflect insurance rate changes, new legislation, 457 limits, and any other changes that impact the system.	monthly. 11. The majority of requests with critical or legislative deadlines were completed on time and most were completed on budget. 12. The IT staff continues to provide support for PeopleSoft queries. 13. There has been some progress in the area of providing a more formal testing process. More work is needed. The mainframe migration project and the system replacement project will expose staff to tools that can be used in the testing process. 14. The Mainframe Migration team has experienced difficulties in keeping the original schedule. The “go-live” date has been moved to September of 2007. IT staff is participating in the project where applicable. 15. Testing was conducted in September and October 2006 16. Programming requests were submitted to ITD for issues that were discovered. 17. This was completed within established timeframe

Goals and Objectives
Supervise the performance of all service vendors retained on contract for NDPERS group insurance and retirement programs.

Projects	Progress
1. Monitor performance relative to standards set forth in provider and administrative contracts/agreements.	1. Ongoing – no compliance issues documented or reported in 2006.
2. At least annually, review deferred comp agent list for compliance with training requirements and provide notification of non-compliance to the provider companies.	2. List reviewed following training sessions conducted in April and October. Followed up with provider company representative per written notice regarding those agents out of compliance. All took appropriate action to address the issue by December board meeting.
3. Promote education standards for provider services to deferred comp members by maintaining updated	3. Provider handbook updated and posted to PERS

Provider Handbook and enforcing administrative policies and procedures in compliance with contracts. 4. Assess the performance of member service unit at BCBS based on monthly accuracy and timeliness reports and semi-annual service unit survey. 5. Conduct at least annual meetings with EPO providers to address areas of concern, gather input, monitor plan performance and review annual EPO satisfaction survey. 6. Conduct annual health claims audit at BCBS. (January 2006) 7. Report results to BCBS for comment and report to NDPERS Board. Mar 2006 8. Work with BlueCross BlueShield to resolve any outstanding issues. Ongoing	web; also referenced at training and education meetings conducted in April and October. 4. Review monthly performance standards reports; standards are being met. Review results of member satisfaction surveys conducted by BCBS in February and August; no remarkable responses documented. 5. No meetings scheduled. 6. Annual health claims audit was completed Jan 2006. 7. Results were reported to BCBS and the NDPERS Board in Feb 2006. 8. Any outstanding issues have been resolved.

Goals and Objectives
Ensure compliance of all programs with federal regulations, administrative rules and state statutes.

Projects	Progress
1. Monitor and ensure ongoing compliance with HIPAA Privacy Rule provisions: • Conduct ongoing training as necessary. • Maintain required documentation. • Review current procedures for compliance (report to board each December). • Send privacy notification by April 14, 2006 (required every three years). 2. Comply with federal requirements to submit annual Credible Coverage Disclosure to CMS. 3. Complete compliance testing on FlexComp program annually. Spring 2006 4. Document procedures for monitoring compliance of pretax purchase agreements. 5. Document procedures for USERRA refunds of employee payments and reimbursements from employers 6. Implement federal regulations for Medicare Part D, relating to low income subsidies and penalties for delayed enrollments, into the group insurance billing system. 7. Continue to participate in the Enterprise Architecture project.	1. Training was conducted throughout year for new staff to include temporary personnel; documentation was maintained in compliance with federal requirements. 2. Privacy notice was distributed prior to April 15 deadline in compliance with federal requirements. Completed and submitted March 2006. 3. Compliance testing on the Flexcomp program was completed in March 2006. 4 & 5 No progress was made on these projects due to staff turnover in accounting division 6. New rate structure and coverage codes were implemented for the low income subsidy effective July 1. Still waiting for guidance to implement penalties. 7. IT staff continues to participate in the Enterprise Architecture project.

Goals and Objectives
Develop knowledge and procedural basis to ensure ongoing compliance with HIPAA Security Rule provisions.

Projects	Progress
1. Review and maintain HIPAA security provisions. 2. Conduct staff training annually. 3. Monitor and ensure ongoing compliance with HIPAA Security Rule provisions. 4. Acquire and maintain required documentation. 5. Conduct annual review of policies and procedures manual to ensure it stays current. 6. Survey other agencies about compliance practices. Summer 2006	• HIPAA Security provisions were submitted to loss control for annual review in Dec 2006. Minor revisions were necessary and have been completed. • Staff training was conducted in February 2006. • Security rule provisions are monitored on an ongoing basis. • Documentation is acquired and maintained ongoing. • Felt that this may be a duplicate to #1. See #1 for response. • Other agencies were contacted, as well as Mike Mullen to gather best practice recommendations. Reported to NDPERS Board in Spring 2006.

Goals and Objectives
Provider certification/education program for 457 reps.

Projects	Progress
1. Conduct training a minimum of twice per year, subject to demand, rotating locations throughout the state. Spring 2006, Fall 2006	1. Trainings were conducted as specified, however, Benefits area provided the training, due to LASR project demands.

Goals and Objectives
Develop and maintain programs designed to protect the assets of the retirement systems, its members, staff, property and equipment to ensure that the retirement system can continue to meet its obligations to members.

Projects	Progress
1. Maintain a business disaster recovery plan designed to ensure NDPERS services are available to members at all times with as little disruption as possible. (ongoing) 2. Maintain a program designed to minimize injuries and personal risk to NDPERS employees and members during the course of their daily work. (ongoing) 3. Conduct quarterly meetings of Loss Control Committee designed to review NDPERS loss control policies, procedures, loss control claims and incident reports and recommend revisions and updates. (quarterly) 4. Attend annual Risk Management Seminar. April 2006 5. Complete and submit risk management discount applications for workers compensation and risk management premiums. (April 2006) 6. Revise and enter COOP Plan on statewide Strohl system. (ongoing) 7. Establish risk management/business disaster recovery component to be included in monthly staff meetings.	1. Desk manuals for staff were placed out on the U drive in conjunction with the LASR project. Staff contact information was also updated in 2006. 2. Program is maintained and risk management training was conducted in March 2006. 3. Loss Control Meetings were conducted quarterly in 2006 as indicated. 4. No Risk Management Seminar was offered in 2006, so was not possible to attend. 5. Risk Mgmt discount application was submitted for both program and NDPERS received resultant discounted premiums. 6. No work was completed in this area due to the LASR project except contact information for staff was updated. 7. Risk Mgmt/business disaster topics were provided in various staff meetings. However, it was not done every month.

Goals and Objectives
Develop and maintain a comprehensive accounting policy and procedure manual.

Projects	Progress
1. Move all documented procedures and desk manuals into the business recovery folder 2. Identify accounting duties that are not documented and prepare procedures as necessary; 3. Document procedures for processing the following types of purchases in the DB and DC plan: employers, USERRA, rollovers and pretax.	1. This was completed in the Fall of 2006 2. Several procedures have been documented during the past year as a result of the vacancy in the group insurance area and the need to train the new temporary positions. 3. No progress was made on this project as a result of staff turnover in the accounting division.

Goals and Objectives
Provide online access to as much data as feasible.

Projects	Progress
1. Work with ITD to migrate reports stored on COM (Computer Output to Microfiche) to FileNet. 2. Work with BND to get PERS accounting department set up for on-line access to our bank accounts.	2. Received revised agreement at the end of 2006. Plan to implement this in the Spring of 2007.

Goals and Objectives
Automate as many processes as feasible.

Projects	Progress
1. Set up PeopleSoft “speed charts”, where applicable, to more efficiently process accounts payable and other accounting transactions. 2. Identify requirements for bar coding IBS form 3. Continue to work with ITD to identify and prioritize documents to move to Wappapello. Approximately 100 reports/letters.	1. This was completed in the Fall of 2006 2. This project was put on hold until the mainframe migration has been completed.

Goals and Objectives
Upgrade computer hardware and software according to agency replacement schedule.

Projects	Progress
1. Determine hardware and software upgrades necessary to remain in compliance with ITD standards and agency’s 4 year hardware replacement schedule.	1. This objective was met in 2006. Next upgrade is scheduled for the 2009-2011 biennium.

Goals and Objectives
Administer a local area network that is accessible 99% of the time.

Projects	Progress
1. Monitor ITD's LAN availability data on a monthly basis.	1. Monitoring LAN availability requires specialized software. No software has been purchased in 2006. The IT Division plans to utilize ITD's services to assess NDPERS LAN availability.

Goals and Objectives
Insure the integrity of the mainframe database by maintaining an on-line data entry accuracy rate of 95% or better.

Projects	Progress
1. Verify retirement enrollment forms, retirement beneficiary forms, deferred comp enrollment forms and address changes after the information has been entered on the mainframe and calculate accuracy rate. 2. Work with Administrative Services and Benefits Divisions to implement a data verification process for group insurance applications and insurance beneficiary forms.	1. Forms were verified and overall accuracy rate for 2006 was 97% 2. Data verification process for active group insurance applications and beneficiary forms was implemented in March 2006. Process needs to be expanded to include retiree applications.

Goals and Objectives
Develop and execute a comprehensive performance and operations audit and risk assessment program for the evaluation of management and its controls provided over all agency activities as approved by the audit committee.

Projects	Progress
1. Review with management to obtain final enterprise risk management (ERM) assessment. 2. Determine if questionnaire is adequate. 3. Make adjustments as needed. 4. Facilitate an enterprise risk management (ERM) assessment at least annually with the input of senior management, audit committee and the board. 5. Issue report to Executive Management.	No progress in 2006 due to LASR project and staffing shortage in accounting.

Goals and Objectives
Executive a comprehensive control self-assessment program for benefit programs area.

Projects	Progress
1. Review questionnaires that address control and risk issues for each program with management and staff. 2. Make adjustments as needed. 3. Facilitate a control self-assessment program at least annually with the input of senior management, audit committee and the board to be completed by October 1. 4. Issue report to Management.	No progress in 2006 due to LASR project and staffing shortage in accounting.

Goals and Objectives
Develop and execute an audit plan utilizing the Control Self-Assessment results to ensure value added services to management.

Projects	Progress
1. Determine areas considered to be higher risk with the assistance of management and prioritize audits to address those risks. 2. Develop and audit plan by the November Audit Committee meeting. 3. Review audit plan with Executive Management and Audit Committee and obtain their approval. 4. Implement the audit plan.	No progress in 2006 due to LASR project and staffing shortage in accounting.

Goals and Objectives
Develop and execute an improved audit process.

Projects	Progress
1. Improve communications with staff regarding upcoming audits and throughout audit process. 2. Develop and document understanding of work process before conducting audit. 3. Utilize the risk evaluation worksheet for each audit before developing audit program. 4. Conduct audit focusing on high risk areas. 5. Issue final report in a timely manner for value added services to management and staff.	No audits started in 2006, 2 audits were completed in 2006. These audits were conducted using the new format that provides better communication with staff, focus on high risks. Final report was not issued in timely manner due to management's time constraints.

Goals and Objectives
Improve the effectiveness of the Internal Audit Division.

Projects	Progress
1. Review and update the policy and procedure manual and all audit templates prior to calendar year end. 2. Purge records per records retention schedule in November of each year. 3. Maintain daily and update periodically worksheets in Excel to track time spent on audits and projects. 4. Conduct an annual review of the Internal Audit division to determine if it is complying with the Internal Audit Charter and issue a report to the Audit Committee and Board. 5. Periodically review the Internal Audit Charter and update if necessary. 6. Conduct an internal quality assessment of the internal audit division in preparation of an external quality assurance review to ensure the Internal Audit division achieves a minimum rating of "good"	1. 2, 4, 5, and 6. No progress in 2006 due to LASR project and staffing shortage in accounting. 3. Daily maintenance of time spent on audits and projects were conducted timely.

Goals and Objectives
Provide consulting services to management and staff as necessary.

Projects	Progress
1. Determine area of concern and plan of action 2. Communicate with management and staff during engagement 3. Issue a report summarizing results of engagement	Provided assistance in: • Reconciliation of: i. Retirement Contributor Master ii. Retirement Minimum Guarantee iii. Retirement Central Payroll Contributions iv. Flex Comp Contributions & Distributions • GI Process Flowcharting Project

Goals and Objectives
Provide assistance to special projects to management as necessary.

Projects	Progress
1. Determine area of concern and plan of action 2. Communicate with management and staff during engagement 3. Issue a report summarizing results of engagement	Provided assistance in: • Job Service Actuarial Data • ND Heath Dept. Retroactive Bonus Distribution • Pre-tax/After-tax adjustment review • Mill & Elevator Bonus Distribution • Workforce Safety Salary Increase Distribution • Deferred Comp Participant Salary Deduction Compliance

Goals and Objectives
Participate in assigned committees.

Projects	Progress
1. Attend meetings 2. Provide input as required	Attended meetings for: • Steering Committee • LASR Steering Committee • Loss Control Committee

Goals and Objectives
Conduct special examinations at the request of management, including the reviews of representations made by clients outside the agency.

Projects	Progress
1. Develop questionnaires that address control and risk issues for each program to be audited with input from management and staff. 2. Develop action plan based on the results of responses on questionnaires. 3. Conduct special examinations requested by management and staff in a timely manner. 4. Write summary of results of engagement.	1. Reviewed BCBS Interest of Calculation reports to assess confidence in information. 2. Assisted in providing information regarding Pharmacy Benefits Manager to management to assist them in their duties.

Goals and Objectives
Provide consulting services at the request of management to improve effectiveness of risk management, control, and governance processes.

Projects	Progress
1. Develop questionnaires that address control and risk issues for each program to be audited with input from management and staff. 2. Develop consulting engagement plan based on the results of responses on questionnaires. 3. Conduct consulting services requested by management and staff in a timely manner. 4. Write summary of results of consulting engagement. 5. Participate in Loss Committee activities.	1. Develop an Information Technology risk assessment questionnaire to address control and risk in the Information Technology area. 2. Working in the Group Insurance Accounting area provided an opportunity to examine risks and to develop controls to mitigate the risks. No reports were issued as this service was not done as an independent auditor.

Goals and Objectives
Work with Information Technology Division to provide access to electronic data for automated computer assisted audit techniques. .

Projects	Progress
1. Meet with IT to discuss availability of information for each program. 2. Determine best access to information 3. Develop plan to obtain data 4. Develop and implement ACL audit projects. 5. Complete ACL audit projects. 6. Issue a report summarizing results.	No progress in 2006 due to LASR project and staff shortage in accounting.

Goals and Objectives
Ensure compliance with federal and state tax reporting regulations.

Projects	Progress
1. Deposit federal and state tax withholding by established deadlines. 2. File quarterly and annual federal returns with the Internal Revenue Service by established deadlines. 3. File W-2 and 1099R forms with the appropriate agencies and provide copies to recipients by established deadlines. 4. Reconcile monthly 1099R reports. 5. Implement procedure to reconcile 1099R files with general ledger.	• All deposits, reports and forms were filed within established timeframes. The accounting supervisor was trained and given responsibility for these tasks. • No deviations documented or reported. New accounting position was trained on this task.

6. Conduct annual Section 415 testing on service purchase contributions by April 15 of each year. 7. Follow up with employers who internal audit has identified as having retirement contribution reporting discrepancies. Make corrections to member records, as necessary.	• Due to staff turnover in the accounting division, no progress was made on this project • Section 415 testing was completed by April 15 • Follow up was completed as necessary

Agency Driver and Philosophy

Driver

Research and evaluate benefit products & services

Philosophy

- Listen to our members.
- Have the best Employee Benefit package in the upper Midwest.

Goals and Objectives

Improve the efficiency and convenience of the enrollment process through the use of e-business applications.

Projects	Progress
1. Investigate on-line enrollment options for all benefit programs and implement effective with 2006 annual enrollment season.	1. Due to mainframe migration schedule, were unable to make this available for 2006 enrollment season.
2. Continue to test and make recommendations for enhancements to on-line services program.	2. No enhancements were made.
3. Continue to promote on-line services by increasing employee awareness through education and communication.	3. Article promoting services published in summer and fall 2006 newsletters.
4. Develop and implement a web based new employee orientation program on PERS benefits.	4. Staff worked on this project throughout 2006; tested at orientation meetings in fall and implemented by December 2006. Has not been transition for web site use.
5. Utilize PeopleSoft e-benefits for the Fall 2006 annual enrollment, contingent upon timing of PeopleSoft 8.9 upgrade.	5. The upgrade to version 8.9 did not occur until November. As a result of this delay, the decision was made to defer this project to 2007 and include it as part of the business system replacement project. Work has begun on getting the FSA paydirect employees set up to access the portal to view their FlexComp information.
6. Explore feasibility of replacing NDPERS Legacy System.	6. Conducted feasibility study of Legacy Application Replacement System in conjunction with L.R. Wechsler consultants. May 06
7. Report results of feasibility study for NDPERS Board's consideration.	7. Reported results of feasibility study to NDPERS Board June 06
8. Subject to approval of feasibility study, submit necessary reporting and documentation to ITD and SITAC committee as needed.	8. Completed and submitted Project Charter for System Replacement Project.
9. Oversee and assist in drafting of a request for proposal.	
10. Research what is required for procurement purposes and ensure necessary action is taken.	
11. Perform any necessary supplemental activities for Legacy Application System Replacement.	
12. Submit quarterly reporting to ITD Large Project Oversite Committee.	

	9.Coordinated and assisted in drafting a Request For Proposal. Fall 2006 10.Researched requirements for request for proposals and released NDPERS' request for Proposal on Procurement Website. Nov 06 11.Conducted bidders conference in conjunction with RFP. Dec 06 12. Reports were submitted quarterly as required. Project remained on time and within budget. As of the end of the year approximately 2900 hours were devoted to this project by NDPERS staff.

Goals and Objectives
Monitor investment options available under NDPERS Companion Plan and Defined Contribution plan to ensure the needs and expectations of the members are met.

Projects	Progress
1. Collect and communicate investment returns quarterly to the NDPERS Board for the Companion Plan in the 457 program. 2. Collect and communicate investment returns quarterly to the NDPERS Board for the Defined Contribution Plan retirement program. 3. Post quarterly investment return reports on NDPERS website to insure access for membership. 4. Realign 401(a) and 457 Companion Plan lineup with investment subcommittee to adequately cover the investment spectrum. Fall 2006 5. Review statement of investment policy for 401(a), 457, Defined Benefit and Job Service retirement systems. Annually – Fall 2006	1. Investment returns were collected & communicated at the end of each quarter at Investment Subcommittee Meetings. In addition 457 fees were reduced from $39 to $30 annually. 2. Investment returns were collected & communicated at the end of each quarter at Investment Subcommittee Meetings.. 3. The above reports were posted to the NDPERS website after being reported to the Board's Investment subcommittee. 4. Multiple meetings were held to begin this process resulting in several funds being put on watch. Work efforts continued into 2007. 5. Extensive work efforts begun in 2006 were continued into 2007, resulting in revision of investment policies for all plans indicted.

Goals and Objectives
Investigate alternative methods of delivering/receiving benefit information.

Projects	Progress
1. Keep benefit estimate program updated and accessible on website for new employer groups to use and explore changes as requested. 2. Explore revision of purchase program contained on benefit estimate program to make it more menu driven and user friendly and implement change if feasible. Fall 2006 3. Explore making the purchase program available in online services so it doesn't have to be a download. Dec 2006 4. Provide support through helpdesk inquiries and as needed if Peoplesoft e-benefits are used to allow state/higher ed employees to enroll in benefits for the Fall annual enrollment.	1. Benefit estimate program was updated and continues to be accessible on website. 2. Explored idea, but did not proceed as changes could have been made, but would have been done on an outdated program no longer supported by ITD. 3. This was not completed, however, we understand NDPERS and ITD Online services staff are working towards providing web access to benefit estimate screen. 4. Fall enrollment did not get implemented over e-benefits, so did not work in this area. However, continue to provide support through help desk for all NDPERS benefits.

Agency Driver and Philosophy

Driver

Educate members, employers and the public on the value of PERS policies & programs

Philosophy

- Listen with concern to understand and be responsive to our clients.
- Treat our clients with courtesy, dignity and respect.
- Make ourselves and our services as accessible as possible by eliminating physical barriers.
- Provide timely, accurate information that recognizes our clients' expectations and meets our clients' requirements.

Goals and Objectives

Facilitate member understanding of benefits and application processes by developing comprehensive communication materials.

Projects	Progress
1. Update SPDs, Plan Documents, brochures, or pamphlets for Defined Contribution Plan and Deferred Comp plans 2. Produce annual statements for actives and retirees. 8/06 & 12/06 3. Develop and distribute consolidated annual enrollment notifications for health, life, dental, vision, LTC and FlexComp plans fall 2006. 4. Gather product information and coordinate revision of Investment Summary booklet for the 457 program. Fall 2006 5. Promote updated Investment Summary in newsletter. 6. Send updates in newsletter format, as needed, to deferred comp providers in 2006. 7. Conduct monthly Website committee meetings. 8. Update website within 3 business days of receiving new information or changes. 9. Work with Web Committee to determine ways to attract visitors to our website.	1. Updated and posted changes to web. 2. Completed. No deviations documented or reported. 3. Materials were updated and distributed on schedule. 4. Product information was gathered & revised for Investment Summary Booklet for the 457 program. 5. Notice that booklet was updated was provided in the newsletter and booklet was placed on the NDPERS website. 6. No updates were sent in 2006 as there was no new materials. 7. Monthly Website Committee meetings were held in 2006. The committee discusses updates to the site as well as site visitation statistics. 8. For the most part, this objective was met in 2006 and is ongoing. 9. No progress was made in this area. This initiative is ongoing.

Goals and Objectives
Provide members with information on financial planning, supplemental retirement savings, estate planning, and other topics relevant to successful transition to retirement.

Projects	Progress
1. Conduct agency based Pre-retirement Education Programs (PREP) by request. 2. Conduct two PERS sponsored pre-retirement seminars in 2006. 3. Conduct retiree education program in August 2006 in Medora	1. Conducted eight meetings by request. 2. Conducted in Dickinson 5/18 & Fargo 10/12. 3. Cancelled due to low reponse.

Goals and Objectives
Act as liaison for different NDPERS pension plans and the retirement board (Judges, Law Enforcement, Job Service, HP, Main system).

Projects	Progress
1. To publish every 3 to 5 months a newsletter for the active and retired members 2. To provide notice of annual EPO open enrollment to members at least one week before the beginning of the enrollment period. 3. Meet with pension plan contacts concerning proposed legislation, to communicate progress and discuss actuarial review and technical comments and discuss any necessary amendments.	1. No deviations documented or reported. 2. Materials were sent our in May 2006. 3. Staff met with pension plan contacts in early Fall and again after actuarial reports came out.

Agency Driver and Philosophy

Driver

Earn the respect and trust of our clients

Philosophy

- Operate at the highest ethical and professional standards.
- Treat every person with dignity, respect, courtesy, concern and understanding.
- Provide the highest quality services and benefit programs.
- Listen with concern to understand and be responsive to our clients.
- Treat our clients with courtesy, dignity and respect.
- Make ourselves and our services as accessible as possible by eliminating physical barriers.
- Provide timely, accurate information that recognizes our clients' expectations and meets our clients' requirements.

Goals and Objectives

Provide liaison services to members with insurance claim and coverage disputes, pension service and benefit issues, and compliance issues arising from provider performance.

Projects	Progress
1. Research members problems or internal issues detected by staff by referencing codes, rules, contract provisions, performance guidelines, or seeking Attorney General's opinion. Apply appropriate compliance procedures or assist member in attaining resolution. (Ongoing) 2. Maintain tracking procedure to monitor application processing during life annual enrollment. Fall 2006.	1. No deviations documented or recorded. 2. Carrier continues to provide an electronic file each month for tracking purposed.

Goals and Objectives

Maintain a customer service center that provides accurate, comprehensive information to member inquiries regarding the provisions and requirements related to the benefit programs managed and administered by NDPERS.

Projects	Progress
1. Maintain a qualified, fully trained member services staff by providing ongoing training on benefit program changes.	1. Trained staff on Medicare D and flex grace period requirements and procedures; provided with access to flex accounts on PeopleSoft in order to assist members with general questions. Also trained on new Retiree premium structure relative to Medicare and LIS rates.

2. Evaluate ability of member service staff to assist office in other administrative areas.	2. Continues to assist and provide backup when required; are included on routing list for member and payroll correspondence that will require mass mailing in order to provide input. Attended meeting on LASR and provided input as required. Trained administrative services staff on phone system for backup.

Goals and Objectives
Provide a one-on-one counseling service that provides members with benefit options and assists them with the enrollment process.

Projects	Progress
1. To continue to provide 500 to 700 one on one counseling sessions annually.	1. In-house provided counseling services to 710 members on retirement, purchases, and other benefit programs.
2. Investigate other communication media for the delivery of NDPERS services to members.	2. Continue to use web site, newsletters, e-mails, and home mailings.
3. Do a pilot program to conduct one on one counseling session at employer locations in second half of 2006.	3. Due to staffing shortage, this project is on hold.

Goals and Objectives
Communicate with our members and clients via NDPERS web site.

Projects	Progress
1. Maintain current information and update as needed the information for the Internal Audit division and the Audit Committee on the NDPERS web site.	Minutes for the Audit Committee meetings were posted to the web site as soon as the Audit Committee has approved them. Meeting schedules were also kept up to date on the web site.

Goals and Objectives
Produce an Internal Audit Annual Report following the end of each calendar year.

Projects	Progress
1. Develop an audit report by the February Audit Committee meeting. 2. Review the audit report with Executive Management and the Audit Committee and obtain the Audit Committee's approval.	Developed the 2006 Audit Report and presented it to the Audit Committee in February and received their approval.

Goals and Objectives
Communicate with our members and clients by providing an Internal Audit Annual Report.

Projects	Progress
1. Write an Internal Audit Annual Report at the end of each calendar year. 2. Obtain the Audit Committee's approval.	A 2005 Internal Audit Annual Report was issued in February 2006.

Goals and Objectives
Participate in professional organizations.

Projects	Progress
1. Maintain membership in professional organizations. 2. Volunteer services for organizations. 3. Network with other professionals.	Continued membership in the North Dakota Certified Public Accountant organization, the Institute of Internal Auditors (IIA) local chapter and the Association of Public Pension Fund Auditors. Took on the task of Treasurer for the local chapter of the IIA for the 2006-2007 year.

Goals and Objectives
Assist the Audit Committee in managing their function of the Board.

Projects	Progress
1. Plan quarterly audit committee meetings. 2. Attend quarterly audit committee meetings. 3. Provide audit committee agenda to the audit committee a minimum of one week prior to meeting. 4. Review annually the audit committee charter, determine if the audit committee has met their responsibility and issue a report to the board.	Meetings were scheduled for February, May, August and November. Provided agenda and supporting materials one week prior to the meetings. Notified Secretary of State of meetings, including any changes in meeting schedules. Reviewed the Audit Committee charter in the spring, and provided a report to the Board in June.

Goals and Objectives
Maintain a support team for PeopleSoft Benefit Administration that provides consistent and timely responses to inquiries from agency users.

Projects	Progress
1. Assist in developing a log of common questions/problems and document appropriate action. 2. Respond to problems logged through the ITD help desk within 24 hours. 3. Develop a log of common questions/problems and documents appropriate response. 4. Respond to problems logged through the ITD help desk within 24 hours. 5. Provide training to Administrative Services Manager on PeopleSoft Benefits Administration to expand the depth of the support team.	1. Problems were documented and accumulated for development into a log. 2. Help desk responses are provided within 24 hours whenever possible. 3. As issues arise, they are documented in a Benefits Administration Troubleshooting guide which is used by the PERS support team. 4. Help desk responses are provided within 24 hours whenever possible. 5. Training was completed in 2006.

Agency Driver and Philosophy

Driver

Attract and retain a competent and highly motivated work force

Philosophy

- Foster a climate where staff supports team efforts focuses on positive solutions and assumes responsibility for team results.
- Encourage staff to question, innovate and grow by authorizing staff to assume responsibility.
- Support and encourage continuous personal and professional growth.
- Contribute to each others success by offering training, guidance, support, assistance and opportunities for growth.
- Demonstrate respect for coworkers and recognize the value of our diversity.

Goals and Objectives

Conduct recruitment activities using a standard screening and rating process that identifies the candidates whose qualifications best fit our requirements.

Projects	Progress
1. Coordinate recruitment activities with HRMS and provide assistance to management staff in developing job postings, interview questionnaires, evaluation criteria and rating sheets to fill vacancies within time period specified in posting.	Assisted staff with recruitment of staff in Administrative Services, Accounting and Benefits Division. Coordinated with designated entities to conduct background and FBI checks in accordance with established policy.

Goals and Objectives

Maintain a performance evaluation system that is comprehensive and equitable.

Projects	Progress
1. Monitor system to ensure 6 month probationary reviews are conducted for new hires. 2. Reviews are conducted at least annually for all classified staff and filed in respective employee file. 3. Review evaluation forms. 4. Monitor performance evaluation system and make adjustments as identified by management.	Six month reviews were conducted as required. Annual review information was provided to management in January 2007 for 2006 evaluations. System was revised for 2005; adjustment as requested by management was made.

Goals and Objectives
Maintain an updated internal policy and procedure manual.

Projects	Progress
1. Monitor changes affecting policies as mandated by state or federal law, Board action, or precedence as established by HRMS or internally and update as necessary.	Computer access policy was revised with regard to reinstating access following an approved LOA; updated policy with regard to reimbursement for personal telephone expenses while traveling on behalf of PERS. Submitted and approved by Board and incorporated into policy manual and communicated to staff.

Goals and Objectives
Maintain file of Position Information Questionnaires that accurately reflects the responsibilities and duties of each agency FTE position.

Projects	Progress
1. Update PIQ records for all classified positions as indicated by adjustments to job tasks/duties. 2. Submit PIQs to HRMS for reclassification as necessary. 3. Update PIQs for HIPPA privacy and security duties as applicable and include HIPPA reverence in the confidentiality provisions as necessary.	Updated PIQs for accounting, administrative services, and benefits division and submitted to HRMS to update files.

Goals and Objectives
Process payroll accurately and timely and maintain an accurate accounting of accrued leave.

Projects	Progress
1. Process monthly payroll and leave reporting within the timeframes established by OMB. 2. Reconcile source documents to accrued leave report, monthly. 3. Attend payroll training sessions provided by OMB. (ongoing)	1-3 – No deviations documented or reported

Goals and Objectives
Maintain professional proficiency through continuing professional education and training to meet GAO, AICPA, and IIA standards.

Projects	Progress
1. Budget for continuing education program to obtain no less than 20 hours per fiscal year (120 hours every three years). 2. Maintain a periodic quality assurance activity within the division to prepare for the five year quality assurance review beginning January 1, 2007. 3. Provide sufficient training to each auditor to compete work as assigned.	1. Attended the following education classes for a total of 23 CPEs: • Implementing ERM – Not Just Talking About It (1 CPE) • Audit Project Management (15 CPE) • Leadership (1 CPE) • Creative leadership Workshop (6 CPE) 2. No progress in 2006 due to LASR project and shortage of staff in Accounting 3. Ongoing training occurs as assignments were given.

Agency Driver and Philosophy

Driver

Maintain actuarial and financial soundness of the funds

Philosophy

- Prudent risk taking
- Efficient administration
- Effectively manage resources for the benefit of our clients
- Meet or exceed published quality standards

Goals and Objectives

Monitor cost management and utilization review reports and assist in developing and reviewing options for cost management of plans.

Projects	Progress
1. Have prepared annually an actuarial report of the PERS Defined Benefit plans. 2. Review financial projections and annual actuarial reports and develop strategies to address areas of concern and present information to PERS Board for review, consideration, and input. 3. Report to the Board annually, status of employers subject to minimum participation requirements under the health plan. 4. Initiate formal request for consultant to conduct annual actuarial study as of close of current fiscal year. 5. Review and prepare information on potential cost management and utilization management programs developing for health plan and report to the PERS Board. 6. Review disease management services, monitor effectiveness of program and evaluate service provider. (Fall 2006) 7. Monitor and analyze employee focused wellness program conducted in conjunction with UND Family Practice Center. 8. Monitor implementation of mail order prescriptions and use and periodically report to NDPERS Board. 9. Monitor and analyze cost effectiveness of Prime Therapeutics. Winter 2006 10. Identify and refine concepts of quality improvement in healthcare, focusing on identified protocols and treatments. ongoing 11. Review, revise and update NDPERS procurement policy. Winter 2006 12. Review DC expenses and set administrative costs for DC plan annually	1 & 2 Reports were prepared by Segal and reviewed with Board at October meeting. 3. Survey conducted by BCBS in October 2007; all employers were in compliance. Will be reported to Board at May 2007 meeting. 4. Need Jamie to respond here 5. Information on cost & utilization management programs are provided on an ongoing basis as issues arise. 6. Staff has worked in conjunction with Health Dialog monthly and provided the Board with an annual report. 7. Staff provides support to UND as necessary. 8. Costs of mail order drugs comparison was reported to NDPERS Board. 9. This task was initiated with Prime Therapeutics, however, no information was provided to staff, so could not complete this task. 10. BCBS was contacted for assistance in identifying these concepts, effort is still ongoing, as they have indicated they will provide Dr. Rice as a resource in this area. 11. Staff attended procurement training and asked Loss Control Committee to review existing OMB policies. Policies that NDPERS is identified as being

Projects	Progress
	exempt from will be studied and policies are proposed to be developed. 12. Due to staff turnover in the accounting division, no progress was made on this project.

Goals and Objectives
Conduct and evaluate vendor renewal proposals for 457 deferred comp plan, Programs Division and 401(a) defined contribution plan and assess feasibility of initiating the Request for Proposal process.

Projects	Progress
1. Participate in RFP process for all programs, as necessary, analyzing responses received from vendors and participating in the selection of successful vendor.	Staff participated in LASR Feasibility study & RFP process, dental, vision and Long Term Care, retirement consultant and health insurance consultant RFP processes

Goals and Objectives
Administer the DB Plan utilizing the principles of excellence established for the pension community by the Pension Benefit Coordinating Council.

Projects	Progress
1. Review requirements for Pension Benefit Coordinating Council Award and submit if NDPERS plan qualifies.	Requirements were reviewed and an application submitted. However, NDPERS plans did not qualify.

Goals and Objectives
Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting annually.

Projects	Progress
1. Publish a comprehensive annual financial report and submit it to the GFOA by December 31 of each year.	Received the GFOA Certificate of Excellence in Financial Reporting for the 2005 annual report. The 2006 annual report was submitted to the GFOA in December.

Goals and Objectives
Receive an unqualified opinion on the annual financial statement audit performed by external auditors and no reportable conditions or material weaknesses on the report of compliance and internal controls.

Projects	Progress
1. Prepare monthly bank account reconcilements. 2. Prepare monthly reconcilement of retirement contributions and deferred comp contributions posted to mainframe database. 3. Prepare monthly reconcilement of insurance premiums received and remitted to insurance carriers. 4. Prepare monthly reconcilement of retirement check write. 5. Prepare quarterly reconcilement of deferred comp provider reports and transfers, and monitor distribution compliance. 6. Reconcile deferred comp contributions reported on provider reports to cash receipts journal. 7. Transfer monthly FlexComp reconciliation from internal audit to accounting division when staff becomes available 8. Transfer reconcilements of contributor account balances and annuitant minimum guarantees to accounting division when staff becomes available 9. Develop and implement procedures for reconciling retirement contributions to Central Payroll reports, monthly 10. Develop and implement procedures to reconcile FlexComp FICA savings received from Central Payroll when preparing the monthly financial statements. 11. Implement audit recommendations from internal and external auditors. 12. Document all security requests to ITD and their responses. 13. Conduct annual review of who has access to PERS' systems and what those privileges are. 14. Monitor and record monthly reporting of all access to PERS' production environment.	Task 1-5 Tasks were completed within established timeframes. Training of new staff was completed. Progress was made to get deferred comp providers in compliance with electronic reporting requirements and timely submission of reports. Task 6. No progress was made on this project due to staff turnover in the accounting division. This will be implemented in 2007. Task 7-9. The new accounting position has been trained on these tasks and they are being performed by the accounting division on a monthly basis. Task 10. No progress was made on this project due to staff turnover in the accounting division. This will be implemented in 2007. 11. Several audit recommendations for 2005 were implemented in 2006. Work on the recommendations from 2006 will begin in 2007. 12. Security requests and responses are being documented. This process is ongoing. 13. The annual review of who has access to PERS' systems was conducted in 2006. No documentation of the findings is available. This process is ongoing. 14. Reporting of all access to PERS' production environment was conducted monthly in 2006. This process in ongoing.

Goals and Objectives
Prepare the agency's biennial budget for submission to the legislature by the due date specified by OMB

Projects	Progress
1. Prepare a budget that is consistent with the agency's business plan and reflects the Board's priorities	The agency's budget was submitted in September

for each program. Submit the budget in the format specified by OMB in June of each even- numbered year.	2006. An extension was requested so a more accurate budget for the LASR project could be included.

Goals and Objectives
Monitor budgeted expenditures to actual expenditures, monthly

Projects	Progress
1. Update actual expenditures each month within one week of receiving accounting reports. Report unusual variances to Executive Director immediately. 2. Prepare a schedule of cash flows for FICA tax savings to determine adequacy as a funding source for the FlexComp, Deferred Comp and Defined Contribution programs.	1. Completed within established timeframes with the exception of months that accounting supervisor position was vacant. 2. This was completed to determine funding availability for the LASR project.

Goals and Objectives
Allocate costs to accurately reflect the administrative expenses for each program.

Projects	Progress
1. Prepare retirement plan allocation for RIO, monthly 2. Allocate expenditures to appropriate benefit program, monthly and annually. 3. Review existing expenses allocation policy and update if necessary	1. This project is not being completed monthly, as a result of accounting staff turnover. However, the information is being provided to RIO at fiscal year end in order to complete the required fund allocation for the annual audit. 2&3 These projects were completed within established timeframes.

Goals and Objectives
Prepare information technology plan for submission to the legislature by the due date specified by ITD.

Projects	Progress
1. Prepare an information technology plan that is consistent with the agency's business plan and reflects the Board's priorities for each program. Submit the plan in the format specified by ITD in July of each even-numbered year.	1. The agency IT Plan was prepared on time and submitted to the Board for review in June. This version of the plan included the system replacement project (LASR). The IT Plan was received and accepted by ITD in July.

Goals and Objectives
Maximize the investment return on deposits through an effective cash management program.

Projects	Progress
1. Deposit cash receipts daily. 2. Transfer excess cash balances from the Bank of North Dakota to be invested by RIO. 3. Allocate deposits to appropriate bank accounts, daily. 4. Implement a more aggressive cash management program to minimize the balance kept on deposit in the retirement and insurance accounts at the Bank of North Dakota.	1. Deposits are being prepared within established timeframes. Additional training was completed to provide additional backup. 2&3 No deviations documented or reported. 4 No progress was made on this project due to staff turnover in the accounting division

Goals and Objectives
Prepare accurate monthly financial statements within 45 days of months end.

Projects	Progress
1. Prepare cash receipts journals, cash disbursement journals, subsidiary ledgers and other supporting schedules, monthly. 2. Allocate expenditures to appropriate benefit program, monthly and annually. 3. Train new Accounting/Budget Specialist III position.	1. Due to staff turnover in the accounting division, financial statements are not prepared within this timeframe. However, everything was completed in time for the 6/30/06 annual audit. For fiscal year 07, we anticipate that financial statements will be prepared within 45 days of month end starting with the month of March 2007 2. Allocations were made within established timeframes 3. Training occurred, but position was vacated in November. Position was re-filled in January 2007. Training is in progress.

Goals and Objectives
Provide accurate and timely census data and financial information to the agency's actuary for preparation of the annual actuarial valuations.

Projects	Progress
1. Provide the actuary with electronic census data by July 31 and financial data by September 5 of each year. 2. Test programming changes that will allow electronic preparation of census data for Job Service retirees who are paid through PERS.	1. Data was provided to actuary within established timeframes 2. Programming changes were tested and put into production. However, problems were discovered when trying to populate the fields with information the actuary required. Determined that assistance will be required to compile the correct data to be entered into the mainframe. Work on this project will continue in 2007.

Goals and Objectives
Execute a comprehensive control self-assessment program for the accounting area.

Projects	Progress
1. Develop questionnaires that address control and risk issues for each program to be examined with input from management and staff. 2. Make adjustments as needed. 3. Facilitate a control self-assessment program at least annually with the input of senior management, audit committee and the board to be completed by October 1. 4. Issue report to Management.	No progress in 2006 due to the LASR project and staffing shortage in accounting.

Goals and Objectives
Develop and execute a working audit plan utilizing the Control Self-Assessment results that will provide value added services to management.

Projects	Progress
1. Determine areas considered to be higher risk with the assistance of management and prioritize audits to address those risks. 2. Develop and audit plan by the November Audit Committee meeting. 3. Review audit plan with Executive Management and Audit Committee and obtain their approval. 4. Implement the audit plan.	Issued an audit plan for 2006 in November 2005. An audit plan for 2007 was not issued due to the LASR project and staffing shortage in accounting. Assisted Accounting Division with

	• Group Insurance Accounting • Retirement retroactive pay increases and bonuses • Deferred Comp Accounting • Fixed Asset Inventory

Goals and Objectives
Test NDPERS actuarial data at mid and fiscal year end of accuracy.

Projects	Progress
1. Obtain from IT actuary data in January and July. 2. Conduct tests on actuary data utilizing ACL software 3. Follow up on discrepancies found 4. Provide management with a report.	No action in 2006 due to the LASR project and staffing shortage in accounting.

Goals and Objectives
Develop and execute an improved audit process.

Projects	Progress
1. Improve communications with staff regarding upcoming audits and throughout audit process. 2. Develop and document understanding of work process before conducting audit. 3. Utilize the risk evaluation worksheet for each audit before developing audit program. 4. Conduct audit focusing on high risk areas. 5. Issue final report in a timely manner for value added services to management and staff.	1. One new audit was started in 2006. 2. A review of the program was conducted to understand operations. 3. A risk assessment evaluation was conducted. 4. Review of high risk areas and subsequent recommendations were issued. 5. Issued draft report, waiting for management response before final report can be issued. Two reports were issued for 2005 audits completed after management responded to findings in 2006.

Goals and Objectives
Coordinate and supplement external audit efforts.

Projects	Progress
1. Assist State Auditors Office with review of RFP as requested 2. Provide input to State Auditors Office on proposals. 3. Contact audit firm to schedule conference room 4. Discuss with audit firm coordination of audits to minimize duplicated efforts. 5. Communicate with audit firm as necessary. 6. Provide information to audit firm as requested.	1. Reviewed RFP in December 2005 and January 2006. 2. Provided input to the SAO in January. 3. Scheduled conference room for the new auditors in June. 4. Met with auditors in June to plan audit work. 5. Worked with auditors to provide the requested information June through September...

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Divisions	
Benefits – Purple	IT - Black
Administrative Serv. – Blue	Internal Audit – Orange
Accounting – Red	Planning/Research - Green

North Dakota Public Employees Retirement System
2007 Business Plan

Agency Driver and Philosophy

Driver

Provide an employee benefit package that is among the best available from public and private employers in the upper mid-west.

Philosophy

- Exercise prudent risk taking.
- Administering the law effectively, efficiently and fairly.
- Operating at the highest ethical and professional standards.
- Providing the highest quality services and benefit programs.

DEFINED BENEFIT HYBRID PLAN

Goals and Objectives

1. The goal of NDPERS is to enable career employees to care for themselves and their dependents at retirement and to provide a plan that will reduce personnel turnover and encourage career employment to high grade men and women.
2. The goal of NDPERS is to establish a mechanism to insure that career employees can care for themselves and their dependents in retirement by maintaining the purchasing power of current retirement benefits.
3. In order to improve the desirability of state and political subdivision employment the goal of NDPERS is to develop more options on how a member could access, contribute to, supplement, and draw their retirement funds.
4. In order to insure that members will be better able to care for themselves and their dependents in retirement and to improve the desirability of state and political subdivision employment the goal of NDPERS is to provide incentives and rewards to members who engage in supplemental retirement savings.

Projects	Progress
1. Begin benefits planning process for retirement plan in 2007. 2. Prepare and submit legislation to PERS Board by December 2007. 3. Work with consultants to do technical and actuarial analysis at request of Board or legislative committees in preparation for 2009 session. 4. Initiate renewal process for disability consulting service by May 1, 2007. 5. Confer with Highway Patrol administration to determine indexing rate and submit to Board at August meeting. 6. Revise administrative rules and provide to BPR division by designated date. 7. Implement new legislation: a. HB1078 – policies & procedures for participation by employees of Career & Technical	

Projects	Progress
Ed; coordinate with TFFR b. SB2044 – Provide a 13th check in January of 2008 or January of 2009 i. Provide for a 2% increase for judges 1/1/08 & 1/1/09 c. SB2045 – Develop policies & procedures for combined health credits d. SB2048 – Develop policies & procedures for deferred normal retirement option (DNRO) 8. Conduct board election for active opening: a. Appoint election committee; b. Publish notice of election; c. Validate mailing roster and nomination petitions; d. Send out ballots to active membership; e. Canvass ballots and report results to board at June 2007 meeting; f. Notify candidate and departments/agencies of results. 9. Prepare COLA calculation and provide recommendation for increase to Board at its October meeting and calculate increase and update all Job Service and Travelers member records by 12/1/07. 10. Identify 3 to 5 items for P3 Methodology project. 11. Implement provisions of Pension Protection Act of 2006: a. Allow retired public safety officers to direct up to $3,000 of retirement income, tax free, to pay for health or LTC premiums. b. Public safety employees who separate from service after age 50 will not be subject to a 10% early withdrawal penalty. 12. Meet with Employee Benefits representatives to gather input for future legislation, including ad hoc employee benefits group, Judges, Air National Guard, Highway Patrol and retiree benefits committee. Summer 2007	

HEALTH PLAN

Goals and Objectives

1. The goal of the health program is to provide understandable options at affordable premiums which protect public employees and their families from excessive medical expense.
2. Promote positive competition through PERS or group purchasing initiatives with providers who emphasize and practice the principles of continuous quality improvement.
3. To develop and maintain an information data base on quality and costs.
4. To provide information and assistance in community, legislative and national matters related to health care services.
5. To consider modifications and improvements to the benefit plan design that can be accomplished within the constraint of available funding.
6. The goal of the Group Medical Insurance Program is to encourage healthy lifestyles and preventative attitudes in an effective and cost efficient manner.

Projects	Progress
1. To maintain the PPO and monitor expansion of the PPO program and report number of new additions to the network to Board annually. 2. Continue to evaluate EPO program. 3. To investigate the feasibility of providing a flu shot program (fall 2007) 4. To work with the Employee Council on an annual wellness day at the Capital (fall 2007) 5. Begin Benefits Planning Process for health plan for 7/1/2009 renewal. 6. Monitor and promote smoking cessation program for state employees. a. Update BCBS contract for approval for 2007-2009 biennium b. Develop new promotion program for biennium 7. Monitor implications of MedicareBlue PDP plan on PERS retiree health plan. 8. Provide notice of rate increase to participating employers and direct billed and ACH participants prior to July 1, 2007. 9. Provider notice of rate increase to all members on Medicare prior to July 1, 2007 & January 1, 2008. 10. Promote My HealthConnection program to PERS active employees in conjunction with Health Dialog and BCBS. 11. To continue to promote application process for Wellness Benefit Program funding for agency based on-site wellness programs (ongoing). a. Coordinate with committee for evaluation of applications. b. Communicate status of application to employers. c. Verify and submit program expenses for reimbursement. d. Track program statistics regarding number of programs approved and dollars reimbursed and report to board on quarterly basis. 12. Monitor and evaluate wellness initiatives for Employer Based Wellness Program at agency & participating sub level in conjunction with premium incentive policy. e. Correspond with all participating employers regarding program and application process for 2007. f. Review and verify applications in conjunction with premium incentive policy and notify employers of application status. 13. Develop & implement policy for participation of District Health Units in Uniform Group Insurance Plan. (HB 1078) 14. Initiate dialog with BCBS, Retiree Group, and plan consultants to study feasibility of separately consider the medical and Rx coverage for Medicare Rx coverage. (SB 2045) 15. Implement provision of HB 1433 for a collaborative drug therapy program for individuals with diabetes. 16. Review proposal by Heart of American Health Plan to continue services in the Rugby Service Area. a. Review rate methodology for Heart of America. 17. Report outcome of Minute Clinic project to Board at December 2007 meeting. 18. Develop policy and implement late premium payment policy for retirees. 19. Monitor and evaluate UND pilot wellness program for the 4 participating agencies. 20. Identify 3 to 5 items for P3 Methodology Project.	

Projects	Progress
21. Establish a wellness advisory committee of participating employers to help develop initiatives for consideration by the PERS Board (summer of 2007) 22. Assist in designing and conducting Wellness Forum for participating employers. September 2007 23. Maintain database of BCBS monthly data on health plan performance, specifically, Surplus/Affordability report; quarterly and annual utilization; (ongoing) 24. Medicare data match (federally mandated) ongoing 25. Prepare and distribute large agency/employer report annually. Summer 2007 26. Annually track health plan coverage issues and inconsistencies between NDPERS Plan and BCBS Standard Lines of Business, analyze their effects and report to NDPERS Board. 27. Finalize analysis of health rates for 2007-09 (Summer/Fall 2007) 28. Assist in evaluating and analyzing rate information for health insurance program. (Spring 2007) 29. Work with UND Medical School and employers to pilot employee based wellness initiative. 30. Measure employer based wellness health participation and report to NDPERS Board. Dec 2007 31. Collect and evaluate employer based wellness plan updates Dec 2007 32. Collect and evaluate employer based wellness plan proposals Jan 2007 33. Provide support to Worksite Wellness Steering Committee by being a resource to the committee, attending meetings and providing input to the group. Ongoing	

LIFE INSURANCE PLAN

Goals and Objectives

1. The goal of the Group Life Insurance Program is to provide for a single, understandable and non-discriminatory life insurance plan to members at affordable premiums.
2. To supplement the existing life insurance program with other programs.
3. Have a premium structure that is the lowest and best available.

Projects	Progress
1. Review options for renewal of contract and provide proposal to Board at May meeting. 2. Identify 3 to 5 items for P3 Methodology Project. 3. Meet with Employee Benefits representatives to gather input for future legislation, including ad hoc employee benefits group, Judges, Air National Guard, Highway Patrol and retiree benefits committee. Summer 2007 4. Review and create rate tables' life and health as is necessary. June 2007	

VOLUNTARY GROUP INSURANCE PLAN

Goals and Objectives
The goal of the Voluntary Group Insurance Programs is to provide for comprehensive and non-discriminatory plans to members at affordable premiums. Includes dental, vision, LTC and EAP.

Projects	Progress
1. Initiate RFP process for EAP. a. Submit final proposal review analysis and recommendation to board at May 2007 meeting. b. Send notification to employers by June 1, 2007 c. Address issue at Payroll conference in June 2. Continue to work with dental carrier to resolve administrative issues with regard o billing and eligibility updates to participant records. 3. Review options regarding LTC plan 4. Review the merits of extending the vision contract so it does not have to bid during the LASER project. 5. Identify 3 to 5 items for P3 Methodology Project.	

<u>457 DEFERRED COMPENSATION PLAN</u>

Goals and Objectives
Provide a supplemental retirement plan that will allow employees to augment their retirement benefits.

Projects	Progress
1. Coordinate with Companion plan administrator to conduct at least two financial planning education seminars for plan participates during the year; one in the spring and the other in the fall. 2. Implement automatic enrollment option for employees hired on and after August 1, 2007: a. Coordinate with companion plan administrator to develop administrative policies and procedures. b. Develop reporting format for eligibility and contributions. c. Develop communication materials for new hire kit. d. Develop notifications for employers and also present at Payroll Conference in June. e. Update Plan Document and SPD. f. Develop opt out form. 3. Monitor enrollment through expedited process and continue to promote program to employers. 4. Implement SB 2047 – automatic enrollment. 5. Identify 3 to 5 items for P3 Methodology Project.	

401 (a) DEFINED CONTRIBUTION PLAN

Goals and Objectives

1. To provide an alternate defined contribution retirement plan that offers a diversified set of mutual fund options.
2. To provide information to each eligible employee in a timely manner.
3. To establish investment guidelines for the funds and review their performance on a regular basis.
4. To provide the members the opportunity for investment education.

Projects	Progress
1. To provide to each employee an election packet and seek their response within the first six months of employment. Track number of contacts and new enrollees in program for annual report to Board. 2. Coordinate with 401(a) plan administrator to conduct at least two financial planning education seminars for plan participates during the year; one in the spring and the other in the fall. 3. Identify 3 to 5 items for P3 Methodology Project.	

FLEXCOMP PROGRAM

Projects	Progress
1. Continue to monitor and assess the PeopleSoft claims processing software to address implementation and processing issues related to grace period option. 2. Process 90% of verified FlexComp claims within 3-5 business days and within 4-7 business days from January – April of calendar year when dual plan year processing occurs. 3. Incorporate any changes to Plan Document. 4. Identify 3 to 5 items for P3 Methodology Project.	

AGENCY

Agency Driver and Philosophy

Driver

Ensure the efficient & accurate administration of member benefits.

Philosophy

- Meet or exceed published quality standards for our services.
- Effectively manage resources for the benefit of our clients.
- Use cost effective technology to support quality service for our clients.
- Plan carefully and follow implementation plans so we *"do it right the first time".*

Goals and Objectives

Promote the efficient delivery of services and administration of all benefit programs to plan members and participating employers.

Projects	Progress
1. Conduct monthly Programs Meetings as a forum to discuss and communicate program, policy, or procedural changes in process or implementation phase at working group level to facilitate integration across program areas. 2. Conduct and monitor the monthly program specific "Quality Working Group" meeting concept as a catalyst to identify issues affecting services and to assess, recommend, implement and communicate changes or new administrative policies and procedures. 3. Retain and maintain a qualified, fully trained staff to counsel members and maintain ongoing relationship throughout retirement career. 4. Respond to purchase & repurchase inquiries within 10 business days. 5. Respond to benefit calculation requests and member inquiries related to all benefit programs within 5 business days of receipt. 6. Generate and distribute annuitant checks by the 1st business day of the month. 7. To maintain/increase member understanding of the PERS benefits as measured in the biennial survey 8. To maintain a 3.5 average on the daily report cards for each program area. 9. Continue to provide benefit programs support for phase II of ConnectND project. 10. Provide support and service to employers that elect to join the law enforcement plan. 11. Promote ACH services for direct billed members for health and COBRA premiums. 12. Investigate feasibility of terminating Travelers contract for administrative services and assuming responsibility of COLA payments to Job Service retirees. 13. Investigate feasibility of Met Life transferring balance of paid-up annuity account to PERS to make 100% payment to annuitants. 14. Develop operating plan for 3 year LASR to include utilization of staff resources. 15. Assist in review and update of the PeopleSoft Benefits Administration open enrollment procedures	

Projects	Progress
and materials provided to state agencies. Summer 2007 16. Assist in developing user guide for employees to access benefit information through PeopleSoft e-benefits. 17. Support and develop distribution of outreach programs • Pre-Retirement Education Program (PREP) • Portability Enhancement Provision (PEP) • New Employer Groups • Provider Training-Deferred Comp • PeopleSoft Benefit Administration User Trainings 18. Participate on the project team for the business system replacement project. 19. Assist with the coordination and planning of the 2007 Payroll Conference to be scheduled for June 2007 in Bismarck 20. Investigate the possibility of hosting a Retiree Forum in Bismarck at the Heritage Center the Fall of 2007. 21. Provide ACH files to Bank of North Dakota to facilitate direct deposit of retirement checks on the first working day of each month. 22. Provide ACH files to Bank of North Dakota to facilitate payment of insurance premiums by the 5th of each month. 23. Generate and mail monthly IBS billings by the end of each month. 24. Process enrollment forms, designation of beneficiary forms and address changes daily/weekly. 25. Process batch data entry within one day of receiving. 26. Prepare calculations for transfers to other retirement plans (DC & TIAA CREF) within 3 business days. 27. Post contributions for defined contribution participants and transfer funds to carrier within 3 business days of receiving information in good order. 28. Post contributions for deferred compensation participants and transfer funds to providers within 3 business days of receiving information in good order. 29. Coordinate programming requests for modifications to the PeopleSoft FSA module with ConnectND IT project team. (ongoing) 30. Work with dental and vision carriers to establish more effective list bill system for central payroll agencies (July 2007) 31. Review and update the PeopleSoft Benefits Administration open enrollment procedures and materials for the Fall 2007 enrollment. 32. Participate as a member of the ConnectND project team. 33. Project manager for the business system replacement project. 34. Implement PeopleSoft A/R-Billing modules to replace manual spreadsheets for the group insurance cash receipts journal and subsidiary ledgers 35. Utilize PeopleSoft billing module to generate billings for COBRA dental and vision participants 36. Coordinate effort to set up FlexComp participants who are not on PeopleSoft payroll to access their spending account information through the PeopleSoft portal.	

Projects	Progress
37. Draft policy, process and procedure documents for risk management incident reporting, establishing a fiscal note on legislation, monthly health insurance analysis, Quarterly Investment Reporting & Investment Subcommittee Meetings.	

Goals and Objectives
Promote consistent administration of benefit programs.

Projects	Progress
1. Publish and distribute quarterly PERSonnel Updates newsletter to all authorized agent/payroll contacts. 2. Develop an on-line presentation segregated by plan for new authorized agent training. 3. Review and update all kits, forms, SPDs, communication materials, and employer guide as in compliance with schedule to assist participating employers in the consistent administration of benefits for members hired or leaving employment. 4. Coordinate revision and promulgation of administrative rules as needed. 5. Submit final draft of rules to NDPERS Board for approval. January 2008 6. Submit approved rules with required documentation to Attorney General's office for review. February 2008 7. Submit approved, reviewed rules to legislative counsel for formal promulgation. June 2008 8. Attend Legislative Rules Committee follow-up meeting for promulgated rules. June 2008. 9. Assist in providing training to Peoplesoft/HR payroll users as needed. 10. Assist in updating Peoplesoft Benefits Administration user manuals and training exercises as is necessary. 11. Provide feedback and other assistance as necessary to publish Peoplesoft benefits administration bulletins and distribute to payroll users. 12. Assist in effort to follow-up with state agencies to assist in processing open events on People Soft Benefits Administration prior to monthly payroll cutoff as needed. Provide support in the following areas: 13. Update PeopleSoft Benefits Administration user manuals and training exercises. 14. Publish PeopleSoft Benefits Administration Bulletins on the portal for payroll users on an as needed basis. 15. Follow-up with state agencies to assist them in processing open events on PeopleSoft Benefits Administration prior to payroll cutoff each month. 16. Train new PeopleSoft HR/Payroll Users 17. Provide employers with monthly retirement transmittals by the end of each month; deferred comp transmittals according to employer payroll frequencies; and group insurance billings by the 5th of	

Projects	Progress
each month. 18. Update employer manual within 60 days of making a change in any employer reporting procedures. 19. Follow up on employer retirement contribution reporting errors within 30 days of discovery. Calculate amount due to/from the employer within 30 days of receiving necessary information from employer. Prepare adjustments to member accounts within 30 days of posting contributions to member's account. (Additional processing time may be necessary depending on the number of employees/years affected by the error) 20. Work with OMB to schedule & provide training for new PeopleSoft HR/Payroll users 21. Update PeopleSoft Benefits Administration user manuals and training exercise to reflect the upgrade to version 8.9 22. Publish PeopleSoft Benefits Administration Bulletins on the PeopleSoft portal for payroll users on an as needed basis. 23. Follow-up with state agencies to assist them in processing open events on PeopleSoft Benefits Administration prior to payroll cutoff each month. 24. P3 Methodology Project: a. Daily deposits b. Daily batches c. Bank Reconcilements d. Accounts Payable e. IDBS 27. P3 Methodology Project: f. Incoming Mail Process g. Address Correction Process h. Indexing and Imaging Process i. Health Insurance Active Application Process j. 457 Participant Agreement Process	

Goals and Objectives
Continue to work with ITD to identify, from a records management perspective, the specifications and standards necessary for implementation of an electronic information and records system program for PERS.

Projects	Progress
1. Continue to work with ITD on developing and upgrading FileNet. 2. Keep up to date and coordinate with ITD relating to electronic records retention.	

Goals and Objectives
Promote centralization of agency records, publications, marketing materials, forms, & e-mail.

Projects	Progress
1. Purge records on an annual basis according to the North Dakota Century Code. 2. Formalize the process of retention of electronic documents. 3. Maintain all forms development and design in house. 4. Maintain the design and layout of kits. 5. Maintain forms and kits on the web.	

Goals and Objectives
Continue to work with in all areas of the agency to monitor workflow changes.
Analyze service delivery operations to determine methods for increasing efficiency or quality.

Projects	Progress
1. Continue to work through the program areas to streamline processes and procedures where possible or requested by staff.	

Goals and Objectives
To seek out ways to provide, store, and record board materials and actions in a timely, efficient and paperless manner.

Projects	Progress
1. Produce and deliver Board books within 5 days of Board meeting. 2. Have meeting minutes prepared for the next meeting. 3. Provide all Board materials via website to download for the interest groups. 4. Create an electronic copy of all Board materials beginning with 1989. 5. Provide website support for displaying and storing Board materials.	

Goals and Objectives
Promote the efficient delivery of services and administration of the Administrative Division to the Programs Division, Accounting/IT Division, FlexComp, and Member Services.

Projects	Progress
<u>Group Insurance – (Active)</u> 1. Continue to process all applications accurately on a daily basis. 2. Data verification process on all active applications (95% accuracy). 3. Respond to deadlines for billings 4. Process dependent drop letters within 2 business days of receipt from BCBS. 5. Process COBRA notices within 1 business day. 6. Provide BCBS with daily delivery of applications. 7. Respond to deadlines outlined on the operational calendar. • Keying adjustments • Mailing billings <u>Group Insurance – (Retiree)</u> 1. Process retiree applications accurately on a daily basis. 2. Data verification on all retiree applications (95% accuracy). 3. Maintain excel file (file used by member services and administrators to respond to phone calls) 4. Process nearing age 65 letters within 2 business days of receipt from BCBS. 5. Process Medicare Part D applications accurately and timely and maintain spreadsheet to be e-mailed to BCBS weekly. <u>Life Insurance –</u> 1. Maintain daily process and communication to payroll and member on Life Insurance applications 2. Maintain procedures established and approved by the NDPERS Board for annual enrollment. 3. Data verification process on life insurance applications (95% accuracy). <u>Retirement –</u> 1. Process new retiree applications on a daily basis 2. Continue to process all other applications on a daily basis. 3. Respond to benefit estimates on a daily basis. 4. Respond to correspondence on a daily basis. 5. Respond to deadlines outlined on the operations calendar. 6. Process defined contribution eligibles on a daily basis. 7. Process for mailing on the first business day of the month. • First Retirement Check & Letter • Refund/Rollover checks • TIAA-CREF letters • 1099r for deceased <u>Deferred Comp –</u> 1. Continue to process all applications on a daily basis. 2. Provide accurate and timely correspondence to agents and provider companies.	

Projects	Progress
3. Maintain accurate continuing education records on the company agents. 4. Maintain deferred comp database in a timely manner Incoming and outgoing Mail – 1. Ensure proper handling of incoming and out going mail. 2. Meet the deadline given on large mailings 3. Ensure that the 4 postage accounts balance 4. Ensure that the 4 postage accounts have adequate funds 5. Ensure the most cost effective way of sending out information. 6. Have incoming and outgoing mail backed up 5 deep. Procurement – 1. Ensure an ample supply of office supplies, paper, and envelopes are available. 2. Ensure and maintain efficient use of the office equipment. (Copiers, postage equipment, inserter/stuffing machine, smart mailer, phones) Back-up Duties - 1. Have incoming and outgoing mail duties backed up by all Administrative Services staff. 2. Have critical day-to-day duties backed up.	

Goals and Objectives
Assess the administrative services needs of the agency.

Projects	Progress
1. Meet annually with Managers, Administrators, and Auditor to identify level of needs 2. Categorize and prioritize the needs. 3. Develop a plan to implement the needs. 4. Continue to be part of the various PERS working groups, (Retirement, Group Insurance, Deferred Compensation, and IT).	

Goals and Objectives
Retain and maintain a qualified, fully trained staff to support the program division, accounting/IT division, FlexComp, Internal Auditor and member services.

Projects	Progress
1. Conduct monthly team meetings and individual meetings to discuss and communicate program, policy or procedural changes in process or implementation of these changes.	

2. Encourage staff to attend seminars relevant to their job duties. 3. Continue membership in and attend meetings of the American Records Management Association (Bismarck/Mandan Chapter).	

Goals and Objectives
Monitor software and mainframe applications to ensure consistent and accurate administration of benefit programs.

Projects	Progress
1. Provide input and make recommendations for programming changes through monthly Steering Committee meetings. 2. Assist in testing new applications and data provided for active and retiree annual statements. 3. Provide staff support to IT division to facilitate migration of mainframe software programs to a windows based environment. 4. Provide staff support to IT Division to evaluate and make recommendations regarding replacement of existing mainframe benefits administration system. 5. Provide staff support for Project Management oversight of LASR project. 6. Conduct cross reference audits of retiree data. - Complete quarterly cross reference of retiree data against Dept of Vital Records death database - Conduct annual cross match with private vender, subject to price. 7. - Conduct cross match with Social Security Administration periodically, subject to price and availability. (annually) 8. Provide matches to Programs Division for follow-up. 9. Test PeopleSoft FSA & Benefits Administration modules as needed in conversion to 8.9. (Sharon should this be removed or will I be needed for testing, etc on the self service portal.) 10. Report issues that are discovered with PeopleSoft FSA or Benefits Administration. 11. Conduct monthly steering committee meetings, prioritize and assign programming requests that are submitted, and distribute an updated programming request list to steering committee members. 12. Complete all projects with critical or legislative deadlines on time and on budget. 13. Provide support for PeopleSoft queries. 14. Provide a more formal testing process to include checklists of the business processes that have been affected by a program change. Develop a standard method for end-users to document what was tested and their results. 15. Participate with ITD in the Mainframe Migration Project. 16. Work with selected vendor on the system replacement project. 17. Test PeopleSoft FSA and Benefits Administration modules as required for patches, upgrades, etc 18. Maintain a log of issues that are discovered with PeopleSoft FSA or Benefits Administration and determine if the problem can be solved through system configuration, by changing the business process or through new development. 19. Update tables on PeopleSoft to reflect insurance rate changes, new legislation, 457 limits, and any	

Projects	Progress
other changes that impact the system. a. Pt/temp eligible to participate in DC plan b. Limit pt/temp enrollment in health & life insurance to 20/20 rule c. Set up new retirement plan for Career & Tech Ed d. Set up separate benefit plans for state dental and vision and higher education dental and vision e. Determine best way to update deferred comp provider name changes on benefit plan tables 20. Implement PeopleSoft savings management functionality to more efficiently monitor 457 50+ and catch up limits (June 2007) 21. Participate in user acceptance testing as required for mainframe migration project (summer 2007) 22. Initiate, test and implement programming required for 457 plan auto enrollment (August 2007)	

Goals and Objectives
Supervise the performance of all service vendors retained on contract for NDPERS group insurance and retirement programs.

Projects	Progress
1. Monitor performance relative to standards set forth in provider and administrative contracts/agreements. 2. At least annually, review deferred comp agent list for compliance with training requirements and provide notification of non-compliance to the provider companies. 3. Promote education standards for provider services to deferred comp members by maintaining updated Provider Handbook and enforcing administrative policies and procedures in compliance with contracts. 4. Assess the performance of member service unit at BCBS based on monthly accuracy and timeliness reports and semi-annual service unit survey. 5. Conduct at least annual meetings with EPO providers to address areas of concern, gather input, monitor plan performance and review annual EPO satisfaction survey. 6. Conduct annual health claims audit at BCBS. (January 2007) 7. Report results to BCBS for comment and report to NDPERS Board. March 2007 8. Work with BlueCross BlueShield to resolve any outstanding issues. Ongoing	

Goals and Objectives
Ensure compliance of all programs with federal regulations, administrative rules and state statutes.

Projects	Progress
1. Monitor and ensure ongoing compliance with HIPAA Privacy Rule provisions: • Conduct ongoing training as necessary. • Maintain required documentation. • Review current procedures for compliance (report to board each December). • Send privacy notification by April 14, 2009 (required every 3 years) 2. Comply with federal requirements to submit annual Credible Coverage Disclosure to CMS by March 2008. 3. Complete compliance testing on FlexComp program annually. Spring 2007 4. Document procedures for monitoring compliance of pretax purchase agreements. 5. Document procedures for USERRA refunds of employee payments and reimbursements from employers 6. Implement federal regulations for Medicare Part D, relating to penalties for delayed enrollments, into the group insurance billing system. 7. Continue to participate in the Enterprise Architecture project.	

Goals and Objectives
Develop knowledge and procedural basis to ensure ongoing compliance with HIPAA Security Rule provisions.

Projects	Progress
1. Review and maintain HIPAA security provisions. 2. Conduct staff training annually. 3. Monitor and ensure ongoing compliance with HIPAA Security Rule provisions. 4. Acquire and maintain required documentation. Conduct annual review of policies and procedures manual to ensure it stays current.	

Goals and Objectives
Provider certification/education program for 457 reps.

Projects	Progress
1. Conduct training each year, subject to demand, rotating locations throughout the state., Fall 2007	

Goals and Objectives
Develop and maintain programs designed to protect the assets of the retirement systems, its members, staff, property and equipment to ensure that the retirement system can continue to meet its obligations to members.

Projects	Progress
1. Maintain a business disaster recovery plan designed to ensure NDPERS services are available to members at all times with as little disruption as possible. (ongoing) 2. Maintain a program designed to minimize injuries and personal risk to NDPERS employees and members during the course of their daily work. (ongoing) 3. Conduct quarterly meetings of Loss Control Committee designed to review NDPERS loss control policies, procedures, loss control claims and incident reports and recommend revisions and updates. (quarterly) 4. Attend annual Risk Management Seminar. May 2007 5. Complete and submit risk management discount applications for workers compensation and risk management premiums. (May 2007) 6. Revise and enter COOP Plan on statewide Strohl system. (ongoing) 7. Establish risk management/business disaster recovery component to be included in monthly staff meetings.	

Goals and Objectives
Develop and maintain a comprehensive accounting policy and procedure manual.

Projects	Progress
1. Identify accounting duties that are not documented and prepare procedures as necessary; 2. Document procedures for processing the following types of purchases in the DB and DC plan: employers, USERRA, rollovers and pretax.	

Goals and Objectives
Provide online access to as much data as feasible.

Projects	Progress
1. Work with ITD to migrate reports stored on COM (Computer Output to Microfiche) to FileNet. 2. Work with BND to get PERS accounting department set up for on-line access to our bank accounts.	

Goals and Objectives
Automate as many processes as feasible.

Projects	Progress
1. Identify requirements for bar coding IBS form 2. Continue to work with ITD to identify and prioritize documents to move to Wappapello/FileNet. Approximately 100 reports/letters. 3. Work with agency staff to determine workflow processing needs for the system replacement project.	

Goals and Objectives
Upgrade computer hardware and software according to agency replacement schedule.

Projects	Progress
1. Determine hardware and software upgrades necessary to remain in compliance with ITD standards and agency's 4 year hardware replacement schedule.	

Goals and Objectives
Administer a local area network that is accessible 99% of the time.

Projects	Progress
1. Monitor ITD's LAN availability data utilizing ITD's services. 2. Update LAN Administrator's Manual. 3. Upgrade server hardware & software to accommodate disk space and performance requirements.	

Goals and Objectives
Insure the integrity of the mainframe database by maintaining an on-line data entry accuracy rate of 95% or better.

Projects	Progress
1. Verify retirement enrollment forms, retirement beneficiary forms, deferred comp enrollment forms and address changes after the information has been entered on the mainframe and calculate accuracy rate. 2. Expand insurance verification process to include retiree applications, ACH forms and COBRA elections	

Goals and Objectives
Develop and execute a comprehensive performance and operations audit and risk assessment program for the evaluation of management and its controls provided over all agency activities as approved by the audit committee.

Projects	Progress
1. Review with management to obtain final enterprise risk management (ERM) assessment. 2. Determine if questionnaire is adequate. 3. Make adjustments as needed. 4. Facilitate an enterprise risk management (ERM) assessment at least annually with the input of senior management, audit committee and the board. 5. Issue report to Executive Management.	

Goals and Objectives
Executive a comprehensive control self-assessment program for benefit programs area.

Projects	Progress
1. Review questionnaires that address control and risk issues for each program with management and staff. 2. Make adjustments as needed. 3. Facilitate a control self-assessment program at least annually with the input of senior management, audit committee and the board to be completed by October 1. 4. Issue report to Management.	

Goals and Objectives
Develop and execute an audit plan utilizing the Control Self-Assessment results to ensure value added services to management.

Projects	Progress
1. Determine areas considered to be higher risk with the assistance of management and prioritize audits to address those risks. 2. Develop and audit plan by the November Audit Committee meeting. 3. Review audit plan with Executive Management and Audit Committee and obtain their approval. 4. Implement the audit plan.	

Goals and Objectives
Develop and execute an improved audit process.

Projects	Progress
1. Improve communications with staff regarding upcoming audits and throughout audit process. 2. Develop and document understanding of work process before conducting audit. 3. Utilize the risk evaluation worksheet for each audit before developing audit program. 4. Conduct audit focusing on high risk areas. 5. Issue final report in a timely manner for value added services to management and staff.	

Goals and Objectives
Improve the effectiveness of the Internal Audit Division.

Projects	Progress
1. Review and update the policy and procedure manual and all audit templates prior to calendar year end. 2. Purge records per records retention schedule in November of each year. 3. Maintain daily and update periodically worksheets in Excel to track time spent on audits and projects. 4. Issue an annual audit plan that includes the working plans developed using the risk assessment process for the benefits and accounting divisions. 5. Conduct an annual review of the Internal Audit division to determine if it is complying with the Internal Audit Charter and issue a report to the Audit Committee and Board. 6. Periodically review the Internal Audit Charter and update if necessary. 7. Conduct an internal quality assessment of the internal audit division in preparation of an external quality assurance review to ensure the Internal Audit division achieves a minimum rating of "good"	

Goals and Objectives
Participate in assigned committees.

Projects	Progress
1. Attend meetings 2. Provide input as required	

Goals and Objectives
Conduct special examinations at the request of management, including the reviews of representations made by clients outside the agency.

Projects	Progress
1. Develop questionnaires that address control and risk issues for each program to be audited with input from management and staff. 2. Develop action plan based on the results of responses on questionnaires. 3. Conduct special examinations requested by management and staff in a timely manner. 4. Write summary of results of engagement.	

Goals and Objectives
Provide consulting services at the request of management to improve effectiveness of risk management, control, and governance processes.

Projects	Progress
1. Develop questionnaires that address control and risk issues for each program to be audited with input from management and staff. 2. Develop consulting engagement plan based on the results of responses on questionnaires. 3. Conduct consulting services requested by management and staff in a timely manner. 4. Write summary of results of consulting engagement. 5. Participate in Loss Committee activities.	

Goals and Objectives
Work with Information Technology Division to provide access to electronic data for automated computer assisted audit techniques. .

Projects	Progress
1. Meet with IT to discuss availability of information for each program. 2. Determine best access to information 3. Develop plan to obtain data 4. Develop and implement ACL audit projects. 5. Complete ACL audit projects. 6. Issue a report summarizing results.	

Goals and Objectives
Ensure compliance with federal and state tax reporting regulations.

Projects	Progress
1. Deposit federal and state tax withholding by established deadlines. 2. File quarterly and annual federal returns with the Internal Revenue Service by established deadlines. 3. File W-2 and 1099R forms with the appropriate agencies and provide copies to recipients by established deadlines. 4. Reconcile monthly 1099R reports. 5. Implement procedure to reconcile 1099R files with general ledger. 6. Conduct annual Section 415 testing on service purchase contributions by April 15 of each year. 7. Follow up with employers who internal audit has identified as having retirement contribution reporting discrepancies. Make corrections to member records, as necessary.	

Agency Driver and Philosophy

Driver

Research and evaluate benefit products & services

Philosophy

- Listen to our members.
- Have the best Employee Benefit package in the upper Midwest.

Goals and Objectives

Improve the efficiency and convenience of the enrollment process through the use of e-business applications.

Projects	Progress
1. Continue to test and make recommendations for enhancements to on-line services program. 2. Investigate on-line enrollment options for all benefit programs and implement effective with 2008 annual enrollment season. 3. Continue to promote on-line services by increasing employee awareness through education and communication. 4. Develop and implement a web based new employee orientation program on PERS benefits.	

Goals and Objectives

Monitor investment options available under NDPERS Companion Plan and Defined Contribution plan to ensure the needs and expectations of the members are met.

Projects	Progress
1. Collect and communicate investment returns quarterly to the NDPERS Board for the Companion Plan in the 457 program. 2. Collect and communicate investment returns quarterly to the NDPERS Board for the Defined Contribution Plan retirement program. 3. Post quarterly investment return reports on NDPERS website to insure access for membership. 4. Realign 401(a) and 457 Companion Plan lineup with investment subcommittee to adequately cover the investment spectrum. Fall 2007 5. Review statement of investment policy for 401(a), 457, Defined Benefit and Job Service retirement systems. Annually – Fall 2007	

Goals and Objectives
Investigate alternative methods of delivering/receiving benefit information.

Projects	Progress
1. Keep benefit estimate program updated and accessible on website for new employer groups to use and explore changes as requested. 2. Explore making the purchase program available in online services so it doesn't have to be a download. Dec 2007 3. Provide support through helpdesk inquiries and as needed if Peoplesoft e-benefits are used to allow state/higher education employees to enroll in benefits for the Fall annual enrollment.	

Goals and Objectives
Investigate and procure a solution to replace the existing Legacy System

Projects	Progress
1. Review and evaluate proposals received in RFP process started in 2006. 2. Conduct LASR steering committee meetings and coordinate consulting services and budget. 3. Attend and evaluate demonstration sessions provided by invited bidders. Feb 2006 4. Conduct and evaluate reference checks via teleconference for bidders 5. Conduct on site visit and evaluate vendor references 6. Report results of above activities to NDPERS Board 7. Initiate and assist in contract negotiation with chosen bidder 8. Provide quarterly reporting to ITD Large Project Committee	

Agency Driver and Philosophy

Driver

Educate members, employers and the public on the value of PERS policies & programs

Philosophy

- Listen with concern to understand and be responsive to our clients.
- Treat our clients with courtesy, dignity and respect.
- Make ourselves and our services as accessible as possible by eliminating physical barriers.
- Provide timely, accurate information that recognizes our clients' expectations and meets our clients' requirements.

Goals and Objectives

Facilitate member understanding of benefits and application processes by developing comprehensive communication materials.

Projects	Progress
1. Update all communication materials as indicated by new legislation, plan design, administrative or federal changes and have available on web site by August 1, 2007. 2. Produce annual statements for actives and retirees. 8/07 & 12/07 3. Develop and distribute consolidated annual enrollment notifications for health, life, dental, vision, LTC and FlexComp plans fall 2007. 4. Gather product information and coordinate revision of Investment Summary booklet for the 457 program. Fall 2007 5. Promote updated Investment Summary in newsletter. 6. Send updates in newsletter format, as needed, to deferred comp providers in 2007. (July 2007) 7. Conduct monthly Website committee meetings. 8. Update website within 3 business days of receiving new information or changes. 9. Work with Web Committee to determine ways to attract visitors to our website. Discuss possibility of "auto enrolling" new hires.	

Goals and Objectives

Provide members with information on financial planning, supplemental retirement savings, estate planning, and other topics relevant to successful transition to retirement.

Projects	Progress
1. Conduct agency based Pre-retirement Education Programs (PREP) by request. 2. Conduct two PERS sponsored pre-retirement seminars in 2007.	

Goals and Objectives
Act as liaison for different NDPERS pension plans and the retirement board (Judges, Law Enforcement, Job Service, HP, Main system).

Projects	Progress
1. To publish every 3 to 5 months a newsletter for the active and retired members 2. To provide notice of annual EPO open enrollment to members at least one week before the beginning of the enrollment period. 3. Meet with pension plan contacts concerning proposed legislation, to communicate progress and discuss actuarial review and technical comments and discuss any necessary amendments.	

Agency Driver and Philosophy

Driver

Earn the respect and trust of our clients

Philosophy

- Operate at the highest ethical and professional standards.
- Treat every person with dignity, respect, courtesy, concern and understanding.
- Provide the highest quality services and benefit programs.
- Listen with concern to understand and be responsive to our clients.
- Treat our clients with courtesy, dignity and respect.
- Make ourselves and our services as accessible as possible by eliminating physical barriers.
- Provide timely, accurate information that recognizes our clients' expectations and meets our clients' requirements.

Goals and Objectives

Provide liaison services to members with insurance claim and coverage disputes, pension service and benefit issues, and compliance issues arising from provider performance.

Projects	Progress
1. Research members problems or internal issues detected by staff by referencing codes, rules, contract provisions, performance guidelines, or seeking Attorney General's opinion. Apply appropriate compliance procedures or assist member in attaining resolution. (Ongoing) 2. Maintain tracking procedure to monitor application processing during life annual enrollment.	

Goals and Objectives

Maintain a customer service center that provides accurate, comprehensive information to member inquiries regarding the provisions and requirements related to the benefit programs managed and administered by NDPERS.

Projects	Progress
1. Maintain a qualified, fully trained member services staff by providing ongoing training on benefit program changes. 2. Evaluate ability of member service staff to assist office in other administrative areas. 3. Meet goal of assisting at least 68% of incoming calls. 4. Develop response letter for retirees inquiring about dental or vision coverage.	

Goals and Objectives
Provide a one-on-one counseling service that provides members with benefit options and assists them with the enrollment process.

Projects	Progress
1. To continue to provide 500 to 700 one on one counseling sessions annually. 2. Investigate other communication media for the delivery of NDPERS services to members. 3. Do a pilot program to conduct one on one counseling session at employer locations in second half of 2007.	

Goals and Objectives
Communicate with our members and clients via NDPERS web site.

Projects	Progress
1. Maintain current information and update as needed the information for the Internal Audit division and the Audit Committee on the NDPERS web site.	

Goals and Objectives
Produce an Internal Audit Annual Report following the end of each calendar year.

Projects	Progress
1. Develop an audit report by the February Audit Committee meeting. 2. Review the audit report with Executive Management and the Audit Committee and obtain the Audit Committee's approval.	

Goals and Objectives
Participate in professional organizations.

Projects	Progress
1. Maintain membership in professional organizations. 2. Volunteer services for organizations. 3. Network with other professionals.	

Goals and Objectives
Assist the Audit Committee in managing their function of the Board.

Projects	Progress
1. Plan quarterly audit committee meetings. 2. Attend quarterly audit committee meetings. 3. Provide audit committee agenda to the audit committee a minimum of one week prior to meeting. 4. Review annually the audit committee charter, determine if the audit committee has met their responsibility and issue a report to the board. 5. Review the audit committee charter and update if necessary.	

Goals and Objectives
Maintain a support team for PeopleSoft Benefit Administration that provides consistent and timely responses to inquiries from agency users.

Projects	Progress
1. Assist in developing a log of common questions/problems and document appropriate action. 2. Respond to problems logged through the ITD help desk within 24 hours. 3. Continue to update a log of common questions/problems and document appropriate response. 4. Respond to problems logged through the ITD Service desk within 24 hours. 5. Initiate discussions with OMB to clarify roles for supporting PeopleSoft Benefits Administration.	

Goals and Objectives

Work with employers to ensure satisfaction with NDPERS service and provide excellent service to our members.

Projects	Progress
1. Explore concept of establishing employer user group, including group size, frequency of meeting, subject matter to cover, etc. Summer 2007 2. Establish Employer User Group to meet periodically to obtain feedback on NDPERS programs and service from an employer perspective. Fall 2007	

Agency Driver and Philosophy

Driver

Attract and retain a competent and highly motivated work force

Philosophy

- Foster a climate where staff supports team efforts focuses on positive solutions and assumes responsibility for team results.
- Encourage staff to question, innovate and grow by authorizing staff to assume responsibility.
- Support and encourage continuous personal and professional growth.
- Contribute to each others success by offering training, guidance, support, assistance and opportunities for growth.
- Demonstrate respect for coworkers and recognize the value of our diversity.

Goals and Objectives

Conduct recruitment activities using a standard screening and rating process that identifies the candidates whose qualifications best fit our requirements.

Projects	Progress
1. Coordinate recruitment activities with HRMS and provide assistance to management staff in developing job postings, interview questionnaires, evaluation criteria and rating sheets to fill vacancies within time period specified in posting.	

Goals and Objectives

Maintain a performance evaluation system that is comprehensive and equitable.

Projects	Progress
1. Monitor system to ensure 6 month probationary reviews are conducted for new hires. 2. Ensure reviews are conducted at least annually for all classified staff and filed in respective employee file. 3. Review evaluation forms. 4. Monitor performance evaluation system and make adjustments as identified by management.	

Goals and Objectives
Maintain an updated internal policy and procedure manual.

Projects	Progress
1. Monitor changes affecting policies as mandated by state or federal law, Board action, or precedence as established by HRMS or internally and update as necessary.	

Goals and Objectives
Maintain file of Position Information Questionnaires that accurately reflects the responsibilities and duties of each agency FTE position.

Projects	Progress
1. Update PIQ records for all classified positions as indicated by adjustments to job tasks/duties. 2. Submit PIQs to HRMS for reclassification as necessary. Retain record in personnel files. 4. Develop PIQ for new accounting FTE's, submit for classification, recruit & fill positions	

Goals and Objectives
Process payroll accurately and timely and maintain an accurate accounting of accrued leave.

Projects	Progress
1. Process monthly payroll and leave reporting within the timeframes established by OMB. 2. Reconcile source documents to accrued leave report, monthly. 3. Attend payroll training sessions provided by OMB. (ongoing)	

Goals and Objectives
Maintain professional proficiency through continuing professional education and training to meet GAO, AICPA, and IIA standards.

Projects	Progress
1. Budget for continuing education program to obtain no less than 20 hours per fiscal year (120 hours every three years). 2. Maintain a periodic quality assurance activity within the division to prepare for the five year quality assurance review beginning January 1, 2007. 3. Provide sufficient training to each auditor to compete work as assigned.	

Agency Driver and Philosophy

Driver

Maintain actuarial and financial soundness of the funds

Philosophy

- Prudent risk taking
- Efficient administration
- Effectively manage resources for the benefit of our clients
- Meet or exceed published quality standards

Goals and Objectives

Monitor cost management and utilization review reports and assist in developing and reviewing options for cost management of plans.

Projects	Progress
1. Have prepared annually an actuarial report of the PERS Defined Benefit plans. 2. Review financial projections and annual actuarial reports and develop strategies to address areas of concern and present information to PERS Board for review, consideration, and input. 3. Report to the Board annually, status of employers subject to minimum participation and contribution requirements under the health plan. 4. Review and prepare information on potential cost management and utilization management programs developing for health plan and report to the PERS Board. 5. Review disease management services, monitor effectiveness of program and evaluate service provider. (Fall 2007) 6. Monitor and analyze employee focused wellness program conducted in conjunction with UND Family Practice Center as requested. 7. Monitor implementation of mail order prescriptions and use and periodically report to NDPERS Board. 8. Monitor and analyze cost effectiveness of Prime Therapeutics. Subject to information being available. Winter 2007 9. Identify and refine concepts of quality improvement in healthcare, focusing on identified protocols and treatments. ongoing 10. Review, revise and identify procurement policy that does not pertain to NDPERS and draft proposed policy. Winter 2007 11. Review DC expenses and set administrative costs for DC plan	

Goals and Objectives
Conduct and evaluate vendor renewal proposals for 457 deferred comp plan, Programs Division and 401(a) defined contribution plan and assess feasibility of initiating the Request for Proposal process.

Projects	Progress
1. Participate in RFP process for all programs, as necessary, analyzing responses received from vendors and participating in the selection of successful vendor.	

Goals and Objectives
Administer the DB Plan utilizing the principles of excellence established for the pension community by the Pension Benefit Coordinating Council.

Projects	Progress
1. Review requirements for Pension Benefit Coordinating Council Award and submit if NDPERS plan qualifies.	

Goals and Objectives
Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting annually.

Projects	Progress
1. Publish a comprehensive annual financial report and submit it to the GFOA by December 31 of each year. 2. Implement new GASB reporting requirements for Other Post-employment Benefits	

Goals and Objectives
Receive an unqualified opinion on the annual financial statement audit performed by external auditors and no reportable conditions or material weaknesses on the report of compliance and internal controls.

Projects	Progress
1. Prepare monthly bank account reconcilements. 2. Prepare monthly reconcilement of retirement contributions and deferred comp contributions posted to mainframe database. 3. Prepare monthly reconcilement of insurance premiums received and remitted to insurance carriers. 4. Prepare monthly reconcilement of retirement check write. 5. Prepare quarterly reconcilement of deferred comp provider reports and transfers, and monitor distribution compliance. 6. Reconcile deferred comp contributions reported on provider reports to cash receipts journal. 7. Prepare monthly FlexComp 8. Prepare monthly reconcilements of contributor account balances and annuitant minimum guarantees 9. Develop and implement procedures for reconciling retirement contributions to Central Payroll reports and Higher Ed reports, monthly 10. Develop and implement procedures to reconcile FlexComp FICA savings received from Central Payroll when preparing the monthly financial statements. 11. Implement audit recommendations from internal and external auditors. 12. Document all security requests to ITD and their responses. 13. Conduct annual review of who has access to PERS' systems and what those privileges are. 14. Monitor and record monthly reporting of all access to PERS' production environment.	

Goals and Objectives
Prepare the agency's biennial budget for submission to the legislature by the due date specified by OMB

Projects	Progress
1. Prepare a budget that is consistent with the agency's business plan and reflects the Board's priorities for each program. Submit the budget in the format specified by OMB in June of each even- numbered year.	

Goals and Objectives
Monitor budgeted expenditures to actual expenditures, monthly

Projects	Progress
1. Update actual expenditures each month within one week of receiving accounting reports. Report unusual variances to Executive Director immediately. 2. Monitor cash flows for FICA tax savings to determine adequacy as a funding source for the FlexComp and Deferred Comp programs and LASR project 3. Monitor consultant expenses and report to Board, quarterly.	

Goals and Objectives
Allocate costs to accurately reflect the administrative expenses for each program.

Projects	Progress
1. Prepare retirement plan allocation for RIO, monthly. 2. Allocate expenditures to appropriate benefit program, monthly and annually. 3. Review existing expenses allocation policy each year and update if necessary	

Goals and Objectives
Prepare information technology plan for submission to the legislature by the due date specified by ITD.

Projects	Progress
1. Prepare an information technology plan that is consistent with the agency's business plan and reflects the Board's priorities for each program. Submit the plan in the format specified by ITD in July of each even-numbered year.	

Goals and Objectives
Maximize the investment return on deposits through an effective cash management program.

Projects	Progress
1. Deposit cash receipts daily. 2. Transfer excess cash balances from the Bank of North Dakota to be invested by RIO. 3. Allocate deposits to appropriate bank accounts, daily. 4. Implement a more aggressive cash management program to minimize the balance kept on deposit in the retirement and insurance accounts at the Bank of North Dakota.	

Goals and Objectives
Prepare accurate monthly financial statements within 45 days of months end.

Projects	Progress
1. Prepare cash receipts journals, cash disbursement journals, subsidiary ledgers and other supporting schedules, monthly. 2. Allocate expenditures to appropriate benefit program, monthly and annually.	

Goals and Objectives
Provide accurate and timely census data and financial information to the agency's actuary for preparation of the annual actuarial valuations.

Projects	Progress
1. Provide the actuary with electronic census data by July 31 and financial data by September 5 of each year. 2. Test programming changes that will allow electronic preparation of census data for Job Service retirees who are paid through PERS. Work with Benefits/Audit divisions to gather information to be populated (June 2008)	

Goals and Objectives
Evaluate and execute a comprehensive control self-assessment program for the accounting area.

Projects	Progress
1. Develop or evaluate questionnaires that address control and risk issues for each program to be examined with input from management and staff. 2. Determine if it is meeting needs of the accounting division. 3. Make adjustments as needed. 4. Facilitate a control self-assessment program at least annually with the input of senior management, audit committee and the board to be completed by October 1, 2007. 5. Issue report to Management.	

Goals and Objectives
Develop and execute a working audit plan utilizing the Control Self-Assessment results that will provide value added services to management.

Projects	Progress
1. Determine areas considered to be higher risk with the assistance of management and prioritize audits to address those risks. 2. Develop and audit plan by the November Audit Committee meeting. 3. Review audit plan with Executive Management and Audit Committee and obtain their approval. 4. Implement the audit plan.	

Goals and Objectives
Test NDPERS actuarial data at mid and fiscal year end of accuracy.

Projects	Progress
1. Obtain from IT actuary data in January and July. 2. Conduct tests on actuary data utilizing ACL software 3. Follow up on discrepancies found 4. Provide management with a report.	

Goals and Objectives
Develop and execute an improved audit process.

Projects	Progress
1. Improve communications with staff regarding upcoming audits and throughout audit process. 2. Develop and document understanding of work process before conducting audit. 3. Utilize the risk evaluation worksheet for each audit before developing audit program. 4. Conduct audit focusing on high risk areas. 5. Issue final report in a timely manner for value added services to management and staff.	

Goals and Objectives
Coordinate and supplement external audit efforts.

Projects	Progress
1. Assist State Auditors Office with review of RFP as requested 2. Provide input to State Auditors Office on proposals. 3. Contact audit firm to schedule conference room 4. Discuss with audit firm coordination of audits to minimize duplicated efforts. 5. Communicate with audit firm as necessary. 6. Provide information to audit firm as requested.	

Table of Contents

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Public Employees Retirement System
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Memorandum

TO: PERS Board

FROM: Sparb

DATE: May 9, 2007

SUBJECT: Payroll Conference

Biennially PERS provides a day long conference for our participating employers. The purpose of this meeting is to discuss changes that may be occurring in each of our programs and to highlight administrative/process changes. This year the meeting is on June 13 and will be at the Heritage Center.

Thanks to the Health Department, we will be able to broadcast this over the internet and record it so we can put it on our website for later viewing by those who could not attend. To date we have 159 registered to attend with another 38 who have signed up to view it on the web.

Attached for your information is the proposed agenda for the conference.

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Memorandum

TO: **PERS Board**

FROM: **Election Committee:**
Howard Sage – Chair
Joan Ehrhardt
Ron Leingang

DATE: **May 8, 2007**

SUBJECT: **Election Update**

There are two nominees for the vacancy on the PERS Board:

Dan Seymour – Department of Corrections
Mike Sandal – Supreme Court

Following is the schedule for the remainder of the election process:

June 1, 2007 – Ballots are sent out to membership

June 15, 2007 – Deadline to return ballots

June 18, 2007 – Ballot canvassing

June 21, 2007 – Presentation of results to Board membership

June 22, 2007 – Notification to candidate