



**TESTIMONY ON HOUSE BILL 1209
Government and Veterans Affairs Committee
January 21, 2021**

**Tangee Bouvette, Human Resources Director
Maureen Storstad, Finance and Administrative Services Director
City of Grand Forks, ND**

Mr. Chairman and members of the committee, we are Tangee Bouvette, Human Resources Director and Maureen Storstad, Finance and Administrative Services Director for the City of Grand Forks. We want to thank you for the opportunity to provide testimony and express the City of Grand Forks' opposition to this legislation.

The NDPERS retirement system is an excellent defined benefit pension plan and a key recruitment and retention tool for the City of Grand Forks as well as numerous other local government entities, in addition to the State.

The City of Grand Forks, in general, has supported the NDPERS plan and its efforts to become fully funded. The City supports current legislation to moderately increase contribution rates and has supported past legislation to increase contribution rates over the last 12 years as the City of Grand Forks has been able to manage these incremental increases through budget planning.

Conversely, the City of Grand Forks is against House Bill 1209 which would require each governmental unit to contribute an amount determined by actuarial valuation to meet both the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability over a period of twenty (20) years or less. The impact of this bill creates uncertainty and may cause extreme hardship. The volatile nature of investment performance could result in wide variations for annual contributions making it difficult to budget and forecast for local government entities.

The City of Grand Forks supports making incremental contribution changes to the NDPERS plan and monitoring funding every two years, but for the reasons outlined above the passage of House Bill 1209 is not in the best interests of the City of Grand Forks nor any other North Dakotan political subdivision. Thank you for your time and consideration. We respectfully ask for a DO NOT PASS on House Bill 1209.