



Great Public Schools

Great Public Service

**Testimony on HB 1245
Senate Government and Veterans Affairs Committee
March 18, 2021**

Chairman Vedaa and members of the Committee, for the record my name is Nick Archuleta, and I am proud to serve as president of North Dakota United. I rise today to oppose HB 1245 and to urge a Do Not Pass recommendation for this bill.

Mr. Chairman, HB 1245 puts an unnecessary layer of bureaucracy into a process that has historically worked quite well. In so doing, this bill usurps the authority vested in the PERS Board of Directors and puts it in the hands of the Budget Section. Should HB 1245 pass, it will be the budget section, and not the PERS Board, with the final authority to accept bids for hospital benefits coverage, medical benefits coverage, and prescription drug benefits coverage.

Members of the Committee, I understand the argument that since the legislature has the authority to allocate state funds, it should have authority on the front end of programs that require an expenditure of those funds. However, the legislature already exerts its influence over the RFP process. It is the body that has created the rules and statutes that govern the authority of the PERS Board. In addition, the legislature mandates that two seats on the PERS Board are occupied by legislators.

Finally, Mr. Chairman, we believe that there are ample safeguards in place and that the legislature already has the oversight necessary to ensure that PERS operates effectively and as fiscally responsible as possible. North Dakota United members have always trusted the PERS Board act in the best interests of the employees who utilize its health insurance. That trust has proven time and again to be well placed.

On behalf of our members, I urge a Do Not Pass recommendation for HB 1245.