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**Testimony Before the House Government and Veterans Affairs
Committee
SB 2239
March 10, 2023**

Chairman Schauer and members of the Committee, for the record, I am Bob Marthaller, and I am here today on behalf of the members of North Dakota United to speak in support of SB 2239 and to urge a *do pass* recommendation.

Chairman Schauer, of the bills related to the PERS defined benefit plan, North Dakota United believes that SB 2239 is the most responsible, the least expensive, and of the greatest value to public employees and the state of North Dakota.

Members of the Committee, the current condition of the defined benefit plan administered by NDPERS is not the doing of North Dakota's dedicated and hard-working public employees. In fact, public employees have made higher contributions, given up a retired health care benefit, and accepted a decrease of the benefit multiplier from 2% to 1.75%. The reason the fund is in the shape it's in is the result of the economic collapse of 2008 and 2009, as well as the most recent downturn of the economy caused largely by the recent pandemic, coupled with the ND Legislature's decision to not fund the plan to put the DB plan on a trajectory to fully funded status. Beginning in 2011, the Legislature chose not to invest in and fund the DB plan. In contrast, in 2011 the legislature did fund the plan to put the Teachers Fund for Retirement (TFFR) on a course to being fully funded and North Dakota United membership thanks the Legislature for that. However, one is left to wonder why the PERS DB plan was denied the same consideration afforded to TFFR.

Regardless, we cannot turn back the hands of time. We must do what is in the best interest of the plan, in the best interest of current members of the plan, and in the best interest of future public employees.

Mr. Chairman, North Dakota United believes that SB 2239 is the vehicle to carry the DB plan to fully funded status. SB 2239 preserves the DB plan, sets it on a trajectory to be fully funded, and will continue to serve as a proven tool to recruit and retain dedicated, trusted,



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and highly skilled public employees. It is preferred by public employees regardless of age, according to a recent HRMS survey and can be saved for about one-fifth the cost of closing the plan as provided for in HB 1040.

For these reasons Chairman Schauer, and members of the Committee, I urge a ***do pass*** Committee recommendation for SB 2239.