

**Testimony in support of SB 2239**  
**House Government and Veterans Affairs Committee**

**Presented by Pam Sharp, Coalition for Retirement Stability**  
**March 10, 2023**

Good morning Chairman Schauer and members of the House Government and Veterans Affairs committee. My name is Pam Sharp and I represent the Coalition for Retirement Stability, which is made up of AARP, ND United and many retired state employees.

I appear before you in support of Senate Bill 2239.

The defined benefit plan is the best recruiting and retention tool the state has. Individuals in the public sector make less money than the equivalent of their position in the private sector. Public employees know this and accept that it will always be that way, but they are willing to accept a lesser salary because they get health insurance and they know there is a pension plan attached to that job. They knowingly accept that trade off, and many of them are willing to stay in their employment for many years because of that pension plan. This bill keeps that defined benefit plan in place and fully funds it.

The other reason I support this bill is because it is fiscally responsible.

I handed out an informational sheet showing the cash outlays for this bill. The fact that this bill requires public employees to contribute an additional 1% alleviates some of the cost to the state and political subdivisions.

You will note that this bill requires \$250 million from the general fund, similar to the other bills that have been proposed, but after that it is quite different. The increased actuarially determined employer contribution (ADEC) for the state over 30 years is \$843 million, while the increased ADEC for political subdivisions is \$936 million. Keep in mind this is over 30 years. Also, on the lower half of the page, I estimated how much of the state's portion would come from general funds, special funds and federal funds. The general fund comes out to about \$421 million over 30 years.

This bill is a good, solid plan. In addition to fully funding the plan at a reasonable cost, it also allows new employees to join the defined contribution plan, if that is their preference. It requires a 1% contribution increase from employees, which alleviates some of the cost for the state and political subdivisions, but most of all, it is fiscally responsible and fully funds the plan in a 30 year time period.

I ask that you support this bill and give it a Do Pass.