

I'm submitting testimony today as a veteran teacher of 31 years and ask during this legislative session the LCPR correct the injustice of the Tier II TRA pension system. The Tier II problem has been brewing on the back burner for 34 years; teachers who missed that prized date in 1989 by just a few days are now (this year) forced to teach another 10 years, or stiffly penalized if they don't! The Governor's amount of \$600 million for pensions is just a target. I urge to you demand the House and the Senate budget committees provide the money needed for the original recommendation of 60/30 (H3100/S3162). The livelihood and welfare of MN educators depends on it!

Minnesota may never have this much money up for grabs again! The dollar figure needed to reform Tier II may seem sizeable to you today, but it will be DAUNTING to individual districts soon if they are forced to carry the burden! Without pension reform, TRA's financial problems would essentially just be pushed down to the local districts to manage.

Tier 1 Rule of 90 early retirement is a financial advantage to districts. Business managers pinpoint and forecast the revolving door of retiring the top of the salary schedule and hiring in at the bottom to balance the budget. In my district, Rule of 90 retirements have kept class size manageable and have prevented cuts to programming. When a top teacher retires, it's about a \$37K salary savings with a new hire. Having to keep just 5 Tier 2 teachers (\$185K) for an extra 5 years will cost the district a difference of \$925K. Not to mention, aging staff will use more sick days, requiring more substitutes (which are in short supply). Typically, older staff have more medical needs so higher insurance claims will equal higher health insurance premiums for the district. Add it all up - over 5 years Tier 2 could have a \$1,000,000 impact to my small district of 1200 students!

TRA's Tier 2 has just moved one problem and created another, and another, and another for all our schools. Minnesota's public schools are 6th in the nation (World population review, 2023) despite teacher pensions ranking 46th. Teachers, school nurses, school counselors, OT/PT, and Admin holding up the state's education pillar, please fund our Tier II pensions and remove the penalties so that it stays that way. It's not fair that a teacher with 38 years paying into TRA while working in the classroom at age 60 would receive only 58% of their pension. However which way you look at it, ignoring the Tier II injustice now will end up costing the State, the teachers, and the taxpayers a lot more in the future!

Thank you for your consideration.

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