

**From:** [Monica Schnobrich](#)  
**To:** [Lisa Diesslin](#)  
**Subject:** Written Testimony for April 3 LCPR Meeting re: SF3162/HF3100  
**Date:** Sunday, April 2, 2023 12:48:36 PM

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Dear LCPR Committee:

Thank you for your willingness to consider pension reform for Minnesota's Tier 2 teachers. After 33 years in the classroom, I am still grateful and privileged to educate the children of Cook County, Minnesota. My teacher friend and colleague across the hall is excited to retire this spring after 34 years in the classroom; she looks forward to spending time with both her elderly mother and her two young grandchildren. I know nothing in life is "fair," but it certainly doesn't feel equitable that I will have to teach another ten years in order to earn a full pension like my colleague; my own mother will likely not be around by then and my grandchildren will be teenagers. My small, rural school district's budget will also suffer due to the cost of paying my salary for an additional ten years, since a new teacher could be hired for approximately half of my salary.

Educators' pensions in Minnesota have been chronically underfunded for several decades. Since 1989 when the legislature decided to separate Minnesota teachers into two groups, tier two teachers have been burdened by excessive penalties, longer working lives, and lower payouts than their Rule of 90 colleagues. To worsen the situation, past state legislatures gave retired teachers huge COLAs and then reduced the contributions going into the TRA fund until the point the fund went from over 100 percent funded to barely 70% funded. Minnesota employer contributions are 46th in the country. Minnesota needs to be competitive with its neighboring states by attracting and retaining quality educators. Our students deserve the best!

In my 33-year teaching career, I have more than once accepted a pay freeze to help balance the state budget. Now that there is a budget surplus, it is the perfect time to make pension reform a priority and keep Minnesota a state known for its quality education. Please make Tier I and Tier II educator pensions equitable and support the pension bills. A quality education system keeps Minnesota schools strong while retaining and attracting new teachers to our state.

If you cannot support the current pension bills, please consider an option presented by a fellow tier two teacher:

- Allow current tier 2 members to OPT in to a tier 1 pension themselves with all of the allocated benefits provided to current tier 1 teachers (rule of 90, NRA 65/NRA 62 with 30 years and 3% protected reductions)

- If the tier 2 teacher opts into tier 1 they will be charged the contribution rate required to make the benefit change and the actuarial cost/difference of prior contribution deficiency either through lump sum, additional payroll deductions, or if close to retirement a third option of a TEMPORARY reduction in benefits until they have paid the missing actuarial cost

- Members that do not opt in will not be impacted and remain tier 2.

This plan would be of NO cost to the state at this time. It would allow educators in TRA to make the decision that best works for them.

Thank you for your consideration, support, and action on reforming Minnesota teacher pensions.

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**TODAY A READER, TOMORROW A LEADER**