

LCPR Listening Session Presentation

About Us:



**Michael
Malmberg**
Superintendent
Pillager Public School

- 2015 - Current
- 2021 Region 5 MASA Superintendent of the Year
- Current MASA Board Member
- Former Elem. Principal - Elk River Public Schools
- Former Activities Director - Willmar Public Schools
- mmalmberg@isd116.org



**Blaine
Novak**
Superintendent
New York Mills Public School

- 2013 - Current
- 2022 Region 4 MASA Superintendent of the Year
- 2020-2021 MSHSL President
- Former High School Principal - New York Mills
- Former Activities Director - New York Mills
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Why We Are Here:

The State of Minnesota needs to invest in all public pensions to retain and attract Employees. In a competitive market we must offer a package that compares to our neighboring states



Concerns with the Current Pension System?

- **Current educators (public employees) are paying the highest contributions in the history of the TRA Pension Fund combined with the historically largest TRA penalties (discounts) for early retirement (Prior to the age 65/66). Unlike other states there is NO unpenalized early retirement threshold for career teachers (ex... 60 yrs. of age with 30 years of service)**
- **Current educators are paying for OVER 80% of their own TRA Pension Benefit according to TRA actuarial numbers. The harsh discounts are taking away money that the employee has contributed or the earnings on that money**



Reasons We Need Pension Reform for Educators:

- **We need to attract future career candidates with better benefits/retirement plans**
- **Need to attract people entering the workforce later in life**
- **Need to attract professionals who may change careers**
- **Avoid discounts for those that choose to stay home for child care reasons (statewide shortage in childcare)**
- **Reward those that are career educators and public employees**
- **TIER II TRA Educators have had little to no voice from the inception (Tier II has yet to hold a leadership position on the TRA Board or Executive Director Position at TRA)**

We Must Act Now!

- **Waiting does not help the current members in the middle and they don't have a voice at the table**
- **We are losing potential educators every day, week, month and year**
- **We are seeing large reductions of people entering public service (education) at post-secondary institutions across the state at a time when we need to attract even more in all fields of public service**
- **MN cannot afford to lose employees to neighboring states with better pensions**
- **Cannot **slow walk** a solution, while we lose young career candidates to retain or trap 60 year old employees.**

Ideas that Would Help:

- **Extend the ban on earning limitations in TRA to incentivize employees to stay in the workforce**
- **Create an early retirement threshold for career educators (60/30) like other states.**
- **Reduce discounts to pre-2013 levels.**
- **Create a system that makes a career in public service a viable option (benefits/pay) for people entering the workforce or making a career change**
- **Make MN's teacher retirement AGE competitive with other states.**

Pension Reform that Addresses the Issues

- There are many proposals and ideas that have been discussed by various groups.
- **Modified Rule of 90 (Age of 60 and 30 years of service) (No Discounts/Penalties)**
 - Rewards career educators and is just slightly above the national average of 59 years of age and keeps educators in workforce longer than the former rule of 90
 - Allows for some members to become substitutes/long term substitutes (Current Need in schools and will be an even larger one with the new paid family and medical leave)
 - More Cost effective than other proposals
- **62 and 15 years of service (No Discounts)**
 - Rewards those that make career changes and members that stay home to raise children

Discounts could range from 3% - 5% if employees retire prior to either of these, returning to levels prior to 2013.

Whatever is done, we need to reward career educators and those that enter the career late in order to retain and recruit.

Closing Statement:

- We may not have all the answers but as current school superintendents, we see and hear the issues that we are facing with recruitment and retaining public employees now and into the future.
- We encourage the LCPR, TRA Board, Legislators, and our Governor to act quickly to help all public employees with pension reform.
- Thank you for allowing us to speak to all of you this evening and we appreciate the LCPR members having this listening session