

**HF xxxx; SF xxxx (Revisor #23-03138)
Teachers Retirement Association (TRA)
2023 Administrative Bill**

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Introduction

- Affected Plan:** Teachers Retirement Association (TRA)
- Laws Amended:** Minnesota Statutes, section [354.06, subdivision 2](#)
- Brief Description:** The bill removes specific experience criteria for hiring an executive director and thereby expands the potential pool of candidates that may be considered by the TRA board of trustees.

Background

The TRA board of trustees is empowered and required to hire an executive director for TRA who serves at the pleasure of the board. The statute limits who the board of trustees can hire, ensuring that a person with sufficient experience is hired into the position of executive director. This bill loosens the experience requirements to permit a larger pool of candidates from which the board of trustees can hire an executive director and aligns this requirement with a similar requirement in the statutes for hiring the executive director of MSRS and PERA.

Bill Summary

The bill consists of a single section amending Minnesota Statutes, section 354.06, subdivision 2. Under current law, the board of trustees can hire as executive director only a person with at least 5 years of experience on the administrative staff of a major retirement system. The bill amends this requirement to permit the board to consider a person with “at least five years of experience in either an executive level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.”

The section also makes various technical changes, such as inserting a reference to the executive director’s duties as laid out in subdivision 2a of the same section and replacing the term “shall” with “must” as appropriate (per the Revisor’s requirements). The section also deletes a sentence in the middle of this subdivision about expenses, which duplicates a similar sentence in section 354.07, subdivision 1, but omits the critical modifier “necessary” with regard to the expenses that may be paid

from the fund, as required by federal law. This same requirement, but more accurately stated, is also found in section 356.001, subdivision 2.

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