

# Legislative Commission on Pensions and Retirement

55 State Office Building

100 Rev. Dr. Martin Luther King Jr. Blvd.

St. Paul, MN 55155-1201

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## HOUSE MEMBERS

Representative Mary Murphy, Chair  
Representative Mike Freiberg  
Representative Kaohly Her  
Representative Michael V. Nelson  
Representative Tim O'Driscoll  
Representative Ruth Richardson  
Representative Bob Vogel

## SENATE MEMBERS

Senator Julie A. Rosen, Vice Chair  
Senator Sandra L. Pappas, Secretary  
Senator Gary H. Dahms  
Senator Nick A. Frentz  
Senator John R. Jasinski  
Senator Warren Limmer  
Senator David H. Senjem

## COMMISSION STAFF

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**March 26, 2019**

Room G-3, State Capitol

## MINUTES

### Call to order:

Chair Murphy called the meeting to order at 5:10 p.m.

### Commission Members Present:

Representatives Freiberg, Her, Murphy, Nelson, O'Driscoll, and Vogel  
Senators Dahms, Frentz, Limmer, Pappas, Rosen, and Senjem

### Commission Members Absent:

Representative Richardson and Senator Jasinski

## Agenda Items

### **HF 2512 (Long); SF 2515 (Dziedzic): PERA; Revising the employer supplemental and state contributions to PERA related to the former MERF Division.**

Sen. Kari Dziedzic presented and testified on her bill.

Commissioner Frans testified that the funding for the bill is in the Governor's budget.

Gene Ranieri, Director Government Relations, City of Minneapolis, testified in support of the bill.

Josh Downham, Director of Government Affairs, Minneapolis Public Schools, testified in support of the bill.

Dave Johnson provided history on MERF contributions and funding.

Brian Rice representing the Minneapolis Park Board, testified in support of the bill.

Mark Ruff, Chief Financial Officer, City of Minneapolis, provided information on the MERF merger and funding, and actuarial assumptions.

Rep. Nelson moved HF2512/SF2515 be recommended to pass and be incorporated into the 2019 omnibus pension bill, with the understanding that the funding should be considered by the House and Senate committees with jurisdiction on state government finance. **MOTION PREVAILED.**

**HF 2387 (Murphy, by request); SF 2488 (Rosen): Extending the 1997 state aid to local governments to fund increased employer contributions to PERA.**

Myron Frans, Commissioner, Minnesota Management & Budget, testified that the funding for this bill is not included in the Governor's revised budget recommendation because by the time they were informed it was too late to do so, but the Governor looks forward to further discussion on the matter.

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the bill.

Gary Carlson, Intergovernmental Relations Director, League of Minnesota Cities, testified in support of the bill.

Keith Carlson, Executive Director, Minnesota Inter-County Association, testified in support of the bill.

Matt Hilgart, Government Relations Manager, Association of Minnesota Counties, testified in support of the bill.

Rep. Her moved HF2387/SF2488 be recommended to pass and be incorporated into the 2019 omnibus pension bill, with the understanding that the funding should be considered by the House and Senate committees with jurisdiction on taxes. **MOTION PREVAILED.**

**Delete-all Amendment H2631-1A to HF 2631 (Nelson); SF 2621 (Senjem): Local government supplemental plan contribution restriction exemption for union building trades personnel.**

Rep. Nelson presented and testified in support of his bill and the amendment.

Ms. Lenczewski reviewed the bill.

Sen. Senjem moved amendment H2631-1A. **MOTION PREVAILED.**

Sen Senjem moved HF2631/SF2621, as amended, be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

**Overview of the Individual Retirement Account Plan (IRAP), TRA coverage election, and Supplemental Retirement Plan.**

Derek Hughes, System Director: Compensation & Retirement, Minnesota State, reviewed his presentation entitled "Retirement Plan Overview."

**HF 2683; SF xxxx: MnState; Eliminating the expiration of an early retirement incentive; making nonsubstantive style and form changes.**

The bill was carried over to the April 2, 2019, meeting.

**HF 2489 (Murphy, by request); SF xxxx: MnState IRAP; Employee contribution rate increase.**

Ms. Lenczewski reviewed the federal regulation issues leading to the introduction of the bill.

Chad Burkitt, Analyst, Legislative Commission on Pensions and Retirement, reviewed the amendment.

Derek Hughes, System Director: Compensation & Retirement, Minnesota State, testified in support of the bill and the amendment.

Rep. Murphy moved Amendment H2489-1A. **MOTION PREVAILED.**

Rep. Murphy moved HF2489, as amended, be recommended to pass and be incorporated into the 2019 omnibus pension bill. **MOTION PREVAILED.**

**HF 2671 (Nelson); SF 243 (Frentz): MnState IRAP; Employer contribution rate increase.**

Mr. Burkitt reviewed the amendment.

Jonathan Bohn, Director of Public Affairs, Inter-Faculty Organization, testified in support of the bill and the amendment.

Devin Bruce, Public Affairs Coordinator, MAPE, testified in support of the bill and the amendment.

Derek Hughes, System Director: Compensation & Retirement, Minnesota State, testified that while this presents an opportunity to bring parity, Minnesota State cannot afford the cost in this biennium.

Chris Dale, Senior System Director: Labor Relations, Minnesota State, testified that the cost of this bill would absorb about one-third of the funding increase contained in the Governor's budget.

Sen. Frentz presented and testified in support of his bill.

Sen. Frentz moved amendment H2671-1A. **MOTION PREVAILED.**

Sen. Frentz moved HF2671/SF243, as amended, be recommended to pass and be incorporated into the 2019 omnibus pension bill, with the understanding that the funding should be considered by the House and Senate committees with jurisdiction on higher education finance. **MOTION DID NOT PREVAIL.**

Sen. Limmer moved to reconsider the vote on HF2671/SF243. **MOTION PREVAILED.** Sen. Frentz renewed his motion on the bill as amended. **MOTION PREVAILED.**

**Minutes**

Rep. Nelson moved approval of the March 19, 2019, meeting minutes. **MOTION PREVAILED.**

**Adjournment**

The meeting adjourned at 7:05 p.m.