

Legislative Commission on Pensions and Retirement

600 State Office Building

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

St. Paul, MN 55155-1201

HOUSE MEMBERS

Representative Kaohly Vang Her, Chair
Representative Tim O'Driscoll, Secretary
Representative Kaela Berg
Representative Ethan Cha
Representative Danny Nadeau
Representative Michael Nelson
Representative Dan Wolgamott

SENATE MEMBERS

Senator Nick A. Frentz, Vice Chair
Senator Jeff R. Howe
Senator Erin P. Murphy
Senator Carla J. Nelson
Senator Sandra L. Pappas
Senator Jordan Rasmusson
Senator Judy Seeberger

COMMISSION STAFF

Susan Lenczewski, Executive Director
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May 4, 2023

Room 120, State Capitol

MINUTES

Call to order:

Chair Her called the meeting to order at 9:05 a.m.

Commission Members Present:

Representatives Her, Berg, Nadeau, Nelson, O'Driscoll, and Wolgamott
Senators Frentz, Nelson, Murphy, and Rasmusson

Agenda Items

Approval of meeting minutes

Rep. Nelson moved approval of the April 17, 2023, meeting minutes. **MOTION PREVAILED.**

[HF 3294 \(Wolgamott\)](#); [SF 3314 \(Cwodzinski\)](#): Teachers Retirement Association; Lowering the normal retirement age to age 64; increasing employee and employer contributions for TRA and the Higher Education Individual Retirement Account Plan.

Susan Lenczewski, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the bill, [staff summary](#), and [attachment](#).

Rep. Wolgamott and Sen. Cwodzinski presented and testified in support of their bill.

Mark Schulte, FSA, EA, Consulting Actuary, VIA Actuarial Solutions, reviewed the spreadsheet attached to the staff summary and responded to members' questions.

Lisa Olson, President, Elk River Education Association, teacher, Elk River school district, testified in support of the bill.

Rodney Rowe, Education Minnesota Secretary-Treasurer, testified in support of the bill.

Peter Eckhoff, President, Robbinsdale Federation of Teachers, 3rd grade teacher, testified in support of the bill.

Tiffany Dittrich, President, White Bear Lake Area Educators, testified in support of the bill.

Julie Seiler, band teacher of 33 years, Minnesota Public Schools, testified in support of the bill.

Sarah Lancaster, 2022 MN Teacher of the Year, Onamia Public Schools, testified in support of the bill.

Jonathan Bohn, Director of Public Affairs, Inter Faculty Organization (IFO) , testified in support of the bill but encouraged the Commission not to forget about the higher education folks in TRA. In the bill, MnState does not receive funding for the employer contribution increase and did not receive funding for the employer contribution increase in 2018 and has spent about \$16 million to cover that unfunded mandate.

Kim Lewis, Government Relations, Minnesota School Boards Association, testified in support of the bill.

Brian Cole (via Zoom), teacher, Moorhead Middle School, testified in support of the bill.

Jay Stoffel, Executive Director, Teachers Retirement Association (TRA), testified that TRA's position is that pension reform is needed in 2023 but that TRA must consider its fiduciary duty and guiding principles. TRA supports the bill with one caveat-it will set a precedent by treating Tier 1 members differently than Tier 2 because all teachers will have to pay the increased contribution, but only Tier 2 teachers will receive the benefit increase of the lower normal retirement age.

Phillip Tencick, Executive Director/CIO, St. Paul Teachers Retirement Fund Association (SPTRFA), testified that St. Paul does support the goals of the bill but that the bill doesn't include SPTRFA. They would like a one-year reduction to age 65 in addition to the provisions in the omnibus bill. A Normal Retirement age difference of two years would affect the Combined Service Annuity-would have to take a reduction in one of the plans.

Thomas Carr, Executive Budget Officer, Minnesota Management and Budget, testified that the governor's budget includes a 2.5% COLA.

Holly Dayton, Legislative Liaison, Teachers Retirement Association (TRA), testified that the best practice when speaking about this legislation is to consider it by itself. It is not appropriate, especially when filling out a fiscal note, to make assumptions about other funds that may or may not come into the plan.

Submitted Testimony was received from the following people:

[Steve Bliven](#)

[Brent Bovitz](#)

[Steve Clouse](#)

[Carol Dallman](#)

[Layne Danielson](#)

[Jennifer Delveaux](#)

[Jon DeMars](#)

[Jessica Frisco](#)

[Deb Hart](#)

[Laura Heuton](#)

[Kimberly Husfeldt](#)

[Lisa Jepson](#)

[Amy Johnson](#)

[Jesse Johnson](#)

[Matt Jones](#)

[Jeff Kocur](#)

[Bob Laine](#)

[Elizabeth Osborne](#)

[Cindy Palm](#)

[Paul Peterson](#)

[Thomas Raymond](#)

[Jason Savage](#)

[William Schultz](#)

Education Minnesota also provided a packet of submitted testimony from teachers.

Adjournment

The meeting adjourned at 10:50 a.m.