

Legislative Commission on Pensions and Retirement

Centennial Office Building

658 Cedar Street, 1st Floor

St. Paul, MN 55155

HOUSE MEMBERS

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

SENATE MEMBERS

Senator Nick A. Frentz
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
Sean Kelly, Deputy Director
Lisa Diesslin, Commission Assistant
Phone: 651-296-2750
TDD: 651-296-9896
Email: lcpr@lcpr.mn.gov
Website: www.lcpr.mn.gov

January 11, 2024

Fergus Falls City Hall, City Council Chamber
112 W Washington Avenue
Fergus Falls, Minnesota 56537

MINUTES

Call to order:

Chair Her called the meeting to order at 4:30 p.m.

Commission Members Present:

Representatives Her, Berg, and Nelson
Senators Murphy, Rasmusson, and Seeberger

Agenda items

Listening Session Opening Remarks

Chair Her provided opening remarks and stated that the goal of the meeting is to hear from members of the public on the topics of pension and retirement benefits for Minnesota's public employees and the work of the Commission. Chair Her referred members and the public to the [2023 Session Summary](#).

Representative Jeff Backer (District 09A) was also present.

Testimony related to pension plans other than teacher plans

Doug Anderson, Executive Director, Public Employees Retirement Association (PERA), testified regarding the Statewide Volunteer Fire plan incentive program and provided a [presentation](#) document.

Kile Bergren, Chief of Public Safety, Fergus Falls Police Department, testified regarding the 2023 duty disability changes, the need to continue working on disabilities, and the importance of maintaining a healthy pension fund.

Barry Fitzgibbons, Sheriff, Otter Tail County, testified regarding the 2023 duty disability changes; especially the PTSD changes, and in support of deeming emergency dispatchers as essential.

Michael Lange, PERA Police and Fire plan member, testified regarding police and fire disabilities; the roadblocks, challenge of offsets, and the section 353.27 clause that those who are duty disabled are

excluded from other PERA plans. Mr. Lange urged members to consider providing some incentive to continue working.

Michael Nelson, MSRS retiree and Vice-President of AFSCME MN Chapter 5 Retirees United, testified regarding the need for COLA improvements. AFSCME recently polled members regarding needs, and over 60% of all respondents said that their greatest concern was improved COLAs.

Testimony related to the Teachers Retirement Association and teacher pensions

Rodney Rowe, Secretary-Treasurer, Education Minnesota, testified regarding teacher pensions, that educators make 28% less than workers with comparable education, the retirement system enormous penalties for early retirement, and that the Tier 2 system is pushing teachers out of the career.

Jason Savage, High School Principal, Pillager Public Schools, testified regarding the inadequacy of Tier 2 teacher benefits, the early retirement reductions, and that the TRA executive director is personally invested in the Tier 1 plan.

Deb Hart, Perham Public Schools teacher, testified regarding teacher pensions, that TRA is a forced deduction from salaries, money is held hostage until normal retirement age, and that teachers are not given a choice to invest money as they see fit.

Scott Hart, Henning Public Schools science teacher, testified regarding past decisions that have hurt the pension plan that was once 100% funded, suggested a change to a Rule of 95 and age 60 with 30 years of service unreduced early retirement programs, and using tax money from legalized substances.

JoAnn Orpen, Battle Lake Public Schools band director and general music teacher, testified that she just missed Rule of 90 and will get less than half of her cohorts receiving Rule of 90 and will have to work a decade longer, and urged members to make Tier 2 pensions equitable and extend the Rule of 90.

Jenn Roos, Fergus Falls Public Schools teacher, testified that she won't receive full pension until 44 years of service or Rule of 109 and is looking for a respectable option, stating that unfunded liabilities, etc. are not her problem.

Wes Tessman, President, Education Minnesota Retired, testified that decisions regarding COLAs has a direct impact on retired teachers as well active teachers looking at retiring down the road, that Tier 1 and Tier 2 has become a divisive issue, and that he is Tier 1 and retired under Rule of 90, but many of his fellow teachers didn't retire under the Rule of 90 because they couldn't afford it.

Shane Lee, Wheaton Area Schools teacher, testified that he began teaching in North Dakota but Minnesota offered better pay and benefits and while that wasn't wrong for the most part but not about benefits and asked member for equity, to reduce the early retirement reduction factors.

Ethan Soland, Fergus Falls High School Social Studies teacher, testified that a friend is leaving profession but if our pension was fixed might think twice about it and he questions his own future in education, that there is a teacher shortage (15% in Fergus Falls), and pensions need to be a recruiting tool.

Tim Pederson, Hawley Public Schools 6th Grade teacher, testified how TRA has failed Tier 2 teachers, the lack of motion from TRA and Education Minnesota, that quality educators are leaving the profession and asked members to compare our programs to Iowa, Wisconsin, North & South Dakota.

Written testimony was received from the following people:

- [Bob Laine](#), Lake of the Woods High School Coach
- [Jackie Otkin](#), Teacher
- [Paul Peterson](#), Teacher, International Falls
- [Mollie Haspert](#), Teacher, Minneapolis Public Schools
- [Julie Martzke](#), Psychologist, ISD #196 Rosemount-Apple Valley-Eagan
- [Susan Hougen Lieberg](#), Tier 2 Teacher

Additional testimony

Chair Her asked if anyone in the audience who did not sign up to testify wanted to do so.

Brian Rice, representing Minnesota Professional Firefighters and Minneapolis Police Fraternal Association, testified regarding COLAs, that the 2020 study showed retirees in every plan are losing due to inflation (assuming 2.5% inflation), that last year's changes were helpful but more needs to be done

Dan Larson, Education Minnesota Retired board member, testified that Tier 2 teachers are delaying retiring under the Rule of 90 due to the cost of health insurance, in support of increasing COLAS, and reminded members that state retirees agreed to limit COLAs in 2018.

Kent Janike, Pillager Public Schools teacher testified that two relatives of his went into teaching at age 21 and would have to teach 44 years before reaching normal retirement age, and that many teachers are leaving to go to the private sector or going to teach in North Dakota, Wisconsin, and Iowa.

Dan Moddes, Pequot Lakes teacher, testified regarding the need to reform teacher pensions to meet those of other states, that is it time to return to the Rule of 90, and that a lack of teacher reform will increase the divide between larger and smaller districts.

Rob Ulliyott, Detroit Lakes Tier 2 teacher, testified in support of the Rule of 90, what retired teachers can give back to the community, and that he doesn't know what older teachers with health issues are going to do if they can't retire early without an early retirement reduction.

Closing Comments

Chair Her and Senator provided closing remarks

Adjournment

The meeting adjourned at 6:08 p.m.