

1.1 moves to amend S.F. No. 2404; H.F. No., the draft engrossment
1.2 (S2404-E1), as follows:

1.3 Page 1, delete section 1

1.4 Page 2, line 15, after "program" insert "before July 1, 2010"

1.5 Page 2, after line 15 insert:

1.6	<u>"basic program after June 30, 2010</u>	<u>8.5 percent</u>
1.7	<u>basic program after June 30, 2011</u>	<u>9.0 percent"</u>

1.8 Page 2, lines 16 and 17, delete "2011" and insert "2010"

1.9 Page 2, after line 17, insert:

1.10	<u>"coordinated program after June 30, 2011</u>	<u>6.5 percent"</u>
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1.11 Page 3, lines 5 and 8, delete "2011" and insert "2010"

1.12 Page 3, after line 8, insert:

1.13	<u>"St. Paul Teachers Retirement Fund Association</u>	
1.14	<u>after June 30, 2011</u>	<u>5.5 percent</u>
1.15	<u>St. Paul Teachers Retirement Fund Association</u>	
1.16	<u>after June 30, 2012</u>	<u>6.0 percent</u>
1.17	<u>St. Paul Teachers Retirement Fund Association</u>	
1.18	<u>after June 30, 2013</u>	<u>6.5 percent"</u>

1.19 Page 3, line 11, strike "equal to 8.00 percent of the salary of the basic member;" and
1.20 insert "according to the schedule below:"

1.21 Page 3, after line 11 insert:

1.22		<u>8.0 percent of the salary of</u>
1.23	<u>"before July 1, 2010</u>	<u>the basic member</u>
1.24		<u>8.5 percent of the salary of</u>
1.25	<u>before July 1, 2011</u>	<u>the basic member</u>
1.26		<u>9.0 percent of the salary of</u>
1.27	<u>before July 1, 2012</u>	<u>the basic member</u>
1.28		<u>9.5 percent of the salary of</u>
1.29	<u>before July 1, 2013</u>	<u>the basic member</u>
1.30		<u>10.0 percent of the salary of</u>
1.31	<u>before July 1, 2014</u>	<u>the basic member"</u>

1.32 Page 3, delete section 4

1.33 Page 4, delete section 6 and insert:

1.34 "Sec. 4. Minnesota Statutes 2009 Supplement, section 423A.02, subdivision 3, is
1.35 amended to read:

1.36 Subd. 3. **Reallocation of amortization or supplementary amortization state**
1.37 **aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year
1.38 amortization aid and supplemental amortization aid distributed under subdivisions 1
1.39 and 1a that is not distributed for any reason to a municipality for use by a local police

2.1 or salaried fire relief association must be distributed by the commissioner of revenue
 2.2 according to this paragraph. The commissioner shall distribute 50 percent of the amounts
 2.3 derived under this paragraph to the Teachers Retirement Association, ten percent to the
 2.4 Duluth Teachers Retirement Fund Association, and 40 percent to the St. Paul Teachers
 2.5 Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the
 2.6 respective funds. These payments shall be made on or before June 30 each fiscal year. If
 2.7 the St. Paul Teachers Retirement Fund Association becomes fully funded, its eligibility
 2.8 for this aid ceases. Amounts remaining in the undistributed balance account at the end of
 2.9 the biennium if aid eligibility ceases cancel to the general fund.

2.10 (b) In order to receive amortization and supplementary amortization aid under
 2.11 paragraph (a), Independent School District No. 625, St. Paul, must make contributions
 2.12 to the St. Paul Teachers Retirement Fund Association in accordance with the following
 2.13 schedule:

2.14	Fiscal Year	Amount
2.15	1996	\$ 0
2.16	1997	\$ 0
2.17	1998	\$ 200,000
2.18	1999	\$ 400,000
2.19	2000	\$ 600,000
2.20	2001 and thereafter	\$ 800,000

2.21 (c) Special School District No. 1, Minneapolis, and the city of Minneapolis must
 2.22 each make contributions to the Teachers Retirement Association in accordance with the
 2.23 following schedule:

2.24	Fiscal Year	City amount	School district amount
2.25			
2.26	1996	\$ 0	\$ 0
2.27	1997	\$ 0	\$ 0
2.28	1998	\$ 250,000	\$ 250,000
2.29	1999	\$ 400,000	\$ 400,000
2.30	2000	\$ 550,000	\$ 550,000
2.31	2001	\$ 700,000	\$ 700,000
2.32	2002	\$ 850,000	\$ 850,000
2.33	2003 and thereafter	\$ 1,000,000	\$ 1,000,000

2.34 ~~(d) Money contributed under paragraph (a) and either paragraph (b) or (c), as~~
 2.35 ~~applicable, must be credited to a separate account in the applicable teachers retirement~~
 2.36 ~~fund and may not be used in determining any benefit increases. The separate account~~
 2.37 ~~terminates for a fund when the aid payments to the fund under paragraph (a) cease.~~

3.1 ~~(e)~~ (d) Thirty percent of the difference between \$5,720,000 and the current year
 3.2 amortization aid and supplemental amortization aid under subdivisions 1 and 1a that is not
 3.3 distributed for any reason to a municipality for use by a local police or salaried firefighter
 3.4 relief association must be distributed under section 69.021, subdivision 7, paragraph (d),
 3.5 as additional funding to support a minimum fire state aid amount for volunteer firefighter
 3.6 relief associations.

3.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.8 Sec. 5. **LOCAL RETIREMENT FUND INVESTMENT AUTHORITIES STUDY.**

3.9 A study group consisting of representatives from pension plans subject to Minnesota
 3.10 Statutes, section 356A.06, subdivision 6 or 7, shall be convened by the State Auditor to
 3.11 study investment-related provisions, authorities, and limitations under Minnesota Statutes,
 3.12 chapter 356A, and related sections of other chapters. Administrative support for the study
 3.13 group shall be provided by the State Auditor. The study group shall prepare a report to
 3.14 include an assessment of the effectiveness of current statutory prescriptions, options for
 3.15 change, and recommendations for consideration by the governor and the legislature during
 3.16 the 2011 legislative session. The report will be provided no later than January 15, 2011, to
 3.17 the executive director of the Legislative Commission on Pensions and Retirement, the
 3.18 chair of the Senate State and Local Government Operations and Oversight Committee,
 3.19 and the Chair of the House State and Local Government Operations Reform, Technology
 3.20 and Elections Committee.

3.21 **EFFECTIVE DATE.** This section is effective the day following final enactment."

3.22 Renumber the sections in sequence

3.23 Amend the title accordingly