



March 20, 2009
Room 107 Capitol

7th Meeting

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Call to order:

Senator Don Betzold, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 9:35 a.m.

Commission Members Present:

Representatives Mary Murphy, Phyllis Kahn, Michael V. Nelson, Steve Smith, and Paul Thissen
Senators Don Betzold, Ann Lynch, Sandra L. Pappas, and Julie A. Rosen

Commission Members Absent:

Senator Mary A. Olson

Agenda Items

Approval of prior Commission meeting minutes

Rep. Nelson moved approval of the March 13, 2009, meeting minutes. **MOTION PREVAILED.**

S.F. 1266 (Pappas); H.F. 1527 (Kahn): MnSCU; Early separation incentive programs authorization

Mr. Russ Stanton, Director of Governmental Relations, Inter-Faculty Association, testified in support of the bill, reviewed the proposal, and responded to members' questions.

Mr. Gary Janikowski, Assistant Director of Personnel, MnSCU, testified in support of the bill and informed members that the Vice Chancellor has sent a letter in support of the legislation.

Mr. Lawrence Martin, Executive Director, Legislative Commission on Pensions and Retirement, reviewed the staff memo and policy issues raised by the bill and discussed potential amendments.

Mr. Martin reviewed the staff memo and policy issues raised by the bill, and discussed potential amendments.

Sen. Pappas moved amendment S1266-1A. **MOTION PREVAILED.**

Mr. Stanton testified in support of Amendment S1266-5A.

Rep. Kahn moved Amendment S1266-5A. **MOTION PREVAILED.**

Rep. Kahn moved S.F. 1266/H.F. 1527, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 749 (Betzold); H.F. 950 (Murphy, M.): PERA; Postretirement option for general plan members

Mr. Edward Burek, Deputy Director, Legislative Commission on Pensions and Retirement, reviewed the proposed legislation.

Ms. Mary Vanek, Executive Director, PERA, testified in support of the bill.

Ms. Laura Kushner, Human Resources Director, League of Minnesota Cities, testified in support of the bill and provided a handout from the Minnesota Inter-County Association.

Mr. Burek reviewed the policy issues raised by the bill and discussed potential amendments.

Ms. Vanek testified in opposition to line 1.6 in technical amendment S0749-1A, indicating that the intent was to allow a full five-year period.

Sen. Pappas moved Amendment S0749-1A, amended as follows: page 1, line 5, after "date" insert a period and delete "and" and delete line 6. **MOTION PREVAILED.**

Ms. Vanek testified in opposition to amendments S0749-2A to -6A and stated that PERA would accept amendment S0749-9A.

Rep. Thissen moved Amendment S0749-9A **MOTION PREVAILED.**

Ms. Vanek distributed and requested Commission consideration of an unnumbered amendment amending Minnesota Statutes, Section 353.01, subdivision 11b, on membership termination.

Mr. Burek informed members that if staff was given latitude to edit the amendment it would work.

Rep. Thissen moved the unnumbered amendment, with the authorization for staff to make any necessary changes to make the amendment work. **MOTION PREVAILED.**

Sen. Pappas moved S.F. 749/H.F. 950, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 686 (Pappas); H.F. xxx: SPTRFA; Cost-of-living adjustment; repeal investment trigger; bylaws revision

Sen. Pappas testified in support of her bill and distributed a handout on the expected resulting savings.

Mr. Philip Kapler, Executive Director, SPTRFA, testified in support of the bill and reviewed the handout.

Mr. Burek commented that the first column on the handout appears to be an arithmetic average that he believes understates the cost, and that the column should be a geometric average instead.

The bill was temporarily laid over.

S.F. 1267 (Olson, M.); H.F. 1528 (Kahn): MnSCU; Tenured faculty defined benefit plan retirement coverage election authorization

Mr. Russ Stanton, Director of Governmental Relations, Inter-Faculty Association, reviewed and testified in support of the bill, and distributed a handout from the actuary's report regarding Individual Retirement Account Plan (IRAP) service credit purchases.

Mr. Gary Janikowski, Assistant Director of Personnel, MnSCU, testified in support of the bill.

Mr. Martin reviewed the policy issues raised by the bill and discussed potential amendments.

Rep. Kahn moved S.F. 1267/H.F. 1528 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 506 (Betzold, by request); H.F. 592 (Thissen): Teachers retirement provisions modifications

Mr. Martin reviewed the staff memo and policy issues raised by the bill.

Ms. Laurie Hacking, Executive Director, TRA, testified in support of the bill, provided handout materials, and responded to questions from members.

Mr. Luther Thompson, Assistant Executive Director, TRA, testified in support of the bill.

Mr. Tom Dooher, President, Education Minnesota, testified in support of the bill.

Mr. Charles Hellie, President, Retired Educators Association of Minnesota, testified in support of the bill.

Mr. Roger Aronson, representing the Minnesota Elementary School Principals' Association and the Minnesota Association of Secondary School Principals, testified in support of the bill.

Ms. Valerie Dosland, representing the Minnesota Association of School Administrators, testified in support of the bill.

Mr. Kirk Schneidawind, Associate Director of Governmental Relations, Minnesota School Boards Association, testified to MSBA's conditional support of the bill, provided there is some revenue source, and to the importance of levy authority.

Mr. Neil Wittiko, a teacher in Hermantown, testified in support of the bill.

Ms. Carrie Lucking, a social study teacher in Hopkins, testified in support of the bill.

Mr. J. Michael Stoffel, Executive Secretary, DTRFA, testified in support of the bill in its current form.

Mr. Philip Kapler, Executive Director, SPTRFA, testified that that the SPTRFA board supports the bill contingent upon the provision of a funding source.

Rep. Thissen moved S.F. 506/H.F. 592 be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

S.F. 686 (Pappas); H.F. xxx: SPTRFA; Cost-of-living adjustment; repeal investment trigger; bylaws revision

Mr. Burek reviewed the potential amendments.

Mr. Kapler testified in support of the bill.

Sen. Pappas moved Amendment S0686-1A, amended to incorporate a two-year sunset.

Mr. Burek recommended on page 2, line 18, after "2009" to insert "and expires on June 30, 2011."

Sen. Pappas renewed her motion to adopt Amendment S0686-1A, amended as follows: page 2, line 18, after "2009" insert "and expires on June 30, 2011." **MOTION PREVAILED.**

Sen. Pappas moved S.F. 686/H.F. xxx, as amended, be recommended to pass and be included in the omnibus pension bill. **MOTION PREVAILED.**

Adjournment

The meeting adjourned at 12:35 p.m.