



S.F. XXXX

H.F. 2264
(Knoblach)

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): Minneapolis Teachers Retirement Fund Association (MTRFA)
Relevant Provisions of Law: Minnesota Statutes, Chapter 354A
General Nature of Proposal: Investment Authority Transfer and Other Financing Provisions Modified
Date of Summary: April 19, 2005

Specific Proposed Change(s)

- Authorizes first class city teacher retirement fund associations to invest in the Minnesota Supplemental Investment Fund.
- Requires MTRFA membership reimbursement of investment underperformance.
- Requires State Board of Investment investment of State aid to MTRFA.
- Reduces the threshold dollar figure trigger for MTRFA administrative expense surcharge.
- Modification of the MTRFA post-retirement adjustment mechanism.

Policy Issues Raised by the Proposed Legislation

1. Extent of remedy to MTRFA funding problem.
2. Appropriateness of additional MTRFA funding problem remedies.
3. Appropriateness of MTRFA members' role in reimbursing for investment underperformance and administrative expense surcharge.
4. Appropriateness of the lack of any Minneapolis public school financial participation in funding solution.
5. Appropriateness of Minnesota Supplemental Investment Fund for first class city teacher retirement fund association assets.
6. Appropriateness of mandatory State Board of Investment investment of State aid to MTRFA.
7. Appropriateness of MTRFA administrative expense surcharge modifications.
8. Appropriateness of MTRFA post-retirement adjustment mechanism changes.

Potential Amendments

No technical or substantive amendments.