

March 16, 1994
Room 400N, State Office Building

21st Meeting



LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

MINUTES

Senator Phil Riveness, Chair of the Legislative Commission on Pensions and Retirement, called the meeting to order at 2:15 P.M.

Commission members present:

Representatives Bob Johnson, Phyllis Kahn, Gerald Knickerbocker, and Leo Reding
Senators Lawrence Pogemiller, Phil Riveness, LeRoy Stumpf, and Roy Terwilliger

S.F. 1906 (Metzen); H.F. 2192 (Johnson, R): MSRS Correctional; Plan Membership Expansion
Rep. Johnson reviewed background information and requested that Mr. Burek review the staff memo on this bill.

Edward Burek, LCPR Deputy Executive Director, reviewed the staff memo and various policy issues on this bill. Mr. Burek then reviewed amendment LCPR94-69 which reduces the employer contribution amount in the bill from 7.55 to 6.99 and makes other technical changes.

Cheryl Furrer, MEA Director of Legislative Affairs, testified in strong support of this bill as an issue of fairness.

David Froehle, special teacher at a state residential school, testified in support of this bill and provided information on teachers contact with inmates.

Steve Greip, special teacher at Sauk Center, testified in support of this bill and stated that there are 25 to 30 documented teacher/inmate incidents per month.

Sen. Riveness stated that since this bill extends MSRS-Correctional coverage retroactively rather than prospectively, as previous legislation had, he would like to see specific comparative information on any objective indicators of stress that might be available (depression, leaves of absence) to assist Commission members in judging the relative level of risk in these positions.

Susan Stout, MN Nurses Association Government Affairs Specialist, testified in support of this bill and stated that data that proves stress is extremely difficult to provide but workers compensation records had already been made available.

Helen Olson, correctional facility RN, testified in support of this bill and reported on specific situations that she had been involved in, had witnessed, or had heard about.

Jane Richey, MAPE Business Agent, testified in support of this bill.

Mike Gillespie, recreational therapist at the MN security hospital at St. Peter, testified in support of the bill and provided several examples of potentially dangerous situations.

Greg Bartz, caseworker at the St. Cloud correctional facility, testified in support of the bill and stated that a caseworker is required to be a correctional officer for two years prior to becoming a caseworker.

Discussion followed and included the retroactive aspect of this bill.

Judy Angeles, Human Resources Director at the Department of Corrections, testified in support of the concept of this bill but does not agree with all the job classifications included or excluded. She also talked about the lack of an appropriation in this bill and the budget limitations of the Department of Corrections. Discussion followed.

A quorum was present.

David Bergstrom, MSRS Executive Director, testified that the MSRS Board is neutral on this bill. Mr. Bergstrom testified that the approximate annual cost of this proposal would be \$600,000. He further testified that the bill includes an asset transfer from the MSRS-General Plan and the Teachers Retirement Plan to the MSRS-Correctional Officers Plan. Lawrence Martin, LCPR Executive Director, testified that the cost estimate for the increased employer contribution for this plan retrospectively is \$630,000 annually and prospectively is \$607,000 annually.

Rep. Johnson moved approval of amendment LCPR94-69. **MOTION PREVAILED.**

Rep. Johnson moved approval of S.F. 1906; H.F. 2192 as amended. **MOTION PREVAILED.**

Discussion followed and Mr. Martin referred members to the actuarial cost estimate provided by Milliman & Robertson, Inc. He testified that MSRS-General is giving up \$13,320,000 in accrued liability and \$9,979,000 in assets in this transfer. He further testified that TRA is giving up \$4,700,000 in liability and \$5,300,000 in assets.

S.F. 2169 (Sams); H.F. 2339 (Reding): Police State Aid; Use of Portion of Excess Aid to Fund Ambulance Longevity Award Plan

Rep. Reding reviewed the Unofficial Engrossment of this bill and testified that the auto insurance premium tax in excess of the amount necessary to fund police pension plans and PEIP would be used to fund the ambulance plan.

Mr. Martin reviewed the staff memo and amendments and testified that the excess amount would be approximately \$2,000,000 in 1995 and \$1,000,000 in future years.

Dick Nelson testified in support of this bill and provided background on the \$50,000 appropriation in the bill for a study of police stress.

Rep. Knickerbocker referred to a memo from Laurie Hacking, PERA Executive Director, recommending the excess aid be used to reduce the PERA basic and coordinated deficiency.

Laurie Hacking testified that the PERA Board's preference would be to reduce the PERA deficiency.

O.J. Doyle, volunteer ambulance and EMS representative, testified in support of this bill as amended.

Rep. Reding moved approval of amendment LCPR94-71. **MOTION PREVAILED.**

Howard Bicker, Executive Director of the State Board of Investment, testified that he may have some technical changes regarding this bill as he was just advised that the excess aid would be the investment responsibility of the State Board of Investment.

Rep. Reding moved approval of S.F. 2169; H.F. 2339 as amended. **MOTION PREVAILED.**

The meeting adjourned at 4:10 P.M.


Jean Lieb Gott, Secretary