

Centennial Office Building 658 Cedar Street, 1<sup>st</sup> Floor St. Paul, MN 55155

#### SENATE MEMBERS

Sen. Nick A. Frentz, Chair Sen. Jeff R. Howe, Vice Chair Sen. Carla J. Nelson Sen. Sandra L. Pappas Sen. Jordan Rasmusson Sen. Judy Seeberger Sen. Bonnie S. Westlin HOUSE MEMBERS Rep. Leon Lillie, Secretary Rep. Ethan Cha Rep. Josiah Hill Rep. Danny Nadeau Rep. Tim O'Driscoll Rep. Terry Stier Rep. Dan Wolgamott St. Paul, MN 55155 COMMISSION STAFF

Susan Lenczewski, Executive Director Aleena Wilson, Analyst Lisa Diesslin, Commission Assistant Phone: 651-296-2750 TDD: 651-296-9896 Email: <u>lcpr@lcpr.mn.gov</u> Website: <u>www.lcpr.mn.gov</u>

#### March 25, 2025

Room 123, State Capitol

#### **MINUTES**

#### Call to order:

Senator Frentz called the meeting to order at 5:10 p.m.

#### **Commission Members Present:**

Senators Frentz, Howe, Nelson, Pappas, Rasmusson, Seeberger, and Westlin Representatives Cha, Hill, Lillie, Nadeau, O'Driscoll, Stier, and Wolgamott

#### **Commission Members Absent:**

No members were absent.

### Agenda Items

#### Approval of meeting minutes

Sen. Westlin moved approval of the March 18, 2025, meeting minutes. **MOTION PREVAILED.** 

HF 2237 (O'Driscoll): MSRS; Increasing the formula multiplier for the General Plan; increasing the postretirement adjustment for the General, Legislators, and Unclassified plans (laid over from last meeting)

Mark Schulte, President, Consulting Actuary, VIA Actuarial Solutions, testified regarding options for fully funded or overfunded plans.

Erin Leonard, Executive Director, MSRS, testified in support of the bill and provided a handout entitled "HF2237 Benefit Enhancement Summary and Cost."

Dr. Michael J. Landers, Legislative Chair, Minnesota Retired State Employee Association (MRSEA), testified in support of the bill.

- Sen. Rasmusson moved Amendment H2237-1A. MOTION FAILED.
- Sen. Rasmusson moved Amendment H2237-3A. **MOTION FAILED**.

- Sen. Rasmusson moved Amendment H2237-2A. **MOTION FAILED**.
- Rep. O'Driscoll moved HF2237 be recommended to pass and be incorporated into the omnibus pension bill. MOTION PREVAILED.

#### HF 2386 (O'Driscoll): Public Employees Retirement Association Administrative bill.

> Rep. O'Driscoll moved amendment H2386-1A. **MOTION PREVAILED**.

Aleena Wilson, Analyst, Legislative Commission on Pensions and Retirement, reviewed the staff memo.

Amy Strenge, Policy Coordinator, PERA, testified in support of the bill.

Rep. O'Driscoll moved HF2386, as amended, be recommended to pass and be incorporated into the omnibus pension bill. MOTION PREVAILED.

#### SF1986 (Kupec); HF1779 (Wolgamott): PERA and MSRS General plans; Authorizing an unreduced early retirement annuity for probation agency employees; increasing employee contributions for probation agency employees.

Rep. Wolgamott and Sen. Kupec presented and testified in support of their bill.

▶ Rep. Wolgamott moved amendment S1986-2A. **MOTION PREVAILED.** 

Doug Anderson, Executive Director, PERA, testified that the board is opposed to the bill, and provided a <u>handout</u>.

Amy Strenge, Policy Coordinator, PERA, testified in opposition to the bill.

Erin Leonard, Executive Director, MSRS, testified that the board does not have a position on the bill.

Sheri Christensen, Actuary, Gabriel, Roeder, Smith & Company, testified that they were retained by the Minnesota Corrections Association to do a cost analysis, provided and reviewed that <u>actuarial analysis</u>.

Robert Wenthe, Hennepin Co. Probation Officer, American Federation of State, County & Municipal Employees (AFSCME) Local 552, testified in support of the bill.

Janene Altman, Ramsey Co. Probation Officer, testified in support of the bill.

Jim Hawkins, Ramsey Co. Probation Officer, testified in support of the bill.

Submitted Testimony was received from:

- Katie Marek, ISR/CIP Agent, Department of Corrections, MAPE
- Joint Document in Support from MACPO, MCA, MAPE, Teamsters Local 320, AFSCME Council 5
- Combined Messages of Support for SF1986 AFSME Council 5 Local 522

Ms. Strenge, in response to members' questions, testified that the board is doing a study, which is currently with the PERA actuary, on creating a new retirement plan and parole officers are part of the

study. Ms. Strenge noted that the study is assessing the cost using a 2.2% multiplier and an age 60 retirement age, for prospective service only. Ms. Strenge also informed members that the current employee contribution rate is 6.5% and the increase under the current bill, as amended, would be an additional 4.29%, for a total contribution of 10.79%.

Doug Anderson, Executive Director, PERA, responded to a member's question that the study is related to prospective service only, which would remove the concern about the cost of including previous service.

Erin Leonard, Executive Director, MSRS, testified that the current MSRS employee contribution is 6% and the increase under the bill, as amended, would be an additional 4.35%, for a total of 10.35%.

The bill was laid over.

## SF 1556 (Bahr); HF 708 (Scott): PERA; Adding a correctional plan member to the PERA board of trustees.

Sen. Bahr presented and testified in support of his bill.

Wade Laszlo, President, Minnesota Correctional Officer Retirement Association (MNCORA), testified in support of the bill and provided a <u>letter of support from MNCORA</u>.

Doug Anderson, Executive Director, PERA, testified that the board is opposed to the bill and provided a <u>handout</u>.

The bill was laid over.

## Revisor #25- 04680: Minnesota Secure Choice Retirement Program; Administrative bill.

David Bergstrom, Interim Executive Director, Minnesota Secure Choice Retirement Program, testified in support of the bill and provided a presentation "<u>What is MN Secure Choice Retirement?</u>"

Evan Rowe, Deputy Commissioner, DEED, testified to raise concerns about the language of the bill regarding data and security, and that the time window would be a significant burden on the agency.

Jill Schurtz, Board Chair, Minnesota Secure Choice Retirement Program, testified in support of the bill.

Sen. Pappas moved Amendment 25-04680-1A. **MOTION PREVAILED.** 

Submitted testimony was received from:

- Minnesota Chamber of Commerce, Brian Cook, Director of Tax, Fiscal Policy, and Elections
- AARP, Thomas Elness, State Advocacy Director
- Sen. How moved to amend Revisor #25-04680, as follows: page 5, line 14, delete the new language and reinstate the old language. MOTION PREVAILED.
- Sen. Pappas moved Revisor #25-04680, as amended, be recommended to pass and be incorporated into the omnibus pension bill. MOTION PREVAILED.

## Revisor #25- 04681: Minnesota Secure Choice Retirement Program; Adding penalties for noncompliance.

Senator Pappas moved Amendment 25-04681-1A. **MOTION PREVAILED.** 

David Bergstrom, Interim Executive Director, Minnesota Secure Choice Retirement Program, testified in support of the bill and continued his presentation.

Submitted testimony documents are the same as those for Revisor #25-04680.

- Sen. How moved to amend Revisor #25-04681, as follows: page 1, lines 8 and 12, delete "<u>must</u>" and insert "<u>may</u>". MOTION PREVAILED.
- Sen. Pappas moved Revisor #25-04681, as amended, be recommended to pass and be incorporated into the omnibus pension bill. MOTION PREVAILED.

# SF 2379 (Rasmusson); HF 2022 (Berg): Minnesota State; Higher education supplemental retirement plan; Increasing the supplemental plan employer match maximum from \$2,700 to \$4,300.

Representative Berg and Senator Rasmusson presented and testified in support of the bill.

Mark Grant, Governmental Relations/Lobbyist, MN State College Faculty, testified in support of the bill.

Senator Rasmusson moved SF2379/HF2022 be recommended to pass and be incorporated into the omnibus pension bill. MOTION PREVAILED.

#### Adjournment

The meeting was adjourned at 7:30 p.m.