



June 14, 2017

Honorable Tim Kelly, Chair
House Committee on Education Reform
House Office Building
Lansing, Michigan

Dear Rep. Kelly and Members of the House Committee on Education Reform:

The American Association of University Women of Michigan, in keeping with its mission to advance equity for women and girls through advocacy, education, philanthropy, and research, and with a commitment to guarantee equality, individual rights, and social justice for a diverse society, **opposes HB 4647 as introduced**. This bill would close the hybrid Michigan Public School Employees Retirement System to new hires and substitute it with a 401(k) defined contribution retirement savings plan.

We understand a substitute bill will be introduced with different provisions. In light of the complexity of pension and retirement savings plans in general, we urge the committee to **have thorough hearings over several weeks** to help education administrators, advocates for potential school employees, and taxpayers understand the proposed changes and help the Committee identify problems and challenges raised in the substitute proposal. A big ticket item like this deserves scrutiny and deliberation.

We believe that school employees must have an attractive pension and retirement savings program to attract and retain the highest quality personnel. The current hybrid program is 100 percent funded, which suggests little need for radical change in its design. Moreover, closing or modifying a pension plan has continuing costs to the taxpayers.

Thank you for the opportunity to comment.

Sincerely,

/s/

Mary Pollock
Government Relations Coordinator