

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4440-04
Bill No.: HCS for SCS for SB 994
Subject: Retirement - Schools
Type: Original
Date: April 30, 2008

Bill Summary: Increases the maximum percentage of increase in annual compensation for the Public School Retirement System. Requires school districts to disclose the total compensation packages of school administrators.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **Public School Retirement System (PSRS)** assume this proposal increases the cap on the final average salary used in calculating PSRS benefits from ten percent to twenty percent in determining a member's final average salary.

This request was sent to our actuaries, Gabriel, Roeder, Smith and Company who estimated that while there would be some financial impact to the plan, the cost impact would be immaterial.

Officials from the **PSRS of the City of St. Louis** assume no fiscal impact to their agency.

Section 165.111

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal will likely result in advertising costs and increased employee time for local school districts. DESE defers to the districts regarding total costs.

This proposal was sent to several school districts, none of which responded to a request for fiscal note. **Oversight** assumes any costs will be minimal and can be absorbed within existing resources.

The proposal also requires DESE to publish information on their Internet web site. This requirement will increase employee work time but will not likely result in significant additional costs. **Oversight** assumes these costs can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

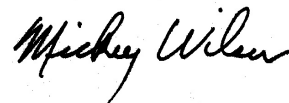
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Public School Retirement System
PSRS of the City of St. Louis
Department of Elementary and Secondary Education



Mickey Wilson, CPA
Director
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