

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4687-01
Bill No.: HB 1934
Subject: Retirement Systems and Benefits - General; Retirement - Schools; Elementary and Secondary Education
Type: Original
Date: January 13, 2020

Bill Summary: This proposal modifies provisions relating to the Public School Retirement System of Missouri.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from **Joint Committee on Public Employee Retirement (JCPER)** assume this proposal has no fiscal impact to the JCPER. This proposal will not affect retirement plan benefits as defined in Section 105.660, RSMo.

Current Status of the Public School Retirement System:

As of December 19, 2019

		Funded Ratio
Market Value of Assets:	\$40,593,758,865	84.6%
Actuarial Value of Assets:	\$40,498,478,562	84.4%
Liabilities:	\$47,973,829,236	

Covered Payroll, June 30, 2019: \$4,844,248,703

Recommended Contribution for FY 2020: 29% - Employers and employees contribute in equal amounts of 14.5%.

	<u>Percent</u>	<u>Dollars (Estimated)</u>
Employer	14.5%	\$702,416,062 estimated
Employee	<u>14.5%</u>	<u>\$702,416,062 estimated</u>
Total	29.0%	\$1,404,832,124 estimated

Officials from **Public Schools and Education Employee Retirement Systems (PSRS/PEERS)** assume this legislation exempts the salaries and benefits of the executive director and employees of the Board of the Public School Retirement System of Missouri from being confidential. As currently drafted this bill has no substantial fiscal or operational impact on PSRS or PEERS of Missouri.

Oversight notes that the Joint Committee on Public Employee Retirement and Public School Retirement Systems have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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 direct fiscal impact.

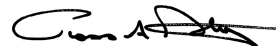
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Public Schools and Education Employee Retirement Systems



Julie Morff
Director
January 13, 2020



Ross Strobe
Assistant Director
January 13, 2020