

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5613S.01I
 Bill No.: SB 1404
 Subject: Boards, Commissions, Committees, And Councils; Fire Protection; Retirement -
 Local Government; Retirement Systems And Benefits - General; Saint Louis City
 Type: Original
 Date: March 26, 2024

Bill Summary: This proposal allows the board of trustees of the Firemen's Retirement System of St. Louis to act as trustees and administer other pension plans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** have reviewed this proposal. This proposal has no fiscal impact to the Joint Committee on Public Employee Retirement. The JCPER’s review of this proposal indicates it will not affect retirement plan benefits as defined in Section 105.660(9).

In response to a similar proposal, HB 1980 (2024), officials from the **City of St. Louis** stated the proposed legislation would allow the trustees of the Firemen's Retirement System (FRS, a plan that was frozen in 2013) to act as trustees of the newer Firefighters' Retirement Plan (FRP) which originated in 2013 as part of a pension plan reform effort to address rising costs partly due to failures under the old FRS board. The reform was successful and has reduced pension costs which had been rising to an increasingly greater proportion of operating costs of the Fire Department. The proposed legislation jeopardizes the progress made through this reform effort.

Oversight notes this proposal allows the Board of the Firemen’s Retirement Plan of St. Louis to act on behalf of all other city firefighter retirement plans in St. Louis City including the Firefighter’s Retirement Plan of St. Louis.

Oversight assumes any decision by the Board to alter retirement benefits for the Firefighter’s Retirement Plan of St. Louis would be an indirect impact. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight did not receive a response from the Firemen’s Retirement Plan of St. Louis or the Firefighter’s Retirement Plan of St. Louis related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

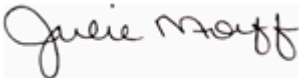
FISCAL DESCRIPTION

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
City of St. Louis



Julie Morff
Director
March 26, 2024



Ross Strobe
Assistant Director
March 26, 2024