

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0577S.01I
Bill No.: SB 257
Subject: Boards, Commissions, Committees, and Councils; Education, Elementary and Secondary; Retirement - Schools; Retirement Systems and Benefits - General; Saint Louis City; Teachers
Type: Original
Date: March 23, 2025

Bill Summary: This proposal modifies the board of trustees of the public school retirement system of the City of St. Louis.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** state the JCPER's review of this legislation indicates it will not affect retirement plan benefits as defined in Section 105.660(9).

Officials from the **Public School Retirement System of the City of St. Louis (PSRSST)** state this proposal contains provisions that concern the PSRSSTL. This proposal changes portions of RSMo. 169.450 which increases the number of Board Trustees from 11 to 13. These two new Trustees would be appointed by the Missouri Public Charter School Association.

In reviewing the proposal, the System believes there is some financial impact. Trustees do not receive compensation, but administrative costs would increase slightly primarily due to the cost of additional postage for mailing materials to new Trustees. Also, new Trustees are required to complete six hours of continuing education annually when first appointed and then two hours annually on an ongoing basis. This would mean an increase in travel expenses for the new Trustees to attend programs and be able to complete the required continuing education. Overall, costs would likely increase by about \$10,000 annually.

Any increase in expenses is concerning as the System is already facing decreased funding due to legislation that has been in place since 2017. In 2017 a law was passed, Senate Bill 62, that capped the amount paid by contributing employers and decreases that amount slowly over time. At the same time, that 2017 law increased the amount of benefits being paid out of the Retirement System.

As a result, the System's market value funded ratio has dropped to 64.3% and the System has been placed on the Watchlist by the Joint Committee on Public Employee Retirement in 2023 and 2024.

Oversight only reflects the impact to state agencies and local political subdivisions. Based on the response provided by PSRSSTL, Oversight assumes the employer (St. Louis Public Schools and Charter Schools) contributions are capped and will not be impacted by additional costs incurred by the retirement system. Therefore, Oversight will reflect a zero impact on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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
St. Louis Public Schools Retirement System



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March 23, 2025



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March 23, 2025