

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3273-01
Bill No.: HB 1097
Subject: Education, Elementary and Secondary; Teachers; Retirement-Schools
Type: Original
Date: May 9, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state this proposed legislation will have no fiscal impact on their agency or on local school districts.

The **Joint Committee on Public Employee Retirement (JCP)** and states there would be no increased actuarial cost to the system for this legislative proposal. JCP has determined an actuarial study is not needed under the provisions of section 105.660 (5).

According to officials with the **Public School Retirement System (PSRS)**, this proposal creates an additional type of working after retirement classification for retirees of the PSRS. This proposed legislation will enable PSRS retirees to work in a school district between 550 and 800 hours (with a 75% earnings limit) without experiencing a loss of PSRS retirement benefits. The proposal requires employer contributions for the retired member working in this capacity. This provision will add a third classification of retirees. Currently, PSRS statutes allow retirees to work up to 550 hours (with a 50% earnings limit) without a loss of retirement benefits or up to two years, without a loss of benefits, in a critical shortage area as determined by statute requirements of districts.

This proposal will have no fiscal effect on PSRS if employer contributions are made as required in the proposed legislation.

ASSUMPTION (continued)

Officials from the **Poplar Bluff** and **Columbia School Districts** stated this proposal would have a positive impact on their districts.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mos.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mos.)	FY 2008	FY 2009
	<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.

DESCRIPTION

This proposal would allow the hiring of retired teachers to work between 550 and 800 hours as a teacher, librarian, counselor, or other position without losing their retirement benefit. Such a teacher may earn up to 75% of the regular earnings for that position. The proposal requires the district to contribute the regular contribution percentage.

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

Department of Elementary and Secondary Education
Public School Retirement System of Missouri
Joint Committee on Public Employee Retirement
School Districts
 Columbia
 Poplar Bluff

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 9, 2006