FIRST REGULAR SESSION SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 489

94TH GENERAL ASSEMBLY

Reported from the Committee on Education, April 19, 2007, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.
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AN ACT

To repeal sections 162.431, 162.720, 169.070, 169.466, 169.471, and 169.670, RSMo, and to enact in lieu thereof eight new sections relating to education.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 162.431, 162.720, 169.070, 169.466, 169.471, and

- $2-169.670,\,\mathrm{RSMo}$, are repealed and eight new sections enacted in lieu thereof, to be
- 3 known as sections 162.431, 162.720, 168.350, 169.070, 169.466, 169.471, 169.670,
- 4 and 210.205, to read as follows:
 - 162.431. 1. When it is necessary to change the boundary lines between
- 2 seven-director school districts, in each district affected, ten percent of the voters
- 3 by number of those voting for school board members in the last annual school
- 4 election in each district may petition the district boards of education in the
- 5 districts affected, regardless of county lines, for a change in boundaries. The
- 6 question shall be submitted at the next [general municipal] election, as
 - referenced in section 115.123, RSMo.
- 8 2. The voters shall decide the question by a majority vote of those who
- 9 vote upon the question. If assent to the change is given by each of the various
- 10 districts voting, each voting separately, the boundaries are changed from that
- 11 date.
- 12 3. If one of the districts votes against the change and the other votes for
- 13 the change, the matter may be appealed to the state board of education, in
- 14 writing, within fifteen days of the submission of the question by either one of the
- 15 districts affected, or in the above event by a majority of the signers of the petition
- 16 requesting a vote on the proposal. At the first meeting of the state board
- 17 following the appeal, a board of arbitration composed of three members, none of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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whom shall be a resident of any district affected, shall be appointed. In determining whether it is necessary to change the boundary line between seven-director districts, the board of arbitration shall base its decision upon the following:

- (1) The presence of school-aged children in the affected area;
- 23 (2) The presence of actual educational harm to school-aged children, either 24 due to a significant difference in the time involved in transporting students or 25 educational deficiencies in the district which would have its boundary adversely 26 affected; and
 - (3) The presence of an educational necessity, not of a commercial benefit to landowners or to the district benefitting for the proposed boundary adjustment.
 - 4. Within twenty days after notification of appointment, the board of arbitration shall meet and consider the necessity for the proposed changes and shall decide whether the boundaries shall be changed as requested in the petition or be left unchanged, which decision shall be final. The decision by the board of arbitration shall be rendered not more than thirty days after the matter is referred to the board. The chairman of the board of arbitration shall transmit the decision to the secretary of each district affected who shall enter the same upon the records of his district and the boundaries shall thereafter be in accordance with the decision of the board of arbitration. The members of the board of arbitration shall be allowed a fee of fifty dollars each, to be paid at the time the appeal is made by the district taking the appeal or by the petitioners should they institute the appeal.
 - 5. If the board of arbitration decides that the boundaries shall be left unchanged, no new petition for the same, or substantially the same, boundary change between the same districts shall be filed until after the expiration of two years from the date of the municipal election at which the question was submitted to the voters of the districts.
- 162.720. 1. [Where a sufficient number of children are determined to be gifted and their development requires programs or services beyond the level of those ordinarily provided in regular public school programs, districts may establish special programs for such gifted children.
- 2.] Each school district shall identify which of the district's students are academically gifted as established under the rules prescribed by the department of elementary and secondary education. The department shall develop a list of identification criteria

- 9 with emphasis on early identification.
- 2. Each school district may establish special programs or
- 11 services for students who are identified as academically gifted under
- 12 subsection 1 of this section and whose development requires programs
- 13 or services beyond the level of programs ordinarily provided in regular
- 14 public school programs.
- 3. The state board of education shall determine standards or services
- 16 for such programs. Approval of such programs shall be made by the state
- 17 department of elementary and secondary education based upon project
- 18 applications submitted [by July fifteenth of each year] in a format and at a
- 19 time established by the department. Each school district shall report
- 20 annually to the department, by a date established by the department.
 - 168.350. 1. The department of elementary and secondary
 - 2 education shall develop standards for high-quality mentoring for
 - 3 beginning teachers and beginning principals no later than June 30,
 - 4 2008. The standards shall be applicable to all public schools.
- 5 2. Such standards shall be established for both of the required
- 6 years of mentoring under subsection 3 of section 168.021 and shall be
- 7 based upon, but not be limited to, the following principles:
- 8 (1) Every district shall have a teacher-driven mentor program in
- 9 collaboration with and support of the administration;
- 10 (2) Guidance and support are required for all beginning
- 11 teachers, regardless of when they enter the profession;
- 12 (3) Communication between mentors and beginning teachers is
- 13 open and confidential;
- 14 (4) Quality mentors are necessary to establish beginning
- 15 teachers' trust and respect for their colleagues and profession; and
- 16 (5) All staff members provide informal support for beginning
- 17 teachers.
- 18 3. Quality mentor programs shall include, but not be limited to,
- 19 the following:
- 20 (1) An introduction to the cultural environment of the
- 21 community and the school district;
- 22 (2) A systemic and ongoing evaluation by all stakeholders;
- 23 (3) An individualized plan for beginning teachers that aligns
- 24 with the district's goals and needs;
- 25 (4) Appropriate criteria for selecting mentors;

- 26 (5) Comprehensive mentor training;
- 27 (6) A complete list of responsibilities for the mentor, beginning teacher, and administrators; and
- 29 (7) Sufficient time for mentors to observe beginning teachers and 30 for the beginning teachers to observe master teachers.
- 4. In developing such standards, the department shall involve representatives from the state teacher organizations, administration and principal organizations, Missouri advisory council for the certification of educators as created by section 168.015, Missouri Staff Development Council, and from colleges and universities.
- 169.070. 1. The retirement allowance of a member whose age at retirement is sixty years or more and whose creditable service is five years or more, or whose sum of age and creditable service equals eighty years or more, or who has attained age fifty-five and whose creditable service is twenty-five years or more or whose creditable service is thirty years or more regardless of age, may be the sum of the following items, not to exceed one hundred percent of the member's final average salary:
- 8 (1) Two and five-tenths percent of the member's final average salary for 9 each year of membership service;
- 10 (2) Six-tenths of the amount payable for a year of membership service for 11 each year of prior service not exceeding thirty years.
- 12 In lieu of the retirement allowance otherwise provided in subdivisions (1) and (2) 13 of this subsection, a member may elect to receive a retirement allowance of:
- 14 (3) Between July 1, 1998, and July 1, [2008] 2013, two and four-tenths 15 percent of the member's final average salary for each year of membership service, 16 if the member's creditable service is twenty-nine years or more but less than 17 thirty years, and the member has not attained age fifty-five;
- 18 (4) Between July 1, 1998, and July 1, [2008] 2013, two and 19 thirty-five-hundredths percent of the member's final average salary for each year 20 of membership service, if the member's creditable service is twenty-eight years 21 or more but less than twenty-nine years, and the member has not attained age 22 fifty-five;
- (5) Between July 1, 1998, and July 1, [2008] **2013**, two and three-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-seven years or more but less than twenty-eight years, and the member has not attained age fifty-five;

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- 27 (6) Between July 1, 1998, and July 1, [2008] 2013, two and 28 twenty-five-hundredths percent of the member's final average salary for each year 29 of membership service, if the member's creditable service is twenty-six years or 30 more but less than twenty-seven years, and the member has not attained age 31 fifty-five;
- (7) Between July 1, 1998, and July 1, [2008] **2013**, two and two-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-five years or more but less than twenty-six years, and the member has not attained age fifty-five;
- 36 (8) Between July 1, 2001, and July 1, [2008] 2013, two and fifty-five 37 hundredths percent of the member's final average salary for each year of 38 membership service, if the member's creditable service is thirty-one years or more 39 regardless of age.
- 2. In lieu of the retirement allowance provided in subsection 1 of this section, a member whose age is sixty years or more on September 28, 1975, may elect to have the member's retirement allowance calculated as a sum of the following items:
- 44 (1) Sixty cents plus one and five-tenths percent of the member's final 45 average salary for each year of membership service;
- 46 (2) Six-tenths of the amount payable for a year of membership service for 47 each year of prior service not exceeding thirty years;
 - (3) Three-fourths of one percent of the sum of subdivisions (1) and (2) of this subsection for each month of attained age in excess of sixty years but not in excess of age sixty-five.
- 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this section, collectively called "option 1", a member whose creditable service is twenty-five years or more or who has attained the age of fifty-five with five or more years of creditable service may elect in the member's application for retirement to receive the actuarial equivalent of the member's retirement allowance in reduced monthly payments for life during retirement with the provision that:
 - Option 2. Upon the member's death the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member as the member shall have nominated in the member's election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be

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63 increased to the amount the retired member would be receiving had the retired 64 member elected option 1;

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Option 3. Upon the death of the member three-fourths of the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the member elected option 1;

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Option 4. Upon the death of the member one-half of the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance shall be increased to the amount the retired member would be receiving had the member elected option 1;

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Option 5. Upon the death of the member prior to the member having received one hundred twenty monthly payments of the member's reduced allowance, the remainder of the one hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the one hundred twenty monthly payments, the total of the remainder of such one hundred twenty monthly payments shall be paid to the estate of the last person to receive a monthly allowance. If the total of the one hundred twenty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum;

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Option 6. Upon the death of the member prior to the member having received sixty monthly payments of the member's reduced allowance, the remainder of the sixty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election

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of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the sixty monthly payments, the total of the remainder of such sixty monthly payments shall be paid to the estate of the last person to receive a monthly allowance. If the total of the sixty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum.

- (2) The election of an option may be made only in the application for retirement and such application must be filed prior to the date on which the retirement of the member is to be effective. If either the member or the person nominated to receive the survivorship payments dies before the effective date of retirement, the option shall not be effective, provided that:
- (a) If the member or a person retired on disability retirement dies after acquiring twenty-five or more years of creditable service or after attaining the age of fifty-five years and acquiring five or more years of creditable service and before retirement, except retirement with disability benefits, and the person named by the member as the member's beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either survivorship benefits under option 2 or a payment of the accumulated contributions of the member. If survivorship benefits under option 2 are elected and the member at the time of death would have been eligible to receive an actuarial equivalent of the member's retirement allowance, the designated beneficiary may further elect to defer the option 2 payments until the date the member would have been eligible to receive the retirement allowance provided in subsection 1 or 2 of this section;
- (b) If the member or a person retired on disability retirement dies before attaining age fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the person named as the member's beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either a payment of the member's accumulated contributions, or survivorship benefits under option 2 to begin on the date the member would first have been eligible to receive an actuarial equivalent of the member's retirement allowance, or to begin on the date the member would first have been eligible to receive the retirement allowance provided in subsection 1 or 2 of this section.
 - 4. If the total of the retirement or disability allowance paid to an

individual before the death of the individual is less than the accumulated contributions at the time of retirement, the difference shall be paid to the beneficiary of the individual, or to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the individual in that order of precedence. If an optional benefit as provided in option 2, 3 or 4 in subsection 3 of this section had been elected, and the beneficiary dies after receiving the optional benefit, and if the total retirement allowance paid to the retired individual and the beneficiary of the retired individual is less than the total of the contributions, the difference shall be paid to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the beneficiary, in that order of precedence, unless the retired individual designates a different recipient with the board at or after retirement.

- 5. If a member dies before receiving a retirement allowance, the member's accumulated contributions at the time of the death of the member shall be paid to the beneficiary of the member or, if there is no beneficiary, to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) to the estate of the member in that order of precedence; except that, no such payment shall be made if the beneficiary elects option 2 in subsection 3 of this section, unless the beneficiary dies before having received benefits pursuant to that subsection equal to the accumulated contributions of the member, in which case the amount of accumulated contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the beneficiary, in that order of precedence.
- 6. If a member ceases to be a public school employee as herein defined and certifies to the board of trustees that such cessation is permanent, or if the membership of the person is otherwise terminated, the member shall be paid the member's accumulated contributions with interest.
- 7. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, if a member ceases to be a public school employee after acquiring five or more years of membership service in Missouri, the member may at the option of the member leave the member's contributions with the retirement system and claim a retirement allowance any time after reaching the minimum age for voluntary retirement. When the member's claim is presented to the board, the member shall be granted an allowance as provided in sections 169.010 to 169.141

on the basis of the member's age, years of service, and the provisions of the law in effect at the time the member requests the member's retirement to become effective.

- 8. The retirement allowance of a member retired because of disability shall be nine-tenths of the allowance to which the member's creditable service would entitle the member if the member's age were sixty, or fifty percent of one-twelfth of the annual salary rate used in determining the member's contributions during the last school year for which the member received a year of creditable service immediately prior to the member's disability, whichever is greater, except that no such allowance shall exceed the retirement allowance to which the member would have been entitled upon retirement at age sixty if the member had continued to teach from the date of disability until age sixty at the same salary rate.
- 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be multiplied by the factor of two-thirds for any member of the system for whom federal Old Age and Survivors Insurance tax is paid from state or local tax funds on account of the member's employment entitling the person to membership in the system. The monetary benefits for a member who elected not to exercise an option to pay into the system a retroactive contribution of four percent on that part of the member's annual salary rate which was in excess of four thousand eight hundred dollars but not in excess of eight thousand four hundred dollars for each year of employment in a position covered by this system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of this section as it appears in RSMo, 1969, shall be the sum of:
- (1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for years of membership service;
- (2) For years of membership service after July 1, 1946, in which the full contribution rate was paid, full benefits under the formula in effect at the time of the member's retirement;
- (3) For years of membership service after July 1, 1957, and prior to July 1, 1961, the benefits provided in this section as it appears in RSMo, 1959; except that if the member has at least thirty years of creditable service at retirement the member shall receive the benefit payable pursuant to that section as though the member's age were sixty-five at retirement;
- (4) For years of membership service after July 1, 1961, in which the

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two-thirds contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of the member's retirement.

- 10. The monetary benefits for each other member for whom federal Old 210 Age and Survivors Insurance tax is or was paid at any time from state or local 211 funds on account of the member's employment entitling the member to 212 membership in the system shall be the sum of:
- 213 (1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for years of membership service;
- 215 (2) For years of membership service after July 1, 1946, in which the full 216 contribution rate was paid, full benefits under the formula in effect at the time 217 of the member's retirement;
- 218 (3) For years of membership service after July 1, 1957, in which the 219 two-thirds contribution rate was paid, two-thirds of the benefits under the 220 formula in effect at the time of the member's retirement.
- 221 11. Any retired member of the system who was retired prior to September 222 1, 1972, or beneficiary receiving payments under option 1 or option 2 of 223 subsection 3 of this section, as such option existed prior to September 1, 1972, 224 will be eligible to receive an increase in the retirement allowance of the member of two percent for each year, or major fraction of more than one-half of a year, 225 226 which the retired member has been retired prior to July 1, 1975. This increased 227amount shall be payable commencing with January, 1976, and shall thereafter be referred to as the member's retirement allowance. The increase provided for 228 229 in this subsection shall not affect the retired member's eligibility for compensation provided for in section 169.580 or 169.585, nor shall the amount 230 being paid pursuant to these sections be reduced because of any increases 231provided for in this section. 232
 - 12. If the board of trustees determines that the cost of living, as measured by generally accepted standards, increases two percent or more in the preceding fiscal year, the board shall increase the retirement allowances which the retired members or beneficiaries are receiving by two percent of the amount being received by the retired member or the beneficiary at the time the annual increase is granted by the board with the provision that the increases provided for in this subsection shall not become effective until the fourth January first following the member's retirement or January 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1, 2000, the increase provided for in this subsection shall not become effective until the third January first following the

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member's retirement, or in the case of any member retiring on or after July 1, 2001, the increase provided for in this subsection shall not become effective until the second January first following the member's retirement. Commencing with January 1, 1992, if the board of trustees determines that the cost of living has increased five percent or more in the preceding fiscal year, the board shall increase the retirement allowances by five percent. The total of the increases granted to a retired member or the beneficiary after December 31, 1976, may not exceed eighty percent of the retirement allowance established at retirement or as previously adjusted by other subsections. If the cost of living increases less than five percent, the board of trustees may determine the percentage of increase to be made in retirement allowances, but at no time can the increase exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired members on the following January first.

- 13. The board of trustees may reduce the amounts which have been granted as increases to a member pursuant to subsection 12 of this section if the cost of living, as determined by the board and as measured by generally accepted standards, is less than the cost of living was at the time of the first increase granted to the member; except that, the reductions shall not exceed the amount of increases which have been made to the member's allowance after December 31, 1976.
- 14. Any application for retirement shall include a sworn statement by the member certifying that the spouse of the member at the time the application was completed was aware of the application and the plan of retirement elected in the application.
- 15. Notwithstanding any other provision of law, any person retired prior to September 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of subsection 3 of this section, as such option existed prior to September 28, 1983, and whose beneficiary nominated to receive continued retirement allowance payments under the elected option dies or has died, shall upon application to the board of trustees have his or her retirement allowance increased to the amount he or she would have been receiving had the option not been elected, actuarially adjusted to recognize any excessive benefits which would have been paid to him or her up to the time of application.
- 16. Benefits paid pursuant to the provisions of the public school retirement system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except as provided pursuant to this

subsection. Notwithstanding any other law to the contrary, the board of trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United States Code. Such plan shall be created solely for the purpose described in Section 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate regulations necessary to implement the provisions of this subsection and to create and administer such benefit plan.

- 28517. Notwithstanding any other provision of law to the contrary, any 286 person retired before, on, or after May 26, 1994, shall be made, constituted, 287 appointed and employed by the board as a special consultant on the matters of 288 education, retirement and aging, and upon request shall give written or oral 289 opinions to the board in response to such requests. As compensation for such 290 duties the person shall receive an amount based on the person's years of service 291 so that the total amount received pursuant to sections 169.010 to 169.141 shall 292 be at least the minimum amounts specified in subdivisions (1) to (4) of this 293 subsection. In determining the minimum amount to be received, the amounts in 294 subdivisions (3) and (4) of this subsection shall be adjusted in accordance with the 295actuarial adjustment, if any, that was applied to the person's retirement 296 allowance. In determining the minimum amount to be received, beginning September 1, 1996, the amounts in subdivisions (1) and (2) of this subsection 297 298 shall be adjusted in accordance with the actuarial adjustment, if any, that was 299 applied to the person's retirement allowance due to election of an optional form 300 of retirement having a continued monthly payment after the person's 301 death. Notwithstanding any other provision of law to the contrary, no person retired before, on, or after May 26, 1994, and no beneficiary of such a person, 302303 shall receive a retirement benefit pursuant to sections 169.010 to 169.141 based 304 on the person's years of service less than the following amounts:
 - (1) Thirty or more years of service, one thousand two hundred dollars;
- 306 (2) At least twenty-five years but less than thirty years, one thousand 307 dollars;
- 308 (3) At least twenty years but less than twenty-five years, eight hundred 309 dollars;
- 310 (4) At least fifteen years but less than twenty years, six hundred dollars.
- 18. Notwithstanding any other provisions of law to the contrary, any person retired prior to May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant on the

matters of education, retirement or aging and upon request shall give written or oral opinions to the board in response to such requests. Beginning September 1, 1996, as compensation for such service, the member shall have added, pursuant to this subsection, to the member's monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two dollars multiplied by the member's number of years of creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased member shall as compensation for such service have added, pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two dollars multiplied by the member's number of years of creditable service. The total compensation provided by this section including the compensation provided by this subsection shall be used in calculating any future cost-of-living adjustments provided by subsection 12 of this section.

- 19. Any member who has retired prior to July 1, 1998, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties the person shall receive a payment equivalent to eight and seven-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 12 and 13 of this section for the purposes of the limit on the total amount of increases which may be received.
- 20. Any member who has retired shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such request. As compensation for such duties, the beneficiary of the retired member, or, if there is no beneficiary, the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the retired member, in that order of precedence, shall receive as a part of compensation for these duties a death benefit of five thousand dollars.
- 21. Any member who has retired prior to July 1, 1999, and the designated beneficiary of a retired member who was deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant

on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall have added, pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount equal to five dollars times the member's number of years of creditable service.

22. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall receive a payment equivalent to three and five-tenths percent of the previous month's benefit, which shall be added to the member or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 12 and 13 of this section for the purposes of the limit on the total amount of increases which may be received.

23. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall receive a dollar amount equal to three dollars times the member's number of years of creditable service, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 12 and 13 of this section for the purposes of the limit on the total amount of increases which may be received.

service at retirement receiving [a pension] retirement benefits on August 28, 1997, shall receive on January first of each year, commencing on January 1, 1998, an increase in the amount of [pension] benefits received by the retired member pursuant to sections 169.410 to 169.540 during the preceding year of one hundred percent of the increase in the consumer price index calculated in the manner provided in this section; except that, no such increase in [pension] retirement benefits shall be paid for any year if such increase in the consumer price index is less than one percent. Such annual [pension] retirement benefit increase, however, shall not exceed three percent [and the total increases in the amount of pension benefits received by any retired member shall not, in the aggregate,

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12 exceed ten percent of the pension benefits such retired member received during 13 the year preceding January first of the first year the retired member is entitled to receive an increase pursuant to this section]. A retired member qualified to 14 15 receive an annual [pension] retirement benefit increase pursuant to this section shall not be eligible to receive an additional benefit until the January first 16 17 after the first anniversary of the date on which he or she commenced receiving [a pension] retirement benefits pursuant to sections 169.410 to 18 19 169.540. Benefits shall not be decreased in the case of a decrease in the 20consumer price index for any year.

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- 21 2. For the purpose of this section, any increase in the consumer price 22index shall be determined by the board of trustees in November of each year based on the consumer price index for the twelve-month period ended on 23September thirtieth of such year over the consumer price index for the 2425twelve-month period ended on September thirtieth of the year immediately prior thereto. Any increase so determined shall be applied by the board of trustees in 26 calculating increases in [pension] retirement benefits that become payable 27 28 pursuant to this section for the twelve-month period beginning on the January first immediately following such determination. 29
- 3. An annual increase in [pension] retirement benefits, if any, shall be payable monthly with monthly installments of other [pension] retirement benefits pursuant to sections 169.410 to 169.540.
- 169.471. 1. The board of education is authorized from time to time, in its discretion, to increase the [pension] retirement benefits now or hereafter provided pursuant to sections 169.410 to 169.540 and to adopt and implement additional [pension] retirement benefits and plans, including without limitation, early retirement plans, deferred retirement option plans and cost-of-living adjustments, but excluding compensation to retired members pursuant to section 169.475, and for such purpose the contribution rate of members of the retirement system may be increased to provide part of the cost thereof, subject to the following conditions:
- 10 (1) Any such increase in [pension] retirement benefits and additional
 11 [pension] retirement benefits and plans shall be approved by the board of
 12 trustees;
- 13 (2) The board of trustees shall have presented to the board of education 14 the projected increases in rates of contribution which will be required to be made 15 by members and the board of education to the retirement system to pay the cost

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of such increases in [pension] retirement benefits and additional [pension] retirement benefits and plans; and

- (3) Any increase in the contribution rate of members of the retirement 18 19 system shall be approved by the board of trustees and shall be deducted from the compensation of each member by the employing board and transferred and 20 21credited to the individual account of each member from whose compensation the 22deduction was made, and shall be administered in accordance with sections 23169.410 to 169.540; provided that, any such increase in the members' contribution 24rate shall not exceed one-half of one percent of compensation in any year for such increases to [pension] retirement benefits and additional [pension] retirement 25benefits and plans adopted during such year by the board of education pursuant 26to this section, and all such increases in the members' contribution rate shall, in 27 the aggregate, not exceed two percent of compensation. 28
 - 2. The board of trustees is authorized from time to time, in its discretion, to increase the retirement benefits, now or hereinafter provided under sections 169.410 to 169.540, and to adopt and implement additional retirement benefits for persons who have retired, including cost-of-living adjustments, provided that the board of trustees finds the additional benefit will not require an increase in the contribution rate required by the members, will not increase the contribution required from the board of education, and is actuarially sound. In the event the board of trustees authorizes an increase under this section, it shall certify in writing to the board of education the findings, including but not limited to all actuarial assumptions, upon which the board of trustees determined that the increase in benefits would result in no increase in contributions by members or the board of education.

169.670. 1. The retirement allowance of a member whose age at retirement is sixty years or more and whose creditable service is five years or more, or whose sum of age and creditable service equals eighty years or more, or whose creditable service is thirty years or more regardless of age, shall be the sum of the following items:

- (1) For each year of membership service, one and sixty-one hundredths percent of the member's final average salary;
- 8 (2) Six-tenths of the amount payable for a year of membership service for 9 each year of prior service;
- 10 (3) Eighty-five one-hundredths of one percent of any amount by which the

- 11 member's average compensation for services rendered prior to July 1, 1973,
- 12 exceeds the average monthly compensation on which federal Social Security taxes
- 13 were paid during the period over which such average compensation was
- 14 computed, for each year of membership service credit for services rendered prior
- 15 to July 1, 1973, plus six-tenths of the amount payable for a year of membership
- 16 service for each year of prior service credit;
- 17 (4) In lieu of the retirement allowance otherwise provided by subdivisions
- 18 (1) to (3) of this subsection, between July 1, 2001, and July 1, [2008] 2013, a
- 19 member may elect to receive a retirement allowance of:
- 20 (a) One and fifty-nine hundredths percent of the member's final average
- 21 salary for each year of membership service, if the member's creditable service is
- 22 twenty-nine years or more but less than thirty years and the member has not
- 23 attained the age of fifty-five;
- 24 (b) One and fifty-seven hundredths percent of the member's final average
- 25 salary for each year of membership service, if the member's creditable service is
- 26 twenty-eight years or more but less than twenty-nine years, and the member has
- 27 not attained the age of fifty-five;
- (c) One and fifty-five hundredths percent of the member's final average
- 29 salary for each year of membership service, if the member's creditable service is
- 30 twenty-seven years or more but less than twenty-eight years and the member has
- 31 not attained the age of fifty-five;
- 32 (d) One and fifty-three hundredths percent of the member's final average
- 33 salary for each year of membership service, if the member's creditable service is
- 34 twenty-six years or more but less than twenty-seven years and the member has
- 35 not attained the age of fifty-five;
- 36 (e) One and fifty-one hundredths percent of the member's final average
- 37 salary for each year of membership service, if the member's creditable service is
- 38 twenty-five years or more but less than twenty-six years and the member has not
- 39 attained the age of fifty-five; and
- 40 (5) In addition to the retirement allowance provided in subdivisions (1)
- 41 to (3) of this subsection, a member retiring on or after July 1, 2001, whose
- 42 creditable service is thirty years or more or whose sum of age and creditable
- 43 service is eighty years or more, shall receive a temporary retirement allowance
- 44 equivalent to eight-tenths of one percent of the member's final average salary
- 45 multiplied by the member's years of service until such time as the member
- 46 reaches the minimum age for Social Security retirement benefits.

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- 2. If the board of trustees determines that the cost of living, as measured by generally accepted standards, increases five percent or more in the preceding fiscal year, the board shall increase the retirement allowances which the retired members or beneficiaries are receiving by five percent of the amount being received by the retired member or the beneficiary at the time the annual increase is granted by the board; provided that, the increase provided in this subsection shall not become effective until the fourth January first following a member's retirement or January 1, 1982, whichever occurs later, and the total of the increases granted to a retired member or the beneficiary after December 31, 1981, may not exceed eighty percent of the retirement allowance established at retirement or as previously adjusted by other provisions of law. If the cost of living increases less than five percent, the board of trustees may determine the percentage of increase to be made in retirement allowances, but at no time can the increase exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired members on the following January first.
- 3. The board of trustees may reduce the amounts which have been granted as increases to a member pursuant to subsection 2 of this section if the cost of living, as determined by the board and as measured by generally accepted standards, is less than the cost of living was at the time of the first increase granted to the member; provided that, the reductions shall not exceed the amount of increases which have been made to the member's allowance after December 31, 1981.
- 4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called "option 1", a member whose creditable service is twenty-five years or more or who has attained age fifty-five with five or more years of creditable service may elect, in the application for retirement, to receive the actuarial equivalent of the member's retirement allowance in reduced monthly payments for life during retirement with the provision that:
- Option 2. Upon the member's death, the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member as the member shall have nominated in the member's election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the member elected option 1;

83 OR

Option 3. Upon the death of the member three-fourths of the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the member elected option 1;

91 OR

Option 4. Upon the death of the member one-half of the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance shall be increased to the amount the retired member would be receiving had the member elected option 1;

99 OR

Option 5. Upon the death of the member prior to the member having received one hundred twenty monthly payments of the member's reduced allowance, the remainder of the one hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred twenty monthly payments shall be paid to the estate of the last person to receive a monthly allowance. If the total of the one hundred twenty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum;

112 OR

Option 6. Upon the death of the member prior to the member having received sixty monthly payments of the member's reduced allowance, the remainder of the sixty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the sixty monthly

payments, the reserve for the remainder of such sixty monthly payments shall be paid to the estate of the last person to receive a monthly allowance. If the total of the sixty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum;

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Option 7. A plan of variable monthly benefit payments which provides, in conjunction with the member's retirement benefits under the federal Social Security laws, level or near-level retirement benefit payments to the member for life during retirement, and if authorized, to an appropriate beneficiary designated by the member. Such a plan shall be actuarially equivalent to the retirement allowance under option 1 and shall be available for election only if established by the board of trustees under duly adopted rules.

- (2) The election of an option may be made only in the application for retirement and such application must be filed prior to the date on which the retirement of the member is to be effective. If either the member or the person nominated dies before the effective date of retirement, the option shall not be effective, provided that:
- (a) If the member or a person retired on disability retirement dies after attaining age fifty-five and acquiring five or more years of creditable service or after acquiring twenty-five or more years of creditable service and before retirement, except retirement with disability benefits, and the person named by the member as the member's beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either survivorship payments under option 2 or a payment of the member's accumulated contributions. If survivorship benefits under option 2 are elected and the member at the time of death would have been eligible to receive an actuarial equivalent of the member's retirement allowance, the designated beneficiary may further elect to defer the option 2 payments until the date the member would have been eligible to receive the retirement allowance provided in subsection 1 of this section.
- (b) If the member or a person retired on disability retirement dies before attaining age fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the person named as the beneficiary has an insurable interest in the life of the deceased member or disability retiree, the designated beneficiary may elect to receive either a payment of the person's accumulated

contributions, or survivorship benefits under option 2 to begin on the date the member would first have been eligible to receive an actuarial equivalent of the person's retirement allowance, or to begin on the date the member would first have been eligible to receive the retirement allowance provided in subsection 1 of this section.

- 5. If the total of the retirement or disability allowances paid to an individual before the person's death is less than the person's accumulated contributions at the time of the person's retirement, the difference shall be paid to the person's beneficiary or, if there is no beneficiary, to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) person's estate in that order of precedence; provided, however, that if an optional benefit, as provided in option 2, 3 or 4 in subsection 4, had been elected and the beneficiary dies after receiving the optional benefit, then, if the total retirement allowances paid to the retired individual and the individual's beneficiary are less than the total of the contributions, the difference shall be paid to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the beneficiary, in that order of precedence, unless the retired individual designates a different recipient with the board at or after retirement.
- 6. If a member dies before receiving a retirement allowance, the member's accumulated contributions at the time of the member's death shall be paid to the member's beneficiary or, if there is no beneficiary, to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) to the member's estate; provided, however, that no such payment shall be made if the beneficiary elects option 2 in subsection 4 of this section, unless the beneficiary dies before having received benefits pursuant to that subsection equal to the accumulated contributions of the member, in which case the amount of accumulated contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the (1) surviving spouse, (2) surviving children in equal shares, (3) surviving parents in equal shares, or (4) estate of the beneficiary, in that order of precedence.
- 7. If a member ceases to be an employee as defined in section 169.600 and certifies to the board of trustees that such cessation is permanent or if the person's membership is otherwise terminated, the person shall be paid the person's accumulated contributions with interest.
 - 8. Notwithstanding any provisions of sections 169.600 to 169.715 to the

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contrary, if a member ceases to be an employee as defined in section 169.600 after acquiring five or more years of creditable service, the member may, at the option of the member, leave the member's contributions with the retirement system and claim a retirement allowance any time after the member reaches the minimum age for voluntary retirement. When the member's claim is presented to the board, the member shall be granted an allowance as provided in sections 169.600 to 169.715 on the basis of the member's age and years of service.

- 9. The retirement allowance of a member retired because of disability shall be nine-tenths of the allowance to which the member's creditable service would entitle the member if the member's age were sixty.
- 10. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, any member who is a member prior to October 13, 1969, may elect to have the member's retirement allowance computed in accordance with sections 169.600 to 169.715 as they existed prior to October 13, 1969.
- 11. Any application for retirement shall include a sworn statement by the member certifying that the spouse of the member at the time the application was completed was aware of the application and the plan of retirement elected in the application.
 - 12. Notwithstanding any other provision of law, any person retired prior to August 14, 1984, who is receiving a reduced retirement allowance under option 1 or 2 of subsection 4 of this section, as the option existed prior to August 14, 1984, and whose beneficiary nominated to receive continued retirement allowance payments under the elected option dies or has died, shall upon application to the board of trustees have the person's retirement allowance increased to the amount the person would have been receiving had the person not elected the option, actuarially adjusted to recognize any excessive benefits which would have been paid to the person up to the time of the application.
 - 13. Benefits paid pursuant to the provisions of the public education employee retirement system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code, except as provided under this subsection. Notwithstanding any other law, the board of trustees may establish a benefit plan under Section 415(m) of Title 26 of the United States Code. Such plan shall be credited solely for the purpose described in Section 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate regulations necessary to implement the provisions of this subsection and to create and administer such benefit plan.

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14. Any member who has retired prior to July 1, 1999, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to seven and four-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

15. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to three and four-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

16. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to seven and one-tenth percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

210.205. 1. By September 1, 2007, the department of social services in collaboration with the departments of health and senior services, elementary and secondary education, and mental health shall develop a quality rating system for early childhood and before- and after-school programs licensed by the department of health and senior services that operate in this state. Such ratings shall be built upon Missouri's current system of licensing and regulation. The base level of the rating system shall be licensing, and the highest level of the rating system shall include accreditation by a state or nationally

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recognized accrediting agency. The department of social services shall utilize the model from the existing Missouri quality rating system pilots developed by the University of Missouri Center for Family Policy and Research, or any successor organization, to establish this system.

- 2. The quality rating system shall:
- 15 (1) Provide information for consumers and parents to evaluate 16 and select high quality programs;
- 17 (2) Create an accountability system for policymakers and those 18 who fund early childhood and before- and after-school programs;
 - (3) Guide providers through a system of ever increasing levels of quality with specific outcomes.
 - 3. By July 1, 2014, one hundred percent of all licensed facilities shall be rated using the quality rating system established under this section. The coordinating board for early childhood, established under section 210.102, shall develop a plan for a tiered system of reimbursement for child care subsidies based on the quality rating system established under this section. The plan shall be submitted to the general assembly with recommendations for implementation of the reimbursement system, to begin July 1, 2009.
 - 4. There is hereby created in the state treasury the "Quality Rating System Program Improvement Grant Fund". Within this fund there is created a first sub-account which shall consist of all gifts, donations, transfers, and bequests to the fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in this first sub-account shall not revert to the credit of the general revenue fund. There is also created a second sub-account consisting of moneys appropriated by the general assembly. Any moneys remaining in this second sub-account shall at the end of the biennium revert to the credit of the general revenue fund. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, money in the fund shall be used solely for the administration of this section to provide grants directly to licensed providers seeking assistance for quality improvements to undergo evaluation under the quality rating system established under this section or to community-based organizations assisting providers with such improvements. The fund shall be administered by the

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department of social services. The state treasurer shall invest moneys 47 48 in the fund in the same manner as other funds are invested. Any 49 interest and moneys earned on such investments shall be credited to the fund. 50

- 5. The departments of social services in collaboration with the 51 departments of health and senior services and elementary and 52 secondary education shall be responsible for: 53
 - (1) Collecting and distributing resource materials to educate the public and early childhood and before- and after-school programs in Missouri about the quality rating system established under this section;
- 57 (2) Developing and distributing educational materials, including but not limited to brochures and other media as part of a 58comprehensive public relations campaign about the useful and 59 informational system of assessing the quality of child care and early 60 61 childhood programs in Missouri; and
- (3) Posting the ratings of the quality rating system on the Internet in a format easily understood and accessible by the public by 63 January 1, 2009.
- 65 6. The department of social services shall promulgate rules to 66 implement the provisions of this section. Any rule or portion of a rule, 67 as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it 68 69 complies with and is subject to all of the provisions of chapter 536, 70 RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested 71with the general assembly pursuant to chapter 536, RSMo, to review, to 72delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking 74authority and any rule proposed or adopted after August 28, 2007, shall 75be invalid and void. 76
- 7. For purposes of this section, "early childhood program" shall 77 mean programs that are both centered and home-based and providing 78services for children from birth to kindergarten. 79
 - 8. Pursuant to section 23.253, RSMo, of the Missouri sunset act:
- (1) The provisions of the new program authorized under this section shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly; and 83

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- 84 (2) If such program is reauthorized, the program authorized 85 under this section shall automatically sunset six years after the 86 effective date of the reauthorization of this section; and
- 87 (3) This section shall terminate on September first of the 88 calendar year immediately following the calendar year in which the 89 program authorized under this section is sunset.

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