

HCS HB 1774 -- PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI

SPONSOR: Wallace

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Retirement by a vote of 6 to 0.

This substitute requires the Public School Retirement System of Missouri when calculating a member's final average salary to disregard any increase in compensation in excess of 10% from one year to the next in the final average salary period for the superintendent of schools or other certified central office personnel of a school district or 20% for any other member.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill is needed to keep members who are retiring, other than superintendents and certified central office staff, from being penalized for certain salary increases. The intent of Senate Bill 406 passed in 2007 was to keep superintendents and other central office staff from increasing their pay to benefit their retirement.

Testifying for the bill were Representatives Wallace and Lampe; Missouri State Teachers Association; Missouri National Education Association; and Missouri School Boards Association.

OPPOSERS: Those who oppose the bill say that they support reverting back to the 20% maximum annual increase that was regulated by the retirement system, and it should apply to all certificated employees.

Testifying against the bill was Missouri Council of School Administrators.

OTHERS: Others testifying on the bill say that an emergency clause would be very helpful. It will be easier to administer if everyone is at 20%.

Testifying on the bill was Public School Retirement System of Missouri.