

SECOND REGULAR SESSION

HOUSE BILL NO. 3208

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOVIS.

6943H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 169.450, RSMo, and to enact in lieu thereof one new section relating to certain public school retirement systems.

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

Section A. Section 169.450, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 169.450, to read as follows:

169.450. 1. The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of sections 169.410 to 169.540 are hereby vested in a board of trustees of thirteen persons, as follows:

(1) Four trustees to be appointed for terms of four years by the board of education; provided, however, that their terms shall be fixed so the terms of one of the trustees so appointed shall expire each year. The members of such board of trustees appointed by the board of education may be members of the board of education or other individuals deemed qualified to hold such positions by the board of education;

(2) Four trustees to be elected for terms of four years by and from the active members of the retirement system who shall hold office as trustees only while active members; provided, however, that their terms shall be fixed so that the terms of one of the trustees so elected shall expire each year; and provided further, that not more than two of such persons shall be teachers and two shall be nonteachers. For the purposes of this subsection, a school administrator shall not be eligible for the positions established pursuant to this subdivision and shall be eligible for the position established pursuant to subdivision (4) of this subsection;

(3) Two trustees, who shall be retired members, to be elected for terms of four years by and from the retired members of the retirement system; provided, however, that the terms

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 of office of the first two trustees so elected shall begin immediately upon their election and
19 shall expire two and four years from the date of their election, respectively; and provided
20 further, that not more than one of such persons shall be a teacher and one shall be a
21 nonteacher;

22 (4) One member, who shall be a school administrator, to be elected for a term of four
23 years by and from the active members of the retirement system who shall hold office as a
24 trustee only while an active member; except that, the initial term of office of such trustee shall
25 expire on December 31, 1999;

26 (5) Two trustees to be appointed for terms of four years by the Missouri Charter
27 Public School Association; provided, however, that the terms of office of the first two trustees
28 so elected shall begin immediately upon their election and shall expire two and four years
29 from the date of their election, respectively. The members of such board of trustees appointed
30 by the Missouri Charter Public School Association shall have experience or qualifications
31 relevant to public charter schools and the retirement system, and at least one such member
32 shall be a teacher. The appointment of the trustees shall be subject to the same rules and
33 regulations applicable to other trustees, including, but not limited to, taking an oath of office
34 as provided in subsection 5 of this section.

35 2. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the
36 unexpired term in the same manner as the office was previously filled. No vacancy or
37 vacancies on the board of trustees shall impair the power of the remaining trustees to
38 administer the retirement system pending the filling of such vacancies.

39 3. In the event of a lapse of a school district's corporate organization as described in
40 subsections 1 and 4 of section 162.081, or for any other reason, the general administration and
41 the responsibility for the proper operation of the retirement system shall continue to be fully
42 vested in the trustees then currently serving and such trustees shall continue to serve and be
43 elected in the same manner as set forth in this statute as if no lapse had occurred, except that
44 in the event of vacancies occurring in the office of trustees appointed by the board of
45 education prior to the lapse, the board of trustees shall appoint a qualified person or persons to
46 fill such vacancy or vacancies for terms of up to four years.

47 4. Trustees shall serve without compensation, and any trustee shall be reimbursed
48 from the expense fund for all necessary expenses which the trustee may incur through service
49 on the board of trustees.

50 5. Each trustee shall, within ten days after such trustee's appointment or election, take
51 an oath of office before the clerk of the circuit court of the judicial circuit in which the school
52 district is located that, so far as it devolves upon the trustee, the trustee will diligently and
53 honestly administer the affairs of the board of trustees and that the trustee will not knowingly
54 violate or willingly permit to be violated any of the provisions of the law applicable to the

55 retirement system. Such oath shall be subscribed to by the trustee making it and filed in the
56 office of the clerk of the circuit court.

57 6. The circuit court of the judicial circuit in which the school district is located shall
58 have jurisdiction over the members of the board of trustees to require them to account for
59 their official conduct in the management and disposition of the funds and property committed
60 to their charge; to order, decree and compel payment by them to the public school retirement
61 system of their school district of all sums of money, and of the value of all property which
62 may have been improperly retained by them, or transferred to others, or which may have been
63 lost or wasted by any violation of their duties or abuse of their powers as such members of
64 such board; to remove any such member upon proof that the trustee has abused the trustee's
65 trust or has violated the duties of the trustee's office; to restrain and prevent any alienation or
66 disposition of property of such public school retirement system by the members, in cases
67 where it may be threatened, or there is good reason to apprehend that it is intended to be made
68 in fraud of the rights and interests of such public school retirement system. The jurisdiction
69 conferred by sections 169.410 to 169.540 shall be exercised as in ordinary cases upon
70 petition, filed by the board of education of such school district, or by any two members of the
71 board of trustees. Such petition shall be heard in a summary manner after ten days' notice in
72 writing to the member complained of, and an appeal shall lie from the judgment of the circuit
73 court as in other causes and be speedily determined, but such appeal shall not operate under
74 any condition as a supersedeas of a judgment of removal from office.

75 7. Each trustee shall be entitled to one vote in the board of trustees. ~~[Six votes shall be~~
76 ~~necessary for a decision by the trustees at any meeting of the board of trustees.]~~ **Seven**
77 **members of the board of trustees shall constitute a quorum for the transaction of**
78 **business. Any action or decision of the board of trustees may be approved by a majority**
79 **vote of the board members who attend a duly called meeting at which a quorum is**
80 **present.**

81 8. Subject to the limitations of sections 169.410 to 169.540, the board of trustees
82 shall, from time to time, establish rules and regulations for the administration of the
83 retirement system, for eligibility for and determination of benefits under the retirement
84 system, for the investment of retirement system assets, and for the transaction of the
85 retirement system's business.

86 9. The board of trustees shall elect from its membership a chairman and shall, by
87 majority vote of its members, appoint a secretary, who may be, but need not be, one of its
88 members. It shall engage such actuarial and other services as shall be required to transact the
89 business of the retirement system. It shall also engage an investment counselor who shall be
90 experienced in the investment of moneys to advise the trustees on investments of the
91 retirement system. The compensation of all persons engaged by the board of trustees and all

92 other expenses of the board necessary for the operation of the retirement system shall be paid
93 at such rates and in such amounts as the board of trustees shall approve.

94 10. The board of trustees shall keep in convenient form such data as shall be
95 necessary for actuarial valuations of the assets of the retirement system and for checking the
96 experience of the system.

97 11. The board of trustees shall keep a record of all its proceedings which shall be
98 open to public inspection. It shall prepare annually and send to the board of education and to
99 each member of the retirement system a report showing the fiscal transactions of the
100 retirement system for the preceding fiscal year, a detailed listing of all salaries and
101 expenditures incurred by the trustees for its operation, the amount of the accumulated cash
102 and securities of the system, and the last balance sheet showing the financial condition of the
103 system by means of an actuarial valuation of the assets and liabilities of the retirement
104 system. The board of trustees shall also prepare or cause to be prepared an annual report
105 concerning the operation of the retirement system herein provided for, which report shall be
106 sent by the chairman of the board of trustees to the board of education.

107 12. The board of trustees shall arrange for necessary legal advice for the operation of
108 the retirement system.

109 13. The board of trustees shall designate a medical board to be composed of three
110 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to
111 169.540, who shall arrange for and pass upon all medical examinations required pursuant to
112 the provisions of sections 169.410 to 169.540, shall investigate all essential statements and
113 certificates made by or on behalf of a member in connection with an application for disability
114 retirement and shall report in writing to the board of trustees its conclusions and
115 recommendations upon all matters referred to it.

116 14. The actuary shall be the technical adviser of the board of trustees on matters
117 regarding the operation of the system created by sections 169.410 to 169.540 and shall
118 perform such other duties as are required in connection therewith. Such person shall be
119 qualified as an actuary by membership as a fellow in the Society of Actuaries or by objective
120 standards which are no less stringent than those established by the Society of Actuaries.

121 15. At least once in each five-year period the actuary shall make an investigation into
122 the actuarial experience of the retirement system, and taking into account the results of such
123 investigation of the experience, the board of trustees shall adopt for the retirement system
124 such actuarial assumptions as shall be deemed necessary.

125 16. On the basis of such actuarial assumptions as the board of trustees shall adopt, the
126 actuary shall make an annual valuation of the assets and liabilities of the funds of the
127 retirement system.

128 17. On the basis of the valuation the board of trustees shall certify the rates of
129 contribution payable by the board of education.

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