

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3598-02
Bill No.: SB 714
Subject: Auditor, State; Retirement - Local Government; Retirement - Schools; Retirement - State; Retirement Systems and Benefits - General
Type: Original
Date: February 17, 2010

Bill Summary: Allows the State Auditor to audit any state or local public employees retirement systems.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **MoDOT & Patrol Employees Retirement System** assume there will be no fiscal impact to their agency.

Officials from **Local Government Employees' Retirement System** assume this proposal may be a duplicative cost to Missouri Citizens. In complying with Section 70.615.18 RSMo., the Board of Trustees receives an annual audit within 4 months of the fiscal year-end at a cost of approximately \$42,500. Any additional audits of the same period would be duplicative cost to Missouri citizens. The amount of the duplicative cost would be contingent upon the frequency of audits and hours committed to the project.

Officials from the **County Employees' Retirement System** assume there will be no fiscal impact to their agency.

Officials from the **Department of Conservation and Department of Labor and Industrial Relations** assume there will be no fiscal impact to their agency.

Officials from the **Missouri State Employees Retirement System** assume this proposal would, if enacted, allow the state auditor to audit public employee retirement plans in the state of Missouri once every three years.

This proposal carries no fiscal impact to their agency.

Officials from the **Public School Retirement System (PSRS/PEERs)** assume in complying with Section 169.020 RSMo., the Board of Trustees receives an annual audit within 4 months of the fiscal year-end at a cost of approximately \$51,400. While PSRS/PEERs does not object to any review of their systems and has always cooperated fully with the State Auditor's Office, their members, the media and the public, any additional audits of the same period would be duplicative in nature and result in duplicative cost to the Missouri teachers and school districts. The amount of the duplicative cost would be contingent upon the frequency of audits and hours committed to the project.

This proposal would have no material fiscal impact on the systems.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

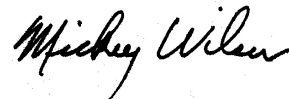
FISCAL DESCRIPTION

The proposed legislation appears to have no 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
MoDOT & Patrol Employees' Retirement System
Local Government Employees Retirement System
County Employees Retirement System
Department of Conservation
Department of Labor and Industrial Relations
Missouri Highway Patrol
Missouri State Employees Retirement System
Public School Retirement System



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Director
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