



## Legislative Update - Halftime Report 2015 MRTA ISSUES OF IMPORTANCE

*It is HALFTIME in the Missouri Legislative Session for 2015 as the Legislature goes on Spring Break, March 23<sup>rd</sup> thru March 30<sup>th</sup>. Updates on our 2015 Issues of Importance are below. Please stay tuned as things will heat up. Watch for "CALL TO ACTION" in your email inbox! Session ends May 15<sup>th</sup>.*

**PRIORITY - MRTA supports full funding of the Foundation Formula and opposes the use of public tax dollars for private schools.** The Missouri Constitution mandates adequate funding of K-12 education through HB 2 which requires education funding as the second priority of state expenditures. The Public School Foundation Formula is currently underfunded by at least \$650 million. This is particularly troublesome for rural schools and inner city schools because a high percentage of their funding comes from the state.

**UPDATE –** *The Missouri House of Representatives third read and finally passed the 2015-2016 budget sending it to the Senate. The House has increased funding for K-12 by only \$84 million which is about \$600 million short of full funding of the Foundation Formula. Also, this increase leaves the formula level about \$5 million short of the amount needed to eliminate the shift of funds next year when HB 1689 (2014) will eliminate the proration of payments to non-formula districts. Most school districts will see cuts. Ask your Senator to fully fund public education as they will be working on the budget after spring break.*

**PRIORITY - MRTA opposes SB 94 (Emery), HB 484 (Koenig), and HB 485 (Koenig). SB 94 (Emery) and HB 484 (Koenig)** puts state legislators into a 401(k) retirement plan; and **HB 485 (Koenig)** establishes a hybrid retirement plan and requires all new members of the plan to participate in the Defined Contribution Plan (DC) for state employees and elected officials who become employed on or after January 1, 2016. MRTA opposes any 401(k) (DC) plans for Missouri public employees including the Legislature. This is a slippery slope that leads to educators being put into a 401(k).

**UPDATE –** *MRTA testified in opposition to each of these bills at their committee hearings. These pieces of legislation have not moved as of the writing of this update. I believe MRTA has had an effect on killing these bills so far.*

**PRIORITY – MRTA supports HB 478 (Fitzwater) and SB 219 (Wallingford).** This legislation reinstates the 2.55 factor for educators after 31 years of service. This legislation is a net GAIN for the PSRS/PEERS systems and will help retain good educators in the classroom.

MRTA, a 501(c)(4) not-for-profit corporation, is a grassroots advocacy association with 23,500 members. MRTA is independent, nonpartisan, and does not endorse political candidates.

**UPDATE** – MRTA testified in favor of these bills at their committee hearings. HB 478 was voted out of committee and is now on the House Calendar for debate. We anticipate trouble in the Senate as it was rumored that former Senators Crowell and Lamping were walking the halls in opposition. Please ask your Senator to support HB 478 and SB 219 as this provision will help retain quality educators for Missouri children.

**PRIORITY – MRTA supports HB 1008 (Mitten) a Cost-of-Living Adjustment (COLA) for the Saint Louis City retirees who have not had a COLA for 9 years.** This is an issue of fairness in the fact that PSRS/PEERS retirees have an automatic COLA written into Missouri Law. Saint Louis City retirees have lost approximately 20% of their buying power in the last 8 years. **The Kansas City System retirees have not had a COLA in 6 years.** We call on the Legislature to persuade the Kansas City School System and the PSRS of Kansas City, the Saint Louis School District and the PSRS of STL to grant a COLA increase in 2015 to current retirees.

**UPDATE** – This bill was requested by MRTA and has not been assigned to committee yet. The Saint Louis School District opposes HB 1008 and has been working against it. The St. Louis City System is well funded at 85% prefunded.

At the same time, the Saint Louis School District has asked for HB 1205 (Leara) to be filed on the last day of filing in the House. HB 1205 cuts pension benefits for St. Louis City active teachers while asking them to pay more out-of-pocket. This is an insult to public school educators statewide. MRTA strongly opposes HB 1205 and any reduction of benefits. Watch for a “CALL TO ACTION” if the bill moves.

**PRIORITY - MRTA opposes SB 27 (Emery) a version of Amendment 3 which was defeated by 77% of the vote of the people November 4, 2014.** SB 27 reduces local control of school districts by requiring educator evaluations and salaries to be based on student performance. SB 27 requires school report cards and eliminates tenure.

**UPDATE -** The MRTA Unit in Vernon County has been instrumental in stopping this legislation. Senator Emery, the bill's sponsor, is their Senator. They have published a letter to the Editor written by Walter Cochran all over the Senator's district with facts on the defeat of Amendment 3. SB 27 mirrors Amendment 3. They also held a very well attended Legislative Forum with the Senator in attendance. This resulted in four articles on the subject being printed where, in latest one, the Senator says the bill will not move this year. A great job and a great example for all of us by Vernon Co. RTA. They have proven the **WORLD IS RUN BY THOSE WHO SHOW UP!**

**NOTE:** HB 1085 and HB 1086 (below) were requested as reforms needed per the many comments and requests of MRTA members over the past 12 years. Special THANKS to Representative Mike Lair for introducing these two bills for us. HB 1085 and HB 1086 were voted “do pass” by the House Retirement Committee on March 18, 2015.

**PRIORITY – MRTA supports HB 1085 (Lair)** which requires that any education retiree who is employed by a third party or is performing work as an independent contractor as a temporary or long-term substitute teacher be required to comply with the statutory working after retirement requirements of 50% salary and 550 hours.

*“Our PSRS/PEERS system is being shortchanged as more and more school districts circumvent the 550 hour law by using Employment Agencies instead of hiring a new educator who then pays into the system. If we have to live by the 550 hour law they should too.” Jim Kreider, MRTA Director*

**PRIORITY - MRTA supports HB 1086 which allows for any retiree that selects a Joint-and-Survivor benefit option** and has a subsequent divorce be allowed to adjust to a Single Life benefit upon receipt of the application.

- o This will only occur if the divorce decree provides for sole retention of their retirement benefits.
- o Retroactive benefits are not payable.
- o The divorce must occur on or after September 1, 2015.

**UPDATE – HB 1085 and HB 1086 were heard in committee on March 17<sup>th</sup>.** MRTA testified at length in favor of the bills. We are pleased to report that the PSRS/PEERS Board of Trustees voted to support these two bills with PSRS/PEERS Director Yoakum testifying in favor. MSTA and MNEA also testified in favor. It is our hope that these reform bills will move quickly following spring break.

***Please stay tuned!***