

The **Association** report

from the **Capitol**

April 30, 2009

As the '09 legislative session winds down, an issue that keeps resurfacing in the capitol is the sluggish economy and the resulting effect on state spending.

One of the first things to be eliminated was a small state employee pay raise that had been recommended. Even with federal stimulus money on the horizon, Missouri lawmakers have been reluctant to move forward with anything but the most conservative spending proposals. Along with this “no spending” attitude, the house proposed last week to use some of the federal stimulus money for a tax refund for state residents. Still other capitol observers have said legislative leaders and the governor are trying to save these federal dollars for the 2011 fiscal year which many say could find the state in even more dire financial straits.

State employee retirement systems are feeling the pinch too. A retirement systems authority said that recent economic conditions have driven the MPERS system downward to a position of being less than 40% funded.

Rep. Charlie Schlottach said much attention in the coming months will be focused on correcting the situation at MPERS.

Rep. Schlottach, who is a member of the MPERS board, said they had recently requested the governor appoint a special task force to look for possible solutions to the financial plight of MPERS.

During the current legislative session, Rep. Schlottach introduced HB 347 which was designed to save money for MPERS by disallowing the use of overtime pay when calculating a retirement annuity.

He added that the bill is dead for the current session.

“I don’t plan to go back to it,” Rep. Schlottach said. “And I have no plans to try to amend it to something else that is moving.”

**From Harry Hill, Lobbyist
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