

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6355-01  
Bill No.: HB 2105  
Subject: State Employees  
Type: Original  
Date: April 25, 2014

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Bill Summary: This proposal increases the allowable monthly amount to be credited to each participant's state employee deferred compensation account from \$75 to \$100.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$2,081,083)	(\$2,497,300)	(\$2,497,300)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$2,081,083)</b>	<b>(\$2,497,300)</b>	<b>(\$2,497,300)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Other State Funds	(\$1,807,950)	(\$2,169,540)	(\$2,169,540)
Highway Fund	(\$270,050)	(\$324,060)	(\$324,060)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$2,078,000)</b>	<b>(\$2,493,600)</b>	<b>(\$2,493,600)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Federal Funds	(\$1,161,583)	(\$1,393,900)	(\$1,393,900)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$1,161,583)</b>	<b>(\$1,393,900)</b>	<b>(\$1,393,900)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Treasurer** assume the current proposal would not fiscally impact their agency.

Officials from the **Missouri State Employees Retirement System** state that employer contributions to the Deferred Compensation Incentive Plan were suspended in March 2010 and no state contributions have been made to the incentive plan since that time. This proposal would have no fiscal impact unless Deferred Compensation Incentive Plan contributions are reinstated and the related appropriations allow for contributions exceeding \$75 per month.

**Oversight** assumes this proposal increases the deferred compensation incentive plan match by the state to employees. This change will cost the State of Missouri approximately \$6,384,800 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Costs</u> - Increase in employer contribution to the Deferred Compensation Plan	<u>(\$2,081,083)</u>	<u>(\$2,497,300)</u>	<u>(\$2,497,300)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$2,081,083)</u></b>	<b><u>(\$2,497,300)</u></b>	<b><u>(\$2,497,300)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Costs</u> - Increase in employer contribution to the Deferred Compensation Plan	<u>(\$1,161,583)</u>	<u>(\$1,393,900)</u>	<u>(\$1,393,900)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$1,161,583)</u></b>	<b><u>(\$1,393,900)</u></b>	<b><u>(\$1,393,900)</u></b>
<b>HIGHWAY FUND</b>			
<u>Costs</u> - Increase in employer contribution to the Deferred Compensation Plan	<u>(\$270,050)</u>	<u>(\$324,060)</u>	<u>(\$324,060)</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>(\$270,050)</u></b>	<b><u>(\$324,060)</u></b>	<b><u>(\$324,060)</u></b>
<b>OTHER STATE FUNDS</b>			
<u>Costs</u> - Increase in employer contribution to the Deferred Compensation Plan	<u>(\$1,807,950)</u>	<u>(\$2,169,540)</u>	<u>(\$2,169,540)</u>
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b><u>(\$1,807,950)</u></b>	<b><u>(\$2,169,540)</u></b>	<b><u>(\$2,169,540)</u></b>
 <b>FISCAL IMPACT - Local Government</b>			
	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal changes, from up to \$75 to up to \$100, the monthly amount that the state can match a contribution from a qualified participant in the State Employee Deferred Compensation Program if it does not exceed the amount appropriated by the General Assembly for each participant.

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

Missouri State Employees Retirement System  
Office of the State Treasurer



Mickey Wilson, CPA  
Director  
April 30, 2014

Ross Strobe  
Assistant Director  
April 30, 2014