GOVERNOR OF MISSOURI

JEFFERSON CITY
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JEREMIAH W. (JAY) NIXON
GOVERNOR

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July 7, 2015

TO THE SECRETARY OF THE STATE OF THE STATE OF MISSOURI

Herewith I return to you House Bill No. 629 entitled:

AN ACT

To repeal sections 86.1270, 86.1630, 169.291, and 169.450, RSMo, and to enact in lieu thereof four new sections relating to retirement systems.

I disapprove of House Bill No. 629. My reasons for disapproval are as follows:

House Bill No. 629 makes changes to the law relating to three public employee retirement systems. These changes include two problems that will impact the Board of Trustees of the Public School Retirement System of St. Louis including the absurd requirement that a teacher or administrator from a Kansas City charter school serve on the board. Given the important role that the Board of Trustees of the Public School Retirement System of St. Louis plays in overseeing the pensions of thousands of retired teachers and employees and over 900 million dollars in assets, I cannot approve House Bill No. 629.

The Public School Retirement System of St. Louis is governed by an eleven member board of trustees. That board is responsible for managing assets of approximately $937 million. The board oversees the retirement and disability benefits of approximately 4,689 retired teachers and employees and 4,880 active teachers and employees of the St. Louis Public Schools District and a number of charter schools located in the St. Louis Public Schools District.

Currently, five of the trustees are elected by a vote of employee members. Four of those positions are dedicated to teachers and nonteachers and, under a separate provision, a trustee position is slotted for a school administrator. House Bill No. 629 would provide that, beginning in 2016, one of the teacher/nonteacher slots would be filled by "a person employed as a teacher or administrator at a charter school, as 'charter school' is defined in section 169.270…." The term "charter school" as defined in section 169.270 refers to charter

schools in Kansas City. [1] As a result of this misdirected definitional reference, House Bill No. 629 would require the members of the Public School Retirement System of St. Louis to elect a charter school teacher or administrator from Kansas City to serve on their board. While presumably unintended, the consequence of this language is clear and cannot become law.

House Bill No. 629 would also result in a conflict between the current composition of the board and the composition required by the statute. House Bill No. 629 eliminates the requirement that "nonteachers" be represented on the board, by changing the board's composition from requiring two "nonteachers" to "not more than one." There are presently two elected members on the board who are "nonteachers" and their terms continue through December 2017 and December 2018, respectively. The limitation of "not more than one" nonteacher would be effective August 28, 2015, prior to the end of those elected board members' terms. House Bill No. 629 makes no provision for reducing the number of elected "nonteachers" serving on the board and would result in an illegally constituted board of trustees for more than two years.

It is important to note that charter school teachers are already eligible for election to the Board of Trustees of the Public School Retirement System of St. Louis. My action today does nothing to prevent them from being elected and serving on the Board.

In accordance with the above stated reasons for disapproval, I am returning House Bill No. 629 without my approval.

Respectfully submitted,

Jeremiah W. (Jay) Nixon
Governor

[1] Specifically, section 169.270 defines charter school as, "any school established pursuant to sections 160.400 to 160.420 *and located, at the time it is established, within the school district.*" (emphasis added) "School district" is defined as "any school district in which a retirement system shall be established under section 169.280." §169.270 (22) RSMo. Section 169.280, RSMo includes a demographic description that applies to Kansas City and excludes the City of St. Louis.